

The Insolvency Act 1986

Statement of administrator's proposals

| | |
|---|-----------------------------------|
| Name of Company Aylesford Newsprint Holdings Limited | Company number 02816412 |
| In the High Court of Justice [full name of court] | Court case number 1380 of 2015 |

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

| | |
|---------------------|----------------------|
| We (a) | |
| Allan Watson Graham | Robert Andrew Croxen |
| KPMG LLP | KPMG LLP |
| 15 Canada Square | 15 Canada Square |
| Canary Wharf | Canary Wharf |
| London | London |
| E14 5GL | E14 5GL |

*Delete as applicable

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

(b) 10 April 2015

Signed



Joint Administrator

Dated

10 April 2015

Contact Details:

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

| | |
|--------------------------|------------------|
| Mok Miah | |
| KPMG LLP | |
| 15 Canada Square | |
| Canary Wharf | |
| London E14 5GL | |
| United Kingdom | |
| DX 157460 Canary Wharf 5 | Tel 01293 652042 |

FRIDAY



A22 *A46Z53GH* 08/05/2015 #169

COMPANIES HOUSE

A08 *A45HOYEJ* 17/04/2015 #142

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



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Aylesford Newsprint Holdings Limited - in Administration

Joint Administrators' proposals

10 April 2015

Notice to creditors

We have made this document available to you to set out the purpose of the administration and to explain how we propose to achieve it

We have also explained why the Company entered administration and how likely it is that we will be able to pay each class of creditor

You will find other important information in the document such as the proposed basis of our remuneration

A glossary of the abbreviations used throughout this document is attached (Appendix 4)

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+AF223D2829.html> We hope this is helpful to you

Please also note that an important legal notice about this statement of proposals is attached (Appendix 5)



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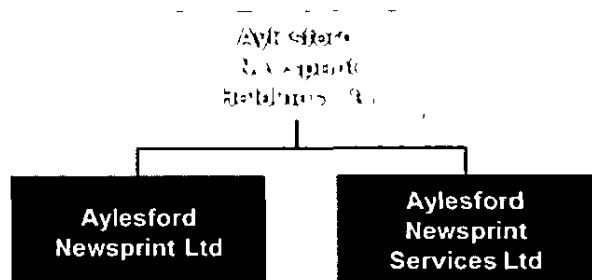
1 Executive summary

- 1.1 ANHL was incorporated on 10 May 1993 and is a holding company which did not trade
- 1.2 The Directors made a decision to place ANHL into administration, after the directors of ANL resolved to place that company into administration
- 1.3 Rob Croxen and I were appointed as Administrators on 24 February 2015. (Section 3 - Background and events leading to the administration)
- 1.4 ANHL's principal assets are two wholly owned subsidiaries, ANL and ANSL (Section 4 - Strategy and progress of the administration to date)
- 1.5 Realisations from the subsidiaries are uncertain, accordingly it is unclear whether there will be a distribution to any class of creditor (Section 5 - Dividend prospects)
- 1.6 Depending on realisations, the most likely exit route will be either be liquidation or dissolution (Section 6 - Ending the administration)
- 1.7 We are not planning to hold a meeting of creditors (Section 7 on page 5 provides details on the process required to request a meeting)
- 1.8 We propose that our remuneration be drawn on the basis of time properly given by us and the various grades of our staff. We will seek approval for this from the secured creditors (Section 8 - Joint Administrators' remuneration, disbursements and pre-administration costs)
- 1.9 This document in its entirety is our statement of proposals. A summary list of the proposals is shown in Section 9 together with all relevant statutory information included by way of appendices. Unless stated otherwise, all amounts in the proposals and appendices are stated net of VAT



Allan Graham
Joint Administrator

2 Group structure



ANHL is the parent holding company and wholly owns the shares in ANL and ANSL. ANSL is not currently in an insolvency process. ANL was the main operating company and is in administration.

ANSL contracted with Npower Cogen in respect of the operation of a gas burning CHP plant located on the Aylesford site which provided ANL with electricity and steam. ANSL also owns an 80 acre landfill site known as Margetts Pitt in Burham, Kent.

3 Background and events leading to the administration

3.1 Background information

The Company was incorporated on 10 May 1993, however the Company did not trade as it was a holding company.

The Company had no employees.

3.2 Events leading to the administration

One of ANHL's subsidiaries, ANL, suffered cash flow difficulties as a result of poor trading. It could not continue trading and was placed into administration.

ANHL was the principal employer of the pension scheme for ANL which was in deficit. In view of its reliance on ANL and the guarantees that it had provided to SFL, ANHL's directors resolved that ANHL should be placed into administration at the same time as ANL.

KPMG has not previously carried any work directly for or in relation to the Company. However, for completeness, we advise that KPMG was engaged by ANL in April 2014 by the Directors of ANL to carry out pension advisory work. In October 2014 and more recently in February 2015, KPMG were engaged by ANL to perform contingency planning work.

In addition, KPMG have previously been engaged by the previous funders to carry out an independent business review in connection with ANL in June 2013, and short term cashflow work in September 2013, February 2014 and May 2014.

3.3 Appointment of Joint Administrators

The Directors resolved on 20 February 2015 to appoint us as Joint Administrators.



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The notice of appointment was lodged at the High Court of Justice on 24 February 2015 and we were duly appointed

4 Strategy and progress of the administration to date

4.1 Strategy to date

Strategy

The Company's principal assets are two wholly owned subsidiaries in ANL and ANSL. ANL is in administration and ANSL is not currently subject any insolvency process.

Any return from ANL is dependent on the outcome of that administration.

In relation to ANSL, in our capacity as shareholders of ANHL, we are in discussions with the directors who we understand are reviewing the options for the company.

We will provide further updates in our next report.

4.2 Asset realisations

There have been no realisations to date.

Secured cash account

As a result of the sale of the Group in 2012, the former shareholders deposited sums to secure a Letter of Credit that was put in a place to guarantee the performance of an energy supply contract by ANSL up to February 2016.

In light of the letter of credit balance is unlikely that there will be any realisation from the secured cash account.

Rental deposit

We are aware of a deposit of c£29,000 paid in relation to property in Paris. We are currently ascertaining whether this can be returned to the Company.

Investigations

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

In this regard, if you wish to bring to our attention any matters which you believe to be relevant, please do so by writing to Mok Miah at KPMG LLP, 15 Canada Square, Canary Wharf, London E14 5GL, United Kingdom.

4.3 Costs

No payments have been made in the period. We have not attached a receipts and payments account as there have not been any transactions since the commencement of this administration.



5 Dividend prospects

5.1 Secured creditor

SFL have debentures (fixed and floating charges) over the assets of ANHL, ANL and ANSL

A validity of security review was carried out by our solicitors, Gateley LLP, who confirmed that the SFL security was valid

On current information, we do not anticipate that there will be funds available to SFL, the Secured Creditor

5.2 Preferential creditors

We are not aware of any preferential claims against the Company

5.3 Unsecured creditors

The Company's records indicated there were no unsecured liabilities

On current information, we do not anticipate that there will be funds available to make a distribution to the unsecured creditors

6 Ending the administration

6.1 Exit route from administration

We consider it prudent to retain all of the options available to us, as listed in Section 9 to bring the administration to a conclusion in due course

However, at this stage we anticipate that the most likely exit route will be dissolution

6.2 Discharge from liability

We propose to seek approval from the Secured Creditor that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies

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

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



7 Approval of proposals

7.1 Creditors' meeting

It is not necessary to hold a meeting of creditors because it appears that the Company has insufficient property to enable us to make a distribution to unsecured creditors

7.2 Creditors' right to request an initial creditors' meeting

We will summon such a meeting (1) if asked to do so by creditors whose debts amount to at least 10% of the total debts of the Company, and (2) if the procedures set out below are followed

Requests for an initial creditors' meeting must be made within eight business days of the date on which our proposals were issued. They must include

- a list of the creditors concurring with the request, showing the amounts of their respective debts in the administration,
- written confirmation of their concurrence from each concurring creditor, and
- a statement of the purpose of the proposed meeting,

In addition, the expenses of summoning and holding a meeting at the request of a creditor must be paid by that creditor. That creditor is required to deposit security for such expenses with us

If you wish to request a creditors' meeting, please contact Mok Miah on 020 76946477 to obtain the requisite forms

7.3 Deemed approval of proposals

On expiry of eight business days from the date our proposals were issued, without any request for an initial creditors' meeting, it will be deemed that our proposals have been approved by creditors

8 Joint Administrators' remuneration and disbursements

8.1 Approval of the basis of remuneration and disbursements

We propose to seek approval from the Secured Creditor that

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

Agreement to the basis of our remuneration and the drawing of Category 2 disbursements is subject to specific approval. It is not part of our proposals

Should the circumstances of the administration change, we reserve the right to revert to the unsecured creditors in order to seek approval for the basis of remuneration and the drawing of Category 2 disbursements



Time costs

From the date of our appointment to 30 March 2015, we have incurred time costs of £18,277. These represent 58 hours at an average rate of £341 per hour.

Disbursements

We have not incurred any disbursements during the period.

Additional information

We have attached (Appendix 2) an analysis of the time spent, the charge-out rates for each grade of staff and the disbursements paid directly by KPMG for the period from our appointment to 30 March 2015. We have also attached our charging and disbursements recovery policy.

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

9 Summary of proposals

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

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

We propose the following:

General matters

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

Distributions

- to make distributions to the Secured Creditor where funds allow,
- to apply to the Court for the authority to make a distribution to unsecured creditors if funds become available.

Ending the administration

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

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors,
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate,



- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, Allan Graham and Rob Croxen, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved,
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, Allan Graham and Rob Croxen, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together,
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration and pre-administration costs

We propose that

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

Discharge from liability

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



Appendix 1 Statutory information

Company information

| | |
|-----------------------------|---|
| Company and Trading name | Aylesford Newsprint Holdings Limited |
| Date of incorporation | 10 May 1993 |
| Company registration number | 02816412 |
| Trading address | Newsprint House, New Hythe Business Park, Bellingham Way, Aylesford, Kent, ME20 7DL |
| Previous registered office | Newsprint House, New Hythe Business Park, Bellingham Way, Aylesford, Kent, ME20 7DL |
| Present registered office | 15 Canada Square, Canary Wharf, London, E14 5GL |
| Company Directors | Kouadio Landry Kouakou Krister Rosenqvist Packalen Gilles Christophe Roland Angela Wardlaw |
| Company Secretary | Martin John Atkinson |

Administration information

| | |
|---|---|
| Administration appointment | The administration appointment granted in High Court of Justice, 1380 of 2015 |
| Appointor | Directors |
| Date of appointment | 24 February 2015 |
| Joint Administrators | Allan Graham and Rob Croxen |
| Purpose of the administration | Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up |
| Functions | The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) |
| Current administration expiry date | 23 February 2016 |
| Prescribed Part | The Prescribed Part is applicable on this case It has been taken into account when determining the dividend prospects for unsecured creditors (Section 5) |
| Estimated values of the Net Property and Prescribed Part | The Prescribed Part is capped at the statutory maximum of £600,000 |
| Prescribed Part distribution | If funds do become available for a distribution under the Prescribed Part, the Joint Administrators may apply to Court for the authority to make a distribution to the unsecured creditors, or if appropriate, may apply to the Court to obtain an order that the Prescribed Part shall not apply on the grounds that the cost of making a distribution to the unsecured creditors would be disproportionate to the benefits Alternatively, the Prescribed Part will be automatically disapplied if the Net Property is less than £10,000 and the costs of making a distribution would be disproportionate to the benefits |
| Application of EC Regulations | EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations |



Appendix 2 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

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

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

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

http://www.r3.org.uk/media/documents/publications/professional/Guide_to_Administrators_Fees_Nov_2011.pdf

If you are unable to access this guide and would like a copy, please contact Mok Miah on 020 76946477.

Hourly rates

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

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

Charge-out rates

| Charge-out rates (£) - Restructuring | |
|--------------------------------------|-----------------------|
| Grade | From 24 Feb 2015 £/hr |
| Partner | 595 |
| Director | 535 |
| Senior Manager | 485 |
| Manager | 405 |
| Senior Administrator | 280 |
| Administrator | 205 |
| Support | 125 |



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

Policy for the recovery of disbursements

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

Category 1 disbursements These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

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

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

Mileage claims fall into three categories:

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

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

We have not incurred any disbursements during the period 24 February 2015 to 30 March 2015.

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

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

Narrative of work carried out for the period 24 February 2015 to 30 March 2015

The key areas of work have been:

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



| | |
|------------------------------|---|
| | <ul style="list-style-type: none"> ■ reviewing matters affecting the outcome of the administration, ■ allocating and managing staff/case resourcing and budgeting exercises and reviews, ■ liaising with legal advisors regarding the various instructions, including agreeing content of engagement letters, ■ complying with internal filing and information recording practices, including documenting strategy decisions |
| Reports to debenture holders | <ul style="list-style-type: none"> ■ providing written and oral updates to representatives of the Secured Creditor regarding the progress of the administration and case strategy |
| Cashiering | <ul style="list-style-type: none"> ■ setting up an administration bank account and dealing with the Company's pre-appointment accounts, ■ reconciling post-appointment bank accounts to internal systems, ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments |
| Tax | <ul style="list-style-type: none"> ■ gathering initial information from the Company's records in relation to the taxation position of the Company, ■ submitting relevant initial notifications to HM Revenue and Customs, ■ reviewing the Company's pre-appointment corporation tax and VAT position, ■ analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations, ■ dealing with post appointment tax compliance |
| Shareholders | <ul style="list-style-type: none"> ■ providing notification of our appointment, ■ providing copies of statutory reports to the shareholders |
| General | <ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9, ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage |
| Asset realisations | <ul style="list-style-type: none"> ■ collating information from the Company's records in regards to establishing any assets |
| Property matters | <ul style="list-style-type: none"> ■ performing land registry searches |
| Health and safety | <ul style="list-style-type: none"> ■ liaising with internal health and safety specialists in order to manage all health and safety issues and environmental issues, including ensuring that legal and licensing obligations are complied with, ■ liaising with the Health and Safety Executive regarding the administration and ongoing health and safety compliance |
| Open cover insurance | <ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company, ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place, ■ assessing the level of insurance premiums |
| Pensions | <ul style="list-style-type: none"> ■ collating information and reviewing the Company's pension schemes, ■ ensuring compliance with our duties to issue statutory notices, ■ liaising with the trustees of the defined benefit pension scheme, the Pensions Regulator and the Pensions Protection Fund concerning the changes caused to the pension scheme as a result of our appointment |
| Creditors and claims | <ul style="list-style-type: none"> ■ drafting and circulating our proposals, ■ creating and updating the list of unsecured creditors, ■ responding to enquiries from creditors regarding the administration and submission of their claims, ■ recording claim amounts and maintaining claim records |
| Investigations/ directors | <ul style="list-style-type: none"> ■ reviewing Company and directorship searches and advising the directors of the effect of the administration, ■ liaising with management to produce the Statement of Affairs and filing this document with the Registrar of Companies, ■ reviewing the questionnaires submitted by the Directors of the Company, ■ reviewing pre-appointment transactions |

Time costs

| SIP 9 - Time costs analysis (24/02/2015 to 30/03/2015) | | | | | | | |
|--|--------------------|--------------|---------------|-------------|--------------|------------------|-------------------------|
| | Hours | | | | | Time Cost (£) | Average Hourly Rate (£) |
| | Partner / Director | Manager | Administrator | Support | Total | | |
| Trading | | | | | | | |
| Tax | | | | | | | |
| Post appointment VAT | | | 0 50 | | 0 50 | 102 50 | 205 00 |
| Administration & planning | | | | | | | |
| General | | | | | | | |
| Fees and WIP | | | 0 20 | | 0 20 | 56 00 | 280 00 |
| Statutory and compliance | | | | | | | |
| Appointment and related formalities | | 6 00 | 22 55 | | 28 55 | 8,744 00 | 306 27 |
| Bonding and bordereau | | | | 0 30 | 0 30 | 37 50 | 125 00 |
| Checklist & reviews | | | 0 50 | | 0 50 | 140 00 | 280 00 |
| Strategy documents | 1 40 | | | | 1 40 | 833 00 | 595 00 |
| Tax | | | | | | | |
| Initial reviews - CT and VAT | | 0 70 | 4 00 | | 4 70 | 1,159 50 | 246 70 |
| Post appointment corporation tax | | 3 00 | 1 40 | | 4 40 | 1,502 00 | 341 36 |
| Post appointment VAT | | 0 50 | 3 55 | | 4 05 | 1,212 50 | 299 38 |
| Creditors | | | | | | | |
| Creditors and claims | | | | | | | |
| General correspondence | | | 0 50 | | 0 50 | 140 00 | 280 00 |
| Statutory reports | | 1 30 | 7 00 | | 8 30 | 2,486 50 | 299 58 |
| Employees | | | | | | | |
| Correspondence | | 1 50 | | | 1 50 | 607 50 | 405 00 |
| Pension funds | | 1 70 | | | 1 70 | 688 50 | 405 00 |
| Pensions reviews | | 1 20 | | | 1 20 | 486 00 | 405 00 |
| Investigation | | | | | | | |
| Directors | | | | | | | |
| Directors' questionnaire / checklist | | 0 20 | | | 0 20 | 81 00 | 405 00 |
| Total in period | 1 40 | 16 10 | 40 20 | 0 30 | 58 00 | 18,276 50 | 341 09 |

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

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



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Appendix 3 Estimated financial position

The Director has provided the following Statement of Affairs for the Company as at the date of our appointment

We have not carried out anything in the nature of an audit on the information provided. The figures do not take into account the costs of the administration



Statement of affairs

Name of Company
Aylesford Newsprint Holdings Limited

Company number
02816412

In the
High Court of Justice
Chancery Division
Companies Court
[full name of court]

Court case number
1380 of 2015

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

Statement as to the affairs of (a) Aylesford Newsprint Holdings Limited, Newsprint House,
Bellingham Way, Aylesford Kent, ME20 7DL

on the (b) 24th February 2015, the date that the company entered administration

(b) Insert date

Statement of Truth

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) 24th February 2015 the date that the company entered
administration

Full name Angela Wardlaw

Signed

Angela Wardlaw

Dated

8/4/15

Assets

Signature Agne Ward Date 8/4/15

A1 – Summary of Liabilities

| | | Estimated to realise £ |
|---|---------|------------------------|
| Estimated total assets available for preferential creditors (carried from page A) | | £29,160 |
| Liabilities | | |
| Preferential creditors - | Nil | |
| Estimated deficiency/surplus as regards preferential creditors | | £29,160 |
| Estimated prescribed part of net property where applicable (to carry forward) | Nil | |
| Estimated total assets available for floating charge holders | | £29,160 |
| Debts secured by floating charges | Nil | |
| Estimated deficiency/surplus of assets after floating charges | | £29,160 |
| Estimated prescribed part of net property where applicable (brought down) | £Nil | |
| Total assets available to unsecured creditors | | £29,160 |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | £55,800 | |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders) | | £(26,640) |
| Shortfall to floating charge holders (brought down) | Nil | |
| Estimated deficiency/surplus as regards creditors | | £(26,640) |
| Issued and called up capital | £20,000 | |
| Estimated total deficiency/surplus as regards members | | £(46,640) |

Signature Angel W. W. W. Date 8/4/15



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 Ajed Wadood Date 8/4/15

COMPANY SHAREHOLDERS

| Name of Shareholder | Address (with postcode) | No of shares held | Nominal Value | Details of Shares held |
|----------------------------|---|-------------------|------------------|---------------------------------|
| Medway Enterprises Limited | Savoy House, Savoy Circus, London, W3 7DA | 1,001,000 | £10,010 | Ordinary A shares of £0.01 each |
| Medway Enterprises Limited | Savoy House, Savoy Circus, London, W3 7DA | 1,001,000 | £10,010 | Ordinary B shares of £0.01 each |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTALS | | | 2,002,000 | £20,020 |

Signature

Date _____

8/4/15

Appendix 4 Glossary

| | |
|---------------------------------------|--|
| ANHL/Company | Aylesford Newsprint Holdings Limited - in Administration |
| ANL | Aylesford Newsprint Limited - in Administration |
| ANSL | Aylesford Newsprint Services Limited |
| CHP | Combined Heat and Power Station |
| Group | ANL, ANSL and ANHL |
| Joint Administrators/we/our/us | Allan Graham and Rob Croxen |
| KPMG | KPMG LLP |
| NPC | Npower Cogen |
| SFL/Secured creditor | Sitara Finance Limited |
| VAT | Value Added Tax |

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



Appendix 5 Notice. About this statement of proposals

This statement of proposals ('proposals') has been prepared by Allan Graham and Rob Croxen, the Joint Administrators of Aylesford Newsprint Holdings Limited – in Administration (the 'Company'), solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their proposals for achieving the purposes of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

These proposals have not been prepared in contemplation of them being used, and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company.

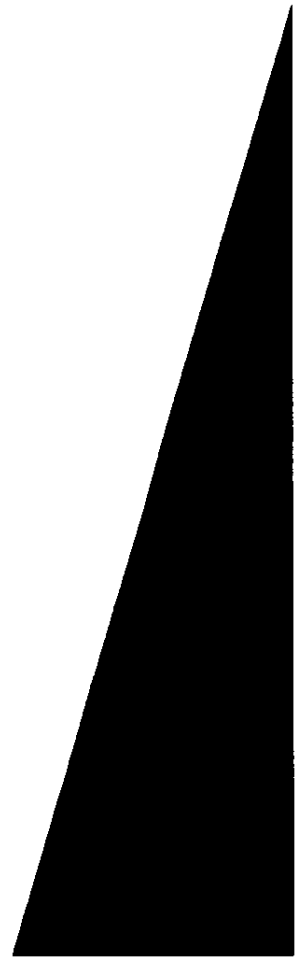
Any estimated outcomes for creditors included in these proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on these proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of these proposals.

Allan Watson Graham and Robert Andrew Croxen are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

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





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