

The Insolvency Act 1986

Statement of administrator's proposals

| | |
|---|-----------------------------------|
| Name of Company Terminus 3 Limited | Company number 02349434 |
| In the HIGH COURT OF JUSTICE, CHANCERY DIVISION COMPANIES COURT | Court case number 3089 of 2011 |

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

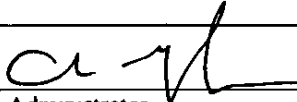
We CHAD GRIFFIN & SIMON JOHN GRANGER of FTI CONSULTING LIMITED, MIDTOWN, 322 HIGH HOLBORN, LONDON WC1V 7PB

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) Insert date

12 May 2011

Signed 
Joint Administrator

Dated 12/5/11

Contact Details:

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

| | |
|--|-------------------|
| FTI Consulting Limited | |
| Midtown, 322 High Holborn, London WC1V 7PB | |
| | Tel 020 3077 0561 |
| DX Number | DX Exchange |

SATURDAY



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A25

21/05/2011

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COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

02349434



Joint Administrators' Report and Statement of Proposals

- X **Terminus 3 Limited (formerly Polestar Magazines & Catalogues Limited) - in Administration ("M&C")**
Terminus 30 Limited (formerly Polestar Properties Limited) – In Administration ("PPL")
Terminus 2 Limited (formerly The British Printing Company Limited) – In Administration ("BPC")
(collectively "the Companies")

12 May 2011

| | | |
|-----------------|-----------------|-----|
| S A25 A45 | 21/05/2011 | 38 |
| | COMPANIES HOUSE | |
| S A25 A45 | 14/05/2011 | 110 |
| | COMPANIES HOUSE | |

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1 Introduction

1 1 Chad Griffin and Simon John Granger of FTI Consulting Limited ("FTI") were appointed as Joint Administrators of the Companies (the "Administrators") on 15 April 2011

1 2 The Administrators were appointed by the directors of the Companies in accordance with Paragraph 22, Schedule B1 of the Insolvency Act 1986, as amended ("the Act")

1 3 Chad Griffin is licensed by the Institute of Chartered Accountants of England and Wales and Simon John Granger is licensed by the Association of Chartered Certified Accountants as Insolvency Practitioners

1 4 The Administrators act jointly and severally so that all functions may be exercised by either Administrator

1 5 This Report and Statement of Proposals ("the Report") is prepared pursuant to Paragraph 49, Schedule B1 of the Act 1986 in relation to the Company, the purpose for which is to provide creditors with an update as to the present position of the Administration

1 6 This Report also includes information required to be provided to creditors pursuant to Rule 2.33 of the Insolvency Rules 1986 (as amended) ("the Rules") Statutory information pertaining to the Companies and as required by the Insolvency Rules is set out in Appendix A

2 Background to the Group and Events Leading up to the Administrations

2 1 M&C is a wholly owned subsidiary of BPC and in turn the Polestar Company Limited ("PCL") (together with subsidiaries, the "Group") PPL is also a subsidiary of BPC M&C was the holding company for Polestar UK Print Limited ("PUPL"), a leading publications printing company in the UK A simplified group structure chart is included as Appendix B

2 2 A full explanation of the background to our appointment was given in our initial letter to creditors dated 20 April 2011 but the key details of the process are outlined below

2 3 After a downturn in the UK print industry the Group engaged Houlhan Lokey (Europe) Limited ("HL") to seek refinancing options or equity investors for the Group Following continuing deterioration of the financial performance of the Group, it became apparent that a refinancing or equity raise would be unachievable Given an urgent funding need, HL was asked to seek an accelerated disposal of the Group ("the Process"), resulting in an offer to buy the business and assets of the Group being made by an affiliate of Sun Capital Partners V Group LLC ("the Sun Offer") This was the best offer received by the Group following an M&A process and provided the highest return to the creditors of the Group companies

2 4 On 15 April 2011, Simon Granger and I were appointed as Administrators to the Companies and having considered the options available, we concluded that the Sun Offer maximised the return to the Companies' creditors and therefore effected the disposal in accordance with the terms of the Sun Offer

2 5 The transaction structure comprised

- a sale of M&C's shares in PUPL to Compass AcquisitionCo Limited, a new entity formed and controlled by Sun The consideration for the shares amounted to £1, subject to approximately £95m of debt, and
- a sale by PPL of the right to assign certain property leases The consideration for the leasehold interests totalled £11,
- a sale by BPC of certain trademarks and intellectual property for consideration of £201, and
- a release of c £27.5m of secured guarantee obligations provided by M&C and BPC in respect of the Group's term debt

It should be highlighted that certain of PUPL's transferred liabilities were restructured and/or compromised immediately upon completion of the sale to Sun These concessions were made solely in order to effectuate the Sun Offer and were conditional upon a sale of the shares in PUPL Accordingly, these debt reductions would not have been made in other scenarios, in particular in the event of an insolvency of PUPL

3 Administration Strategy

3 1 The Administrators must perform their functions with the purpose of achieving one of the following statutory objectives

- rescuing the company as a going concern,
- achieving a better result for the company's creditors as a whole than would be likely if the company was wound up, or
- realising property in order to make a distribution to one or more secured or preferential creditors

3 2 No offers emerged from the Process which met the first statutory objective Accordingly, we concluded that it was not possible to achieve the rescue of the Companies as going concerns and that the second statutory objective should be pursued

- 3 3 This was achieved through the disposal set out above, as the transaction resulted in minimising claims against the Companies and maximised the value realised for the Companies' assets
- 3 4 The Administrators now plan to complete their statutory duties and advertise for any creditors of the Companies to submit a claim. We are aware of significant intercompany claims in each company. We also expect claims in respect of certain property leases and associated costs in PPL and BPC.
- 3 5 Where there are no funds available for unsecured creditors, the Administration of that company will then be exited either by dissolution having achieved the statutory purpose stated above or through an application to court to end the administration and place the relevant company into compulsory liquidation.
- 3 6 If unsecured claims are received and there are sufficient assets available to effect a dividend to unsecured creditors the administrations will be converted to creditors' voluntary liquidations in order to effect such a dividend.

4 Progress of the Administration

4 1 Asset realisations

As reported above, the Administrators sold certain assets of the Companies to Compass AcquisitionCo Limited on 15 April 2011 as follows:

M&C

- Shares in PUPL for a nominal sum of £1

PPL

- Right to assign certain property leases for consideration of £11

BPC

- Certain trademarks and intellectual property for consideration of £201

In addition, BPC has received £20,000 for the compromise of certain inter-company liabilities with other Group companies.

BPC and M&C also own a number of shares in other group companies and BPC and PPL hold various inter-company receivables. However, these assets are not expected to realise any value. No further asset realisations are therefore expected for any of the Companies.

4 2 Administration funding

PUPL agreed to provide an element of funding for the expenses incurred in the administrations or subsequent liquidations of the Companies resulting in payments being made to PPL, BPC and M&C of £146,000, £6,000 and £8,000 respectively. It should be noted that this funding does not form part of the administration estates and any funds not utilised in meeting the costs of the administrations will be returned to PUPL.

Total realisations to date are shown in Appendix C. Please note that the PUPL funding is reflected on the administrators' receipts and payments account in the interests of full disclosure but that these assets are purely for the disbursement of administration or liquidation expenses.

4 3 Statutory Investigations

We have commenced our initial investigations work to comply with our statutory duties pursuant to the Company Directors Disqualification Act 1986. The content of our report in relation to this is confidential and must be submitted to the Department for Business, Innovation and Skills within six months of our appointment as Joint Administrators.

4 4 Tax

We have undertaken corporation tax and VAT reviews. This has resulted in the administrators requesting the removal of the Companies from the wider VAT group. We will prepare the necessary tax returns to finalise the pre-appointment tax position.

4 5 Unsecured Creditors

The Administrators have a statutory duty to advertise for creditor claims. Any creditor who believes they may have a claim should submit their claim to the Administrators as soon as possible, using the statement of claim form attached at Appendix D.

4 6 Changes of Registered Name

In accordance with the terms of the Sun Offer, the names of the Companies have been changed as follows:

- BPC has been renamed Terminus 2 Limited
- PPL has been renamed Terminus 30 Limited
- M&C has been renamed Terminus 3 Limited

5 Statement of Affairs

- 5 1 Attached at Appendix E are copies of the directors' Estimated Statement of Affairs for the Companies as at the date of the appointment of the Administrators (15 April 2011), together with a list of creditors whose details have been provided by the directors of the Companies

M&C

- 5 2 The Statement of Affairs shows a net deficit to creditors of £151.5m
- 5 3 The Joint Administrators anticipate that there will not be any funds in the estate to make a dividend to unsecured creditors. The estimated return to unsecured creditors is discussed in the next section.
- 5 4 The Estimated Statement of Affairs does not include any provision for the costs of the Administration or any subsequent liquidation.

PPL

- 5 5 The Statement of Affairs shows a net deficit to creditors of £14.1m
- 5 6 The Joint Administrators anticipate that there will not be any funds in the estate to make a dividend to unsecured creditors. The estimated return to unsecured creditors is discussed in the next section.
- 5 7 The Estimated Statement of Affairs does not include any provision for the costs of the Administration or any subsequent liquidation.

BPC

- 5 8 The Statement of Affairs shows a net deficit to creditors of £543.7m
- 5 9 The Joint Administrators anticipate that there may be sufficient funds in the estate to pay a small dividend to unsecured creditors. The estimated return to unsecured creditors is discussed in the next section.
- 5 10 The Estimated Statement of Affairs does not include any provision for the costs of the Administration or any subsequent liquidation.

6 Estimated Outcome

- 6 1 Creditors should be aware that it is often difficult to predict the likely dividend levels at the start of an Administration. Actual dividends payable will be affected by asset realisations and the level of Creditor claims, which, may differ from estimates.

The position of each of the categories of creditor are

- **Secured creditor** – As part of the disposal process described above on the date of the Joint Administrators' appointment, certain guarantees given by M&C and BPC in relation to the Group's secured debt were released. Consequently, there are no known secured creditors in any of the Companies.
- **Preferential creditors** – There are no known preferential creditors in the Companies. All Group employees were employed through other Group companies.
- **Prescribed Part** – The Companies have not granted any creditors a floating charge, other than the released charge described above, and consequently there is no prescribed part.
- **Unsecured Creditors** – Based on the information available we are currently aware of, the Joint Administrators estimate that there will be no funds available to distribute to unsecured creditors in the administrations of M&C and PPL. There may be a dividend to unsecured creditors of B&C, but the quantum of such a dividend will depend on the creditor claims admitted. However, given the limited realisations and the creditor claims shown on the Statement of Affairs any BPC dividend is likely to be de minimus. It should also be noted that such a dividend will only be payable in a CVL subsequent to the administration.

7 Administrators' Remuneration and Disbursements

- 7 1 It is proposed that the remuneration of the Administrators will be fixed by reference to time spent by them and their staff in managing the Administrations, in accordance with Statement of Insolvency Practice 9 ("SIP9") issued by the Association of Business Recovery Professionals. A copy of the 'Creditors' Guide to Administrators' Fees' is available at www.icaew.com/index.cfm/route/146779/icaew_ga/Members/Practice/Insolvency/A_creditors_guide_to_administrators_fees/pdf. Creditors can alternatively request a copy from us and we will provide a paper copy by post.

- 7 2 The time costs incurred since the date of our appointment on 15 April 2011 to 12 May 2011 are £10,298.50 for M&C, £13,157.50 for PPL and £4,456.00 for BPC. For disclosure purposes we have attached at Appendix F a Time Analysis in accordance with the provisions of SIP9 for

each of the Companies, which provides details of the activity costs incurred by staff grade to the above date. However, the Administrators are not currently seeking approval for fees

7.3 Category 1 expenses of £121.74 (plus VAT) have been incurred in BPC and will be billed in due course

7.4 Attached as Appendix G is additional information in relation to our policy on staffing, the use of sub-contractors, disbursements and details of our current charge out rates by staff grade

7.5 In accordance with Rule 2.33(2B) it should be noted that FTI Consulting Limited under the terms of an engagement letter with the Polestar Company Limited, dated 15 February 2011 and an addendum to that letter dated 23 March 2011, billed fees of £414,947.60 (plus VAT) and expenses of £580.46 (plus VAT) in relation to advice given on the following matters

- proposed restructuring options for the Group,
- planning of any disposal transaction of the Group's operating business to provide maximum return to the Group's creditors, and
- pre-pack planning work in relation to the insolvency of certain Group entities

7.6 The work carried out above formed an essential part of the planning process required in order to carry out the sale of the business and assets of the Companies in accordance with the terms of the Sun Offer and could not have been carried out after the Companies had been placed into administration as to do so would have jeopardised the successful completion of the sale transaction. The completion of the sale was essential to the purpose of the administrations, achieving a better result for the companies' creditors as a whole than would be likely if the companies were wound up

7.7 All costs referred to in point 7.5 were paid by The Polestar Company Limited prior to our appointment and no amounts remain outstanding. Therefore no pre-administration costs will be payable in the administrations

8 Statutory Matters

8.1 The centre of main interest of the Company is the United Kingdom. Therefore, the EC Regulations on Insolvency Proceedings 2000 apply to the Administration. The proceedings are main proceedings as defined by Article 3 of those regulations

M&C and PPL

- 8 2 Initial meetings of M&C's and PPL's creditors are not being convened pursuant to paragraph 52 of Schedule B1 to IA86 as we think there is insufficient property to enable a distribution to be made to unsecured creditors, other than by virtue of section 176A(2) of IA86
- 8 3 The Administrators are obliged to hold an initial creditors' meeting if 10% in value of the creditors request it. If you wish for a meeting to be held, you must notify us in writing in the prescribed form (form 2.21B attached) within 8 business days from the date of this report. Under rule 2.37(3) of the rules, the expenses of holding a meeting at the request of creditors shall be paid for those requesting the meeting and they shall provide security to the Administrators for that payment. Failing such a meeting taking place, the Administrators' proposals will be deemed to have been approved pursuant to rule 2.33(5) of the Insolvency Rules.

BPC

- 8 4 The business of a meeting of BPC's creditors is to be carried out by correspondence with the creditors pursuant to paragraph 58 of Schedule B1 to IA86 in order to avoid the costs of holding such a meeting. Enclosed with this report is Form 2.25B which should be completed by each creditor and sent together with a completed Statement of Claim Form (enclosed at Appendix D) to administrators by 12.00 on 31 May 2011.
- 8 5 The Administrators are obliged to hold an initial creditors' meeting if 10% in value of the creditors request it. Please see point 8.3 above for further information.
- 8 6 In preparing this report, the Administrators have relied on information provided by the directors and management of the Companies and other third parties. The Administrators' investigations are continuing and accordingly, it has not been possible to verify all such information. Therefore, the Joint Administrators take no responsibility for the accuracy and completeness of this information or otherwise.
- 8 7 In accordance with their statutory requirements, the Administrators are obliged to review the conduct of all directors who served in respect of the Companies in the 3 year period prior to the date of Administration. Should any creditors have relevant information in relation to directors' conduct, please provide details in writing. This request forms part of our normal investigations into directors' conduct and does not imply any criticism of the directors in this particular case.

8 8 The Administrators are required to provide a progress report to all creditors within one month of the end of the first six months of the Administration, or when the Administration comes to an end, whichever is sooner

9 **Administrators' Proposals**

9 1 As outlined above the objective of the Administration strategies is achieving a better result for the Companies' creditors as a whole than would be likely if the Companies' were wound up

9 2 The contents of this document represent the Administrators' proposals. It is also specifically proposed that

- The Administrators will continue to manage the affairs of the Companies in order to achieve the purpose of the Administrations
- The Administrators will do all such other things and generally exercise all of their powers as contained in Schedule B1 of the Act, as they consider desirable or expedient to achieve the statutory purpose of the Administrations
- To investigate and as appropriate pursue any claims the Companies may have
- In accordance with SIP9, issued by the Association of Business Recovery Professionals, the Administrators be authorised to draw remuneration as and when funds are available on account of their time costs
- The Administrators be authorised to recover outstanding category 2 disbursements when such costs have been incurred in connection with the Administrations and are approved in the normal manner
- The Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) of Schedule B1 of the Act
- The Administrators may use the most appropriate exit route strategy available to them in order to bring the Administrations to an end
- If all assets have been realised, and there are no funds available to enable a distribution to the unsecured creditors and a liquidation process is not required, we shall file a notice pursuant to paragraph 84 of Schedule B1 to IA86 together with our final progress report at Court and with the Registrar of Companies for the dissolution of the relevant company. We consider that this is likely to be the most appropriate exit route for M&C
- Should dissolution not be the most effective route, the Joint Administrators may exit the relevant company's Administration into a Creditors' Voluntary Liquidation pursuant to

paragraph 83 of Sch B1 to IA86 This may be the appropriate exit route if there are creditors receiving a Prescribed Part distribution It is proposed that the Joint Administrators would be appointed as Joint Liquidators, with either liquidator being able to undertake acts required or authorised under any enactment individually The creditors are entitled to 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 We consider that this is likely to be the most appropriate exit route for BPC

- In the event that there are no distributions to unsecured creditors, but we still believe liquidation to be the most appropriate route (for example if investigations work is required within a liquidation process), we will exit the Administration by compulsory liquidation The Joint Administrators give notice that on such a petition the Joint Administrators will seek their appointment as Joint Liquidators pursuant to section 140 IA86 The Joint Administrators reserve the right to exit by a Creditors Voluntary Liquidation if they deem it to be a more appropriate mechanism We consider that this is likely to be the most appropriate exit route for PPL
- The Administrators will be discharged from liability in accordance with Paragraph 98(1) of Schedule B1 of the Act immediately upon their appointment as Administrators ceasing to have effect

10 Further Questions

- 10.1 Should you have any queries please do not hesitate to contact this office or email peter.nower@fticonsulting.com

For and on behalf of
the Company



Chad Griffin
Joint Administrator

Enc

The affairs, business and property of the Company are being managed by the Joint Administrators
The Joint Administrators act as agents of the Company and without personal liability

The Association of Chartered Certified Accountants authorises S Granger and the Institute of Chartered Accountants in England and Wales authorises C Griffin to act as Insolvency Practitioners under section 390(2)(a) of the Insolvency Act 1986

Statutory Information**Appendix A**

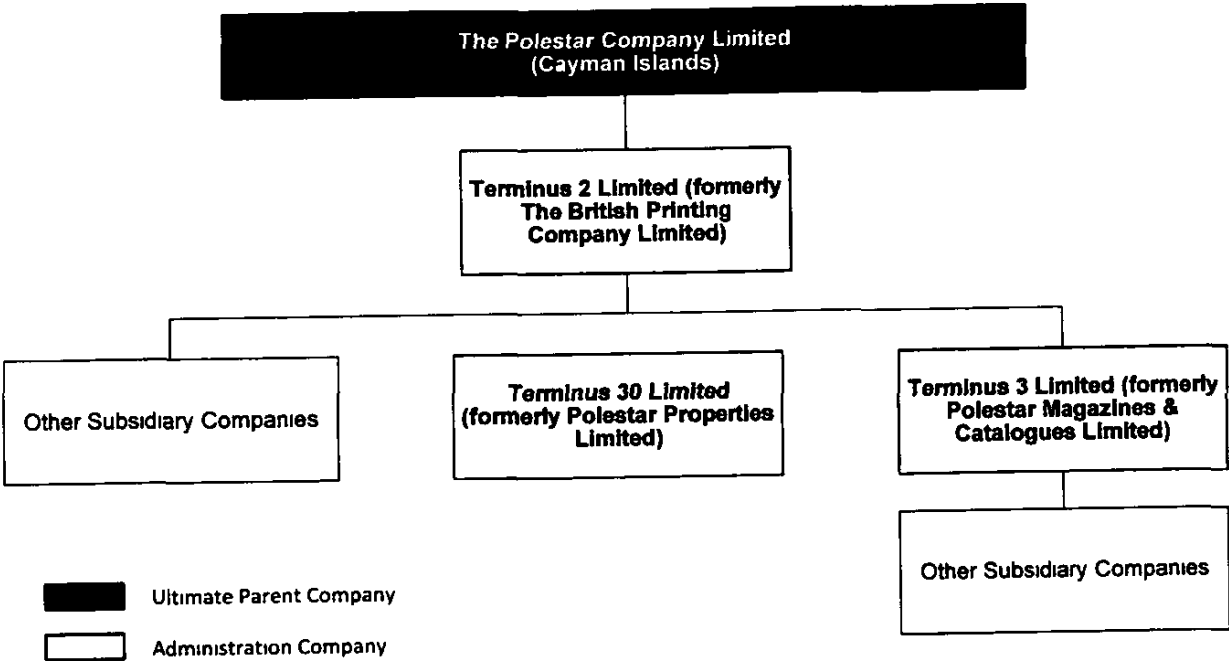
| Company | Terminus 30 Limited (formerly Polestar Properties Limited) |
|---|---|
| Court details | High Court of Justice, Chancery Division, Companies Court Case No 3093 of 2011 |
| Registered number | 02349434 |
| Registered office address | C/O FTI Consulting Limited, 322 High Holborn, London, WC1V 7PB |
| Company directors | Catherine Ann Hearn, Barry Alan Hibbert and Peter Douglas Johnston |
| Company Secretary | Alan James Goodwin |
| Date of Administration appointment | 15 April 2011 |
| Shareholding held by directors and secretary | Nil |

| Company | Terminus 3 Limited (formerly Polestar Magazines & Catalogues Limited) |
|---|--|
| Court details | High Court of Justice, Chancery Division, Companies Court Case No 3089 of 2011 |
| Registered number | 02349434 |
| Registered office address | C/O FTI Consulting Limited, 322 High Holborn, London, WC1V 7PB |
| Company directors | Catherine Ann Hearn, Barry Alan Hibbert and Peter Douglas Johnston |
| Company Secretary | Alan James Goodwin |
| Date of Administration appointment | 15 April 2011 |
| Shareholding held by directors and secretary | Nil |

| Company | Terminus 2 Limited (formerly The British Printing Company Limited) |
|---|---|
| Court details | High Court of Justice, Chancery Division, Companies Court Case No 3091 of 2011 |
| Registered number | 02290563 |
| Registered office address | C/O FTI Consulting Limited, 322 High Holborn, London, WC1V 7PB |
| Company directors | Catherine Ann Hearn, Barry Alan Hibbert and Peter Douglas Johnston |
| Company Secretary | Alan James Goodwin |
| Date of Administration appointment | 15 April 2011 |
| Shareholding held by directors and secretary | Nil |

Simplified Group Structure Chart

Appendix B



Note only Terminus 3 Limited, Terminus 2 Limited and Terminus 30 Limited are in Administration

**Receipts and Payments Accounts for the Period 15 April 2010 to
12 May 2011**

Appendix C

**Terminus 3 Limited (In Administration)
(Formerly Polestar Magazines and Catalogues Limited)**

| | From 15/04/2011 To 10/05/2011 | Expected to Realise Statement of Affairs |
|------------------------------|----------------------------------|---|
| Receipts | | |
| Shares & Investments | 1 00 | 1 00 |
| Third Party Funding | 8,000 00 | Nil |
| | <u>8,001 00</u> | <u>1 00</u> |
| Surplus/(Deficit) | <u>8,001 00</u> | <u>1 00</u> |
| REPRESENTED BY | | |
| Floating Charge Account | <u>8,001 00</u> | |

**Terminus 30 Limited (In Administration)
(Formerly Polestar Properties Limited)**

| | From 15/04/2011 To 12/05/2011 | Expected to Realise Statement of Affairs |
|------------------------------|----------------------------------|---|
| Receipts | | |
| License Fee | 44,433 06 | Nil |
| Leasehold Property | 11 00 | 11 00 |
| Third Party Funding | 146,000 00 | Nil |
| | <u>190,444 06</u> | <u>11 00</u> |
| Receipts | | |
| Rent | (44,433 1) | Nil |
| | <u>(44,433 1)</u> | <u>Nil</u> |
| Surplus/(Deficit) | <u>146,011 00</u> | <u>11 00</u> |
| REPRESENTED BY | | |
| VAT payable | (8,886 61) | |
| VAT receivable | 8,886 61 | |
| Floating Charge Account | <u>146,011 00</u> | |
| | <u>146,011 00</u> | |

**Receipts and Payments Accounts for the Period 15 April 2010 to
12 May 2011**

Appendix C

**Terminus 2 Limited (in Administration)
(Formerly The British Printing Company Limited)**

| | From 15/04/2011 To 12/05/2011 | Expected to Realise Statement of Affairs |
|------------------------------|----------------------------------|---|
| Receipts | | |
| Book Debts | 20,000 00 | Nil |
| Property Rights/Patents | 201 00 | 201 00 |
| Third Party Funding | 8,000 00 | Nil |
| | <u>28,201 00</u> | <u>201 00</u> |
| Surplus/(Deficit) | <u>28,201 00</u> | <u>201 00</u> |
| REPRESENTED BY | | |
| Floating Charge Account | <u>28,201 00</u> | |

Statement of Claim Form

Appendix D

Terminus 2 Limited - in Administration
Terminus 3 Limited - in Administration
Terminus 30 Limited - in Administration

| |
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| |
| |

Date of Administration 15 April 2011

Name and address of creditor

| |
|--|
| |
| |
| |
| |

Amount claimed in the Administration

(Including VAT)

£

Signature of creditor

| |
|--|
| |
|--|

Name of creditor

| |
|--|
| |
|--|

Telephone

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| |
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Fax

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E-mail

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Date

| | | | | |
|--|---|--|---|--|
| | / | | / | |
|--|---|--|---|--|

Please provide appropriate documentation in support of your claim.

If you are registered for VAT the amount claimed should include VAT even if VAT bad debt relief has been claimed under the Value Added Tax Act 1994

Please return this form when you have completed it to Liam Griffin at FTI Consulting Limited, Midtown, 322 High Holborn, London WC1V 7PB or email it to liam.griffin@fticonsulting.com

Creditors registered for VAT may be able to claim VAT bad debt relief in accordance with Section 36 Value Added Tax Act 1994. In broad terms relief is available when the debt is six months old and "written off" by the creditor entering it on his VAT refunds-for-bad-debts-account

Claims lodged in the Administration should be gross, including any VAT element. If/when dividends are paid, creditors who have claimed VAT bad debt relief must apportion the dividend between VAT and the net element of their claim and account to HM Customs and Excise for the VAT element through their VAT return.

Insolvency Practitioners have no role in administering VAT bad debt relief under the Value Added Tax Act 1994. Creditors who are uncertain how to claim should contact their VAT office or take professional advice.

Director's Statement of Affairs of the Companies

Appendix E

Statement of affairs

Name of Company
POLESTAR MAGAZINES & CATALOGUES LIMITED

Company number
02349434

In the HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

Court case number
3089 of 2011

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

Statement as to the affairs of (a) Polestar Magazines & Catalogues Limited, C/O FTI Consulting
Limited, 322 High Holborn, London WC1V 7PB

(b) Insert date

on the (b) 15 April 2011, the date that the company entered administration

Statement of Truth

To the best of my knowledge M
I believe that the facts stated in this statement of affairs are a full, true and complete statement of the
affairs of the above named company as at (b) 15 April 2011, the date that the company entered
administration

Full name. PETER JOHNSON

Signed *[Signature]*

Dated 11/5/11

A – Summary of Assets

Assets

| | Book Value £ | Estimated to Realise £ |
|--|--------------------|------------------------------|
| Assets subject to fixed charge: | | |
| Investment in Polestar UK Print Ltd ¹ | 280,349,997 00 | 1.00 |
| Assets subject to floating charge: | | |
| Uncharged assets ² : | | |
| Intercompany receivable due from British Printing Company Ltd ³ | 25,317,000 00 | Nil |
| Estimated total assets available for preferential creditors | 305,666,997 00 | 1.00 |

¹ The Company's shares in Polestar UK Print Limited were subject to fixed charge security which was released upon the sale of the shares to a third party purchaser

² The company's assets were subject to fixed and floating charge security but this security was released as part of a sale of the Company's subsidiary Polestar UK Print Limited.

³ The Company owes the British Printing Company Limited £77,972,000 so the latter is a net creditor of the company for £52,655,000.

Signature _____ Date _____

A1 – Summary of Liabilities

| | | Estimated to realise £ |
|--|---------------------|---------------------------|
| Estimated total assets available for preferential creditors (carried from page A) | £ | 1.00 |
| Liabilities | | |
| Preferential creditors.- | Nil | |
| Estimated deficiency/surplus as regards preferential creditors | £ | 1.00 |
| Estimated prescribed part of net property where applicable (to carry forward) | £ N/A | |
| Estimated total assets available for floating charge holders | £ | 1.00 |
| Debts secured by floating charges | £ N/A | |
| Estimated deficiency/surplus of assets after floating charges | £ | 1.00 |
| Estimated prescribed part of net property where applicable (brought down) | £ N/A | |
| Total assets available to unsecured creditors | £ | 1.00 |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | £ 151,520,926.20 | |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders) | £ | (151,520,925.20) |
| Shortfall to floating charge holders (brought down) | £ | |
| Estimated deficiency/surplus as regards creditors | £ | (151,520,925.20) |
| Issued and called-up capital | £215,000,003 | |
| Estimated total deficiency/surplus as regards members | £ | (366,520,928.20) |

Signature  Date 11/5/11

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession

| Name of creditor or Claimant | Address (with postcode) | Amount of debt £ | Details of any security held by creditor | Date security given | Value of security £ |
|------------------------------|---|-----------------------------|--|---------------------|---------------------|
| Polestar Anglia Ltd | 1 Apex Business Centre, Boscombe Rd, Dunstable LU5 4SB | 830,989.00 | | | |
| Polestar Colchester Ltd | 1 Apex Business Centre, Boscombe Rd, Dunstable LU5 4SB | 621,000 | | | |
| Polestar Digital Watford Ltd | 1 Apex Business Centre, Boscombe Rd, Dunstable LU5 4SB | 44,891.00 | | | |
| Polestar Purnell Ltd | 1 Apex Business Centre, Boscombe Rd, Dunstable LU5 4SB | 437,000.00 | | | |
| Polestar Exeter Bindery Ltd | 1 Apex Business Centre, Boscombe Rd, Dunstable LU5 4SB | 327,208.00 | | | |
| Polestar Land & Estates Ltd | 1 Apex Business Centre, Boscombe Rd, Dunstable LU5 4SB | 2,466,033.00 | | | |
| Polestar Overseas Ltd | 1 Apex Business Centre, Boscombe Rd, Dunstable LU5 4SB | 86,790.00 | | | |
| Watmoughs Netherlands BV | 1 Apex Business Centre, Boscombe Rd, Dunstable LU5 4SB | 791,086.00 (£918,199.58) | | | |
| The Polestar Company Ltd | 1 Apex Business Centre, Boscombe Rd, Dunstable LU5 4SB | 42,626,929.20 | | | |

| | | | | | |
|--|---|----------------|--|--|--|
| The British Printing Company Ltd | 1 Apex Business Centre, Boscombe Rd, Dunstable LU5 4SB | 77,972,000 00 | | | |
| Polestar Petty Ltd | 1 Apex Business Centre, Boscombe Rd, Dunstable LU5 4SB | 25,317,000 00 | | | |
| | TOTAL | 151,520,926.20 | | | |

Signature  Date 11/5/11

| Name of Shareholder | Address (with postcode) | No. of shares held | Nominal Value | Details of Shares held |
|----------------------------------|---|--------------------|---------------|------------------------|
| The British Printing Company Ltd | C/O FTI Consulting Ltd, 322 High Holborn, London WC1V 7PB | 215,001,002 | 215,001,002 | Ordinary |
| BPC Nominees Ltd | 1 Apex Business Centre, Boscombe Rd, Dunstable LU5 4SB | 1 | 1 | Ordinary |
| | | | | |
| | | | | |
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| | | | | |
| | | | | |
| | TOTALS | 215,001,003 | 215,001,003 | |

Signature for Date 11/5/11

Statement of affairs

Name of Company
Polestar Properties Ltd

Company number
02391628

In the HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

Court case number
3093 of 2011

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

Statement as to the affairs of (a) Polestar Properties Ltd, C/O FTI Consulting Limited, 322 High
Holborn, London WC1V 7PB

(b) Insert date

on the (b) 15 April 2011, the date that the company entered administration

Statement of Truth

to the best of my knowledge

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the
affairs of the above named company as at (b) 15 April 2011, the date that the company entered
administration

Full name PETER JOHNSON

Signed *[Signature]*

Dated 11/5/11

Assets

Assets subject to floating charge:

Uncharged assets:

Intercompany receivable due from Polestar Anglia Ltd

Intercompany receivable due from Polestar Jowetts Ltd

Aylesbury Storage and Distribution Ltd

QIG Ltd

Union Ink Ltd

Miltech Electrical

The Paper Company Ltd

Hutchinson 3g

Blue Pelican

Thompson Accident

Leasehold property

Estimated total assets available for preferential creditors

| Book Value £ | Estimated to Realise £ |
|-----------------|---------------------------|
| 257,459 92 | Nil |
| 1,036,536 28 | Nil |
| 52,200.00 | Nil |
| 2,100.00 | Nil |
| 7,266.90 | Nil |
| 1,917.28 | Nil |
| 286.92 | Nil |
| 152 86 | Nil |
| 504.29 | Nil |
| 36.25 | Nil |
| 11.00 | 11.00 |
| 1,358,471.70 | 11.00 |

Signature W Date 11/5/11

Note: Intercompany debtors are expected to realise no value and the current subtenants of QIG Ltd, Aylesbury Storage, Union Ink, Miltech & Thompson accident are expected to be irrecoverable on the basis the landlords are in arrears and therefore this will be payable to them. The remaining debtors are ex subtenants where the age of the debt will mean they are also expected to be irrecoverable.

A1 – Summary of Liabilities

| | Estimated to realise £ |
|--|---------------------------|
| Estimated total assets available for preferential creditors (carried from page A) | £ 11.00 |
| Liabilities | |
| Preferential creditors:- | Nil |
| Estimated deficiency/surplus as regards preferential creditors | £ 11.00 |
| Estimated prescribed part of net property where applicable (to carry forward) | £ N/A |
| Estimated total assets available for floating charge holders | £ 11.00 |
| Debts secured by floating charges | £ N/A |
| Estimated deficiency/surplus of assets after floating charges | £ 11.00 |
| Estimated prescribed part of net property where applicable (brought down) | £ |
| Total assets available to unsecured creditors | £ 11.00 |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | £ 14,103,565 |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders) | £ (14,103,554) |
| Shortfall to floating charge holders (brought down) | £ |
| Estimated deficiency/surplus as regards creditors | £ (14,103,554) |
| Issued and called up capital | £ 2.00 |
| Estimated total deficiency/surplus as regards members | (14,103,556) |

Signature  Date 11/5/11

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession

[illegible]

Signature _____ Date 11/5/11

Computer Parts Ltd

Unit 2 Glaisdale Bilborough Nottingham NG8 4GP

22,647.45

COMPANY SHAREHOLDERS

| Name of Shareholder | Address (with postcode) | No. of shares held | Nominal Value | Details of Shares held |
|-----------------------------|---|--------------------|---------------|------------------------|
| The British Printing Co Ltd | C/O FTI Consulting Ltd, 322 High Holborn, London WC1V 7PB | 1 | 1 | Ordinary |
| BPC Nominees Ltd | 1 Apex Business Park, Boscombe Rd, Dunstable LU5 4SB | 1 | 1 | Ordinary |
| | | | | |
| | | | | |
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| | | | | |
| | | | | |
| TOTALS | | 2 | 2 | |

Signature  Date 11/5/11

Statement of affairs

Name of Company
British Printing Company Ltd

Company number
02290563

In the HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

Court case number
3091 of 2011

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

Statement as to the affairs of (a) British Printing Company Ltd, C/O ITI Consulting Limited, 322 High
Holborn, London WC1V 7PB

(b) Insert date

on the (b) 15 April 2011, the date that the company entered administration.

Statement of Truth

to the best of my knowledge
I believe that the facts stated in this statement of affairs are a full, true and complete statement of the
affairs of the above named company as at (b) 15 April 2011, the date that the company entered
administration *M*

Full name

PETER JOHNSTON

Signed

M

Dated

11/5/11

A – Summary of Assets

Assets

| | Book Value £ | Estimated to Realise £ |
|---|-----------------|---------------------------|
| Assets subject to fixed charge ¹ Intellectual property | 201 | 201 |
| Assets subject to floating charge: n/a | | |
| Uncharged assets ² | | |
| Intercompany agreement | 20,000 | 20,000 |
| Intercompany receivable due from Polestar News & Consumer Ltd | 229,000 | Nil |
| Intercompany receivable due from Polestar Select Ltd | 5,161,000 | Nil |
| Intercompany receivable due from Polestar Magazines & Catalogues Ltd ³ | 77,972,000 | Nil |
| Investments Polestar Magazines & Catalogues Ltd | 218,533,000 | Nil |
| Investments Polestar News & Consumer Ltd | 18,090,000 | Nil |
| Investment Polestar Select Ltd | 7,751,000 | Nil |
| Investment Bim Brothers Ltd | 700,000 | Nil |
| Investment BPC Dorset Ltd | 538,000 | Nil |
| Investment Watmoughs Holdings Ltd | 122,674,000 | Nil |
| Estimated total assets available for preferential creditors | 451,668,201 | 20,201.00 |

Signature  Date 11/5/11

Note

¹ The Company's intellectual property was subject to fixed charge security which was sold to a third party purchaser and released on disposal

² The Company's assets were subject to fixed and floating charge security but this security was released as part of a sale of the Company's indirect subsidiary, Polestar UK Print Limited

³ The intercompany debtor with Polestar Magazines & Catalogues Ltd should be netted down against the intercompany creditor disclosed in the Company Creditor list of £25,317,000.00, therefore the net balance is £52,655,000

A1 – Summary of Liabilities

| | Estimated to realise £ |
|--|---------------------------|
| Estimated total assets available for preferential creditors (carried from page A) | £ 20,201 |
| Liabilities | |
| Preferential creditors:- | £ Nil |
| Estimated deficiency/surplus as regards preferential creditors | £ 20,201 |
| Estimated prescribed part of net property where applicable (to carry forward) | £ N/A |
| Estimated total assets available for floating charge holders | £ 20,201 |
| Debts secured by floating charges | £ N/A |
| Estimated deficiency/surplus of assets after floating charges | £ 20,201 |
| Estimated prescribed part of net property where applicable (brought down) | £ N/A |
| Total assets available to unsecured creditors | £ 20,201 |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) ⁴ | £ 543,704,000 |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders) | £ (543,683,799) |
| Shortfall to floating charge holders (brought down) | £ |
| Estimated deficiency/surplus as regards creditors | £ (543,683,799) |
| Issued and called up capital | £57,212,131 |
| Estimated total deficiency/surplus as regards members | £ (600,895,930) |

Signature M Date 11/5/11

⁴ This figure does not include potential liabilities arising under certain lease guarantees provided by the Company

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession.

[illegible]

Signature AK Date 11/5/11

| Name of Shareholder | Address (with postcode) | No. of shares held | Nominal Value | Details of Shares held |
|--------------------------|--|--------------------|---------------|------------------------|
| The Polestar Company Ltd | 87 Mary Street, George Town, Grand Cayman KY1-9002 | 29,713,064 | 297,131 | Ordinary |
| The Polestar Company Ltd | 87 Mary Street, George Town, Grand Cayman KY1-9002 | 56,915,000 | 56,915,000 | Pref cum red 10% |
| | | | | |
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| | | | | |
| | TOTALS | 86,628,064 | 57,212,131 | |



$$\frac{11}{11} \bigg| \frac{5}{11}$$

Time Analysis for the Period from 15 April 2011 to 12 May 2011
Appendix F
**Terminus 3 Limited (formerly Polestar Magazines & Catalogues Limited) (in Administration)
Time Analysis for the period 15 April 2011 to 12 May 2011**

| Classification of Work Function | Hours | | | | Total Time Cost (£) | Average hourly rate (£) |
|---------------------------------|--------------------------|----------------|------------------------|-------------|---------------------|-------------------------|
| | Senior Managing Director | Director | Consultant / Associate | Total Hours | | |
| Administration and planning | 5 0 | 1 7 | 11 9 | 18 6 | 7,726 0 | 415 38 |
| Investigations | 0 0 | 0 0 | 1 0 | 1 0 | 160 0 | 0 00 |
| Realisation of assets | 0 0 | 3 5 | 1 5 | 5 0 | 2,252 5 | 450 50 |
| Correspondence with creditors | 0 0 | 0 0 | 1 0 | 1 0 | 160 0 | 160 00 |
| Tax compliance | 0 0 | 0 0 | 0 0 | 0 0 | 0 0 | 0 00 |
| Total hours | 5 0 | 5 2 | 15 4 | 25 6 | | |
| Total Fees Claimed | 3,375.0 | 2,979 5 | 3,944.0 | | 10,298.5 | 402 29 |

**Terminus 30 Limited (formerly Polestar Properties Limited) (in Administration)
Time Analysis for the period 15 April 2011 to 12 May 2011**

| Classification of Work Function | Hours | | | | Total Time Cost (£) | Average hourly rate (£) |
|---------------------------------|--------------------------|----------------|------------------------|-------------|---------------------|-------------------------|
| | Senior Managing Director | Director | Consultant / Associate | Total Hours | | |
| Administration and Planning | 1 0 | 1 2 | 11 3 | 13 5 | 4,415 0 | 327 04 |
| Investigations - data gathering | 0 0 | 0 0 | 1 0 | 1 0 | 160 0 | 160 00 |
| Realisation of Assets | 0 0 | 2 0 | 19 0 | 21 0 | 7,560 0 | 360 00 |
| Correspondence with creditors | 0 0 | 0 0 | 1 0 | 1 0 | 160 0 | 160 00 |
| Tax compliance | 0 0 | 1 5 | 0 0 | 1 5 | 862 5 | 0 00 |
| Total hours | | | | 38 0 | | |
| Total Fees Claimed | 675.0 | 2,654 5 | 9,828 0 | | 13,157 5 | 346.25 |

Time Analysis for the Period from 15 April 2011 to 12 May 2011

Appendix F

Terminus 2 Limited (Formerly The British Printing Company Limited) (in Administration)
Time Analysis for the period 15 April 2011 to 12 May 2011

| Classification of Work Function | Hours | | | | | Average hourly rate (£) |
|---------------------------------|--------------------------|----------|------------------------|-------------|---------------------|-------------------------|
| | Senior Managing Director | Director | Consultant / Associate | Total Hours | Total Time Cost (£) | |
| Administration and Planning | 00 | 07 | 11.4 | 12.1 | 3,896.0 | 321.98 |
| Investigations - data gathering | 00 | 00 | 1.0 | 1.0 | 160.0 | 160.00 |
| Realisation of Assets | 00 | 00 | 1.5 | 1.5 | 240.0 | 160.00 |
| Correspondence with creditors | 00 | 00 | 1.0 | 1.0 | 160.0 | 160.00 |
| Tax compliance | 00 | 00 | 0.0 | 0.0 | 0.0 | 0.00 |
| Total hours | | | | 15.6 | | |
| Total Fees Claimed | - | 392.0 | 4,064.0 | | 4,456.0 | 285.64 |

| Disbursement Type | £ |
|------------------------------------|--------|
| Category 1 Disbursements | 121.74 |
| Category 2 Disbursements | 0.00 |
| Total Disbursements Claimed | 121.74 |

Additional Information in Relation to Administrators' Fees Pursuant to Statement of Insolvency Practice 9

Appendix G

1 Policy

Detailed below is FTI's policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements

1.1 Staff Allocation and the use of Sub-contractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The constitution of the case team will usually consist of a Senior Managing Director, Managing Director, Director, Senior Consultant and Consultant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and on larger, more complex cases, several Senior Consultants/Consultants may be allocated to meet the demands of the case

With regard to support staff, we would advise that time spent by cashiers in relation to specific tasks on an assignment is charged. Only if there is a large block of time incurred by a member of the secretarial team, eg, report compilation and distribution, do we seek to charge and recover our time in this regard

1.2 Professional Advisors

On this assignment we have used the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis

| Name of Professional Advisor | Basis of Fee Arrangement |
|---|---------------------------------|
| Freshfields Bruckhaus Deringer LLP (legal advice) – Joint Administrators lawyers | Hourly rate and disbursements |

Our choice was based on our view of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them

1.3 Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These disbursements can include costs incurred which relate to payments due to associated companies for the provision of services to the office holder. On this case no costs of this nature have been incurred.

1.4 Charge-out Rates

A schedule of FTI's charge-out rates for this assignment are as follows:

| | (Per hour) £ |
|-----------------------------------|-----------------|
| Directors | |
| Senior Managing Director | 675 |
| Managing Director | 560 |
| Tax Director | 580 |
| Director | 500 |
| Manager: | |
| Senior Consultants | 415 |
| Other Senior Professionals | |
| Consultants | 360 |
| Associates | 220 |
| Insolvency Assistant | 160 |