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Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

Viii

155(6)b

Pursuant to section 155(6) of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

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00076230

Name of company

* FORTE LIMITED

I/We CHARLES LAMB ALLEN OF 44 ADDISON ROAD, HOLLAND PARK, KENSINGTON,
LONDON W14 8JN

and the other directors of the Company set out on the list attached to this form marked Schedule 1 who are swearing Forms 155(6)b on separate forms today in exactly the same form as this Form 155(6)b (and so that it is our intention that such forms should constitute but one and the same statutory declaration sworn by all the directors of the Company) and together being

~~the sole director~~ all the directors of the above company (hereinafter called 'this company') do solemnly and sincerely declare that:

The business of this company is:

(a) that of a ~~(recognised bank)~~ (licensed institution) within the meaning of the Banking Act 1979;

(b) that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom;

(c) something other than the above;

This company is ~~the~~ a holding company of * FORTE INTERNATIONAL LIMITED

which is proposing to give financial assistance in connection with the acquisition of shares in ~~this company~~

~~the holding company of this company~~Presentor's name address and
reference (if any):

Lovell White Durrant
65 Holborn Viaduct
London
EC1A 2DY

Ref : A3/PEP/RTW

For official Use
General Section

Post room



A27 *A2C0UOPV* 356
COMPANIES HOUSE 05/09/96

The assistance is for the purpose of that acquisition ~~(involving or discharging a liability incurred for the purpose of that acquisition)~~ (note 1)

Please do not write in this margin

The number and class of the shares acquired or to be acquired is: 1,000,046,583 Ordinary Shares of 25 pence each and 351,720,018 Preference Shares of 25 pence each

Please complete legibly, prefer in black type, bold block letters

The assistance is to be given to: (note 2) AUGUST HOTELS LIMITED AND GRANADA GROUP PLC, REGISTERED OFFICES BOTH AT STORNOWAY HOUSE, 13 CLEVELAND ROW, LONDON SW1A 1GG

The assistance will take the form of:

SEE SCHEDULE 2 PART A

The person who ~~has acquired~~ will acquire ~~the~~ the shares is:
GRANADA GROUP PLC

delete as appropriate

The principal terms on which the assistance will be given are:

SEE SCHEDULE 2 PART B

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it is NIL

The amount of cash to be transferred to the person assisted is £ NIL

The value of any asset to be transferred to the person assisted is £ 162.8 million (to August

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block lettering

The date on which the assistance is to be given is 23 AUGUST 19 96

I/We have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts.(note 3)

(a)[I/We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date]*(note 3)

~~(b)[It is intended to commence the winding-up of this company within 12 months of that date, and I/we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding-up.]*(note 3)~~

* delete either (a) or
(b) as appropriate

And I/we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at Frommway House
13, Cleveland Row
London SW1A 1GG
the 22nd day of August
one thousand nine hundred and ninety-six

Declarants to sign below



before me [Signature]

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF4 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
100-102 George Street
Edinburgh
EH2 3DJ

SCHEDULES

Section 155(6)b Statutory Declaration

These are the Schedules referred to in Form 155(6)b declared by the directors listed in Schedule 1 to that Form who (together with Charles Lamb Allen, who is swearing this Form 155(6)b in exactly the same form as the Forms 155(6)b sworn by such other directors) are all the directors of Forte Limited. Such Forms 155(6)b were sworn before me on 22nd August 1996.

Signed: K. O'Connell
A Commissioner for Oaths or
Notary Public or
Justice of the Peace or a
Solicitor having the powers conferred
on a Commissioner for Oaths

SCHEDULE 1

Section 155 Statutory Declaration

List of Directors of Forte Limited

Director	Home Address
Graham Joseph Parrott	Flat 9, 1 Greenaway Gardens, Hampstead, London NW3 7DJ
Henry Eric Staunton	Fairfield, Nursery Road, Walton on the Hill, Surrey KT20 7TZ
Charles Lamb Allen	44 Addison Road, Holland Park, Kensington, London W14 8JN
Graham Martyn Wallace	35 West Hill Park, Merton Lane, London N6 6ND
Stephanie Gladys Monk	Huntersmead, Hunters Hill, Colbury, Hampshire SO40 7EG

SCHEDULE 2

Section 155 Statutory Declaration

PART A

Form of Assistance

The entry into and performance of an agreement between Forte International Limited ("FIL"), Forte Hotels (U.K.) Limited ("Forte Hotels"), Forte Holdings Limited ("FHL"), August Hotels Limited ("August") and Forte International BV ("FIBV") (all being companies organised and existing under the laws of England other than FIBV, which is organised under the laws of the Netherlands) for the sale by FIL, Forte Hotels and FHL to August of the entire issued and outstanding share capital of FIBV (being all the shares which FIL, Forte Hotels and FHL hold in the capital of FIBV) for a total consideration of £800 million (being the market valuation agreed between the parties), on terms that the consideration is to be left outstanding (unsecured and interest free) payable on demand on intercompany account (or as mentioned in Part B below) between the respective vendors and August.

Each of FIL, Forte Hotels and FHL is a subsidiary of Forte Limited, which in turn is a subsidiary of August, which, in turn, is a subsidiary of Granada Group PLC.

SCHEDULE 2

Section 155 Statutory Declaration

PART B

Principal terms upon which the assistance will be given.

1. See under Part A above.
2. The total issued and outstanding share capital of FIBV is 2,000 shares, having a par value of NLG200 each, of which FIL holds and is to transfer 407, Forte Hotels holds and is to transfer 84, and FHL holds and is to transfer 1,509 shares respectively, for considerations respectively of £162.8 million, £33.6 million and £603.6 million.
3. The consideration payable to each vendor is to be left outstanding (unsecured and interest free) on intercompany account, payable on demand, or to be satisfied, at the option of August, by way of assignment of a debt or loan notes (of equivalent face value) owed to August by Granada Group PLC, or one of the latter's subsidiaries.
4. The Agreement is to be completed as soon as possible after execution.

Price Waterhouse



22 August 1996

The Directors
Forte Limited
166 High Holborn
LONDON
WC1V 6TT

Dear Sirs

AUDITORS' REPORT TO THE DIRECTORS OF FORTE LIMITED PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985

We have examined the attached statutory declaration of the directors dated 22 August 1996 in connection with the proposal that three subsidiaries of the Company enter into and perform an agreement for the disposal of their shares in Forte International BV as mentioned in the declaration, whereby each of those three companies may potentially be giving financial assistance as therein mentioned.

We have enquired into the Company's affairs so far as necessary for us to review the bases for the statutory declaration.

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

Price Waterhouse

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