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## COMPANIES FORM No. 155(6)a

**Declaration in relation to  
assistance for the acquisition  
of shares.**

# 155(6)a

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

For official use

Company number

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843946

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

Name of company

\* READERS UNION LIMITED

Insert full name  
of company

~~I/We~~ Neil Antony Page of 13 Colleton Mews, Exeter, Devon and  
Piers Macmillan Spence of Headwell Vale, Devonshire Place, Exeter,  
Devon and  
John Richard Townsend of Fairlea, Redwood Road, Sidmouth, Devon

Insert name(s) and  
address(es) of all  
the directorsDelete 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 8 or 4 of the Insurance Companies Act 1982 to carry on 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 David & Charles 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: 1,460,440Ordinary shares of £1.00 eachPresentor's name, address and  
reference (if any):

Foot & Bowden  
The Foot & Bowden  
Building, 21 Derry's  
Cross, PLYMOUTH

Ref. MRL/333

For official use

General Section

Post room



The assistance is to be given to: (note 2) (1)David & Charles Limited("David & Charles")whose  
registered office is Brunel House,Forde Rd,Newton Abbot(2)Lloyds Bank plc(the"Bank")whose registered  
office is at 54 Lombard St,London(3)UCB Invoice Discounting Ltd("UCB")whose registered office is at  
Leo House,Railway Approach,Wallington,Surrey

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lettering

The assistance will take the form of:

Providing an omnibus guarantee and set-off agreement and debenture as security under the terms of a £1,000,000 facility from the Bank jointly to the Company, David & Charles and Good Books Direct Limited.

Providing a cross guarantee and debenture indemnifying the liabilities of David & Charles to UCB under the terms of an invoice discounting agreement between David & Charles and UCB.

The person who ~~has acquired~~ / will acquire\* the shares is:  
GOOD BOOKS DIRECT LIMITED

\*Delete as  
appropriate

The principal terms on which assistance will be given are:

The guarantee of the obligations of David & Charles and Good Books Direct Limited is a guarantee relating to all monies and liabilities at any time owing or incurred by these companies to the Bank.

The debenture in favour of the Bank is over all the assets of the Company, both present and future, and secures the repayment to the Bank of all monies and liabilities at any time due, owing or incurred by the Company to the Bank.

The guarantee in favour of UCB guarantees and indemnifies the obligations of David & Charles to UCB and the debenture in favour of UCB creates a fixed and floating charge over the Company's assets in favour of UCB securing the obligations of the Company pursuant to the guarantee.

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 21 JANUARY

19 97

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legibly, preferably  
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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 I/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 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.

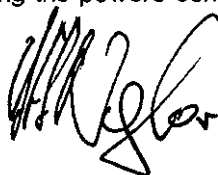
Declared at 61 Curzon St  
London

the 21 day of January

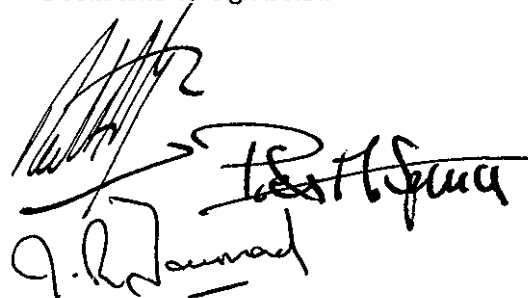
One thousand nine hundred and 97

before me DH NAYLOR

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



Declarants to sign below



## 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.

**REPORT OF THE AUDITORS TO THE DIRECTORS OF READERS UNION  
LIMITED PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors dated 21 January 1997 in connection with the financial assistance proposed to be given by Readers Union Limited ("the company") for the acquisition of 1,460,440 ordinary shares of £1 each in David & Charles Limited.

**Basis of opinion**

We have enquired into the state of affairs of the company so far as necessary for us 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 the attached declaration as to any of the matters mentioned in section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Registered auditors

*Ernst & Young*  
