

Declaration in relation to assistance for the acquisition of shares

155(6)a

CHFP025

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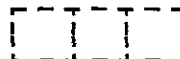
Pursuant to section 155(6) of the Companies Act 1985

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

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

For official use

Company number



541295

Name of company

Note
Please read the notes on page 3 before completing this form.

* GUINNESS WORLD RECORDS LIMITED (the "Company")

* insert full name of company

* / We See Annexure A

§ insert name(s) and address(es) of all the directors

† delete as appropriate

~~the sole director~~ [all the directors]† of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever is inappropriate

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

~~(b) that of a person authorised under section 9 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom~~

~~insurance business in the United Kingdom~~

(c) something other than the above§

The company is proposing to give financial assistance in connection with the acquisition of shares in the [company] ~~company's holding company~~

limited†

The assistance is for the purpose of [that acquisition] ~~reducing or discharging a liability incurred for the purpose of that acquisition~~†

✓ The number and class of the shares acquired or to be acquired is: 100 ordinary shares of £1.00 each

Presentor's name address and reference (if any):

SJ Berwin
222 Grays Inn Road
London
WC1X 8XF

DX255 London CHANCERY LANE
641/G15269.10/Cp2:65036.1

For official Use
General Section



A05
COMPANIES HOUSE

0497
02/08/01

The assistance is to be given to: (note 2) GULLANE ENTERTAINMENT PLC, WITH REGISTERED
COMPANY NO. 2120124 and GULLANE CHILDREN'S BOOKS LIMITED

Please do not
write in this
margin

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

The assistance will take the form of:

See Annexure B

The person who ~~has acquired~~ [will acquire]† the shares is:

† delete as
appropriate

GULLANE CHILDREN'S BOOKS LIMITED

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

See Annexure C

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 £ NIL

The date on which the assistance is to be given is within 8 weeks of

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

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

~~/~~/We have formed the opinion, as regards the 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) ~~/~~/We have formed the opinion that the 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 the company within 12 months of that date, and /we have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding-up.*~~ (note 3)

And ~~/~~/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

222 Grayson Rd, London, WC1

Declarants to sign below



Day Month Year
on

21	7	97	2	9	9	1
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before me

22 John

~~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
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

ANNEXURE A TO FORM 155(6)a
GUINNESS WORLD RECORDS LIMITED
Company No. 541295

(the "Company")

1. William Stuart Harris of Ash Lea, Dixons Lane, Broughton, Stockbridge, Hampshire, SO20 8AT.
2. Timothy James Hilton of 6 Ashton Cross, East Wellow, Romsey, Hampshire SO51 6AY

TJH
R202/2000

ANNEXURE B TO FORM 155(6)a

GUINNESS WORLD RECORDS LIMITED
Company No. 541295

(the "Company")

Financial assistance will take the form of the execution and delivery by the Company of:

1. A multicurrency term and revolving facilities agreement, as amended, varied and supplemented from time to time (the "Facilities Agreement"), to be entered into between inter alios Gullane Entertainment plc (the "Parent"), Barclays Capital (the "Arranger") and Barclays Bank PLC in its various capacities as agent and security trustee ("Security Trustee"), pursuant to which:
 - (a) the Lenders (as therein defined) will make available (on the terms and conditions set out in such Facilities Agreement):
 - (i) a multicurrency term loan (the "Term Loan") in the maximum aggregate principal amount of £65,000,000 to be made available to the Parent to be applied towards:
 - (A) the purchase price payable by the Parent (either directly or by way of inter-company loan to Gullane Childrens' Books Limited and Gullane Entertainment Inc) to the relevant vendors for the purposes of the acquisition of the Target Shares (as therein defined, which includes the entire issued share capital of the Company) (the "Acquisition");
 - (B) the payment of the acquisition costs incurred in connection with the Acquisition;
 - (C) the refinancing of existing financial indebtedness of the Company; and
 - (ii) a multicurrency revolving loan facility (the "Revolving Facility") in the maximum aggregate principal amount of £20,000,000 to be made available to the Parent to be applied for general corporate purposes; and
 - (b) the Company has agreed to guarantee the Guaranteed Obligations (as defined in Annexure C).
2. A debenture to be entered into between the Company and the Security Trustee (as amended, varied and supplemented from time to time) pursuant to which the Company will covenant to pay and discharge the Secured Obligations (as defined in Annexure C below) on the due date and assign or create fixed and floating charges over substantially all its assets and undertaking by way of security for the same (together with any security supplemental thereto and any perfection of such security, the "Debenture");
3. An inter company loan agreement to be entered into between the Parent, (as borrower) and the Company (as lender) (as amended, varied and supplemented from time to time) (the "Inter Company Loan Agreement") pursuant to which the Company would make available to the Parent a revolving credit facility in the maximum aggregate principal amount of £100,000,000.

R. V. John *BM* *W*

ANNEXURE C TO FORM 155(6)a

GUINNESS WORLD RECORDS LIMITED

Company No. 541295

(the "Company")

1. (a) By acceding to the Facilities Agreement the Company will:
 - (i) guarantee to each Finance Party (as therein defined) punctual performance by the Parent and any other Borrower of all its obligations under the Finance Documents (as therein defined);
 - (ii) undertake with each Finance Party that whenever the Parent and any other Borrower does not pay any sum due under or in connection with any Finance Documents, to pay such sum as if it was the primary obligor; and
 - (iii) indemnify each Finance Party against any loss or liability suffered by that Finance Party as a result of any obligation guaranteed by it being or becoming unenforceable, invalid or illegal;(together the "Guaranteed Obligations")
- (b) By executing the Debenture the Company will:
 - (i) covenant with the Security Trustee that it will pay or discharge all present and future obligations and liabilities (whether actual or contingent and whether owned jointly or severally and whether as principal or as surety) of the Company to the Security Trustee or any of the Secured Parties (as defined therein) under or pursuant to the Finance Documents including any liability in respect of any further advances made under the Finance Documents and to pay to the Security Trustee when due and payable every present or future sum owing due or incurred by the Company to the Security Trustee or any Secured Party in respect of such liabilities (the "Secured Obligations"); and
 - (ii) as beneficial owner and with full title guarantee, as security for the payment, discharge and performance of the Secured Obligations, grant security in favour of the Security Trustee over substantially all its assets and undertaking by way of assignment and fixed and floating charges.
2. By executing the Inter Company Loan Agreement the Company will make available to the Parent a revolving credit facility of up to £100,000,000 to be used by the Parent to make payments when due under or in respect of the Facilities Agreement, together with costs and expenses incurred by the Parent in connection with the Acquisition provided that the Company shall only be obliged to make advances if, inter alia, the aggregate of all monies standing to the credit of its bank accounts exceeds the amount of proposed advance and the Company is solvent.

22 John *DM* *WA*

The Directors
Guinness World Records Limited
338 Euston Road
London
NW1 3BD

PricewaterhouseCoopers
West London Office
Harman House
1 George Street
Uxbridge UB8 1QQ
Telephone +44 (0) 1895 273333
Facsimile +44 (0) 1895 274777
Direct fax +44 (0) 1895 274744

27 July 2001

Dear Sirs

Auditors' report to the directors of Guinness World Records Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Guinness World Records Limited ('the Company') dated 27 July 2001 in connection with the proposal that the Company should give financial assistance for the purchase of shares of the Company.

Basis of opinion

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

Opinion

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



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors