

CHFP025

Declaration in relation to assistance for the acquisition of shares

155(6)a

Please do not
write in this
margin

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

0871107

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

Name of company

* GREENSLEEVES RECORDS LIMITED

* insert full name
of company

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

XWe Stephen Weltman
91 Manor Road South
Hinchley Wood
Esher
Surrey
KT10 0QB

Richard Griffiths
31 Hyde Park Gardens Mews
London
W2 2NX

† delete as appropriate

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

The business of the company is:

§ delete whichever
is inappropriate

[illegible]

(c) something other than the above §

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

The assistance is for the purpose of [that acquisition] XXXXXXXX XXXXXXXX XXXXXXXX XXXXXXXX
XXXXXXXXXX XXXXXXXX t

The number and class of the shares acquired or to be acquired is: the entire issued share capital of the Company being 17,250 ordinary shares of £1 each

Presenter's name address and
reference (if any) :
Charles Russell LLP
8-10 New Fetter Lane
London
EC4A 1RS

DX19 Chancery Lane
SG/65471/4 - 1759968.1

For official Use
General Section



A33
COMPANIES HOUSE

373
13/04/2006

The assistance is to be given to: (note 2) ZEST GROUP PLC (Company No 5234262) and
COUTTS & COMPANY (Company No 36695)

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:

Please see Appendix 1

The person who ~~100,000,000~~ [will acquire] † the shares is:

† delete as
appropriate

ZEST GROUP PLC

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

Please see Appendix 2

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 £ 662,500

The date on which the assistance is to be given is March 2006

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

~~X~~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)

[illegible]

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

Declarants to sign below

8-10 New Filter Line, EC4AIRS

Day Month Year
on 30 03 2006

before me

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

R. Coe
SA

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

RIDER for Greensleeves Records Limited

APPENDIX 1

The execution, delivery and performance by the Company of:-

- (a) ~~a contract for the sale of the freehold property with title number NGL 564592 and known as Unit 14, Metro Industrial Centre, St John's Road, Isleworth, Middlesex, (the "Property") between Christopher Sedgwick and the Company (the "Freehold Property Contract");~~
- (b) a transfer deed to transfer the Property held by Christopher Sedgwick to the Company (the "Freehold Property Transfer");
- (c) a stock transfer form transferring the one ordinary share of £1 in Metro Industrial Centre Management Ltd held by Christopher Sedgwick to the Company (the "Stock Transfer Form");
- (d) a guarantee and indemnity (the "Guarantee") in favour of Coutts & Company (the "Bank");
- (e) a debenture (the "Debenture") in favour of the Bank;
- (f) a mortgage (the "Mortgage") in favour of the Bank; and
- (g) a charge over the intellectual property rights (the "IP Charge") of the Company in favour of the Bank.

APPENDIX 2

- (a) Zest Group plc has or will obtain facilities from the Bank including inter alia a term loan of £1,600,000 from the Bank and the Company will obtain facilities from the Bank including inter alia a term loan of £455,000 from the Bank (the "Acquisition Facilities");
- (b) it is a term of the provision of each of the Acquisition Facilities that the Company grants and enters into the Guarantee, the Debenture, the IP Charge and the Mortgage, the Freehold Property Contract, the Freehold Property Transfer and the Stock Transfer Form;
- (c) pursuant to the Guarantee, the Company would be required to pay to the Bank on demand of all liabilities of each of the companies (as set out therein) to the Bank (in whatever currency denominated) howsoever arising whether present, future, actual and/or contingent and whether incurred solely, severally and/or jointly and as principal or surety and all legal and other costs and expenses (on a full indemnity basis) and interest accrued.
- (d) pursuant to the Debenture, the Company would:
 - (i) be required to pay to the Bank on demand all of the Company's liabilities to the Bank of any kind and in any currency (whether present or future, actual or contingent and whether incurred solely or jointly with another) together with the

Bank's charges and commissions Interest and Expenses. "Interest" means interest at the rate(s) charged to the Company by the Bank from time to time, "Expenses" means all expenses (on a full indemnity basis) incurred by the Bank or any receiver at any time in connection with the Property or the Company's Obligations or in taking or perfecting the Debenture or in preserving defending or enforcing the security created by the Debenture or in exercising any power under the Debenture or otherwise with Interest from the date they are incurred, "Company's Obligations" means all the Company's liabilities to the Bank of any kind and in any currency (whether present or future actual or contingent and whether incurred alone or jointly with another) together with the Bank's charges and commission Interest and Expenses, the "Property" means the whole and any part of the undertaking property and assets of the Company charged by Clause 1 of the Debenture; and

(ii) ~~as continuing security and with full title guarantee and for the discharge of all its obligations under the Debenture the Company would be required to charge to the Bank:~~

- (1) by way of legal mortgage all the freehold and leasehold property now vested in or charged to the Company including all Registered Land. "Registered Land" means description of property being Unit 14, Metro Centre, St John's Road, Isleworth, Middlesex, TW7 6NJ with Land Registry Title Number of NGL564592;
- (2) by way of fixed charge all estates or interests in any freehold and leasehold property now and in the future vested in or charged to the Company except the property charged as described by paragraph (d)(ii)(1) above;
- (3) by way of fixed charge all fixtures and fittings from time to time attached to any freehold and leasehold property of the Company;
- (4) by way of fixed charge all the plant and machinery, vehicles and computer equipment of the Company present and future not regularly disposed of in the ordinary course of business and all associated warranties and maintenance contracts;
- (5) by way of fixed charge all furniture, furnishings, equipment, tools and other chattels of the Company present and future not regularly disposed of in the ordinary course of business;
- (6) by way of fixed charge all rents receivable from any lease granted out of any freehold and leasehold property of the Company;
- (7) by way of fixed charge all the goodwill and uncalled capital of the Company present and future;
- (8) by way of fixed charge all stocks, shares and other securities held by the Company from time to time in any subsidiary and all income and rights derived from or attaching to the same;
- (9) by way of fixed charge all stocks, shares and other securities of the Company present and future (except those charged as described by paragraph (d)(ii)(8) above) and all income and rights derived from or attaching to the same;
- (10) by way of fixed charge all Intellectual Property Rights, choses in action, licences and claims of the Company present and future and the insurance policies and proceeds of any insurance from time to time affecting the

Property. "Intellectual Property Rights" include (without limitation) all rights in patents, inventions, copyrights design rights, trademarks, service marks, database rights, confidential information, know-how, domain names and business names "Intellectual Property Rights" include (without limitation) all rights in patents, inventions, copyrights design rights, trademarks, service marks, database rights, confidential information, know-how, domain names and business names;

- (11) by way of fixed charge the benefit of any currency or interest rate swap cap or collar or other hedging agreement or any futures transaction or treasury instrument made with the Bank or any third party;
- (12) by way of fixed charge all book debts and other debts of the Company present and future and the proceeds of payment or realisation of each of them ~~until the receipt of the proceeds from time to time into an account in~~ accordance with clause 4.2 of the Debenture;
- (13) by way of fixed charge all funds standing to the credit of the Company from time to time on any account with the Bank or any other bank or financial institution or organisation including all receipts from time to time paid into an account in accordance with clause 4.2 of the Debenture provided that the Bank may without prejudice to the Debenture permit the Company to make withdrawals from time to time;
- (14) by way of floating charge all the undertaking and all property, assets and rights of the Company present and future not subject to a fixed charge under the Debenture.

(e) pursuant to the Mortgage, the Company would:

- (i) with full title guarantee charge by way of legal mortgage all and every interest in or over the property (being Unit 14, Metro Centre, St John's Road, Isleworth, Middlesex TW7 6NJ) which the Company now or hereafter has power so to charge and charges in equity all other interests therein (the "Mortgaged Property") and the proceeds of sale thereof and charges to the Bank all moneys to be received under any policy of insurance effected in respect of the Mortgaged Property as a continuing security to the Bank for the discharge on demand of:-
 - (a) all present and/or future indebtedness of the Company to the Bank on any current and/or other account with interest and bank charges and
 - (b) all other liabilities whatsoever of the Company to the Bank present future actual and/or contingent; and
 - (c) all costs charges and expenses howsoever incurred by the Bank in relation to the Mortgage and such indebtedness and/or liabilities on a full indemnity basis

and for the payment of interest on the foregoing day by day from demand until full discharge (as well after as before judgment) at the rate payable or deemed to be payable by the Company. Such interest will be calculated and compounded as agreed or in such manner as the Bank may reasonably determine from time to time.

(f) pursuant to the IP Charge, the Company would:

- (i) be required to pay to the Bank all moneys, obligations and liabilities (whether present or future or actual or contingent) which may now or at any time hereafter be or become due, owing or incurred by the Company to the Bank on any account or otherwise howsoever (whether solely or jointly with any other person and

whether as principal or surety) together with interest and other Bank charges so that interest shall be calculated and compounded in accordance with the practice of the Bank from time to time as well after as before any demand made or judgment obtained under the IP Charge; and

- (ii) as continuing security for the discharge of all its obligations under the IP Charge the Company would be required to charge to the Bank all the Intellectual Property Rights, any goodwill of the Company's business to which the Intellectual Property Rights relate and to any other right which may arise from, relate to, or be associated with, the Intellectual Property Rights, or their use in the Company's business to the extent that the Company is in fact able to charge such rights under law and/or under contract. "Intellectual Property Rights" means all intellectual property rights, both present and future, including all patents, trademarks, service marks, designs (whether or not registered), business names, domain names, utility models, design rights, copyrights (including for the avoidance of doubt, all copyright in recordings (including remixes, edits and all versions of them), musical and lyrical compositions (including arrangements, adaptations and translations of them) and in magazines, periodicals, catalogues, brochures, libraries of photographs, promotional and advertising materials and records, blocks, plates, film separations, transparencies, articles, features, feature headings, logos and devices, drawings, sketches and cartoons, rights in computer software, applications for any of the above (including the right to make such applications), and all licences and agreements for any of the above, and all rights of use and exploitation of the above property rights, in any part of the world and all confidential information, technical information and know-how owned by the chargor or, where licensed to the chargor for use in or for the purposes of the chargor's business, all rights so granted, together with fees, royalties, other payments and rights to receive such royalties and payments.
- (g) purchase the Property for £655,000 by entering into the Freehold Property Contract and the Freehold Property Transfer.
- (h) the acquisition of one ordinary share of £1 in Metro Centre Management Limited.

Grant Thornton UK LLP
Chartered Accountants
UK member of
Grant Thornton International

The Directors
Greensleeves Records Limited
Unit 14, Metro Centre
St Johns Road
Isleworth
Middlesex
TW7 6NJ

30 March 2006

Dear Sirs

**AUDITORS' REPORT TO THE DIRECTORS OF GREENSLEEVES
RECORDS LIMITED (THE COMPANY) PURSUANT TO SECTION
156(4) OF THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors dated 30 March 2006 in connection with the proposal that Greensleeves Publishing Limited, the Company's subsidiary company, should give financial assistance for the purchase of 17,250 of the Company's ordinary shares of £1 each.

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.



Enterprise House
115 Edmund Street
Birmingham B3 2HJ
T +44 (0)121 212 4000
F +44 (0)121 212 4014
DX 13174 Birmingham
www.grant-thornton.co.uk

**GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No OC307742. Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP. A list of members is available from our registered office.

Birmingham

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.