

# G

CHFP025

Please do not  
write in this  
margin

## 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  
(Address overleaf - Note 5)

For official use

Company number



1409437

#### Note

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

\* insert full name  
of company

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

Name of company

\* Leisure Tennis Limited (the "Company")

†/We James Andrew of 15 Henderson Road, Wandsworth, London SW18 3RR and  
Mark Fish of 17 Alacross Road, London W5 4HT and Martin Harris of  
Levels House, Bleadney, Somerset BA5 1PF and Martin Oliver of Flat 2  
Chivelston, 78 Parkside, Wimbledon, London SW19 5LH and Matthew  
Streets of 6 Doneraile Street, Fulham, London SW6 6EN and Harm  
Tegelaars of Farnham House, Farnham Lane, Langton Green, Kent TN3 0JT

† delete as  
appropriate

§ delete whichever  
is inappropriate

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

The business of the 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 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 Cannons Group

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: 168, 667, 146 ordinary  
shares of 25p each

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

Clifford Chance LLP  
200 Aldersgate Street  
London EC1A 4JJ

DX: 606 LONDON  
JSJ/R2234/295  
London-2/1003106

For official Use  
General Section

Post room



LD5  
COMPANIES HOUSE

\*LVULG3YD\*

0358  
10/09/01

The assistance is to be given to: (note 2) Health Club Acquisitions Limited whose  
registered office is at Waterhouse Square, 138-142 Holborn, London EC1N 2TH

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 Schedule 1

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

† delete as  
appropriate

Health Club Acquisitions Limited whose registered office is at Waterhouse  
Square, 138-142 Holborn, London EC1N 2TH

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

See Schedule 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 £ NIL

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

Please do not  
write in this  
margin

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 200 Aldersgate Street  
London EC1A 4JJ

Day Month Year  
on 04 09 2001

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.

Declarants to sign below

[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]

## 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

**Financial Assistance Declaration (section 155(6)a)**

**Leisure Tennis Limited (Company Number 1409437)**

**Schedule 1 to the Statutory Declaration dated 4 September 2001**

**The form of the assistance**

1. The execution, delivery and/or performance by the Company of its obligations under:
  - 1.1 a senior guarantee and debenture increase deed (to be dated on or about the date hereof) to be entered into by the Company (the "**Senior Increase Deed**") pursuant to a senior loan agreement dated 10 May 2001 between Health Club Investments Group Limited ("**HCIG**") as parent, Health Club Investments Limited ("**HCIL**") as holdco, Health Club Acquisitions Limited ("**HCA**") as bidco, The Royal Bank of Scotland plc ("**RBS**") and BNP Paribas ("**BNP**") as lead arrangers and underwriters, the banks named therein as lenders and RBS as facility agent and security agent (the "**Senior Credit Agreement**") which the Company acceded to by means of an accession deed dated 3 July 2001 made between the Company, HCIG and RBS as facility agent and security agent (the "**Senior Accession Deed**") by which the Company granted guarantees and indemnities to the Finance Parties (as defined therein) and pursuant to a security accession deed dated 3 July 2001 between the Company, HCIG and RBS (the "**Security Accession Deed**") pursuant to which the Company acceded to a debenture dated 10 May 2001 between HCIG, the companies listed in Schedule 1 thereto and RBS as security agent (the "**Debenture**") by which the Company granted fixed and floating charges over all its assets and undertaking present and future by way of security for, amongst other things, its obligations under the guarantees and indemnities given pursuant to the Senior Credit Agreement and the Mezzanine Loan Agreement;
  - 1.2 a mezzanine guarantee increase deed (to be dated on or about the date hereof) to be entered into by the Company (the "**Mezzanine Guarantee Increase Deed**") pursuant to a mezzanine loan agreement dated 10 May 2001 between HCIG as parent, HCIL as holdco, HCA as bidco, BNP and RBS Mezzanine Limited as mezzanine lead arrangers, BNP as mezzanine facility agent, the financial institutions named therein as mezzanine lenders and RBS as security agent (the "**Mezzanine Loan Agreement**") which the Company acceded to by means of an accession deed dated 3 July 2001 made between the Company, HCIG, BNP as mezzanine facility agent and RBS as security agent (the "**Mezzanine Accession Deed**") by which the Company granted guarantees and indemnities to the Finance Parties (as defined therein);
  - 1.3 an intercreditor accession deed (to be dated on or about the date hereof) to be entered into by the Company (the "**Intercreditor Accession Deed**") by which the Company will enter into priority and subordination arrangements, pursuant to an intercreditor deed dated 5 July 2001 between HCIG as parent, HCIL as holdco, HCA as bidco, the

financial institutions named therein as senior lenders, the financial institutions named therein as mezzanine lenders, the institutions and persons named therein as investors, RBS as senior facility agent, BNP as mezzanine facility agent and RBS as security agent (the "**Intercreditor Deed**"); and

- 1.4 an inter-company loan agreement to be entered into by Cannons Group Limited, HCA and various subsidiaries of Cannons Group Limited, including the Company (the "**Inter-Company Loan Agreement**").

**Financial Assistance Declaration (section 155(6)a)**

**Leisure Tennis Limited (Company Number 1409437)**

**Schedule 2 to the Statutory Declaration dated 4 September 2001**

**The principal terms on which assistance will be given**

1. By acceding to the Senior Credit Agreement by means of the Senior Accession Deed and by increasing its obligations under the guarantee by means of the Senior Increase Deed, the Company:
  - 1.1 guarantees to each Finance Party punctual performance by each Obligor of all that Obligor's obligations under the Senior Finance Documents, including the Offer Obligations (as defined in the Senior Accession Deed);
  - 1.2 undertakes with each Finance Party that whenever an Obligor does not pay any amount when due under or in connection with any Senior Finance Document, the Company shall immediately on demand pay that amount as if it was the principal obligor;
  - 1.3 indemnifies each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if the guarantee given under clause 17.1(a) of the Senior Credit Agreement or any obligation guaranteed by it is or becomes unenforceable, invalid or illegal;
  - 1.4 acknowledges that its guarantee obligations are a continuing security and will extend to the ultimate balance of all amounts payable by each Obligor under any Senior Finance Document, regardless of any intermediate payment or discharge in whole or in part;
  - 1.5 acknowledges that its obligations are in addition to and are not in any way prejudiced by any other security now or subsequently held by any Finance Party;
  - 1.6 acknowledges that its obligations are subject to any limitation on the amount guaranteed which is contained in the Senior Accession Deed by which the Company becomes a Guarantor;
  - 1.7 agrees its guarantee and indemnity obligations will not be affected by (amongst other things) any act, circumstance, omission, matter or thing which would otherwise reduce, release or prejudice any of such obligations or prejudice or diminish such obligations,

(where "Finance Party", "Obligor" and "Senior Finance Documents" have the meaning given to them in the Senior Credit Agreement).

2. By acceding to the Mezzanine Loan Agreement by means of the Mezzanine Accession Deed and by increasing its obligations under the guarantee by means of the Mezzanine Guarantee Increase Deed, the Company:
  - 2.1 guarantees to each Mezzanine Finance Party punctual performance by each Obligor of all that Obligor's obligations under the Mezzanine Finance Documents, including the Offer Obligations (as defined in the Mezzanine Accession Deed);
  - 2.2 undertakes with each Mezzanine Finance Party that whenever an Obligor does not pay any amount when due under or in connection with any Mezzanine Finance Document, the Company shall immediately on demand pay that amount as if it was the principal obligor; and
  - 2.3 indemnifies each Mezzanine Finance Party immediately on demand against any cost, loss or liability suffered by that Mezzanine Finance Party if the guarantee given under clause 15.1(a) of the Mezzanine Loan Agreement or any obligation guaranteed by it is or becomes unenforceable, invalid or illegal;
  - 2.4 acknowledges that its guarantee obligations are a continuing security and will extend to the ultimate balance of all amounts payable by each Obligor under any Mezzanine Finance Document, regardless of any intermediate payment or discharge in whole or in part;
  - 2.5 acknowledges that its obligations are in addition to and are not in any way prejudiced by any other security now or subsequently held by any Mezzanine Finance Party;
  - 2.6 acknowledges that its obligations are subject to any limitation on the amount guaranteed which is contained in the Mezzanine Accession Deed by which the Company becomes a Guarantor;
  - 2.7 agrees its guarantee and indemnity obligations will not be affected by (amongst other things) any act, circumstance, omission, matter or thing which would otherwise reduce, release or prejudice any of such obligations or prejudice or diminish such obligations,

(where "**Mezzanine Finance Party**", "**Obligor**" and "**Mezzanine Finance Documents**" have the meaning given to them in the Mezzanine Loan Agreement).
3. By acceding to the Debenture by means of the Security Accession Deed and by increasing its obligations under the Debenture by means of the Senior Increase Deed, the Company:
  - 3.1 covenants with the Security Agent (for the benefit of itself and the other Secured Parties) that it will on demand pay the Indebtedness when it falls due for payment;
  - 3.2 charges as security for the payment of the Indebtedness in favour of the Security Agent with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest:

- (a) by way of first legal mortgage:
  - (i) all freehold and leasehold property (including the property specified in schedule 2 of the Debenture) together with all buildings and fixtures (including trade fixtures) on that property; and
  - (ii) subject to clause 3.7 of the Debenture, all the Subsidiary Shares and Investments and all corresponding Distribution Rights;

(b) by way of first fixed charge:

- (i) all other interests (not charged under clause 3.1(a) of the Debenture) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) on that property, all proceeds of sale derived therefrom and the benefit of all warranties and covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;
- (ii) all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating thereto;
- (iii) all Book Debts and all rights and claims against third parties and against any security in respect of Book Debts;
- (iv) subject to clause 8.4(b) (Collection of book debts) of the Debenture, all monies standing to the credit of its accounts (including the Cash Collateral Accounts) with any bank, financial institution or other person;
- (v) all its Intellectual Property Rights;
- (vi) the benefit of all consents and agreements held by it in connection with the use of any of its assets;
- (vii) its goodwill and uncalled capital;
- (viii) if not effectively assigned by clause 3.3 (Security assignment) of the Debenture, all its rights and interests in (and claims under) the Assigned Agreements;

3.3 charges as further security for the payment of the Indebtedness with full title guarantee in favour of the Security Agent (for the benefit of itself and the other Secured Parties) by way of first floating charge all its present and future assets not effectively charged by way of first fixed charge under clause 3.1 (Fixed charges) of the Debenture or assigned under clause 3.3 (Security assignment) of the Debenture;

3.4 assigns as further security for the payment of the Indebtedness to the fullest extent capable of assignment to the Security Agent all its rights, title and interest in the



Assigned Agreements, provided that on payment or discharge in full of the Indebtedness the Security Agent will at the request and cost of the Company re-assign the Assigned Agreements to the Company (or as it shall direct). For the avoidance of doubt, where the assignment of any right, title or interest in any Assigned Agreement requires the consent of another party to that agreement that right, title or interest shall not be regarded as capable of assignment until that consent has been obtained. The Company shall use all reasonable endeavours to obtain any consent required for the assignment of any such Assigned Agreement,

provided that, until the occurrence of a Declared Default, but subject to clause 8.8 (Assigned agreements) of the Debenture, the Company may continue to deal with the counterparties to the relevant Assigned Agreements.

3.5 covenants that it shall not:

- (a) create or agree to create or permit to subsist any Security Interest over all or any part of the Charged Property;
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property (other than Floating Charge Assets on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property,

except as permitted by the Senior Credit Agreement and the Mezzanine Loan Agreement or with the prior consent of the Security Agent.

(where "Security Agent", "Subsidiary Shares", "Investments", "Distribution Rights", "Book Debts", "Cash Collateral Accounts", "Intellectual Property Rights", "Assigned Agreements", "Secured Parties", "Indebtedness", "Declared Default", "Security Interest", "Charged Property", "Floating Charge Assets" have the meaning given to them in the Debenture).

- 3.6 The Debenture contains a covenant for further assurance and shall remain in full force and effect notwithstanding any amendments, variations or novations from time to time of the Finance Documents or any assignment, transfer or novation of the rights and obligations of any lender or the Security Agent.
- 4. By executing the Inter-Company Loan Agreement, the Company will make a loan available to HCA to enable HCA to repay borrowings by it under the Facilities Agreements and to reduce liabilities incurred by it for the purpose of the acquisition of the holding company of the Company.
- 5. By acceding to the Intercreditor Deed by means of the Intercreditor Accession Deed, the Company will (amongst other things) agree to:

*NB*

- 5.1 subordinate its right to repayment of monies due from HCA to it pursuant to the Inter-Company Loan Agreement in certain circumstances and to the ranking of priority between certain creditors of HCA and its subsidiaries; and
- 5.2 indemnify the Lenders and the Security Trustee for certain costs, claims, expenses and liabilities under the Intercreditor Deed.
6. The Company's obligations as described above continue in relation to the Finance Documents as they may be amended, modified, varied or restated from time to time.

25

The Directors  
Leisure Tennis Limited  
Cannons House  
40-44 Coombe Road  
New Malden  
Surrey  
KT3 4QF

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

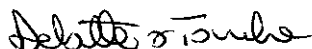
We have examined the attached statutory declaration of the directors dated 4 September 2001 in connection with the proposal that the company should give financial assistance for the purchase of 168,667,146 of Cannons Group Limited's ordinary shares.

**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 is unreasonable in all the circumstances.



Deloitte & Touche  
Registered Auditors  
4 September 2001