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

Company number

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

2107585

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

* THE RYES SCHOOL LIMITED

* insert full name
of company

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

~~1/1/89~~ THOMAS TORSTEN FRIEDAG of 62 Richard Burn Way, Sudbury, Suffolk

† delete as appropriate

§ delete whichever
is inappropriate

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

The business of the company is:

~~(an) that of a recognised bank licensed institution within the meaning of the Banking Act 1978~~

~~(b) That of a person authorised under sections 3 or 4 of the Insurance Companies Act 1982 to act as~~

insurance business to be carried on in accordance with

(c) something other than the above§

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

[company] [XXXXXXXXXXXXXXXXXXXXX]

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

XXXXXXXXXXXXXXXXXXXX
purpose of the acquisition

The number and class of the shares acquired or to be acquired is: 50,000 'A' Ordinary

Shares of £1 each and 50,000 'B' Ordinary Shares of £1 each

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

Thompson Smith & Puxon
4 North Hill
Colchester
Essex
CO1 1EB
3617 Colchester

For official Use
General Section

Post room



A48
COMPANIES HOUSE

0527
14/11/02

The assistance is to be given to: (note 2) _____

RSO LIMITED Company Number 4516845 whose registered office is at, The Ryes School, Little Henny, Sudbury, Suffolk, CO10 7EA

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The assistance will take the form of:

1. The execution and performance by the Company of a corporate guarantee (the 'Guarantee') by the Company and RSO Limited ('Newco') in favour of The Governor and Company of the Bank of Scotland (the 'Bank') whereby the Company will guarantee the obligations of Newco to the Bank including under the Facilities (as defined below);
 2. The execution and performance by the Company of a debenture (the 'Debenture') in favour of the Bank whereby the Company will grant security by way of fixed and floating charges and security assignments over substantially all of its assets as security for its obligations under the Guarantee;
 3. The execution and performance by the Company of a legal charge each a 'Legal Charge' and together the 'Legal Charges') over each of the following properties:
 - (a) The Ryes;
 - (b) 46 Cornard Road, Sudbury;
 - (c) 49 Canhams Walk, Great Cornard;
 - (d) 14 Chaplin Walk Great Cornard;
 - (e) 85 Kempson Drive, Great Cornard; and
 - (f) 28 Canon Pugh Drive, Acton(each a 'Property' and together the 'Properties'), in each case as security for its obligations under the Guarantee.
- CONTINUED ON CONTINUATION SHEET NO.1

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

[†] delete as
appropriate

RSO Limited

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

The principal terms on which the financial assistance will be given are as follows:-

1. Newco will acquire the entire issued share capital of the Company pursuant to a sale and purchase agreement dated 8 November 2002 between Newco and Peter Calvin Martin and Jane Margaret Martin.
2. It is a precondition to the availability of the Facilities under the Facility Letters that the Company shall enter into the Guarantee, the Debenture, the Subordination Side Letter, the Intra Group Loan Agreement and the Legal Charges.
3. By entering into the Guarantee, the Company will agree to guarantee (and will provide an indemnity in respect of) all of the obligations of Newco to the Bank, including under the Facilities.
4. By entering into the Debenture, the Company will grant security in favour of the Bank by way of fixed and floating charges and security assignments over substantially all of its assets as security for its obligations under the Guarantee.
5. By entering into the Legal Charges, the Company will charge by way of legal mortgage its interest in each of the Properties as security for its obligations under the Guarantee.

CONTINUED ON CONTINUATION SHEET NO. 2

The amount of cash to be transferred to the person assisted is £ up to a maximum of £4,350,000

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

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I/XXX 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)

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

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

(a) [I/XXX 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) [I/XXX 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/XXX 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 58 North Hill, Colchester, Essex Declarants to sign below

Day Month Year
on 08 11 2000

before me J.B.S. McKAY
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

CONTINUATION SHEET NO. 1
FORM G155(6)a

The assistance will take the form of:

CONTINUED:

4. The execution and performance by the Company of an intra group agreement (the "Intra Group Loan Agreement") whereby the Company agrees to provide Newco with a Term Loan facility of up to £4,350,000.

5. The transfer (at net book value) of:

Mahogany writing table;
Office chairs x 3;
DF100 fax/featurephone;
Fax machine;
Psion 5MX;
Toshiba 4270 Laptop;
Dell Inspiron 4000 600 PIII;
Dell Latitude C600 850; and
Dell Computer 8200 MT1.9GHZ

being assets of the Company, to Peter Calvin Martin and Jane Margaret Martin ("the Vendors") having a net book value of £3,850.19.

6. The execution and performance of a subordination side letter (the "**Subordination Side Letter**") between the Bank and Newco whereby the Company will join as a party to acknowledge that Newco's indebtedness under a loan note instrument of Newco pursuant to which Newco will create £450,000 Variable Rate Loan Notes 2005 will be subordinated to the Facilities (as defined below")

The "**Facilities**" comprise loan facilities of up to an aggregate principal amount of £4,250,000 from the Bank as lender to Newco as borrower, comprising a term loan facility of £3,000,000, another revolving credit/term loan facility of £800,000 and a bank guarantee facility of £450,000, pursuant to the following agreements:

- (i) a £3,000,000 facility letter (the "**First Facility Letter**") between the Bank and Newco by which the Bank will make available to Newco a term loan facility of £3,000,000;
- (ii) a £800,000 facility letter (the "**Second Facility Letter**") between the Bank and Newco by which the Bank will make available to Newco a term loan with a revolving credit facility of £800,000; and

(the First Facility Letter and the Second Facility Letter together the "**Facility Letters**") in each case provided to assist Newco in funding its acquisition of the entire issued share capital of the Company.

CONTINUATION SHEET NO. 2
FORM G155(6)a

The principal terms on which the assistance will be give are as follows:

6. By entering into Intra Group Loan Agreement the Company will provide a term loan facility of up to £4,350,000 to Newco whereby Newco will be entitled to draw down advances from this facility in certain specified circumstances.
7. By entering into the Subordination Side Letter the Company will acknowledge that Newco's indebtedness under a loan note instrument of Newco pursuant to which Newco will create £450,000 Variable Rate Loan Notes 2005 will be subordinated to the Facilities (as defined above)

ANNEXURE

This is the annexure to the statutory declaration of Thomas Torsten Friedag declared on 8th November 2002.

Declared before me this 8th day of November 2002

J.B.S. McKay
J.B.S. McKay
Solicitor.

K A Richardson FCA ATII
K Frost FCCA

CONSULTANT
D R Magill

Clarke & Co

CHARTERED ACCOUNTANTS & REGISTERED AUDITORS

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Colchester

Essex

CO1 1AS

Tel: 01206 577422

Fax: 01206 562816

Email: clarke-co@aspects.net

www.clarke-colchester.co.uk

The Directors
The Ryes School Ltd
Little Henny
Sudbury
Suffolk
CO10 7EA

**Report of the Auditors to the Directors of The Ryes School Limited
under s156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the Directors dated 8 November 2002 in connection with the proposal that The Ryes School Limited shall give RSO Limited financial assistance for the purchase of ordinary shares in The Ryes School Limited.

We have enquired into the state of The Ryes School Limited's affairs as at 31st August 2002.

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration dated 8 November 2002 as to any of the matters mentioned in Section 156(2) of the Companies Act 1985.

Yours faithfully



Clarke & Co
Chartered Accountants

Dated 8 November 2002