

CHFP025

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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
(Address overleaf - Note 5)**

For official use

Company number

III

01414242

Note

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

Name of company

* OUTPUT UK (TECHNOLOGISTS) LIMITED

* insert full name
of company

X/We 0 Matthew John Newing of 8 Moorland House, Ordance Wharf, Gibraltar

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

Robert Alexander Moulding of Ladymoor Farm, Ladymoor Lane, Brownedge,
Staffordshire, United Kingdom ST 6 8UD

Timothy George Price of Lodge Farm, Little Staughton, Bedfordshire,
MK44 2TA

† delete as appropriate

~~One or more~~ [all the directors] † of the above company do solemnly and sincerely declare that

The business of the company is

§ delete whichever
is inappropriate

[illegible]~~XX~~ \$

(c) something other than the above §

The company is proposing to give financial assistance in connection with the acquisition of shares in the

~~XXXXXXXX~~ [company's holding company GP Telecom Limited

The assistance is for the purpose of [that acquisition] ██████████
██████.

†

The number and class of the shares acquired or to be acquired is 3,700 ordinary 'A' shares of 10p each, 200 ordinary 'B' shares of 10p each and 100 ordinary 'C' shares of 10p each

Presentor's name address and
reference (if any)
DWF LLP
5 Castle Street
L2 4XE

LVM\26872\5\OTL\FSSD A\4 1

DX 14128 Liverpool

For official
General Sec

THURSDAY



AAVFVXOM

A54

07/02/2008

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COMPANIES HOUSE

The assistance is to be given to (note 2) See Schedule 1

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

The assistance will take the form of

See attached Schedule 2

The person who ~~XXXXXXXXXX~~ [will acquire] † the shares is

† delete as
appropriate

Elitetele com Plc

The principal terms on which the assistance will be given are

See attached Schedule 3

The amount of cash to be transferred to the person assisted is £ See attached Schedule 4

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 today's date

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

~~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~~ 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

Declared at

Declarants to sign below

DWF, 5 Castle St, Liverpool,
L2 4XE

Day Month Year

on 2 | 4 | 0 | 1 | 2 | 0 | 0 | 8

before me A. M. Udvarick.

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

W. O. Wang
Wang
Wang

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

SCHEDULES 1, 2, 3 AND 4 – FORM G155(6)a

OUTPUT UK (TECHNOLOGISTS) LIMITED (the "Company")

Preliminaries

In these Schedules the following expressions shall have the following meanings

"Acquisition"	the acquisition of the entire issued share capital of GP Telecom Limited by the Buyer,
"Bank"	Clydesdale Bank plc trading as Yorkshire Bank (Company number SC001111) whose registered office is at 30 St Vincent Place, Glasgow G1 2HL,
"Buyer"	Elitetelecom plc (Company number 03228824) registered office is at Rainford Hall, Crank Road, Crank, St Helens, Merseyside, WA11 7RP,
"Facility Agreement"	the new term loan facility of £1,800,000 (one million, eight hundred thousand pounds) (the "Facility") dated 24 January 2008 made available to the Buyer by the Bank

Reference to a document or an agreement means that document or agreement as amended, supplemented or novated from time to time and reference to any person includes that person's successors in title, transferees or assigns

Schedule 1

The Buyer

The Bank

SCHEDULES 1, 2, 3 AND 4 – FORM G155(6)a

OUTPUT UK (TECHNOLOGISTS) LIMITED (the "Company")

Schedule 2

The execution, delivery and compliance by the Company with the terms of the following documents and the Company complying with and fulfilling its obligations thereunder

- (a) a guarantee (the "**Guarantee**") executed by (1) the Company, (2) Marbledome Limited, (3) Freetime Communications Limited, (4) GP Telecom Limited, (5) the Buyer and (6) Elitetelecom Holdings plc (each of such companies being a "**Guarantor**" and a "**Customer**" in so far as any of them owes any sum of money or any liability to the Bank ("**Customer Obligations**") in favour of the Bank pursuant to which each of the parties thereto will guarantee the obligations of each of the Customers to the Bank (which will include those of the Buyer under, inter alia, the Facility Agreement),
- (b) a debenture (the "**Debenture**") executed by the Company in favour of the Bank pursuant to which the Company will, inter alia, grant fixed and floating charges over all its assets, property and undertaking as security for its obligations to the Bank (including, inter alia, pursuant to the Guarantee),
- (c) an intra group loan agreement (the "**Intra Group Loan Agreement**") between (1) the Company, Marbledome Limited, Freetime Communications Limited and GP Telecom Limited (each an "**Intra Group Lender**") and (2) the Buyer pursuant to which the Intra Group Lenders would be making a revolving credit facility available to the Buyer of up to £3,000,000 to provide the Purchaser with sufficient funds (should it require the same) to make payments when due under the Facility Agreement and also to pay costs and expenses and settle any liabilities incurred (directly or indirectly) by the Buyer in relation to the Acquisition,
- (d) the provision of an intercreditor deed (the "**Intercreditor Deed**") between (i) Elitetelecom Holdings Plc, the Buyer, the Company, Freetime Communications Limited, Marbledome Limited, GP Telecom Limited, (ii) Timothy George Price, Simon Bampfylde Daniell and Mark Nicklin (together the "**Sellers**"), and (iii) the Bank pursuant to which, inter alia, the Sellers would agree that their right to receive amounts owing to them by way of the Additional Consideration (as defined in the agreement of today's date between the Buyer and the Sellers for the Acquisition) would rank behind the right of the Bank in respect of amounts outstanding to it

SCHEDULES 1, 2, 3 AND 4 – FORM G155(6)a

OUTPUT UK (TECHNOLOGISTS) LIMITED (the "Company")

Schedule 3

The principal terms under which the assistance will be given are:-

1. Bank Guarantee

- 1 1 The Guarantee provides that each Guarantor jointly and severally guarantees to the Bank, inter alia, the payment and satisfaction of all Customer Obligations including, without limitation, liabilities incurred in relation to the Acquisition,
- 1 2 the obligation of each Guarantor under the Guarantee are undertaken as principal obligor and not merely a surety,
- 1 3 the Bank may demand payment from a Guarantor before demanding payment from the Customer,
- 1 4 a Guarantor will remain liable under the Guarantee whether or not the other Guarantors are bound by the Guarantee and whether or not any of the other Guarantors has terminated or limited its liability under the Guarantee,
- 1 5 the liability of a Guarantor will arise and continue regardless of whether or not the Customer Obligations have from time to time increased or decreased or reduced to nil,
- 1 6 the Bank may at any time hold any money it receives in a suspense account,
- 1 7 for so long as any Customer Obligations remain outstanding, each of the Guarantors is restricted from enforcing against the Customer or any other Guarantor or others any rights arising under the Guarantee and is precluded from holding any security granted by the Customer in relation to the Guarantor's obligations under the Guarantee

2. Debenture

- 2 1 Under the Debenture, the Company covenants to pay all or any money and discharge all liabilities which may now or at any time in the future be owing to the Bank including money and liabilities owed solely and/or jointly, whether owed as principal or surety including, without limitation, under the Guarantee,
- 2 2 the Debenture provides that the Company, with full title guarantee, creates fixed and floating charges over its assets, property and undertaking as security for the Company's obligations to the Bank (including, without limitation, its obligations under the Bank Guarantee),
- 2 3 the Bank may by notice convert the floating charge over any assets specified in the notice into a fixed charge,

- 2 4 the Company will not, inter alia, create or attempt to create or permit to subsist or arise in favour of any person any encumbrance (other than a lien arising by operation of law in the ordinary course trading other than on land) on or affecting any of the assets charged by the Debenture,
- 2 5 the Company will at any time when requested by the Bank execute and deliver in the Bank's favour or as it may direct any legal or other assignment, mortgages, charges, transfers or other documents in respect of the property, assets and rights charged or purported to be charged by the Debenture

3. Intra Group Loan Agreement

- 3 1 Pursuant to the Intra Group Loan Agreement, the Intra Group Lenders will together provide a facility to the Buyer of up to £3,000,000 which will be used by the Buyer to discharge liabilities arising on or in relation to the Acquisition and to discharge its obligations to the Bank,
- 3 2 The Intra Group Loan Facility will be unsecured and repayable on demand but shall carry no interest

4. Intercreditor Deed

- 4 1 Under the Intercreditor Deed the Sellers will agree that their right to receive amounts owing to them by way of the Additional Consideration will rank behind the right of the Bank in respect of amounts outstanding to it
- 4 2 The Company, inter alia, agrees not to take or omit to take any action which would prejudice the ranking of the debt as provided for in the Intercreditor Deed

SCHEDULES 1, 2, 3 AND 4 – FORM G155(6)a

OUTPUT UK (TECHNOLOGISTS) LIMITED (the "Company")

Schedule 4

The amount of any advances made from time to time by the Company to the Buyer under the terms of the Intra Group Loan Agreement (not in any event exceeding the maximum facility available to the Buyer under the Intra Group Loan Agreement)

These are Schedules 1, 2, 3 and 4 referred to in Form 155(6)a declared by the Directors of the Company on *24 January* 2008

Signed

A M Goldrick
Solicitor/ Notary Public

Thompson Jones LLP

An Individual Approach



The Directors
Output UK (Technologists) Limited
Rainford Hall
Crank Road
Crank
St Helens
Merseyside
WA11 7RP

**Business Advisers &
Chartered Accountants**

Our Ref JKS/DP
E-mail john.stone@tjca.co.uk
Direct Line 0161 447 8365

Dear Sirs

**Report of the Independent Auditor to the Directors of Output UK
(Technologists) Limited, a company incorporated in England and Wales with
company number 01414242 (the "Company") pursuant to Section 156(4) of
the Companies Act 1985**

We have examined the attached statutory declaration of the directors dated 24 January 2008 prepared pursuant to the Companies Act 1985, in connection with the proposal that the Company should give financial assistance for the purchase of the entire issued share capital of the Company's holding company, GP Telecom Limited by Elitetelecom plc

Basis of Opinion

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

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their statutory 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

Thompson Jones LLP

Encs

Dated 24 January 2008

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