Administrators' Statement of Proposals and SIP16 letter

Blue Motor Finance Limited
(in Administration) (the “Company”)

Joint Administrators’ Statement of Proposals

Pursuant to paragraph 49 of schedule B1 to the Insolvency Act 1986

Date of delivery of proposals to creditors 5 August 2026

Joint Administrators’ Statement of Proposals

This document, including its appendices, constitutes the Joint Administrators’ Statement of Proposals to creditors pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016.

It provides details of the Joint Administrators’ strategy and the proposed future conduct of the Administration.

Should you wish to discuss any aspect of this report, please contact my colleague, Laura Jones, by emailing BMFadministration@uk.ey.com.

Abbreviations

The following abbreviations are used in this report:

Abbreviation	Definition
Act	Insolvency Act 1986
Administration	The administration of the Company pursuant to Part II and Schedule B1 of the Act.
AMA	Accelerated Mergers and Acquisition process
bn	Billion
Cabot	CS Capital Partners IV L.P. and Cabot Square Capital LLP
CDDA	Company Directors Disqualification Act 1986
the Company	Blue Motor Finance Limited
CVL	Creditors’ Voluntary Liquidation
Directors	Samuel Robert Jones; Stuart John Williams; Simon Barrow; Ali Riaz Chaudhry; Douglas Michael Grantham; Deirdre Bernadette McManus; Natalie Louise Mansfield
DPP	Deferred purchase price
EY	Ernst & Young LLP
FCA	Financial Conduct Authority
FCA Consultation	FCA consultation on the Motor Finance Consumer Redress Scheme issued on 7 October 2025
FCA Scheme	FCA’s final policy statement on 30 March 2026
FF Facilities	Forward flow facilities with Julian Hodge Bank Limited and Shawbrook Bank
Funders	Providers of funding to the Company, including historical warehouse funding, public asset-backed secured lending, and the forward flow facilities
fTSA	Forward Transitional Services Agreement
Group	Blue Motor Finance group of companies
Hodge	Julian Hodge Bank Limited
Hodge Facility	Forward flow facility with Julian Hodge Bank Limited
Joint Administrators	Simon Edel, Alan Hudson and Richard Barker
k	Thousand
m	Million

Management	Blue Motor Finance Limited's management team
LTO	Licence to Occupy
NPL	Non-Performing Loans
the Proposals	the Joint Administrators' Statement of Proposals
the Purchaser	Hodge MF Limited
Redress Liability	Estimated liability to consumers arising from FCA Motor Finance Consumer Redress Scheme
rTSA	Reverse Transitional Services Agreement
the Rules	The Insolvency (England and Wales) Rules 2016
Shawbrook	Shawbrook Bank
Shawbrook Facility	Forward flow facility with Shawbrook Bank
the SIP16 Statement	Report to creditors in accordance with Statement of Insolvency Practice No. 9
SIP2	Statement of Insolvency Practice No. 2
SM	Slaughter and May
SPV	Special Purpose Vehicle
Transaction	Sale of the Company's business and certain assets to Hodge MF Limited
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2026

Contents

1. Executive Summary

1.1 What is Blue Motor Finance Limited?

The Company is a UK-based motor finance lender authorised and regulated by the FCA. The *Blue Motor Finance* business operated as an originator of hire-purchase loans through a network of intermediaries, brokers, and dealers. As such, consumers would directly borrow money through *Blue Motor Finance* for the purchase of used motor vehicles.

1.2 What are the Proposals and why are they relevant to me?

Blue Motor Finance Limited has been placed into Administration, a UK insolvency procedure, with its business and certain assets sold as part of a pre-packaged Administration sale. The Administration proceedings are conducted by individuals known as the Joint Administrators, who are licensed insolvency practitioners and act as Officers of the Court.

In line with the relevant insolvency legislation, the Joint Administrators are issuing these Proposals to provide all known potential creditors with an overview of the Administration proceedings, the strategy being adopted by the Joint Administrators to achieve the best available outcome for creditors as a whole, and the expected outcome for creditors.

The Proposals are subject to the agreement of creditors (as set out in Section 3.5) and therefore it is imperative that you, as a recipient, review this document in full and seek any advice where appropriate. Should you have any questions regarding the content of this document, please do not hesitate to contact a member of the Joint Administrators' team by emailing BMFadministration@uk.ey.com.

The Proposals are being issued using a 'deemed consent' procedure in accordance with the relevant insolvency legislation (per the Act and the Rules). Unless 10% in value of creditors seek a formal vote (a 'decision procedure'), the Proposals will be approved. Certain aspects of the Administration, for example, the fees of the Joint Administrators, cannot be decided using a deemed consent procedure. Creditors will therefore be contacted separately regarding the voting process to be used in relation to the Joint Administrators' fee resolutions.

1.3 What happens if the Proposals are not approved?

Should the Proposals not be approved, creditors will be requested to present their views on an alternative Administration strategy and the Proposals may be modified with the Joint Administrators' consent and approval. Failing that, it is likely that the Company would be placed into Compulsory Liquidation (an alternative insolvency procedure under UK law).

It is the Joint Administrators' view, and as set out within this document, that the proposed Administration strategy is likely to generate a significantly better return for creditors than if the Company was placed into Compulsory Liquidation.

The Joint Administrators are unable to advise you on whether you should vote to approve the Proposals. As stated above, you may wish to seek legal and/or professional advice (as appropriate) if you are unsure of your options.

1.4 Key Messages

Included below is a summary of the key messages for creditors. This summary should be read in conjunction with the full content of the Proposals, including the SIP16 Statement in Appendix E.

Topic	Commentary
Introduction and Background *(Sections 2.1 and 2.2)*	The Company entered Administration on 30 July 2026, with Simon Edel, Alan Hudson and Richard Barker appointed as Joint Administrators. This document sets out their proposals to creditors in accordance with the Act and the Rules. The Company was an FCA-regulated motor finance lender and servicer, servicing around 135,000 loan agreements immediately prior to administration, under a funding model primarily supported by third party forward flow facilities. Despite a successful operational restructuring in early 2025, its position became unsustainable following the loss of funding capacity under certain forward flow facilities and a significant increase in its estimated Redress Liability following the announcement of the FCA Scheme. As a result, the Directors faced increasing solvency concerns and funding constraints, leading to an accelerated sale process and the appointment of the Joint Administrators.
Pre-packaged sale of the business and certain assets *(Sections 3.2.1)*	On 30 July 2026, immediately after their appointment commenced, the Joint Administrators completed a sale of the business and the majority of the Company's assets to the Purchaser. As a result of the Transaction, the business is continuing to trade and operate under new ownership with all employees transferred to the Purchaser under the provisions of TUPE. Full details of the marketing process undertaken and offers received for the business are outlined in the SIP16 Statement attached at Appendix E. If creditors also hold an existing loan with the Company, they do not need to take any further steps and should continue to make payments as normal.
Transitional Services Agreements *(Section 3.2.2)*	To support the orderly transition and stabilisation of the origination and servicing platform, the rTSA has been entered into between the Company, the Joint Administrators and the Purchaser for an initial term of 12 months with an option to extend for up to 12 months by the Company in its sole and absolute discretion. Under the rTSA, the Purchaser will provide loan servicing activities to the Company, and the Company has been in discussions with the Funders to negotiate separate arrangements for the payment of ongoing servicing fees for the provision of such loan servicing activities to the relevant Funders to ensure that the arrangement does not adversely affect the Company's creditors. For the most part, it was not possible for the Purchaser to put replacement supplier arrangements in place before completion of the Transaction, and so the fTSA has been agreed to facilitate the continued use of goods or services provided by third party suppliers (subject to their consent) on a temporary basis while new contracts are entered into or assigned/transferred. All supplier costs and other expenses arising under the fTSA (plus a margin) are being met in full by

	the Purchaser, ensuring there is no cost to, or loss suffered by, the Company's estate.
Realisation of other assets *(Section 3.2.4)*	The Joint Administrators expect to realise additional value for creditors from certain assets that were excluded from the Transaction, including; non-performing loans, deferred purchase price assets, principal notes, and other debtor and prepayment balances. While the timing and value of these recoveries remain uncertain, the Joint Administrators are actively pursuing all available recoveries and anticipate further realisations for the benefit of creditors.
Approval of the Proposals *(Section 3.5)*	As there is expected to be a distribution to non-preferential creditors, the Joint Administrators are seeking creditors' approval of the Proposals by deemed consent. Further details of the deemed consent process and any action required from creditors are set out in the accompanying notice.
Invitation to establish a Creditors' Committee *(Section 3.6)*	The Joint Administrators are also required to invite creditors to establish a Creditors' Committee (comprising between three and five consenting creditors). If formed, the committee represents the interests of creditors as a whole and assists the Joint Administrators in areas such as; remuneration, certain expenses and specified unpaid pre-administration costs, as well as providing a forum for creditor engagement and oversight.
Purpose and Future Conduct of the Administration *(Section 3.7)*	The Joint Administrators will continue to manage the Administration with the objective of achieving a better outcome for creditors than would be likely in a winding up. This will be achieved via: overseeing post-sale arrangements, realising remaining assets, managing tax and regulatory matters, and dealing with creditor claims. They will also undertake all necessary statutory, reporting and distribution activities, seek any required extensions to the Administration, and ultimately bring the Administration to an appropriate conclusion.
End of the Administration *(Section 3.8)*	The Joint Administrators may seek an extension to the Administration if required and, where advantageous, may apply to Court for permission to make distributions to non-preferential creditors during the Administration, in which case the Company would be dissolved following completion of the process. If distributions cannot be completed during the Administration, the Company is likely to move into CVL at its conclusion, with Simon Edel and Richard Barker proposed as Liquidators, although creditors retain the right to nominate an alternative licensed insolvency practitioner before the Proposals are approved.
Dividend Prospects *(Section 4)*	The Directors have not yet submitted a Statement of Affairs, given the limited time which has passed since the commencement of the Administration. Therefore, this report includes an indication of the current estimated position with

	regards to creditors' claims and dividend prospects. Please note these figures have not been subject to independent review or statutory audit and are subject to change as matters progress. **Primary Preferential Creditors**: There are no primary preferential creditor claims given that the employees of the Company have transferred to the Purchaser under TUPE legislation. **Secondary Preferential Creditors**: Claims from HMRC in relation to PAYE and employees' National Insurance Contributions are expected to total c.£363k and be paid in full. **Non-Preferential, Unsecured Creditors**: Whilst the value of non-preferential claims is highly uncertain, it is expected that a distribution will be paid to this class of creditors, inclusive of valid redress claims. During the Administration, we will work to establish the level of claims (via a claims adjudication process), once the applicability and terms of the FCA Scheme has been clarified by the FCA and the Court. Further updates will be provided in the Joint Administrators' first six monthly progress report.
Administrators' remuneration and Expenses *(Section 6)*	In the event that a Creditors' Committee is not formed, the Joint Administrators propose that their remuneration is fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Administration, in accordance with the fee estimate dated 3 August 2026 which is being circulated to creditors at the same time as these Proposals.
Pre-Administration Costs *(Section 7)*	The Joint Administrators are seeking separate creditor approval, pursuant to Rule 3.52 of the Rules, for unpaid pre-administration costs incurred by EY and external legal advisers in preparing for the Transaction and Administration appointment. These costs relate to the accelerated sale process, transaction structuring and negotiations, regulatory engagement, employee and TUPE planning, legal documentation, and implementation planning, all of which were undertaken to facilitate an orderly transition into Administration and maximise value for creditors.

2. Introduction, background and circumstances giving rise to the appointment

2.1 Introduction

On 30 July 2026, the Company entered Administration and Simon Edel, Alan Hudson and Richard Barker were appointed to act as the "**Joint Administrators**". The appointment was made by the Company's Directors under the provisions of paragraph 22 of the Insolvency Act 1986 (the "**Act**"). As licensed Insolvency Practitioners, the Joint Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the Administration.

This document, including its appendices, constitutes the Joint Administrators' Statement of Proposals (the "**Proposals**") to creditors pursuant to paragraph 49 of the Act and Rule 3.35 of the Insolvency (England and Wales) Rules 2016 (the "**Rules**").

Certain statutory information relating to the Company and the appointment of the Joint Administrators is provided at Appendix A.

2.2 Background

The Company is part of the Blue Motor Finance group of companies (the "**Group**") and is regulated by the FCA under registration number 737682. The Company had 168 employees as at the date of our appointment, and principally operated from an office in Sevenoaks, Kent.

The Company was originally incorporated in 1992 as Park Asset Finance Limited, but ceased new lending in 2008 with a sale of its historical delinquent loan book to Bluestone Capital Management in 2014. That same year, the Company was acquired by CS Capital Partners IV L.P and re-launched under the 'Blue Motor' brand, resuming lending operations and embarking on a period of significant growth.

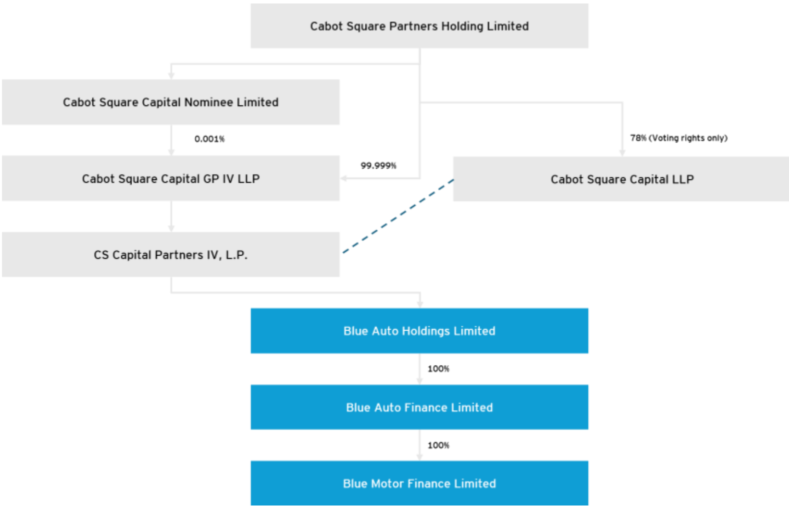
The Group was focused on providing point-of-sale hire purchase agreements to near-prime consumers, with a network of over 2,500 partner dealers and brokers across the UK. Since its re-launch in 2014, the Group has originated c.358k of loan agreements (with a quantum of over £3.2bn).

The Group had developed a proprietary technology and data platform aimed at enhancing the operating model; including risk assessment, pricing, and collections processes. This, coupled with a dedicated sales team of 50 individuals, provided the Group with a competitive advantage against its competitors. As at the date of our appointment, the Group was servicing c.135k individual loan agreements.

The Company's funding model has evolved over time, with a shift away from historical warehouse funding (provided through securitisation special purpose vehicles) to off-balance sheet forward flow facilities, with annual commitments from the forward flow funders to buy (or fund the purchase of) assets on an ongoing basis in the future rather than as a one-off purchase. References to "**Funders**" include the historical warehouse funding, public asset-backed secured lending, and forward flow facilities.

The two primary forward flow facilities were held with Julian Hodge Bank Limited ("**Hodge**") (the "**Hodge Facility**") and Shawbrook Bank ("**Shawbrook**") (the "**Shawbrook Facility**") (together with the Hodge Facility, the "**FF Facilities**") and this model meant that the Company had transitioned into purely a loan origination and servicing role. To note, the nature of the FF Facilities meant that Hodge and Shawbrook acquired the beneficial interest in the underlying loans at the point of origination, however legal title and responsibility for servicing the loans remained with the Company.

A summary group structure chart, as at the date of our appointment is presented below. The Company's ultimate beneficial owners are CS Capital Partners IV L.P. and Cabot Square Capital LLP (together, "**Cabot**").



Source: Management information and publicly available information from Companies House

2.3 Financial Information

The Group's summary financial performance for the last five years ended December 2025 is shown below. The statutory accounts presented below are those of Blue Auto Holdings Limited, which files annual consolidated financial statements. Please note that whilst Blue Motor Finance Limited is the Group's sole trading entity, the consolidated financial statements also historically included certain assets and liabilities of the SPVs.

For the year ending 31 December 2025, the financial information presented has been provided by Management for the Company as a distinct legal entity (rather than as a consolidated Group).

Period *year or period ended*	Type audited/draft	Turnover £000	Operating profit £000	Operating profit %	Directors' remuneration £000	Net profit after tax £000	Total equity £000
31 Dec 2025	Management Account (unaudited)[1]	25,325	2,754	10.9%	Unknown	(5,600)	27,491
31 Dec 2024	Statutory Accounts	39,728	(8,698)	(21.9)%	1,340	(23,034)	32,787
31 Dec 2023	Statutory Accounts	48,719	17,232	35.4%	1,451	(8,500)	51,006
31 Dec 2022	Statutory Accounts	52,226	19,841	38.0%	1,582	8,937	59,506
31 Dec 2021	Statutory Accounts	34,901	12,202	35.0%	1,448	160	50,569

1: 2025 statutory accounts were not finalised prior to Administration. Therefore, the 2025 financial information presented is based on management information available to the Joint Administrators. To note, due to the nature of the financial information for FY25, a breakdown of directors' remuneration was not readily available.

2.4 Circumstances giving rise to the appointment of the Joint Administrators

2.4.1 Ongoing Business Restructuring

Following several years of losses, the Company's management team ("**Management**") successfully completed a restructuring programme in Q1 2025, which restored the Company to profitability as of Q1 2026 with trading at origination volumes of c.£45m in March 2026. This restructuring focused on rationalising the acquisition channels (i.e., the categories of parties who provided the Company with customers), which entailed switching off low efficiency, higher risk and low growth potential channels. This resulted in lower losses, lower commissions to the dealers, and a significantly lower staff cost with a 30% reduction in headcount. A significant reduction in expenses, coupled with a move to a sole FF Facility funding strategy, and a sale of the back book portfolio led to the repayment of c.£37m of corporate debt in 2025. This repayment of the corporate debt further strengthened the Company's profitability, as it carried a high interest rate.

In January 2026, the Company received notice that the Shawbrook Facility was unable to accept further loan originations (i.e., would not continue to provide funding for new loans issued to customers). To allow origination volumes to continue on their expected growth trajectory, the Company was therefore required to increase the number of future originations sold to the Hodge Facility. However, the Company approached the capacity of the Hodge Facility in late April 2026 due to the increased volume, which threatened the ability of the Company to originate sufficient (new) loans and therefore the future cash generation of the business. The Company was seeking an additional forward flow provider at the time to alleviate this pressure, but a potential redress liability (as detailed below) limited the Company's ability to onboard a new facility.

2.4.2 Motor Finance Redress

On 7 October 2025, the FCA published its consultation on its proposed Motor Finance Consumer Redress Scheme (the "**FCA Consultation**"), aimed at delivering an industry-wide redress scheme for historical motor finance commission arrangements and compensating motor finance customers who the FCA considers were treated unfairly. This stems from the FCA's concerns, following a detailed assessment, that there were widespread or regular failures to disclose information about discretionary commission arrangements, high commission arrangements, and contractual ties with certain counterparties, and motor finance customers have lost out as a result. Accordingly, the FCA considered a redress scheme was desirable as a means of ensuring consistency, defined timeframes and an orderly approach to the delivery of potential redress across the sector.

While customers may have been entitled to bring claims against the Company even if the FCA had not decided to launch a redress scheme (based on recent Court decisions), it was only in October 2025, after considering its anticipated liability for redress payments to customers (the "**Redress Liability**") which would have crystallised under the terms of the draft redress scheme as proposed in the FCA Consultation, that the Company concluded that it needed to provision for a Redress Liability.

At that stage, the Company estimated that on a worst-case basis, it could face liabilities of between £50m to £70m, however, it provisioned £10.3m on the basis that it was challenging certain provisions within the draft scheme. Any redress payments were expected to be made to customers during the period from July 2026 to June 2028. The Company, like others in the sector, engaged in discussions with and made representations to the FCA on the overall structure and rules of the Motor Finance Consumer Redress Scheme being proposed in the FCA Consultation, including but not limited to, the appropriate level of redress.

The FCA published its final policy statement on 30 March 2026 (the "**FCA Scheme**"). The Company then recalculated its revised Redress Liability to be approximately c.£55m to £65m and assessed its options in light of this increased liability estimate.

It is noted that four parties (namely: Consumer Voice Limited – represented by Courmacs Legal, Volkswagen Financial Services (UK) Limited, Mercedes-Benz Financial Services UK

Limited and CA Auto Finance UK Limited – Credit Agricole Auto Finance) in the motor finance sector are seeking to challenge the FCA Scheme on various legal grounds. The Upper Tribunal has confirmed that it will hear the legal challenges to the FCA Scheme on 14 to 18 December 2026 or 16 to 26 February 2027, and judgment will likely only be given some time after this. The outcome of such a challenge will therefore not be known for some time and therefore it remains uncertain to what extent (if any) such a challenge will impact the FCA Scheme. However, in the interim period, the Tribunal has suspended parts of the FCA Scheme. Critically, this includes the requirement to calculate and pay any redress compensation under the FCA Scheme timetable until the outcome of the legal challenges have been determined by the Tribunal.

2.4.3 Liquidity issues resulting in the Administration

In order to obtain financing under the FF Facilities, the Company was wholly reliant on achieving certain levels of origination. The FF Facilities also required the Company's Directors to make various representations and warranties as to the solvency status of the Company. Given the financial impact of the FCA Scheme on the Company's balance sheet and associated uncertainty, it became difficult for the Directors to continue to make such representations.

Ultimately, Hodge agreed to a rolling waiver of certain provisions of the Hodge Facility, and agreed to make sufficient additional financing available in order to allow the Company to run an accelerated sale process until 30 April 2026 (as explained in Appendix E). The sale process led by EY sought to establish, among other things, (i) Cabot's ability and/or willingness to provide further financial support to the Company, and (ii) the level of third-party interest in providing additional financing to the Company and/or acquiring the Company, its business or its assets.

Following completion of the accelerated sales process on 30 April 2026, it was concluded that the offer received from the Purchaser (a subsidiary of Hodge) was the best offer available in the interests of the Company's creditors and other stakeholders as a whole given the financial position of the Company.

On 29 July 2026, the Directors of the Company held a board meeting and passed a resolution to place the Company into Administration. The following morning, a notice of intention to appoint administrators was filed at the Court, which was duly sealed by the Court that same day, as a result of which the Joint Administrators were formally appointed. Completion of the Transaction then took place very shortly thereafter.

3. Purpose, conduct and end of Administration

3.1 Purpose of the Administration

Pursuant to paragraph 3 of Schedule B1 to the Act, the purpose of an Administration is to achieve one of three objectives:

a) To rescue the company as a going concern, or

b) To achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or

c) To realise property in order to make a distribution to one or more secured or preferential creditors.

Insolvency legislation provides that objective (a) should be pursued unless it is not reasonably practicable to do so or if objective (b) would achieve a better result for the company's creditors as a whole. Objective (c) may only be pursued if it is not reasonably practicable to achieve either objective (a) or (b) and can be pursued without unnecessarily harming the interests of the creditors of the company as a whole.

During the accelerated sales process, it became apparent that there were no third parties able to provide additional funding (to support payment of the Redress Liability) within the time available or purchase the shares of the Company as part of a solvent transaction. On this basis, it was considered that objective (a), to rescue the Company as a going concern, could not be achieved.

Accordingly, the Joint Administrators are pursuing objective (b), as the pre-packaged sale of the Company's business and certain assets is the best available outcome for the Company's creditors as a whole with future assets to realise and transitional services to be provided to the Purchaser and the Funders.

3.2 Conduct of the Administration

3.2.1 Pre-packaged sale of the business and or assets

On 30 July 2026, the Joint Administrators completed the Transaction for total consideration of £15m. The Company had 168 employees, all of which were transferred to the Purchaser under the provisions of TUPE.

Full details of the marketing process undertaken and offers received for the business are outlined in the SIP16 Statement attached at Appendix E.

3.2.2 Transitional Services Agreements

Servicing of the Funders' backbook loan portfolios

The Company was required under certain of its financing facilities with the Funders to have a standby servicing agent as part of its standard contingency plan and Lenvi has been appointed in such capacity. However, the contingency plan envisaged that Lenvi would have access to the Company's staff and data to enable the servicing activities. The context of this Administration, with the Transaction and transfer of the Company's business to the Purchaser on appointment, coupled with inherent time constraints, meant that Lenvi would be unable to 'step-in' and replace the Company as the servicer.

As such, and in order to facilitate the orderly transition and stabilisation of the origination and servicing platform, a Reverse Transitional Services Agreement ("**rTSA**") has been put in place between the Company, the Joint Administrators (acting as agents of the Company and without personal liability) and the Purchaser on 30 July 2026 for an initial term of 12 months. The rTSA enables the provision of loan servicing activities for the backbook loan portfolios (i.e., handling collections from consumers) by the Purchaser to the Company.

In turn, the Company intends to enter into new servicing agreements (overriding certain terms of the existing servicing agreements) with the majority of the Funders for payment of ongoing servicing fees. In addition, the new servicing agreements eliminate the risk of Administration expense claims crystallising (which would reduce funds available for the general body of creditors) in respect of breaches or termination of those agreements in due course.

The continuation of servicing activities under the rTSA mitigated significant disruption for consumers, minimised loss for the Funders, and will result in an overall better outcome for the Company's creditors.

As part of the rTSA, the Purchaser has committed to providing assistance to the Joint Administrators in access to records, people and technology to realise the remaining assets in the Company as well as assist for the calculation of redress claims (as appropriate).

Continuation of third-party goods and services

Owing to the fact that it was generally not possible for the Purchaser to agree new contractual arrangements with suppliers prior to the date of the Transaction, a Forward Transitional Services Agreement ("**fTSA**") has been entered into with the Purchaser for an initial period of up to 3 months (with a right for the Purchaser to further extend each service by up to a further 3 months pending new arrangements being agreed by the Purchaser for those services) to facilitate (subject in each case to the consent of those suppliers) the continued usage of goods or services provided by the suppliers for a limited period of time whilst the Purchaser makes the necessary arrangements to assign, transfer or agree new contracts. The costs being incurred by the Company in respect of these suppliers, as well as other costs associated with facilitating the fTSA and a margin on costs incurred, are being paid for in full by the Purchaser to ensure that there is no loss to the Company's estate.

3.2.3 Principal benefits of the Transaction

The principal benefits of the Transaction can be summarised as follows:

- The receipt of sales proceeds totalling £15m arising from the realisation of the '*Blue Motor Finance*' brand, which would not have been possible outside of the pre-packaged sale mechanism;
- The ability to save 168 jobs through the TUPE of those employees to the Purchaser, which also eliminated the crystallisation of primary preferential claims in respect of unpaid wages and accrued holiday pay, as well as potential non-preferential creditor claims (estimated at c.£700k) for redundancy pay and payment in lieu of notice;
- The retention of key corporate knowledge and the provision of assistance (through the rTSA and fTSA mechanisms) from relevant employees for ongoing asset realisations and claim adjudication processes; and
- The expected mitigation of material breach of contract claims from the Funders due to the continuation of loan servicing activities under the rTSA.

3.2.4 Other asset realisations not included in the sale agreement

The Transaction only included certain assets in the perimeter and accordingly, a number of assets are available to be realised by the Joint Administrators as set out below.

Cash at bank

The Company's unrestricted bank accounts held balances totalling £1,698,150.90 as at the date of appointment. The Joint Administrators took control of these accounts upon appointment and outgoing payments were frozen, other than those approved by the Joint Administrators.

The Company also has a number of restricted bank accounts which it controls for the purposes of servicing the backbook loan portfolios for the Funders. To note, these are not assets of the estate as they are subject to various Declaration of Trust agreements.

Customers should continue to service their loans in the normal way and pay into these customer collection accounts without interruption. The Purchaser will be in contact directly with affected customers in this regard.

Non-performing loans

The Company holds c.£51.7m of non-performing loans on its balance sheet.

Prior to its insolvency, the Company initiated a sales process to dispose of its non-performing loan book. The process was subsequently paused in April 2026 whilst the wider accelerated sales process was being progressed. This process will be re-commenced during the Administration to realise value in these loans for the benefit of creditors.

Deferred purchase price assets

The Company is entitled to a deferred purchase price ("**DPP**") due under the terms of the FF Facilities, which, in the normal course, is collected over time as the underlying loan books amortise. As such, the amounts due are inherently uncertain as they are impacted by default rates and other factors / criteria outside of the Company's control.

The Joint Administrators are engaging with the Funders to understand the balance of the DPP due by facility, the expected timing of further payments to the Company in respect of accrued DPP, and potential settlement of future amounts which will become due in the fullness of time.

Principal Notes

The Company also holds principal notes with a value of £95k in respect of an active public securitisation facility. The Joint Administrators are hopeful that these can be realised during the Administration, although the timing and quantum of any realisation is uncertain.

Other debtors and Prepayments

The Company has a balance of c.£1.4m on its balance sheet in respect of certain debtor balances and prepayments of operating expenses in the ordinary course.

It is expected that certain of these prepayments will be paid for by the Purchaser as part of continued use of third-party services in the fTSA. For the remaining balances, the Joint Administrators are in the process of reviewing the Company's financial records and taking steps to contact the relevant third parties to recover these amounts. A further update will be provided in the Joint Administrators' future six-monthly progress reports.

3.3 Leasehold property

As part of the Transaction, the Company, the Joint Administrators and the Purchaser entered into four separate license to occupy ("**LTO**") agreements in relation to the Company's leasehold premises. The Company only holds two leasehold properties; although the main trading location (being Darenth House, 84 Main Road, Sundridge, Kent, TN14 6ER) is held under three separate leases. The Company also holds a lease for office space at 75 King William Street.

License fee payments will be made in advance by the Purchaser on a monthly basis. The first payment of £77,271.07 (inclusive of VAT) was received on completion of the Transaction in respect of the period 30 July 2026 to 31 August 2026.

3.4 Administrators' receipts and payments

A summary of the Administrators' receipts and payments for the period from 30 July 2026 to 3 August 2026 is attached at Appendix D.

3.5 Approval of the Proposals

As there will be a return to non-preferential, unsecured creditors and accordingly, pursuant to Paragraph 51 of the Act and Rules 3.38, 15.7 and 15.8 of the Rules the Joint Administrators are seeking approval of their Proposals by deemed consent procedure. Further details of the arrangements and any steps to be taken by creditors are given in the formal notice of deemed consent delivered to creditors with these Proposals.

3.6 Invitation to establish a Creditors' Committee

The Rules require that whenever a decision is sought from creditors, they must also be invited to establish a Creditors' Committee, if a committee is not already in existence. For a committee to be formed, at least three creditors (with a maximum of five creditors) must be willing to serve on the committee and they must give their consent in writing.

The Creditors' Committee represents the interests of the creditors as a whole, rather than the interests of certain parties or individuals. Its statutory function is to help us to discharge our responsibilities as Joint Administrators. If a Creditors' Committee is formed, it is for that body to:

- Fix the Joint Administrators' basis of remuneration as set out in the fees estimate;
- Authorise the Joint Administrators to draw Category 2 expenses in accordance with the statement of expenses; and
- Approve the payment of unpaid pre-administration costs which were incurred with a view to the Company entering Administration, as disclosed in the Joint Administrators' statement of expenses and Proposals.

3.7 Future conduct of the Administration

The Joint Administrators will continue to deal with the Administration in line with the stated objectives, namely to achieve a better result the Company's creditors as a whole than likely if the Company was wound up (without first being in Administration).

Future tasks will include, but are not limited to, the following:

- Setting up the operational capability for the fTSA (suppliers) and rTSA (customer servicing) with the Purchaser and ensuring that necessary reporting lines and oversight is in place;

- Ensuring that all the Funders have signed Deeds of Override in order to ensure sufficient cost coverage for servicing activities within the Administration and eliminating the risk of crystallising Administration expense claims;

- Ensuring oversight of the monitoring, reconciliation, and release of funds within the restricted bank accounts in accordance with the terms of the rTSA;

- Ensuring that all necessary reporting and invoicing to the Funders is occurring on schedule;

- Dealing with post-sale matters including managing the licence fee payment for the LTOs, and dealing with landlord queries;

- Realising value from assets not included in the sale, including, but not limited to, the non-performing loan portfolio, debtor balances and cash to maximise funds available for distribution to creditors;

- Investigating the extent of any other assets held by the Company and realising such assets, if applicable;

- Dealing with employee related matters including enquiries regarding their transfer under TUPE;
- Carrying out investigative procedures, including investigating the conduct of the Company's Directors leading up to the Joint Administrators' appointment in accordance with the requirements of SIP2 and the CDDA, in order to identify any potential matters requiring further investigation or potential recovery actions for the benefit of creditors;
- Submitting a confidential report to the Insolvency Service on the conduct of each person who has acted as a director of the Company;
- Reviewing the Company's tax affairs and dealing with corporation tax, VAT and other direct matters, including filing statutory returns;
- Reviewing and adjudicating preferential claims (as applicable);
- Distributing amounts to the preferential creditors of the Company (as applicable);
- If required, obtain legal advice on Redress creditor claims and the operation of the FCA Scheme in an insolvency context;
- Liaising with the FCA regarding the options for the calculation of the Redress liability claims and the most efficient and cost-effective way to determine each claim;
- Reviewing and adjudicating non-preferential claims once the method for calculation of the Redress creditor claims has been determined;
- Distributing amounts to the non-preferential creditors of the Company, which would require an application to Court in terms of paragraph 65(3)(b) of the Act;
- Dealing with non-preferential creditor queries;
- Dealing with statutory reporting and compliance obligations;
- If the Joint Administrators deem it is appropriate, seeking an extension or further extensions of the Administration from creditors and/or Court;
- Finalising the Administration, including the payment of Administration expenses and liabilities;
- Maintaining Administration bank accounts, including bank reconciliation and processing receipts and payments;
- At the end of the Administration to seek a discharge order from the Court pursuant to paragraph 98 of Schedule B1 to Act;
- If appropriate, take steps to place the Company into CVL; and
- Any other actions required to be undertaken by the Joint Administrators to fulfil the purpose of the Administration.

3.8 The end of the Administration

If required to enable the Joint Administrators to complete their work to achieve the objective of the Administration, they may seek an extension to the period of the Administration, beyond the statutory period of one year, by consent of the general body of creditors for the Company or by an order of the Court.

The Joint Administrators may seek to apply to Court for permission to make distributions to the non-preferential creditors during the Administration if considered more advantageous for creditors. In this event, the Administration will end via dissolution.

On registration of the notice the Joint Administrators' appointment will come to an end. In accordance with the provisions of paragraph 84(6) of the Act the Company will be deemed to be dissolved three months after the registration of the notice.

If it is not possible to distribute all available funds to creditors either during the Administration or before the end of the Administration, it is proposed that, at the end of the Administration, the Company will move straight into Creditors' Voluntary Liquidation ("**CVL**") upon filing with the Registrar of Companies of a notice pursuant to paragraph 83 of the Act.

1. It is proposed that the Liquidators will be Simon Edel and Richard Barker of EY and that any act required or authorised under any enactment to be done by the Liquidators may be done by either or all of them.

2. In accordance with paragraph 83(7) of the Act and Rule 3.60(6)(b) of the Rules, creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of these proposals and before the Proposals are approved. It should be noted in this regard that a person must be authorised to act as an Insolvency Practitioner in order to be appointed as Liquidator.

4. Statement of Affairs

The Directors have not yet submitted a Statement of Affairs of the Company given the limited time which has passed since the Joint Administrators were appointed.

In the absence of a Statement of Affairs, we attach at Appendix B an estimate of the Company's financial position as at 30 July 2026 together with a list of creditors including, as far as is currently known, their names, addresses, amounts owed and details of any security held

We provide below, for information, an indication of the current position with regard to creditors' claims. The figures have been compiled by Management and have not been subject to independent review or statutory audit.

4.1 Secured creditors

There is currently one fixed charge registered against the Company at the Registrar of Companies (registration 0273 8187 0142), in favour of Citibank N.A., London Branch, in connection with a historic facility in respect of which Morgan Stanley & Co. International PLC is a noteholder.

The Joint Administrators are in the process of undertaking a review of this security to determine the nature and extent of any amounts that may be secured by the charge, if any. There may be sufficient coverage (i.e., value) in the underlying collateral such that the charge on the Company is not enforced.

A further update will be provided in the Joint Administrators' first six monthly progress report.

4.2 Primary preferential creditors

There are no primary preferential creditor claims given that the employees of the Company have transferred to the Purchaser under TUPE legislation.

4.3 Secondary preferential creditors

Claims from HMRC, in relation to PAYE and employees' National Insurance Contributions rank preferentially, but secondary to the employee primary preferential creditors above. These claims are referred to as 'secondary preferential creditors'.

We estimate the amount of secondary preferential claims at the date of our appointment to be c.£363k. This is subject to receiving a proof of debt form from HMRC.

At the present time, we anticipate that secondary preferential creditors will receive a distribution, and they are expected to be paid in full, however, the timing of any distribution is currently uncertain.

4.4 Non-preferential creditors

The Company's books and records estimate that total non-preferential claims will be in the region of £57.5m to 67.5m. This is broken down into:

- General non-preferential creditors of c.£2.2m;
- Intercompany non-preferential creditors of c.£0.3m; and
- Non-preferential redress creditors in the region of c.£55m to c.£65m.

The figures shown above have been taken from the Company's books and records, and as such, do not take into account any further '*contingent'* claims, debts, or liabilities arising from the Company's insolvency. As such, there may be further non-preferential claims which may arise, although the value of any such claims are inherently uncertain and cannot be estimated with any accuracy.

Based on current estimates, we anticipate that it will be likely that there will be a distribution to non-preferential creditors. The timing and quantum of this expected distribution is currently uncertain.

4.5 Investigations

If you wish to bring to our attention any matters which you believe to be relevant to the Joint Administrators' investigation into the way in which the business was conducted, please do so by emailing BMFadministration@uk.ey.com.

5. Prescribed part

The prescribed part is a proportion of floating charge assets set aside for unsecured (non-preferential) creditors pursuant to section 176A of the Act. The prescribed part applies to floating charges created on or after 15 September 2003.

As noted in the *Statement of Affairs* section and Appendix B of this report, no floating charge security ranks in respect of the Company. Consequently, section 176A of the Act does not apply to this Administration and there is no prescribed part to be set aside for unsecured (non-preferential) creditors.

6. Administrators' remuneration and expenses and payments to other professionals

6.1 Remuneration

The statutory provisions relating to remuneration are set out in Chapter 4, Part 18 of the Rules. Further information is given in the Association of Business Recovery Professionals' publication '*A Creditors' Guide to Administrators' Fees*', a copy of which may be accessed from the website of the Institute of Chartered Accountants in England and Wales at https://www.icaew.com/regulation/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides or is available in hard copy upon written request to the Joint Administrators.

In the event that a Creditors' Committee is not formed, the Joint Administrators propose that their remuneration is fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Administration, in accordance with the fees estimate dated 3 August 2026 which is being circulated to creditors at the same time as these Proposals.

6.2 Expenses

Expenses are any payments from the Administration which are neither the Joint Administrator's remuneration nor a distribution to a creditor or a member. Expenses also include disbursements which are met by and reimbursed to the Joint Administrators from the Administration. Expenses fall into two categories: Category 1 and Category 2. The fees estimate and statement of expenses dated 3 August 2026 includes details of the Category 1 and 2 expenses which are expected to be incurred.

Category 1 expenses are payments to independent third parties where there is expenditure directly referable to the Administration. Category 1 expenses can be drawn without prior approval.

Category 2 expenses are directly referable to the Administration but not to a payment to an independent third party. They may include an element of shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis. Category 2 expenses require approval in the same manner as remuneration. In the event that a Creditors' Committee is not formed, the Joint Administrators propose that they are permitted to charge Category 2 expenses in accordance with the statement of expenses included in the fees estimate dated 3 August 2026.

6.3 Payments to other professionals

The Joint Administrators, to date, have engaged the following other professionals to assist them. They were chosen on the basis of their experience in similar assignments and/or their specialist knowledge of the market.

Name of firm	Nature of service
Slaughter and May LLP ("**SM**")	Legal advisors
Aon UK Limited	Insurance brokers

SM will be paid on a time cost basis. No payments have been paid to either party by the Company in administration at the date of these Proposals.

7. Pre-administration costs

7.1 Pre-administration costs

The Joint Administrators are seeking approval for payment of unpaid pre-administration costs totalling £444,580.00 plus VAT. The payment of unpaid pre-administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules, and not part of the Proposals subject to approval under paragraph 53 of the Act. This means that they must be approved separately from the Proposals.

A breakdown of the total pre-administration costs incurred and amounts paid pre-administration (if any) is attached at Appendix D. Further information is provided below.

In the event that a creditors' meeting is not requisitioned and a Creditors' Committee is not formed, the Joint Administrators will seek to have the unpaid pre-administration remuneration approved by the general body of creditors.

7.2 Joint Administrators' pre-appointment costs

EY was engaged initially in October 2025 to review the Company's Redress Liability, with its mandate expanded in January 2026 to explore funding and sale options.

Following the publication of the FCA Scheme on 30 March 2026, which confirmed a material funding shortfall, EY was engaged in April 2026 to run an accelerated sale process and undertake contingency planning for a potential insolvency appointment.

During the initial three phases of work referenced above, EY have raised invoices totalling £245k (net of VAT), with all of which have been paid in full. This work was performed on a fixed fee basis.

Since then, we have been working on a time and materials basis. Further information on the fee position is included below.

The pre-administration work performed by the Joint Administrators in anticipation of the Transaction and the wider Administration appointment, which remains unpaid and that the Joint Administrators are seeking approval for, relates to the following:

- Assessing and negotiating the offers received from the Purchaser and other interested parties during the AMA process;
- Negotiating and structuring the Transaction mechanics with the Purchaser, including reviewing and commenting on the various legal documentation (i.e., sale agreement, rTSA, fTSA and LTO);
- Assessing the tax implications arising from the Transaction, including capital gains tax and VAT;
- Leading the negotiation, design and implementation planning of the rTSA and fTSA, including defining the scope of services, commercial terms and operational framework required to ensure continuity of critical business functions and preserve value for creditors;
- Finalising the relevant appointment documents including the Joint Administrators' consents to act, statements of prior professional relationships, and notice of appointment;
- Liaising with the FCA regarding the Transaction and approval for entry into Administration;

- Undertaking detailed employee planning in advance of the Transaction, including preparing for the transfer of employees under TUPE, supporting Management in communications planning, and ensuring compliance with relevant employment legislation to facilitate an orderly transition;

- Planning for media and press communications, as well as designing a day-one communications cascade for all stakeholders to enable a smooth transition to the Purchaser; and

- Undertaking planning for the period immediately post-administration in order to deal with all matters effectively.

Undertaking the above work prior to their appointment enabled the Joint Administrators to implement the strategy of the Administration with minimum disruption, thereby preserving value in the Company's business and assets.

7.3 Third-party expenses

As well as the Joint Administrators' pre-appointment fees and expenses, the Joint Administrators are also seeking approval for payment of unpaid pre-administration costs to SM (see below) totalling £456,998.50. The payment of these unpaid pre-administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules and is not part of the Proposals subject to approval under paragraph 53 of the Act. This means that these costs must be approved separately from the Proposals and the Joint Administrators are seeking approval for the payment of these costs as a separate resolution at the same time as the fees estimate and statement of expenses are circulated under separate correspondence, in due course.

SM were engaged to provide legal advice in advance of the Company entering Administration, which included preparing the statutory documentation to place the Company into Administration, work performed in respect of the Transaction, review and input into key communications to stakeholders, and advising on employee matters in respect of TUPE. SM's unpaid time costs and disbursements for this work totalled £456,998.50 plus VAT in the pre-administration period.

7.4 Summary of pre-appointment costs and expenses

The breakdown attached at Appendix D sets out:

- The pre-appointment fees charged and expenses incurred by the Joint Administrators.

- The pre-appointment fees charged and expenses incurred by SM (see below).

- The fees charged (to the Joint Administrators' knowledge) by any other person qualified to act as an Insolvency Practitioner (and if more than one, by each separately).

- The expenses incurred (to the Joint Administrators' knowledge) by any other person qualified to act as an Insolvency Practitioner (and if more than one, by each separately).

Appendix A Statutory information

Company Information

Company Name:	Blue Motor Finance Limited
Registered Office Address:	c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF
Registered Number:	02738187
Trading Name:	Blue Motor Finance
Trading Address:	Darenth House, 84 Main Road, Sundridge, Kent, TN14 6ER

Details of the Joint Administrators and of their appointment

Joint Administrators:	Simon Edel, Alan Hudson and Richard Barker
Date of Appointment:	30 July 2026
By Whom Appointed:	The appointment was made by the Company's Directors
Court Reference:	CR-2026-005951

Any of the functions to be performed or powers exercisable by the Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting jointly.

Statement concerning the EU Regulation on Insolvency Proceedings

The proceedings are to which the EU Regulation as it has effect in the law of the United Kingdom does not apply.

Statement concerning a moratorium under Part A1 of the Insolvency Act 1986

No moratorium under Part A1 of the Insolvency Act 1986 was in force in relation to the Company at any time during the two-year period prior to the Company entering administration.

Share capital

Class	Authorised		Issued and fully paid	
	Number	£	Number	£
Ordinary	74,652,750	74,652,750	74,652,750	74,652,750

Directors and secretary over the past three years and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Current:				
Samuel Robert Jones	Director	16 July 2012	N/A	-
Stuart John Williams	Director	1 June 2015	N/A	-
Simon Barrow	Director	1 May 2024	N/A	-

Ali Riaz Chaudhry	Director	11 October 2024	N/A	-
Douglas Michael Grantham	Director	17 November 2025	N/A	-
Deirdre Bernadette McManus	Director	17 November 2025	N/A	-
Natalie Louise Mansfield	Director	17 November 2025	N/A	-
Resigned:				
Steve Martin Grice	Director	25 July 2022	30 August 2024	-
Naga Prashanth Tumuluri	Director	1 May 2024	6 February 2026	-
Marc Adrian Rees-Price	Director	1 May 2024	4 October 2024	-
Christopher Neil Jones	Director	1 June 2015	28 August 2024	-
Tikendra Patel	Director	21 January 2019	2 August 2024	-
Sean Piper	Director	12 June 2017	29 September 2023	-
Tarun Sharma	Director	30 September 2014	30 June 2026	

Appendix B Estimate of the Company's financial position

As noted above, a request has been made to the Directors of the Company to provide a Statement of Affairs as at the date of the Administration. The Directors have not yet submitted their Statement of Affairs for the Company given the limited time which has passed since the Joint Administrators were appointed.

As a result, the Company's balance sheet as at 30 June 2026 is provided below as an estimate of the financial position.

	£'000
Tangible assets	174
Intangible assets	473
Prefunding	(0)
Total Non-current Assets	**646**
Loan Principal - Performing	196
Loan Principal - Non Performing[2]	5,103
Deferred Premium Asset	10,788
Other Debtors and Prepayments	19,442
Cash at Bank	2,877
Restricted Cash	3,703
Warehouse Notes	(0)
Total Current Assets	**42,109**
Total Assets	**42,756**
Corporate Loan	(626)
Inter Company	(306)
Tax	(14)
Total Non-current Liabilities	**(946)**
Other Liabilities & Creditors[4]	(6,736)
Of which: General Accruals & Creditors	*(2,164)*
Provision - Other[3]	(10,869)
Total Current Liabilities	**(17,605)**
Total Liabilities	**(18,551)**
Net Assets / (Liabilities)	**24,205**

Notes:

Note 1: The book value amounts have been prepared by the Company and were prepared on a going concern basis. As the Company has entered insolvency, the realisable value of the assets and the amounts due under the liabilities are expected to be materially different. In addition, this summary takes no account of the costs of the insolvency process.

Note 2: The non-performing loan balance is net of provisions.

Note 3: The line item '*Provision – Other above*' includes the Company's £10.3m provision for the Redress Liability. As explained in Section 2.4.2, the Company has since recalculated its revised estimated Redress Liability to be approximately c.£55m to £65m. This is not reflected in the estimate of financial position given uncertainty remains over to what extent (if any) the legal challenge brought against the FCA scheme by certain market participants will have on the final Redress Liability. Despite the Net Asset position presented above, the financial impact of the revised Redress Liability on the Company's balance sheet and associated uncertainty challenged the Directors ability to make required representations and warranties of solvency under the FF Facilities. More detail can be found in Section 2.4.3.

Note 4: The Other Liabilities & Creditors line item included a £2.2m balance for general third party supplier accruals and trade creditors. As such, there may be further non-preferential claims which may arise, although the value of any such claims are inherently uncertain and cannot be estimated with any accuracy.

List of Creditors

We have set out below a list of parties or categories of parties which we understand may be creditors of the Company. These are illustrative figures and creditors are still required to submit proof of debt forms.

Name / Category	Amount £'000
Legal Fees	(781)
Advisory Fees	(212)
Financial Ombudsman Costs	(113)
3rd Party Collection Costs	(99)
Infrastructure Hosting	(87)
FCA Regulatory Fees & Levies	(84)
Churchill 3rd Party Arrears Costs	(82)
ROG Costs	(80)
Credit Searches - Equifax	(79)
Database and Report Development	(54)
Top 10 Accruals	**(1,670)**
Other Accruals	(173)
Total Accruals	**(1,843)**
Sevenoaks District Council	(105)
Equifax LTD	(56)
Everymessage Limited	(34)
HPI LTD	(32)
Mazars LLP	(22)
Grosvenor	(22)
Ald Automotive LTD	(19)
Cypro Consulting Ltd	(11)
Experian	(9)
Landmark Space	(8)
Top 10 Creditors	**(317)**
Other Creditors	(4)
Total Creditors	**(321)**
Total	**(2,164)**

Appendix C Administrators' receipts and payments account for the period from 30 July 2026 to 3 August 2026

Estimated to Realise as per Directors' Statement of Affairs[1]		Note	
£'000	**RECEIPTS**		£
	Purchase Consideration	4	15,000,000.00
	fTSA Funding – Third-party Costs	5	1,594,018.40
	fTSA Funding – Prepayments	6	52,649.36
	LTO Fees	7	77,271.07
	Funding for Accrued Wages	8	68,741.83
	Funding for Contractor Costs	9	45,768.00
	Pre-appointment Cash at Bank		1,698,150.90
	PAYMENTS		
			18,536,599.56
	Represented by:		
	Current Account		18,536,599.56
			18,536,599.56

Notes

1. The Directors' Statement of Affairs is not yet available. Receipts and payments will be aligned to the Statement of Affairs in future reporting to creditors.
2. As such, at this early stage, and whilst financial information is still being prepared, it is not possible to provide meaningful estimated to realise figures.
3. Receipts and payments are stated net of VAT.
4. This represents the sale consideration arising from the Transaction.
5. In accordance with the fTSA, the Purchaser made a payment of £1,594,018.08 to the Joint Administrators' bank account relating to third-party supplier costs, irrecoverable VAT, and other ancillary fees. This will shortly be transferred into a ringfenced account as it does not form part of the assets of the Administration estate.
6. A further payment of £52,649.36 has been paid by the Purchaser for pre-paid third party services which will be utilised by the Purchaser in accordance with the fTSA.
7. In accordance with the LTOs, the Purchaser has paid an upfront fee for the period from appointment to 31 August 2026.
8. The Purchaser has also made a payment of £68,741.83 in respect of wages and salaries already paid by the Company relating to the period from 30 July 2026 to 31 July 2026.
9. Prior to our appointment, the Company incurred and paid costs associated with the Transaction which have been reimbursed by the Purchaser.

Appendix D Statement of pre-administration costs

Statement of pre-administration costs (as at 30 July 2026)

	Joint Administrators		Other IP(s)		Details
	Remuneration £	Expenses £	Remuneration £	Expenses £	
Time costs	1,844,580.00	-	N/A	N/A	Incurred by Joint Administrators and their staff, as outlined in Section 6.
Legal fees	589,261.00	17,737.50	N/A	N/A	Time costs and disbursements (a fee note for advice received from King's Counsel) incurred by SM.
Total costs incurred	**2,433,841.00**	**17,737.50**	**N/A**	**N/A**	
Paid before the Administration					
Time costs	(1,400,000.00)	-	N/A	N/A	Paid by the Company prior to the date of the Administration.
Legal fees	(150,000.00)	-	N/A	N/A	
Unpaid pre-administration costs	**883,841.00**	**17,737.50**	**N/A**	**N/A**	

**figures excluding applicable VAT*

Unpaid pre-administration costs are costs which had not been paid at the date of Administration are still outstanding and are subject to approval under Rule 3.52 of the Rules.

Unpaid pre-administration costs are not part of the proposals subject to approval under paragraph 53 of Schedule B1 of the Act. This means that they must be approved separately from the proposals. Further information on the way in which approval will be sought for unpaid pre-administration costs is set out in section 6 of this document.

Appendix E Detailed Explanation of Pre-Pack Transaction

Ernst & Young LLP
1 More London Place
London SE1 2AF

Tel: +44 20 7951 2000
Fax: +44 20 7951 1345
ey.com/parthenon

TO ALL KNOWN CREDITORS

03 August 2026

Ref: FR/SE/CC/LJ/BMF

Email: BMFadministration@uk.ey.com

Dear Sir/Madam

Blue Motor Finance Limited (in Administration) ("the Company")

Trading name: Blue Motor Finance
Principal trading address: Darenth House, 84 Main Road, Sundridge, Kent, United Kingdom, TN14 6ER

On 30 July 2026, the Company entered Administration and Alan Hudson, Richard Barker and I were appointed as Joint Administrators. The appointment was made by the Company's Directors under the provisions of Paragraph 22 of Schedule B1 to the Insolvency Act 1986 (the "**IA 1986**"). I attach formal notice of our appointment for your information.

As licensed Insolvency Practitioners, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the appointment.

What has happened to Blue Motor Finance?

The Company's former trading business, operated under the brand of '*Blue Motor Finance*', was sold to a third-party as part of a pre-packaged sale out of Administration (an English insolvency procedure). This is because the Company is insolvent and unable to continue trading.

The *Blue Motor Finance* business operated as an originator of hire-purchase loans through a network of intermediaries, brokers, and dealers. As such, consumers would directly borrow money through *Blue Motor Finance* for the purchase of used motor vehicles.

It should be noted that active loan agreements remain valid irrespective of the Company's insolvency, and as such, consumers should continue to make their mandatory loan repayments as normal.

Following several years of losses, the Company had completed a restructuring which restored the business to profitability and also eliminated historic debt (e.g., corporate loan facilities) through the sale of certain assets. However, earlier this year, the Company encountered a need for further liquidity to enable the business to continue trading and growing on its current originations (i.e., trading) trajectory.

As many consumers will be aware, last year, the Financial Conduct Authority ("**FCA**") published its consultation on its proposed Motor Finance Consumer Redress Scheme (the "**FCA Consultation**"), an industry-wide motor finance redress scheme. The final version of the FCA Scheme itself was announced in March 2026. Although the Company had already encountered liquidity challenges earlier this year prior to the final FCA Scheme being announced, the existence of a potential redress liability (which would have crystallised by virtue of the FCA Scheme) impacted the ability of the Company to seek further financing in order to continue to trade.

When it became apparent that the Company was unable to obtain the required financing, EY was engaged to assist the Company's management to consider restructuring options, including a potential sale of the Company's assets, including the business. A marketing process was undertaken, and an offer was accepted for the sale of the *Blue Motor Finance* brand, which included the transfer of the Company's workforce in its entirety, avoiding the need for redundancies.

Whilst the business has been sold, all historic liabilities remain with the Company (as the legal entity). During the Administration, the Joint Administrators' role is to realise assets for the benefit of creditors, adjudicate claims, and pay distribution(s) to creditors.

Aside from value in the *Blue Motor Finance* brand and the platform that the business trades from, the Company had limited assets capable of realisation as the main value of the business is in the introducer network. As such, the pre-packaged sale delivered a significantly better return to creditors than the alternative, which would be a cessation of trading and liquidation.

The remainder of this document sets out, in further detail, the background to the Company, the work performed prior to the Administration, and the rationale for the pre-packaged sale.

Sale of the business

On 30 July 2026, the Joint Administrators completed a sale of the Company's business and the majority of its assets to Hodge MF Limited (the "**Purchaser**") for total consideration of £15m (the "**Transaction**"). In accordance with Statement of Insolvency Practice 16 ("**SIP 16**"), a detailed explanation of the Transaction is set out below.

Background

The Company is part of the Blue Motor Finance group of companies (the "**Group**") and is regulated by the FCA under registration number 737682. The Company had 168 employees as of the date of appointment, and principally operated from an office in Sevenoaks, Kent.

The Company was originally incorporated in 1992 as Park Asset Finance Limited, but ceased new lending in 2008 with a sale of its historical delinquent loan book to Bluestone Capital Management in 2014. That same year, the Company was acquired by CS Capital Partners IV L.P and re-launched under the 'Blue Motor' brand, resuming lending operations and embarking on a period of significant growth.

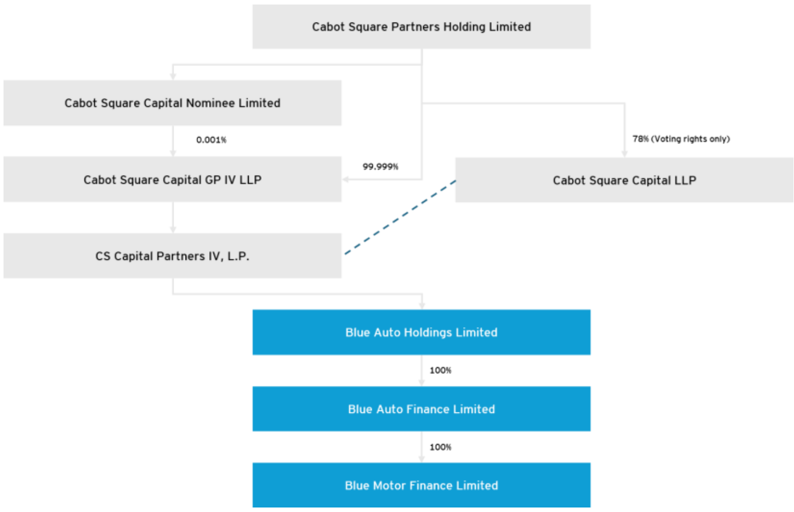
The Group was focused on providing point-of-sale hire purchase agreements to near-prime consumers, with a network of over 2,500 partner dealers and brokers across the UK. Since its re-launch in 2014, the Group has originated c.358k of loan agreements (with a quantum of over £3.2bn).

The Group had developed a proprietary technology and data platform aimed at enhancing the operating model; including risk assessment, pricing, and collections processes. This, coupled with a dedicated sales team of c.50 individuals, provided the Group with a competitive advantage against its competitors. As at the date of our appointment, the Group was servicing c.135k individual loan agreements.

The Company’s funding model has evolved over time, with a shift away from historical ‘warehouse’ funding (provided through different legal entities called securitisation special purpose vehicles) to off-balance sheet ‘forward flow’ facilities, with annual commitments from the forward flow funders (large financial institutions) to buy (or fund the purchase of) assets on an ongoing basis in the future rather than as a one-off purchase. References to “**Funders**” includes each of the facilities described above, being the historical warehouse funding, public asset-backed secured lending, and forward flow facilities.

The two primary forward flow facilities were held with Julian Hodge Bank Limited (“**Hodge**”) (the “**Hodge Facility**”) and Shawbrook Bank (“**Shawbrook**”) (the “**Shawbrook Facility**”) (together with the Hodge Facility, the “**FF Facilities**”) and this model meant that the Company had transitioned into purely a loan origination and servicing role (i.e., sourcing customers and facilitating the administrative elements – ‘servicing’ – of the loan portfolios, such as payment processing and collections). To note, the nature of the FF Facilities meant that Hodge and Shawbrook acquired the beneficial (i.e., economic) interest in the underlying loans at the point of origination (i.e., the date the loan is issued to a borrower), however legal title and responsibility for servicing the loans remained with the Company.

A summary group structure chart, as at the date of our appointment is presented below. The Company’s ultimate beneficial owners are CS Capital Partners IV L.P. and Cabot Square Capital LLP (together, “**Cabot**”).



Source: Management information and publicly available information from Companies House

Circumstances giving rise to the appointment of the Joint Administrators

Following several years of losses, the Company’s management team (“**Management**”) successfully completed a restructuring programme in Q1 2025, which restored the Company to profitability as of Q1 2026 with trading at origination volumes of c.£45m in March 2026.

This restructuring focused on rationalising the acquisition channels (i.e., the categories of parties who provided the Company with customers), which entailed switching off low efficiency, higher risk and low growth potential channels. This resulted in lower losses, lower commissions to the dealers, and a significantly lower staff cost with a 30% reduction in headcount. A significant reduction in expenses, coupled with a move to a sole FF Facility funding strategy, and a sale of the back book portfolio led to the repayment of c.£37m of corporate debt in 2025. This repayment of the corporate debt further strengthened the Company's profitability, as it carried a high interest rate.

In January 2026, the Company received notice that the Shawbrook Facility was unable to accept further loan originations (i.e., would not continue to provide funding for new loans issued to customers). To allow origination volumes to continue on their expected growth trajectory, the Company was therefore required to increase the number of future originations sold to the Hodge Facility. However, the Company approached the capacity of the Hodge Facility in late April 2026 due to the increased volume, which threatened the ability of the Company to originate sufficient (new) loans and therefore the future cash generation of the business. The Company was seeking an additional forward flow provider at the time to alleviate this pressure, but a potential redress liability (as detailed below) limited the Company's ability to onboard a new facility.

Motor Finance Redress

On 7 October 2025, the FCA published its consultation on its proposed Motor Finance Consumer Redress Scheme (the "**FCA Consultation**"), aimed at delivering an industry-wide redress scheme for historical motor finance commission arrangements and compensating motor finance customers who the FCA considers were treated unfairly. This stems from the FCA's concerns, following a detailed assessment, that there were widespread or regular failures to disclose information about discretionary commission arrangements, high commission arrangements, and contractual ties with certain counterparties, and motor finance customers have lost out as a result. Accordingly, the FCA considered a redress scheme was desirable as a means of ensuring consistency, defined timeframes and an orderly approach to the delivery of potential redress across the sector.

While customers may have been entitled to bring claims against the Company even if the FCA had not decided to launch a redress scheme (based on recent Court decisions), it was only in October 2025, after considering its anticipated liability for redress payments to customers (the "**Redress Liability**") which would have crystallised under the terms of the draft redress scheme as proposed in the FCA Consultation, that the Company concluded that it needed to provision for a Redress Liability.

At that stage, the Company estimated that on a worst-case basis, it could face liabilities of between £50m to £70m, however, it provisioned £10.3m on the basis that it was challenging certain provisions within the draft scheme. Any redress payments were expected to be made to customers during the period from July 2026 to June 2028. The Company, like others in the sector, engaged in discussions with and made representations to the FCA on the overall structure and rules of the Motor Finance Consumer Redress Scheme being proposed in the FCA Consultation, including but not limited to, the appropriate level of redress.

The FCA published its final policy statement on 30 March 2026 (the "**FCA Scheme**"). The Company then recalculated its revised Redress Liability to be approximately c.£55m to £65m and assessed its options in light of this increased liability estimate.

EY Parthenon

Shape the future with confidence

It is noted that four parties (namely: Consumer Voice Limited – represented by Courmacs Legal, Volkswagen Financial Services (UK) Limited, Mercedes-Benz Financial Services UK Limited and CA Auto Finance UK Limited – Credit Agricole Auto Finance) in the motor finance sector are seeking to challenge the FCA Scheme on various legal grounds. The Upper Tribunal has confirmed that it will hear the legal challenges to the FCA Scheme on 14 to 18 December 2026 or 16 to 26 February 2027, and judgment will likely only be given some time after this. The outcome of such a challenge will therefore not be known for some time and therefore it remains uncertain to what extent (if any) such a challenge will impact the FCA Scheme. However, in the interim period, the Tribunal has suspended parts of the FCA Scheme. Critically, this includes the requirement to calculate and pay any redress compensation under the FCA Scheme timetable until the outcome of the legal challenges have been determined by the Tribunal.

In order to obtain financing under the FF Facilities, the Company was wholly reliant on achieving certain levels of origination. As outlined above, the Company was approaching capacity under its FF Facilities in late April 2026 and its ability to raise a new funding facility was impacted by the existence of the Redress Liability. The FF Facilities also required the Company's directors to make various representations and warranties as to the solvency status of the Company. Given the financial impact of the Redress Liability on the Company's balance sheet and associated uncertainty, it became difficult for the directors to continue to make such representations. Ultimately, Hodge agreed to a rolling waiver of certain provisions of the Hodge Facility, and agreed to make sufficient additional financing available in order to allow the Company to run an accelerated sale process until 30 April 2026 (as explained in further detail below). The sale process led by EY sought to establish, among other things, (i) Cabot's ability and/or willingness to provide further financial support to the Company, and (ii) the level of third-party interest in providing additional financing to the Company and/or acquiring the Company, its business or its assets. Further detail is set out in the "*Marketing of the business and assets*" section below.

Trading performance

The Group's summary financial performance for the last five years ended December 2025 is shown below. The statutory accounts presented below are those of Blue Auto Holdings Limited, which files annual consolidated financial statements. Please note that whilst Blue Motor Finance Limited is the Group's sole trading entity, the consolidated financial statements also historically included certain assets and liabilities of the SPVs.

For the year ending 31 December 2025, the financial information presented has been provided by Management for the Company as a distinct legal entity (rather than as a consolidated Group).

Period year or period ended	Type audited/draft	Turnover £000	Operating profit £000	Operating profit %	Directors' remuneration £000	Net profit after tax £000	Total equity £000
31 Dec 2025	Management Account (unaudited)[1]	25,325	2,754	10.9%	Unknown	(5,600)	27,491
31 Dec 2024	Statutory Accounts	39,728	(8,698)	(21.9)%	1,340	(23,034)	32,787
31 Dec 2023	Statutory Accounts	48,719	17,232	35.4%	1,451	(8,500)	51,006
31 Dec 2022	Statutory Accounts	52,226	19,841	38.0%	1,582	8,937	59,506
31 Dec 2021	Statutory Accounts	34,901	12,202	35.0%	1,448	160	50,569

1: 2025 statutory accounts were not finalised prior to Administration. Therefore, the 2025 financial information presented is based on management information available to the Joint Administrators. To note, due to the nature of the financial information for FY25, a breakdown of directors' remuneration was not readily available.

The Company experienced a reduction in costs following the wider business restructuring in 2025 which resulted in an operating profit in FY25. Exceptional and other costs, including corporate loan interest and provisions in the financial statements predominantly relating to the Redress Liability, were the key drivers of net losses for FY23 and FY24.

Revenue and profitability improved in FY25, such that the business became profitable prior to the inclusion of exceptional costs as detailed above.

Financial position

An overview of the Company's financial position is detailed below.

Balance Sheet £'000	31 Dec-21	31 Dec-22	31 Dec-23	31 Dec-24	31 Dec-25
Tangible / Intangible Assets	1,894	2,561	3,030	2,247	1,602
Performing Loans	290,286	385,700	298,466	183,400	(678)
Non-Performing Loans	6,964	9,205	12,568	11,474	8,890
Net Working Capital	3,282	11,216	14,354	8,580	12,660
Net Financial Debt	25,479	6,315	(1,305)	(8,502)	5,025
Warehouse Notes, Securitisation Notes & Prefunding	(276,787)	(354,012)	(276,075)	(164,380)	-
Tax	(643)	(1,467)	(20)	(20)	(7)
Net Assets	**50,474**	**59,518**	**51,018**	**32,798**	**27,491**

Source: Management information; 1: The negative performing loan balance at 2025 year-end reflects a timing difference between the sale of on-balance sheet loans to the Hodge Facility and the release of the associated loan provisions. 2: This excludes any provision for Redress Liability, which was not included until 2026.

The Company's balance sheet shows a significant transition during the five year period, with 2025 highlighting the impact of a change to a capital-light funding model with the FF Facilities, resulting in a minimal asset base of c.£27.5m as at 31 December 2025; the majority of which being unrealisable outside of a solvent going concern sale.

However, a material increase in the Company's estimated Redress Liability, coupled with a lack of available funding due to the uncertainty on the back of the proposed FCA Scheme which is currently undergoing a legal challenge, contributed to the Company's eventual insolvency.

EY's initial introduction to the Company

As a result of the FCA Consultation, EY was approached by the Company to provide advice in the context of its potential Redress Liability. EY was formally engaged in October 2025 to perform an independent desktop review of the Company's Redress Liability calculations and assist Management to consider scenarios and potential options should the Redress Liability be greater than expected. To note, EY was not engaged to provide advice in relation to the wider restructuring programme in 2025, including in respect of the repayment of the corporate debt alluded to above.

Throughout this engagement, it became clear that should the FCA not adjust the proposed terms of the FCA Scheme, the Company would require financial assistance and/or additional funding to address the Redress Liability in full. As such, in January 2026, EY's engagement was extended to include the preparation of marketing materials in relation to the procurement of interim financing or a potential sale of the Company and/or its business and assets, as well as initial contingency planning for a potential insolvency of the Company.

During this time, and as detailed above, Shawbrook ceased providing funding for future loan originations under the Shawbrook Facility. In March 2026, EY was engaged to provide assistance to the Company in sourcing a new forward flow funding provider, however, this engagement was not initiated, and no material work was performed.

Following the announcement of the FCA Scheme on 30 March 2026, it became apparent that the Company would be unable to settle the revised Redress Liability in full absent financial assistance and/or additional funding which was unlikely to be forthcoming. In April 2026, EY were engaged to undertake an accelerated mergers and acquisition ("**AMA**") process, together with Management, and carry out detailed contingency planning for a possible insolvency appointment. The AMA process undertaken is set out in detail below.

During the AMA process, it became apparent that there were no third parties willing and/or able to provide additional funding (to support repayment of the Redress Liability in the normal course) within the time available, or purchase the Company as part of a solvent transaction.

It was also recognised that an administrator or liquidator would not be able to continue trading the business without material financial support from Cabot or an alternative working capital provider. In addition, the business of the Company (e.g., origination of loans) depended heavily on relationships between the sales force and the dealers, and so any uncertainty about the viability of the Company (in the context of an administration) could result in a loss of the workforce and destruction of value.

In the absence of these solutions, and following completion of the AMA process, a sale of the Company's business and certain assets to the Purchaser was considered to be the least value-destructive option available, and would therefore be most likely to maximise recoveries for the Company's creditors as a whole. The most likely alternative would be a liquidation of the Company and immediate cessation of operations, in which the Company would not receive the sale consideration from the Purchaser and certain additional creditor claims (such as employee preferential claims) would crystallise.

Marketing of the business and assets

On 22 April 2026, the AMA process was initiated, with teaser documents and draft non-disclosure agreements circulated to ten potential interested parties comprising two forward flow providers, two motor finance lenders, four special situations funds and two structured / hybrid capital providers. These interested parties were chosen based on a wide range of factors, including (i) market positioning, (ii) experience in distressed assets, (iii) their existing relationship to the Company and/or (iv) their perceived ability to transact within the time available. This selection further and critically noted that there was only a two to three-week marketing period available before expiry of Hodge's commitment to provide a level of funding under the Hodge Facility which would give the Company sufficient liquidity to meet its ordinary course obligations in full. Bidders were therefore, in addition to bidding on the business, asked to provide additional origination support to allow the Company to trade solvently until the conclusion of any transaction.

The list of potential interested parties was compiled with the assistance of the Company's directors as well as utilising EY's extensive network and buyer research capabilities. All ten parties signed a non-disclosure agreement, and nine parties subsequently received an information memorandum and access to a virtual data room (with 'question and answer' functionality), as well as the offer of Management meetings. A process letter was also issued outlining key timelines and bid requirements.

We are of the opinion that it was not possible to comply in full with the '*Marketing Essentials*' set out in SIP 16 due to the Company's liquidity constraints, which limited the timeframe available to market the Company's business for sale, and the nature of the business itself, being a highly complicated, regulated, reputation driven, and integrated financial services business. However, we believe that we have been able to comply with the following:

- Alternative solvent and insolvent options have been considered in detail, with a view to illustrating that a pre-packaged sale represents the best feasible outcome for creditors as a whole.

- The AMA process has been undertaken in conjunction with Management, with input and oversight from the Joint Administrators and their team.

- All bidders were unconnected, and therefore there was no need for evaluator reports, or additional creditor consents pursuant to the Administration (Restrictions on Disposal etc to Connected Persons) Regulations 2021.

The deadline for binding offers was 5pm (London) 30 April 2026. One offer for the purchase of the Company's business and certain assets (via a pre-packaged administration sale) was received by the deadline of 5pm (London) 30 April 2026. An additional offer was received the following morning (1 May 2026). Neither of these offers included a solvent acquisition of the shares in the Company, nor the provision of bridge / alternative financing. No other bids were received.

On 1 May 2026, final offers were requested from both parties. The Purchaser delivered a clear improvement to their prior bid, which was also materially larger than the other bid. It was also deemed that the Purchaser had significantly progressed due diligence and were committing significant time and resources, creating greater confidence that the Purchaser would ultimately be in a position to complete the Transaction.

In addition to the purchase consideration, noting that a transitional services period would be required (as set out below), and that the Purchaser would themselves require both FCA approval and certain FCA authorisations, the Purchaser committed to continue the Hodge Facility originations with immediate effect from 2 May 2026 at a sufficient quantum to enable the Company to trade solvently for three months. While the other bidder was also willing to provide additional financial support, this would have required negotiation and execution of new financing documentation over a very condensed period.

Analysis of the Transaction (which factored in the economic characteristics of the two offers received as well as prudent assumptions regarding realisations of assets not subject to the offer) continued to indicate that the Purchaser's final offer delivered the best outcome for the Company's creditors, and was materially better than an alternative insolvent wind-down of the business. In order to secure the offer and the critical origination funding support noted above, the Company entered into an exclusivity arrangement with the Purchaser effective from 2 May 2026. This arrangement allowed the Company to trade solvently through the period of time necessary to obtain FCA approvals and Purchaser authorisations, and establish the two transitional services arrangements ("**TSAs**"), each of which was complex in nature.

Accordingly, taking into account the additional consideration offered, the level of diligence undertaken to that date and the availability of funding to bridge to completion, the Purchaser's offer was judged to be the best available to the Company and represented the best feasible outcome for creditors as a whole.

Valuation of the business and assets

The Company has no material tangible assets capable of valuation in the ordinary sense, other than immaterial fixtures and fittings. The value of the Company is in its ability to originate loans from consumers through the use of its extensive introducer network which includes dealers and brokers.

Due to the specialised nature of the Company's business, as well as the lack of available committed funding for future originations (absent a sale being agreed), it is challenging to value these assets. Therefore, we are confident that the AMA process undertaken and offers received from bidders were sufficient to test the market and to achieve the best value for the Company's business and certain assets (in the context of its current financial position).

The Transaction

As previously stated, the Transaction was completed on 30 July 2026.

The Purchaser is Hodge MF Limited, a company incorporated on 10 December 1962 under registration number 00743649. Hodge MF Limited is authorised and regulated by the FCA (FRN: 1056706).

The Purchaser is directly owned by Hodge. It is not a related party to the Company and has no common directors as at the date of this letter.

The assets

The assets sold comprise the following:

Category of asset	Total (£)
Business Goodwill	14,307,666
Fixed Assets	197,317
Intangible Assets	475,013
IT Assets	1
Business Contracts	1
Business Intellectual Property	20,000
Business Claims	1
Records	1

The Transaction is in respect of the business and certain assets of the Company.

Sale consideration

As previously stated, the sale consideration was £15m and was paid in full upon completion.

No security was given or undertaken under the Transaction.

All employees of the Company transferred to the Purchaser upon completion under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

In order to facilitate the orderly transition and stabilisation of the origination and servicing platform, a TSA has been put in place between the Company, the Joint Administrators (acting as agents of the Company and without personal liability) and the Purchaser on 30 July 2026 for an initial term of 12 months. This TSA enables the provision of loan servicing activities by the Purchaser to the Company. In turn, new agreements have been made with the Funders for payment of ongoing servicing fees, to seek to ensure that creditors of the Company are not detrimentally impacted by this arrangement.

Owing to the fact that it was not possible for the Purchaser to agree new contractual arrangements with suppliers prior to the date of the Transaction, a further TSA has been agreed with the Purchaser to enable the continued usage of the suppliers for a limited period of time whilst the Purchaser makes the necessary arrangements to assign or agree new contracts. The costs being incurred by the Company in respect of these suppliers, as well as other costs associated with facilitating this TSA, are being paid for in full by the Purchaser to ensure that there is no loss or detriment to the Company's estate.

Significant assets not included in the Transaction

The Company's unrestricted bank accounts were excluded from the Transaction. Other assets excluded from the Transaction include performing and non-performing loan books held on the Company's balance sheet, deferred purchase price ("**DPP**") consideration due under the terms of the FF Facilities, certain trade debtor balances, and prepayments.

Alternatives to the Transaction

The Joint Administrators considered the relative outcomes to each class of creditor in each of the offers outlined above. There is only one secured creditor in respect of a particular funding facility. Accordingly, the classes of creditor include the secondary preferential creditors and unsecured, non-preferential creditors (including consumers who potentially have redress claims pursuant to the terms of the FCA Scheme).

The offers were also considered in the context of alternative scenarios should a sale not be completed, being (i) a trading administration (with a view to completing a sale of the business and assets at a later point), (ii) a wind-down administration, or (iii) a creditors' voluntary liquidation ("**CVL**"). Other restructuring processes (e.g., a company voluntary arrangement, restructuring plan, or scheme of arrangement) were not considered to be feasible due to the Company's financial position and lack of available funding, which would not enable the Company to undertake these processes (both from time and cost perspectives).

We formed the opinion that it was not appropriate to trade the business and offer it for sale as a going concern during the Administration, given the lack of available funding, difficulties with originating new loans when insolvent, the risk of termination clauses in key contracts being, or purporting to be, triggered, and concerns regarding retention of key staff. In addition, a wind-down administration or CVL were deemed to generate a worse return to creditors than the Transaction due to:

- Limited realisable assets, namely cash at bank and certain on-balance sheet loan portfolios, which would be insufficient to fund a wider Administration strategy beyond an immediate cessation of operations (restricting the ability to market the business for sale within the Administration);
- The crystallisation of primary preferential claims from redundant employees, which would need to be discharged in full prior to any distributions to unsecured creditors;
- The loss of key employees and corporate knowledge (which would otherwise be retained through a successful sale of the Company's business) to assist with the adjudication of a large quantity of claims from creditors; and
- The cessation of trading and ongoing loan servicing would likely have resulted in material claims from the Funders for breach of contracts and damages, which would in turn increase unsecured

creditor claims and result in a lower expected distribution to unsecured creditors. Whilst these claims could still arise in the context of a pre-packaged sale, the claims are expected to be mitigated somewhat by the continuation of servicing activities within the Administration.

Therefore, it was concluded that a pre-packaged sale would generate a significantly better return to creditors as a whole than the relevant alternative outcome, being a CVL.

Consultation with major creditors

During the period from the FCA Consultation to date, all Funders have been consulted in respect of their exposure under each of their individual facilities.

In addition, on 23 April 2026, the specific Cabot fund that is the Company's shareholder (CS Cabot Capital Partners IV L.P.), in response to a request made by the directors of the Company, provided formal confirmation that they would be unable to provide financial assistance in relation to either a full or partial settlement of the Redress Liability, or a form of funding to provide the Company with the ability to continue trading in the medium-term.

Registered charges

The Company has the following registered charge:

Date of creation of charge	Date of registration of charge	Details of charge	Name of charge holder
9 December 2020	15 December 2020	Fixed charge that contains a negative pledge	CITIBANK N.A., LONDON BRANCH

There is currently one fixed charge listed against the Company (registration 0273 8187 0142) at Companies House. It is listed for the benefit of Citibank N.A., London Branch, in relation to a facility under which Morgan Stanley & Co. International PLC is a noteholder. Given that this is a fixed-charge and not a qualifying floating charge, formal notice of our appointment was not required to be provided pursuant to paragraph 26 of Schedule B1 to the IA 1986, but as detailed above, this party has been consulted throughout.

The Purchaser and related parties

Hodge MF Limited is a wholly owned subsidiary of Hodge. It was incorporated on 10 December 1962 with a registered office at One, Central Square, Cardiff, South Glamorgan, CF10 1FS. The statutory directors of the Purchaser listed at the Registrar of Companies are Richard Dominic Saulet and Janet Susan Preece. Hodge MF Limited is authorised and regulated by the FCA (FRN: 1056706). Although the Purchaser is a subsidiary of Hodge, with Hodge itself being a forward flow counterparty of the Company, there is no connection between the Purchaser and the Company.

Section 216 of the Act prohibits directors of an insolvent company from participating in the management of any enterprise which utilises the name and/or brand of the insolvent company for a period of up to five years, subject to certain conditions.

Given that the Purchaser will continue to operate the '*Blue Motor Finance*' brand in the immediate future, with Management having an active role in the Purchaser's operations, a notice to creditors in accordance with Rule 22.4 of the Rules was enclosed in the Joint Administrators' initial letter to creditors.

The role of the Joint Administrators and the statutory purpose of the Administration

When the Company entered Administration on 30 July 2026, our role changed. In the period from October 2025, when EY was engaged by the Company, up to the date of Administration, our role was to carry out the work we have described earlier in this letter, leading up to a pre-packaged sale of the business. When the Company entered Administration, we became responsible for executing the sale and for managing the affairs, business and property of the Company in accordance with the statutory objectives of the Administration. We are also responsible for preparing proposals for achieving the purpose of Administration. The purpose of an administration generally is to achieve one of three objectives:

a) To rescue the company as a going concern, or

b) To achieve a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in administration), or

c) To realise property in order to make a distribution to one or more secured or preferential creditors.

Insolvency legislation provides that objective (a) should be pursued unless it is not reasonably practicable to do so or if objective (b) would achieve a better result for the company's creditors as a whole. Objective (c) may only be pursued if it is not reasonably practicable to achieve either objective (a) or (b) and can be pursued without unnecessarily harming the interests of the creditors of the company as a whole.

Given no solvent offers were forthcoming for the shares in the Company, as well as the existence of liquidity challenges and the funding position of the Group, it was not possible to achieve objective (a). The outcome achieved through the pre-packaged sale was the best available outcome for creditors as a whole in the circumstances. Therefore, the objective being pursued is (b).

Joint Administrators' proposals and remuneration

In accordance with Paragraph 49(5) of schedule B1 to the IA 1986, we have prepared our Joint Administrators' statement of proposals (the "**Proposals**"), which are available to view at: www.ey.com/en_uk/administrations/blue-motor-finance-limited.

The Proposals are available to all creditors and give an indication of the likely dividend prospects. We have also set out our Proposals for remuneration and will seek approval for the basis of our remuneration. The statutory provisions relating to remuneration are set out in Chapter 4, Part 18 of the Insolvency (England and Wales) Rules 2016 (the "**Rules**").

Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at https://www.icaew.com/en/technical/insolvency/creditors-guides, or is available in hard copy upon written request to the Joint Administrators.

Creditors' claims

Please note that debts incurred by the Company before our appointment will rank as unsecured claims against the Company. Any sums due to the Company arising after our appointment must be paid in full and without set-off against any debts incurred by the Company prior to our appointment.

The Company's Directors are required to submit a statement of affairs to us and you will appreciate that the full financial position is not yet known.

Other matters

If there are any matters concerning the Company's affairs which you consider may require investigation and consequently should be brought to our attention, please forward the details to us in writing as soon as possible.

If you require any further information or explanation, please do not hesitate to contact us at BMFadministration@uk.ey.com.

Yours faithfully
for Blue Motor Finance Limited (in Administration)

Simon Edel
Joint Administrator

Enc Notice of Administrator's Appointment

Notice of Administrators’ Appointment – paragraph 46(3) of Schedule B1 to the Insolvency Act 1986

Blue Motor Finance Limited (in Administration) (the “Company”)

Name of Court	The High Court of Justice Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
Court reference number	CR-2026-005951
Company registered number:	02738187
Nature of business	Financial intermediation not elsewhere classified (consumer motor finance / used car finance)
Registered office of Company	c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF
Principal trading address (if different from above)	Darenth House, 84 Main Road, Sundridge, Kent, TN14 6ER
Any other name under which the Company was registered in the previous 12 months	None
Any other name(s) or style(s) under which the Company carried on business or incurred debts	N/A
Date of appointment of Administrators	30 July 2026
Names and addresses of Administrators	Simon Edel, Alan Hudson and Richard Barker of Ernst & Young LLP, 1 More London Place, London, SE1 2AF
Joint Administrators IP Nos	9810 / 9200 / 17150
Contact	BMFadministration@uk.ey.com
Name of alternative person to contact with enquiries about the case	Laura Jones

Notice to all creditors

On 30 July 2026 the Company entered Administration and Alan Hudson, Richard Barker and I were appointed as Joint Administrators. The appointment was made by the Company’s Directors under the provisions of Paragraph 22 of Schedule B1 to the Insolvency Act 1986.

Signed

Simon Edel, Joint Administrator

Date 30 July 2026

Simon Edel, Alan Hudson and Richard Barker are licensed in the United Kingdom to act as Insolvency Practitioners by the Insolvency Practitioners Association. As Insolvency Practitioners, they are bound by the Insolvency Code of Ethics in carrying out all professional work relating to the appointment.

The affairs, business and property of the Company are being managed by the Joint Administrators, Simon Edel, Alan Hudson and Richard Barker who act as agents of the Company only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators’ appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Notice to creditors of deemed consent

Notice to creditors of deemed consent

Paragraph 51 of Schedule B1 to the Insolvency Act 1986 and Rules 3.38, 15.7 and 15.8 of the Insolvency (England and Wales) Rules 2016

Name of Court:	High Court of Justice Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
Case number:	CR-2026-005951
Registered name of the Company	Blue Motor Finance Limited
Other trading name or style of the Company:	Blue Motor Finance Limited
Any other registered name in the 12 months prior to Administration:	N/a
Registered number:	02738187
Registered office address:	c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF
Principal trading address (if different from above):	Darenth House, 84 Main Road, Sundridge, Kent, TN14 6ER
Date on which the Company entered Administration:	30 July 2026
Date of appointment of Joint Administrators:	30 July 2026

<u>Details of the Joint Administrators</u>

Simon Edel Ernst & Young LLP 1 More London Place London SE1 2AF	Alan Michael Hudson Ernst & Young LLP 1 More London Place London SE1 2AF	Richard Barker Ernst & Young LLP 1 More London Place London SE1 2AF
Office holder number: 9810	Office holder number: 9200	Office holder number: 17150

Email:	BMFadministration@uk.ey.com
Name of alternative person to contact about the Administration:	Laura Jones

NOTICE IS HEREBY GIVEN that the Joint Administrators of the above-named company are seeking approval of their Statement of Proposals (the “Proposals”) dated 3 August 2026 by deemed consent.

Creditors will be deemed to have consented to the approval of the Proposals unless by the end of 19 August 2026 **(the decision date)** at least 10% in value of creditors who would be entitled to vote in a qualifying decision procedure have objected to approval and their objections have been made in accordance with the procedure set out below.

Objections

Any creditor wishing to object to the proposed decision to approve our Proposals – including any creditor who has opted out from receiving notices about the Administration - must deliver to me, at the above address, a notice stating that the creditor so objects. The notice must be delivered to me at the above address not later than the end of **the decision date** together with a proof in respect of the creditor’s claim which complies with the requirements of Rules 15.28 to 15.35 of the Insolvency (England and Wales) Rules 2016 (the “Rules”) failing which the objection will be disregarded.

Please note that creditors whose debts may be treated as small debts in accordance with Rule 14.31(1) of the Rules must still deliver a proof of claim if they wish to object.

It is my responsibility, as Joint Administrator convening the deemed consent procedure, to aggregate any objections to see if the threshold is met for the decision to be taken as not having been made.

If the threshold is met the deemed consent procedure will terminate without a decision being made on the proposals and if a decision is sought again on the same matter it will be sought by a decision procedure.

Requests for a physical meeting to be held

Creditors who meet the thresholds in s.246ZE(7) of the Insolvency Act 1986, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may, within five business days from the date of delivery of this notice, make a request to me in writing for a physical meeting of creditors to be held to consider the approval of our proposals.

Signed ______________________________
Simon Edel, Joint Administrator

Date 3 August 2026

Notice to creditors - invitation to form a creditors' committee

Notice to creditors – invitation to form a creditors' committee

Rule 3.39, Insolvency (England and Wales) Rules 2016

Name of Court:	High Court of Justice Business and Property Courts of England and Wales, Insolvency and Companies (ChD)
Case number:	CR-2026-005951
Registered name of the Company	Blue Motor Finance Limited
Other trading name or style of the Company:	Blue Motor Finance Limited
Any other registered name in the 12 months prior to Administration:	N/A
Registered number:	02738187
Registered office address:	c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF
Principal trading address (if different from above):	Darenth House, 84 Main Road, Sundridge, Kent, TN14 6ER
Date on which the company entered Administration:	30 July 2026
Date of appointment of Joint Administrators:	30 July 2026

<u>Details of the Joint Administrators</u>

Simon Jamie Edel Ernst & Young LLP 1 More London Place London SE1 2AF	Alan Michael Hudson Ernst & Young LLP 1 More London Place London SE1 2AF	Richard Barker Ernst & Young LLP 1 More London Place London SE1 2AF
Office holder number: 9810	Office holder number: 9200	Office holder number: 17150

Email:	BMFadministration@uk.ey.com
Name of alternative person to contact about the Administration:	Laura Jones

Invitation to form a creditors' committee

Creditors are invited to decide whether a creditors' committee should be formed if sufficient creditors are willing to be members of the committee. Information on the role of committees can be found at https://www.r3.org.uk/media/documents/publications/professional/R3-Guide-to-Creditors-Committees.pdf

To be validly established, a committee must have at least three and not more than five members, who must have agreed to act.

Should you wish to form a committee, please follow the instructions in the nomination form attached to this notice and return the completed nomination form, with written agreements to act where appropriate, to me at the above address to arrive no later than 19 August 2026. Nominations can only be accepted if I am satisfied as to the creditor's eligibility under Rule 17.4 of the Insolvency (England and Wales) Rules 2016.

Signed ______________________

Simon Edel, Joint Administrator

Date 3 August 2026

Blue Motor Finance Limited (in Administration) (the "Company")

Nominations for creditors' committee

You may nominate up to five creditors of the Company. Please note that before a person can act as a member of a creditors' committee that person must agree to do so.

In the event that more than five valid nominations are received, the five receiving the most votes will be appointed.

When you have completed this form, please return it with the creditor's written agreement to act (unless you are nominating yourself or your own organisation) by email to BMFadministration@uk.ey.com, to arrive no later than the closing date stated on the notice of invitation to form a committee.

I nominate:

(Name of creditor)____ of

(Address)____

____

(Name of creditor)____ of

(Address)____

____

(Name of creditor)____ of

(Address)____

____

(Name of creditor)____ of

(Address)____

____

(Name of creditor)____ of

(Address)____

____

to be appointed as (a) member(s) of the creditors' committee.

Signature ______________________________________

Name of signatory ______________________________________

On behalf of (name of creditor) ______________________________________

Date ______________________________________

Administration notice of claim for voting purposes

The Insolvency Act 1986 and the Insolvency (England and Wales) Rules 2016

Administration Notice of Claim for Voting Purposes

Blue Motor Finance Limited

Date of Administration: 30 July 2026

PLEASE NOTE: Once completed, this form will be used by the Joint Administrators ONLY for the purposes of voting in a creditors' decision procedure or a requisitioned meeting of creditors. The form will not constitute admission of the claim to rank for dividend in this or any subsequent procedure. For further information see Rules 15.28 to 15.35 of the Insolvency (England and Wales) Rules 2016.

Name of creditor	
Address	
Amount claimed, after deductions for payments made post-Administration or adjustments for set off (see notes overleaf)	
Is the claim preferential or secured?	
If secured, value of security	
If you have made a retention of title claim against the company please attach details (see over)	
Signature on behalf of creditor	
Date	

File with BMFadministration@uk.ey.com Reviewed by ______________________

Notes to Administration Notice of Claim for Voting Purposes:

1. Please attach a detailed statement of your account as at the date on which the Company entered administration.

2. If you have claimed retention of title please provide details, including the value of any payments made, or goods returned, to you in respect of your claim.

3. If your claim is preferential (e.g. for wages, holiday pay or certain pension arrears) or secured please give details and attach supporting documentation.

4. VAT bad debt relief may usually be claimed six months after the date of supply.

Extracts from the Insolvency (England and Wales) Rules 2016:

15.31 Calculation of voting rights

(1) Votes are calculated according to the amount of each creditor's claim -
(a) in an Administration, as at the date on which the Company entered Administration, less -
(i) any payments that have been made to the creditor after that date in respect of the claim, and
(ii) any adjustment by way of set-off which has been made in accordance with rule 14.24 or would have been made if that rule were applied on the date on which the votes are counted; …

(4) Where a debt is wholly secured its value for voting purposes is nil.
(5) Where a debt is partly secured its value for voting purposes is the value of the unsecured part.
(6) However, the value of the debt for voting purposes is its full value without deduction of the value of the security in the following cases -
(a) where the Administrator has made a statement under paragraph 52(1)(b) of Schedule B1 and the administrator has been requested to seek a decision under paragraph 52(2); …

(7) No vote may be cast in respect of a claim more than once on any resolution put to the meeting; and for this purpose (where relevant), the claim of a creditor and of any member State liquidator in relation to the same debt are a single claim.
(8) A vote cast in a decision procedure which is not a meeting may not be changed.
(9) Paragraph (7) does not prevent a creditor or member State liquidator from -
(a) voting in respect of less than the full value of an entitlement to vote; or
(b) casting a vote one way in respect of part of the value of an entitlement and another way in respect of some or all of the balance of that value.

15.32 Calculation of voting rights: special cases

(1) In an Administration, a creditor under a hire-purchase agreement is entitled to vote in respect of the amount of the debt due and payable by the Company on the date on which the Company entered Administration.
(2) In calculating the amount of any debt for the purpose of paragraph (1), no account is to be taken of any amount attributable to the exercise of any right under the relevant agreement so far as the right has become exercisable solely by virtue of -
(a) the making of an Administration application;
(b) a notice of intention to appoint an Administrator or any matter arising as a consequence of the notice; or
(c) the Company entering Administration.