



BEGBIES TRAYNOR

INCORPORATING TAYLOR GOTHAM & FRYE
CORPORATE RESCUE & RECOVERY

STRICTLY PRIVATE & CONFIDENTIAL

Our Ref: AM/SW/74140

**TO ALL KNOWN CREDITORS,
THE REGISTRAR OF COMPANIES,
THE COMPANY AND THE HIGH COURT**

2nd August 2004

Dear Sir(s)

**Re: Newscreen Media Group Plc Formerly Just Group Plc
Newscreen Entertainment Limited Formerly Just Entertainment Limited
And Newscreen Licensing Limited Formerly Just Licensing Limited
- All Subject to a Voluntary Arrangement**

I refer to my appointment as Supervisor of the above Voluntary Arrangement on 2nd August 2002.

In accordance with Rule 1.26 of the Insolvency Rules 1986, I set out below my Annual Report.

1. **RECEIPTS AND PAYMENTS**

- 1.1 I enclose a summary of my Receipts and Payments in respect of Just Group Plc. There have been no Receipts and Payments in respect of Just Entertainment Limited or Just Licensing Limited.

2. **LOAN NOTES**

- 2.1 At the meeting of creditors held in respect of the above companies on 2nd August 2002, it was agreed that the ordinary unsecured liabilities of the companies would be met by Loan Notes being issued and redeemed in accordance with the terms of the amended Voluntary Arrangement.
- 2.2 The majority of creditors claims have now been agreed and Loan Notes issued as detailed in the amended Voluntary Arrangement. There are a residual number of claims still to be agreed which relate principally to claims of former employees.

3. **CREDITOR CLAIMS**

- 3.1 In the event that you have a valid claim against the company and have not to date received Loan Notes in settlement of this claim, I should be grateful if you would contact this office as a matter of urgency.

4. **PREFERENTIAL CREDITORS**

- 4.1 In accordance with the terms of the Proposal, I received funds from the company in order to meet the anticipated claims of the preferential creditors. I can advise that agreed preferential creditors have now been paid in full.

THE OLD EXCHANGE - 234 SOUTHCHURCH ROAD - SOUTHBEND-ON-SEA - ESSEX SS1 2EG
TEL 01702 467255 - FAX 01702 467201 - EMAIL southend@begbies-traynor.com www: www.begbies-traynor.com
A LIST OF PARTNERS IS AVAILABLE AT THE ABOVE ADDRESS

LICENSED INSOLVENCY PRACTITIONERS AT THIS OFFICE ARE AUTHORISED BY THE INSOLVENCY PRACTITIONERS ASSOCIATION
PETER GOTHAM IS LICENSED TO UNDERTAKE INSOLVENCY WORK BY THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS

BRIGHTON - BRISTOL - EXETER - LEEDS - LIVERPOOL - LONDON - MANCHESTER - PRESTON - SHEFFIELD - SUDBURY - SOUTHBEND - WORTHING



5. COSTS OF THE ARRANGEMENT

- 5.1 At the first meeting of creditors, a resolution was passed to enable the Supervisors to draw remuneration by reference of the time properly given by the Supervisors and their staff in attending to the matters arising in the winding up.
- 5.2 I am obliged to provide creditors with specific details with regard to funds paid to my firm. A schedule detailing a breakdown of the costs incurred is attached. To date the sum of £80,015 has been paid by the company.
- 5.3 I am also obliged to provide you with a breakdown of my disbursements which to date have been drawn as follows:-

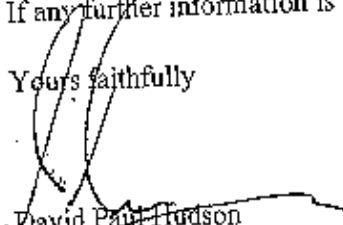
	£
Statutory Advertising	980.20
Statutory Bond	310.00
Travel & Subsistence	1086.15
Photocopies	4173.85
Postage, stationery and telephone	2363.26
Meeting Room	100.00
Company search	11.00
	<u>9024.66</u>

6. COMPANY RECONSTRUCTION

- 6.1 On 21st May 2004, reconstruction with the approval of shareholders was undertaken, involving all 3 companies. This reconstruction resulted in the assets and liabilities of the companies being transferred and held by NSMG (2004) Plc. One of the principal aims of the reconstruction was to enable the new company to make acquisitions.
- 6.2 Having reviewed the terms of the reconstruction and the proposed acquisition, I believe that NSMG (2004) Plc will be able to meet the terms of the Arrangement and in particular the redemption of Loan Notes.

If any further information is required, please do not hesitate to contact me.

Yours faithfully


David Paul Hudson
Joint Supervisor

Enc

(Under a Voluntary Arrangement)
 Joint Supervisor's Abstract of Receipts And Payments
 To 02/08/2004

	Total £
RECEIPTS	
Bank Interest Gross	5,171.67
Bank Interest Net of Tax	549.83
Voluntary Contributions	201,586.69
	207,308.19
PAYMENTS	
Supervisors Expenses	9,024.46
Legal Fees	6,132.40
Storage Costs	150.00
Bank Charges	22.97
Inland Revenue	179,481.53
Department of Employment	2,674.08
Employees Wage Arrears	115.90
Employees Holiday Pay	72.08
VAT Receivable	2,678.71
	200,352.13
 BALANCE	6,956.06
MADE UP AS FOLLOWS	
Bank 1 - Current	178.60
Bank 1 - Base Rate Tracker	6,777.46
	6,956.06

Schedule of Time Costs

Just Group Plc - In Liquidation

	Hours					Cost Time Cost £	Rate Average Hourly Rate £
	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours		
Administration and Planning	41.70	29.90		14.50	86.10	24,048.50	278.31
Case Planning							
Administrative Set-up							
Appointment Notification							
Maintenance of Records							
Statutory Reporting							
Investigations					0.00		
SIP 2 Review							
CDDA Reports							
Investigating Antecedent Transactions							
Realisation of Assets					0.00		
Identifying, Securing, Insuring Assets							
Property, business and asset sales							
Debt Collection							
Trading					0.00		
Management of Operations							
Accounting for Trading							
On-going Employee Issues							
Creditors	17.50	216.10		41.55	275.15	66,083.75	240.17
Communication with Creditors							
Creditors Claims, including							
Employees, Preferential Creditors							
and Unsecured Creditors							
Total Hours	59.20	246.00	0.00	56.05	361.25		
Total Fees	20,660.00	63,461.00	0.00	6,011.25		90,132.25	
Hourly Rate	348.99	257.97	0.00	107.25			249.50