

Declaration in relation to assistance for the acquisition of shares.

Pursuant to section 155(6) of the Companies Act 1985

Please do not write in this margin

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

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2496463

Name of company

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

* COXLEASE SCHOOL LIMITED whose registered office is at Charter Court,
Third Avenue, Southampton SO15 0AP

*Insert full name of company

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

†We†

1. STEPHEN FRANCIS CLIFFEN of 14 Castlemain Avenue, Southbourne, Bournemouth, Dorset, BH6 5EH; and

2. JOHN COLCLOUGH of 4 Partridge Green, New Milton, Hampshire BH25 5RS

§Delete 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 3 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] § HIGH COXLEASE LIMITED (Co. no. 1581940) whose registered office is at Charter Court, Third Avenue, Southampton SO15 0AP †

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: 37,500 ordinary shares of £1 each

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

Blake Lapthorn (Ref: LFK)

DX 38538 SOUTHAMPTON 3

For official use
General Section

Post room

A20
COMPANIES HOUSE0488
04/09/02

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

BLAKEDEW 349 LIMITED (company no. 4427783) whose registered office is at New Court, 1 Barnes Wallis Road, Segensworth East, Fareham, Hampshire PO15 5UA

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this margin

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

The assistance will take the form of:

Please refer to the attached sheet (Continuation Sheet 1)

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

BLAKEDEW 349 LIMITED (company no. 4427783) whose registered office is at New Court, 1 Barnes Wallis Road, Segensworth East, Fareham, Hampshire PO15 5UA

*Delete as
appropriate

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

Please refer to the attached sheet (Continuation Sheet 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 6 weeks of today

Please do not
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this margin

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

†Delete either (a) or
(b) as appropriate

~~1/~~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) ~~1/~~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 1/ 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 ~~1/~~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 Trethowans,
The Director General's House
Rockstone Place
Southampton SO15 2EP
Day Month Year

Declarants to sign below

on

3 0 0 8 2 0 0 4

before me

Richard Anthony Swan (Solicitor)

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 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

Coxlease School Limited

(Company Number: 2496463)

("CSL")

Continuation Sheet 1

The assistance will take the form of CSL: -

- (a) entering into an omnibus corporate guarantee and set off agreement in favour of Lloyds TSB Bank Plc ("the Bank") ("the Guarantee");
- (b) granting a first legal charge in favour of the Bank over the freehold land and buildings at 52 Hill Lane, Southampton ("the First Legal Charge");
- (c) granting a first legal charge in favour of the Bank over the freehold land and buildings at "Westover", 34 Hanley Road, Southampton ("the Second Legal Charge");
- (d) granting a debenture in favour of the Bank ("the Debenture");
- (e) granting a fixed charge in favour of the Bank over a life assurance policy for £100,000 on the life of John Colclough ("the First Assignment"); and
- (f) granting a fixed charge in favour of the Bank over a life assurance policy for £500,000 on the life of Stephen Cliften ("the Second Assignment").

in respect of all liabilities of Blakedew 349 Limited (company no. 4427783) whose registered office is at New Court, 1 Barnes Wallis Road, Segensworth East, Fareham, Hampshire PO15 5UA ("the Purchaser") and its parent company, High Coxlease Limited (company number 1581940) ("HCL") to the Bank from time to time, which include all amounts due or owing or incurred by the Company, the Purchaser and CSL to the Bank pursuant to:-

- (a) a Term Loan Facility Letter to be entered into between the Purchaser and the Bank providing for a £1,675,000 term loan facility which will be used to assist the Purchaser in acquiring the entire issued share capital of the Company; and
- (b) an Overdraft Facility Letter to be entered into between the Purchaser, HCL, and CSL and the Bank providing for a revolving overdraft facility of up to £500,000.

This is Continuation Sheet 1 referred to in the Statutory Declaration of Stephen Francis Cliften and John Colclough made on 30 AUGUST 2002 pursuant to section 155 of the Companies Act 1985.

Signed



STEPHEN FRANCIS CLIFFEN

Signed



JOHN COLCLOUGH

before me

 RICHARD ANTHONY SWAN (SOLICITOR)
the person before whom the Statutory Declaration is sworn

Coxlease School Limited
(Company Number: 2496463)
("CSL")

Continuation Sheet 2

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

1. Guarantee

Under the terms of the Guarantee, CSL guarantees all monies and liabilities now or at any time hereafter due, owing or incurred from or by any of CSL, the Purchaser and HCL to the Bank, and authorises the Bank without notice to any of CSL, the Purchaser or HCL to combine or consolidate all or any of the accounts of any of them with the Bank and to transfer the credit balances on any accounts of any of them with the Bank in or towards the satisfaction of any liabilities to the Bank of any of CSL, the Purchaser or HCL.

The Guarantee contains a power of attorney appointing the Purchaser as the attorney of CSL to execute the documents allowing further companies to be admitted to the arrangements contemplated by the Guarantee so as to guarantee and be guaranteed by the other parties to such arrangements and so as to give the Bank set off rights against all parties to those arrangements and allowing any of CSL, the Purchaser and HCL and such further companies to be released from the arrangements contemplated by the Guarantee.

Otherwise, the Guarantee contains provisions usual for a Guarantee of this type.

2. First Legal Charge

2.1. CSL covenants to pay or discharge to the Bank in accordance with any relevant agreement between the Bank and CSL relating to the amounts secured by the Mortgage or, in the absence of any such agreement, on demand:

2.1.1. all money and liabilities whether actual or contingent (including further advances made after the date of the Mortgage by the Bank and secured directly or indirectly by the Mortgage) which are now or at any time hereafter might be due owing or incurred from or by CSL to the Bank anywhere or for which CSL may be or become liable to the Bank in any manner whatsoever without limitation (and whether alone or jointly with any other person and in whatever style, name or form and whether as principal or surety and notwithstanding that the same may at any earlier time have been due owing or incurred to some other person and have subsequently become due owing or incurred to the Bank as a result of a transfer, assignment or other transaction by operation of law);

2.1.2. interest on all such money and liabilities to the date of payment at such rate or rates as may from time to time be agreed between the Bank and CSL or, in the absence of such agreement, at the rate, in the case of an amount denominated in Sterling, of two percentage points per annum above the Bank's base rate for the time being in force (or its equivalent or substitute rate for the time being) or, in the case of an

amount denominated in any currency or currency unit other than Sterling, at the rate of two percentage points per annum above the cost to the Bank (as conclusively determined by the Bank) of funding sums comparable to and in the currency unit of such amount in the London Interbank Market (or such other market at the Bank may select) for such consecutive periods (including overnight deposits) as the Bank may in its absolute discretion from time to time thereon select;

- 2.1.3. commission and other banking charges and legal, administrative and other costs, charges and expenses incurred by the Bank in relation to the Mortgage (including any act necessary to release the Mortgaged Assets (as defined in the Mortgage) from the security) or in enforcing the security thereby created on a full and unqualified indemnity basis; and
- 2.1.4. any fees charged by the Bank for time spent by the Bank's officials, employees or agents in dealing with any matter relating to the Mortgage. Such fees shall be payable at such rate as may be specified by the Bank.

2.2. Under the terms of the Mortgage, CSL will grant security:-

- 2.2.1. by way of legal mortgage with full title guarantee over the freehold land at 52 Hill Lane, Southampton, together with all buildings and fixtures (including trade fixtures), fixed plant and machinery from time to time thereon (the "Property");
- 2.2.2. by way of fixed charge over all present and future book and other debts, other monetary claims and choses in action owing or belonging to CSL and arising in connection with the Property or any business at any time carried on thereon and the proceeds thereof including (without limitation):
 - (a) any amounts owing to CSL by way of rent, licence fee, service charge or dilapidations by any tenant or licensee (in each case whether present or future) of the Property and any ground rents and rent charges, rent deposits and purchase deposits owing to CSL in connection with the Property (and, in each case, the proceeds thereof); and
 - (b) any amounts owing or which may become owing to CSL under any building, construction or development contract entered into in connection with the Property or which by virtue of CSL's rights under any retention in other trusts in connection therewith, whether or not any certificate as to the amount due has been issued in respect thereof (and the proceeds thereof);
- 2.2.3. by way of floating charge over all present and future stock, goods, moveable plant, machinery, implements, utensils, furniture and equipment at any time placed on or used in or about (but not forming part of) the Property and in each case belonging to CSL or in which CSL has any interest (the "Mortgaged Chattels");
- 2.2.4. by way of assignment with full title guarantee of the goodwill of the business (if any) which now or at any time hereafter might be carried on by CSL at the Property and the full benefit of all present and future licences (if any) (including any permit, licence, authorisation, consent or other approval required by or given pursuant to any Environmental Law (as defined in the Mortgage)) held in

connection with any business at any time carried on by CSL at the Property and also the full right to recover and receive all compensation which may at any time become payable to CSL by virtue of the Licensing Act 1964 or any other statutory enactment subject to reassignment upon payment of all the Secured Obligations (as defined in the Mortgage);

- 2.2.5. by way of assignment with full title guarantee of the benefit of all guarantees or covenants by any surety or sureties of any of the lessee's obligations under any existing lease or underlease of the Property subject to reassignment upon payment of all the Secured Obligations;
- 2.2.6. by way of fixed charge with full title guarantee, where CSL (by virtue of an estate or interest in the Property is or becomes entitled to a share or shares in any company connected with the Property, over the entitlement to such share or shares and such share or shares when issued and all rights, benefits and advantages at any time arising in respect of the same (the "Shares") as a continuing security for the payment to the Bank of the Secured Obligations;
- 2.2.7. by way of assignment with full title guarantee of the Intellectual Property Rights (as defined in the Mortgage) that arise in connection with the business (if any) now or at any time hereafter carried on by CSL at the Property, subject to reassignment on payment of all the Secured Obligations.

2.3. Pursuant to the terms of the Mortgage, CSL may not without the prior consent in writing of the Bank:

- 2.3.1. (except as expressly provided for in the Mortgage) sell, assign, licence, sub-licence, discount, factor or otherwise dispose of or deal in any other way with, the Mortgage Assets (as defined in the Mortgage) (other than the Mortgaged Chattels);
- 2.3.2. sell or otherwise dispose of all or any part of the Mortgage Chattels except by way of sale, assignment, licence or sub-licence in the ordinary course of business;
- 2.3.3. create or permit to subsist or arise any mortgage, debenture, hypothecation, charge, assignment by way of security, pledge or lien or any other encumbrance or security whatsoever over all or any part of the Mortgaged Assets;
- 2.3.4. enter into any contractual or other agreement which has or may have an economic effect similar or analogous to any such encumbrance or security as would be prohibited by 2.3.3 above;

2.4. By sub-clause 5.6(a) of the Mortgage, CSL covenants that it will pay into its account or accounts with the Bank the proceeds of book and other debts, monetary claims and choses in action, rentals and other amounts charged by way of fixed charge under the Mortgage provided that the Bank shall be deemed to receive such rentals and such other amounts referred to therein pursuant to the fixed charge contained in that sub-clause and not pursuant to the charge over the Property or as mortgagee in possession.

2.5. Otherwise, the Mortgage contains provisions usual for a mortgage of this type.

3. Second Legal Charge

3.1. CSL covenants to pay or discharge to the Bank in accordance with any relevant agreement between the Bank and CSL relating to the amounts secured by the Mortgage or, in the absence of any such agreement, on demand:

- 3.1.1. all money and liabilities whether actual or contingent (including further advances made after the date of the Mortgage by the Bank and secured directly or indirectly by the Mortgage) which are now or at any time hereafter might be due owing or incurred from or by CSL to the Bank anywhere or for which CSL may be or become liable to the Bank in any manner whatsoever without limitation (and whether alone or jointly with any other person and in whatever style, name or form and whether as principal or surety and notwithstanding that the same may at any earlier time have been due owing or incurred to some other person and have subsequently become due owing or incurred to the Bank as a result of a transfer, assignment or other transaction by operation of law);
- 3.1.2. interest on all such money and liabilities to the date of payment at such rate or rates as may from time to time be agreed between the Bank and CSL or, in the absence of such agreement, at the rate, in the case of an amount denominated in Sterling, of two percentage points per annum above the Bank's base rate for the time being in force (or its equivalent or substitute rate for the time being) or, in the case of an amount denominated in any currency or currency unit other than Sterling, at the rate of two percentage points per annum above the cost to the Bank (as conclusively determined by the Bank) of funding sums comparable to and in the currency unit of such amount in the London Interbank Market (or such other market at the Bank may select) for such consecutive periods (including overnight deposits) as the Bank may in its absolute discretion from time to time thereon select;
- 3.1.3. commission and other banking charges and legal, administrative and other costs, charges and expenses incurred by the Bank in relation to the Mortgage (including any act necessary to release the Mortgaged Assets (as defined in the Mortgage) from the security) or in enforcing the security thereby created on a full and unqualified indemnity basis; and
- 3.1.4. any fees charged by the Bank for time spent by the Bank's officials, employees or agents in dealing with any matter relating to the Mortgage. Such fees shall be payable at such rate as may be specified by the Bank.

3.2. Under the terms of the Mortgage, CSL will grant security:-

- 3.2.1. by way of legal mortgage with full title guarantee over the freehold land at "Westover", 34 Hanley Road, Southampton, together with all buildings and fixtures (including trade fixtures), fixed plant and machinery from time to time thereon (the "Property");
- 3.2.2. by way of fixed charge over all present and future book and other debts, other monetary claims and choses in action owing or belonging to CSL and arising in connection with the Property or any business at any time carried on thereon and the proceeds thereof including (without limitation):

- (c) any amounts owing to CSL by way of rent, licence fee, service charge or dilapidations by any tenant or licensee (in each case whether present or future) of the Property and any ground rents and rent charges, rent deposits and purchase deposits owing to CSL in connection with the Property (and, in each case, the proceeds thereof); and
 - (d) any amounts owing or which may become owing to CSL under any building, construction or development contract entered into in connection with the Property or which by virtue of CSL's rights under any retention in other trusts in connection therewith, whether or not any certificate as to the amount due has been issued in respect thereof (and the proceeds thereof);
- 3.2.3. by way of floating charge over all present and future stock, goods, moveable plant, machinery, implements, utensils, furniture and equipment at any time placed on or used in or about (but not forming part of) the Property and in each case belonging to CSL or in which CSL has any interest (the "Mortgaged Chattels");
- 3.2.4. by way of assignment with full title guarantee of the goodwill of the business (if any) which now or at any time hereafter might be carried on by CSL at the Property and the full benefit of all present and future licences (if any) (including any permit, licence, authorisation, consent or other approval required by or given pursuant to any Environmental Law (as defined in the Mortgage)) held in connection with any business at any time carried on by CSL at the Property and also the full right to recover and receive all compensation which may at any time become payable to CSL by virtue of the Licensing Act 1964 or any other statutory enactment subject to reassignment upon payment of all the Secured Obligations (as defined in the Mortgage);
- 3.2.5. by way of assignment with full title guarantee of the benefit of all guarantees or covenants by any surety or sureties of any of the lessee's obligations under any existing lease or underlease of the Property subject to reassignment upon payment of all the Secured Obligations;
- 3.2.6. by way of fixed charge with full title guarantee, where CSL (by virtue of an estate or interest in the Property is or becomes entitled to a share or shares in any company connected with the Property, over the entitlement to such share or shares and such share or shares when issued and all rights, benefits and advantages at any time arising in respect of the same (the "Shares") as a continuing security for the payment to the Bank of the Secured Obligations;
- 3.2.7. by way of assignment with full title guarantee of the Intellectual Property Rights (as defined in the Mortgage) that arise in connection with the business (if any) now or at any time hereafter carried on by CSL at the Property, subject to reassignment on payment of all the Secured Obligations.
- 3.3. Pursuant to the terms of the Mortgage, CSL may not without the prior consent in writing of the Bank:
 - 3.3.1. (except as expressly provided for in the Mortgage) sell, assign, licence, sub-licence, discount, factor or otherwise dispose of or deal in any other way with, the Mortgage Assets (as defined in the Mortgage) (other than the Mortgaged Chattels);

- 3.3.2. sell or otherwise dispose of all or any part of the Mortgage Chattels except by way of sale, assignment, licence or sub-licence in the ordinary course of business;
- 3.3.3. create or permit to subsist or arise any mortgage, debenture, hypothecation, charge, assignment by way of security, pledge or lien or any other encumbrance or security whatsoever over all or any part of the Mortgaged Assets;
- 3.3.4. enter into any contractual or other agreement which has or may have an economic effect similar or analogous to any such encumbrance or security as would be prohibited by 2.3.3 above;
- 3.4. By sub-clause 5.6(a) of the Mortgage, CSL covenants that it will pay into its account or accounts with the Bank the proceeds of book and other debts, monetary claims and choses in action, rentals and other amounts charged by way of fixed charge under the Mortgage provided that the Bank shall be deemed to receive such rentals and such other amounts referred to therein pursuant to the fixed charge contained in that sub-clause and not pursuant to the charge over the Property or as mortgagee in possession.
- 3.5. Otherwise, the Mortgage contains provisions usual for a mortgage of this type.

4. Debenture

- 4.1. CSL covenants to pay or discharge to the Bank on demand:
 - 4.1.1. all monies and liabilities whether actual or contingent (including further advances made after the date of the Debenture by the Bank and secured directly or indirectly by the Debenture) which now or at any time hereafter might be due, owing or incurred by CSL to the Bank anywhere or for which CSL might be or become liable to the Bank in any manner whatsoever without limitation (and whether alone or jointly with any other person and in whatever style, name or form and whether as principal or surety and notwithstanding that the same might at any earlier time have been due, owing or incurred to some other person and have subsequently become due, owing or incurred to the Bank as a result of a transfer, assignment or other transaction or by operation of law);
 - 4.1.2. interest to the date of payment at such rate or rates as from time to time might be agreed between the Bank and CSL, or in the absence of such agreement, at the rate, in the case of an amount denominated in Sterling, of two percentage points per annum above the Bank's base rate for the time being in force (or its equivalent or substitute rate for the time being) or, in the case of an amount denominated in any currency or currency unit other than Sterling, at the rate of two percentage points per annum above the cost to the Bank (as conclusively determined by the Bank) of funding sums comparable to and in the currency or currency unit of such amount in the London Interbank Market (or such other market as the Bank may select) for such consecutive periods (including overnight deposits) as the Bank may in its absolute discretion from time to time select;
 - 4.1.3. commission and other banking charges and legal, administrative and other costs, charges and expenses incurred by the Bank in relation to the Debenture (including any acts necessary to release the Charged Property (as defined in the Debenture)

from the security) or in enforcing the security thereby created on a full and unqualified indemnity basis; and

- 4.1.4. any fees charged by the Bank for the time spent by the Bank's officials, employees or agents in dealing with any matter relating to the Debenture. Such fees shall be payable at such rate as may be specified by the Bank.
- 4.2. Under the terms of the Debenture, CSL will grant security with full title guarantee over the following property (defined as "Charged Property" in the Debenture):
 - 4.2.1. by way of legal mortgage or first fixed charge (as the case may be) over the freehold and leasehold property (if any) of CSL both present and future including (and, where any such property is leasehold, any present or future right or interest conferred upon CSL in relation thereto by virtue of any Enfranchising Legislation (as defined in the Debenture) (including any rights arising as against any nominee purchaser pursuant thereto)) and all buildings and fixtures (including trade fixtures) fixed plant and machinery from time to time on any such property and all liens, mortgages, charges, options agreements and rights, titles and interests (whether legal or equitable) of CSL in or over land or the proceeds of sale thereof of whatever description both present and future and all the right, title and interest of CSL in any such plant and machinery from time to time hired, leased or rented by CSL from third parties or acquired by CSL from third parties on a hire instalment or conditional purchase basis including (without prejudice to the generality of the foregoing) CSL's right to any refund of rentals or other payments;
 - 4.2.2. by way of legal mortgage or first fixed charge (as the case may be) over all book debts present and future due or owing to CSL or in which CSL is legally, beneficially or otherwise interested (and the proceeds thereof) and the benefit of all rights relating thereto including (without prejudice to the generality of the foregoing) negotiable instruments, legal and equitable charges, reservation of proprietary rights, rights of tracing and unpaid vendors' liens and similar associated rights;
 - 4.2.3. by way of legal mortgage or first fixed charge (as the case may be) over all other debts, claims, rights and choses in action both present and future of CSL or in which CSL is legally, beneficially or otherwise interested (and the proceeds thereof) including (without prejudice to the generality of the foregoing);
 - 4.2.3.1. deposits and credit balances held by CSL with the Bank or any third party from time to time both present and future (including things in action which give rise or may give rise to a debt or debts) owing to CSL (and the proceeds thereof);
 - 4.2.3.2. any amounts owing to CSL by way of rent, licence fee, service charge or dilapidations by any tenant or licensee (in each case whether present or future) of any freehold or leasehold property from time to time forming part of the Charged Property and any ground rents and rent charges, rent deposits and purchase deposits owing to CSL (and, in each case, the proceeds thereof);

- 4.2.3.3. without prejudice to 3.2.3.4 below, any amounts owing or which may become owing to CSL under any building, construction or development contract or by virtue of CSL's rights under any retention or other trusts, whether or not any certificate as to the amount due has been issued in respect of thereof (and the proceeds thereof);
- 4.2.3.4. without prejudice to 3.2.3.5 below, all rights (and the proceeds of such rights) present or future, actual or contingent arising under or in connection with any contract whatsoever in which CSL has any right, title or interest (including, without limitation, all policies and contracts of insurance and assurance);
- 4.2.3.5. an amounts owing or which may become owing to CSL by way of damages, compensation or otherwise under any judgment or order of any competent authority howsoever arising or by way of settlement or compromise of any legal proceedings; and
- 4.2.3.6. the benefit of all rights relating to such debts, claims, rights and choses in action including (without prejudice to the generality of the foregoing) such rights as are secondly described above;
- 4.2.4. by way of legal mortgage or first fixed charge (as the case may be) over (where CSL for the time being carries on any business comprising or relating to the provision of credit (as defined by section 9 Consumer Credit Act 1974) or any business comprising or relating to the bailment or (in Scotland) the hiring of goods):
 - 4.2.4.1. the full benefit of and all rights under all agreements now or hereafter entered into by CSL under which CSL has provided or agreed to provide credit (as so defined) to any person of any amount and all agreements now or hereafter entered into by any person other than CSL under which credit (as so defined) is provided or agreed to be provided and the benefit of which is assigned to or otherwise vested in CSL (all agreements described in this paragraph 3.2.4.1 being hereafter referred to as the "Credit Agreements"), including all monies payable under or in respect of the Credit Agreements;
 - 4.2.4.2. the full benefit of and all rights under all agreements (not being Credit Agreements) now or hereafter entered into by CSL for the bailment or (in Scotland) the hiring of goods to any person and all agreements (not being Credit Agreements) now or hereafter entered into by any person other than CSL for such bailment or (in Scotland) hiring the benefit of which is assigned to or otherwise vested in CSL (all agreements described in this paragraph 3.2.4.2 being hereinafter referred to as the "Hiring Agreements") including all monies payable under or in respect of the Hiring Agreements;
 - 4.2.4.3. the full benefit of and all rights relating to the Credit Agreements and the Hiring Agreements (hereinafter together called the "Instalment Credit Agreements") including all legal and equitable charges and other securities and guarantees and the other rights and remedies

expressly or impliedly reserved by the Instalment Credit Agreements and by such securities and guarantees;

- 4.2.4.4. CSL's present and future rights and interests (if any) in and to any chattels comprised in the Instalment Credit Agreements or securities and guarantees provided in relation thereto including (without prejudice to the generality of the foregoing) any right to damages relating thereto and the benefit of any warranties given in respect thereof insofar as the property or any interest in such chattels remains vested in CSL; and
 - 4.2.4.5. the full benefit of CSL's rights and interests (if any) in and to all insurance effected by CSL or by any other person of any chattels comprised in any Instalment Credit Agreements or any security or guarantee provided in relation thereto.
- 4.2.5. by way of legal mortgage or first fixed charge (as the case may be) over all stocks, shares bonds, certificates of deposit, depositary receipts, derivatives (including any currency or currency unit, interest rate or commodity hedging arrangement), securities and other interests and rights which are now or might at any time hereafter be owned by CSL or in which CSL might be legally beneficially or otherwise interested (and whether held in certificated form or in uncertificated form by a member (whether CSL itself or a third party) of CREST or any other similar system) including without limitation:
- 4.2.5.1. loan capital, indebtedness or liabilities on any account or in any manner owing to CSL both present and future in (or from) any company which now is or might hereafter become a subsidiary (as defined in section 736 Companies Act 1985) of CSL;
 - 4.2.5.2. the full benefit of all stocks, shares, certificates of deposit, depositary receipts and securities which or the certificates for which now are or might at any time hereafter be lodged by CSL or on its behalf with the Bank or held by the Bank or its agents or transferred to or registered in the name of the Bank or its agents or their respective nominees or held by any party other than CSL for or to the order of the Bank at the request of or by arrangement with CSL;
 - 4.2.5.3. all property and rights of CSL in respect of any account which now is or might at any time hereafter be held by or for CSL as participant or as beneficiary of a nominee or trustee participant with any clearance or settlement system or depositary or custodian or sub-custodian or broker (in each case, whether in the UK or elsewhere) relating to stocks, shares, certificates of deposit, depositary receipts, securities or other interests or rights whatsoever without limitation;
- 4.2.6. by way of legal mortgage or first fixed charge (as the case may be) over all rights in respect of or incidental to the Charged Property described at 3.2.5 above, (the Charged Property referred to in 3.2.5 and this clause 3.2.6 being hereinafter called the "Securities"); and

- 4.2.7. by way of legal mortgage or first fixed charge (as the case may be) over all stocks, shares, securities, rights, moneys or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option or otherwise to or in respect of any of the Securities including all dividends, interest and other income payable in connection therewith;
- 4.2.8. by way of legal mortgage or first fixed charge (as the case may be) over all present and future copyrights, patents, designs, trademarks, service marks, brand names, inventions, design rights, know-how, formulas, confidential information, trade secrets, computer software programmes, computer systems and all other intellectual property rights whatsoever without any limitation, whether registered or unregistered in all or any part of the world in which CSL is legally, beneficially or otherwise interested;
- 4.2.9. by way of legal mortgage or first fixed charge (as the case may be) over the benefit of any pending applications for the same and all benefits deriving therefrom and thereunder including but not limited to royalties, fees, profit sharing agreements and income arising therefrom and all licences in respect of or relating to any intellectual property rights, whether such licences are granted to CSL or granted by CSL;
- 4.2.10. by way of legal mortgage or first fixed charge (as the case may be) over every item of physical material or any description or type whatever in or in respect of which intellectual property rights may subsist and in respect of each such item the original copy or version or variant owned by, produced by or delivered to or obtained by CSL and any rejected and surplus materials associated or connected with or forming part of the foregoing which shall include, without limitation any and all materials and translations thereof, log books, designs, sketches, algorithms, calculations, diagrams, computations, source codes, models, prototypes, apparatus, computer programmes, photographs, books and other records in any medium, electronic data and any other material of any description whatever in which intellectual property may be incorporated;
- 4.2.11. by way of legal mortgage or first fixed charge (as the case may be) over the goodwill and the uncalled capital of CSL both present and future.
- 4.2.12. by way of legal mortgage or first fixed charge (as the case may be) over all other plant and machinery, fittings and equipment (not in any such case being CSL's stock-in-trade or work in progress) now or at any time hereafter belonging to CSL or in which CSL is legally, beneficially or otherwise interested, wherever situated and whether or not affixed to any freehold or leasehold property of CSL.
- 4.2.13. by way of legal mortgage or first fixed charge (as the case may be) over all the rights, interests and benefits of CSL under any present or future hire-purchase, conditional sale, credit sale, leasing or rental agreement to which CSL is a party in the capacity of hirer, purchaser or lessee including (without prejudice to the generality of the foregoing) CSL's right to any refund of rentals or other payments.

- 4.2.14. by way of first floating charge over the undertaking and all property and assets of CSL both present and future including (without prejudice to the generality of the foregoing) heritable property and all other property and assets in Scotland and the Charged Property referred to in clause 3.1 above and this clause 3.2 (if and insofar as the charges thereon or on any part or parts thereof contained in the Debenture should for any reason be ineffective as fixed charges).

4.3. CSL may not without the consent in writing of the Bank:

- 4.3.1. (except as expressly provided for in the Debenture) sell, assign, licence, sub-licence, discount, factor or otherwise dispose of, or deal in any other way with, the Charged Property (other than the Charged Property referred to in clause 3.2.14 above) provided that for the avoidance of doubt this sub-clause shall not prevent CSL without such consent collecting proceeds of the book and other debts, monetary claims and choses in action forming part of the Charged Property in the ordinary course of CSL's business and paying the same into CSL's account(s) with the bank in accordance with sub-clause 5.7(a) of the Debenture and provided further that where the Bank makes a payment at the request of CSL which is debited to any account with the Bank which is for the time being in credit, the Bank shall be taken to have given any necessary consent for the purposes of this clause to such payment unless such payment was made as a result of some mistake of fact on the part of the Bank;
- 4.3.2. create or permit to subsist or arise any mortgage, debenture, hypothecation, charge, assignment by way of security, pledge or lien or any other encumbrance or security whatsoever upon the Charged Property except a lien arising by operation of law in the ordinary course of CSL's business as conducted during the 12 months preceding the date when the lien first came into existence;
- 4.3.3. enter into any contractual or other agreement or arrangement which has or may have an economic effect similar or analogous to any such encumbrance or security as would be prohibited by 3.3.2 above;
- 4.3.4. transfer, sell or otherwise dispose of the whole or any material part of the Charged Property referred to in clause 3.2.14 above whether by a single transaction or a number of transactions whether related or not except by way of sale at full value in the usual course of trading as transacted at the date of the Debenture;
- 4.3.5. vary or purport to vary any Instalment Credit Agreement or any security or guarantee provided in relation thereto or give any consents or licences under the terms of any Instalment Credit Agreement or any security or guarantee provided in relation thereto provided that CSL shall not be prohibited by this covenant from agreeing to any such variation or giving any such licence or consent if to do so would not materially and adversely affect the value to the Bank for security purposes of such Instalment Credit Agreement or such security or guarantee and if to do so would not affect the validity or enforceability of such Instalment Credit Agreement or such security or guarantee; or
- 4.3.6. enter into any agreement with a financier, provider of money, creditor or any other party whatsoever (hereinafter called the "Financier") which has the

economic effect of, or an economic effect similar to that of, providing security in respect of or in connection with the provision of finance or credit by the Financier and which involves or may involve one or more of the following:

- I. sales, agreements for sale or transfers of any property or rights whatsoever to the Financier; and/or
- II. sales, agreements for sale or transfers actually or potentially on behalf of the Financier to any third party whatsoever; and/or
- III. the grant or possible grant of authority by the Financier for sales, agreements for sale or transfers of the nature set out in (II) above.

4.4. By sub-clause 5.7(a) of the Debenture, CSL covenants that it will pay into its account or accounts with the Bank all the proceeds which it might receive of the book and other debts, monetary claims and choses in action forming part of the Charged Property and CSL declares that all proceeds received or obtained by CSL or on CSL's behalf but which were not so paid or transferred into that account or accounts shall be received and held by CSL on trust for the Bank.

4.5. Otherwise, the Debenture contains provisions usual in a debenture, including the granting of a power of attorney, a right of set off and also a right to appoint a receiver thereunder.

5. First Assignment

5.1. CSL covenants to pay or discharge to the Bank in accordance with any relevant agreement between the Bank and CSL relating to the amounts secured by the Assignment or, in the absence of any such agreement, on demand:

5.1.1. all money and liabilities whether actual or contingent (including further advances made after the date of the Assignment by the Bank and secured directly or indirectly by the Assignment) which are now or at any time hereafter might be due owing or incurred from or by CSL to the Bank anywhere or for which CSL may be or become liable to the Bank in any manner whatsoever without limitation (and whether alone or jointly with any other person and in whatever style, name or form and whether as principal or surety and notwithstanding that the same may at any earlier time have been due owing or incurred to some other person and have subsequently become due owing or incurred to the Bank as a result of a transfer, assignment or other transaction by operation of law);

5.1.2. interest on all such money and liabilities to the date of payment at such rate or rates as may from time to time be agreed between the Bank and CSL or, in the absence of such agreement, at the rate, in the case of an amount denominated in Sterling, of two percentage points per annum above the Bank's base rate for the time being in force (or its equivalent or substitute rate for the time being) or, in the case of an amount denominated in any currency or currency unit other than Sterling, at the rate of two percentage points per annum above the cost to the Bank (as conclusively determined by the Bank) of funding sums comparable to and in the currency unit of such amount in the London Interbank Market (or such other

market at the Bank may select) for such consecutive periods (including overnight deposits) as the Bank may in its absolute discretion from time to time thereon select;

- 5.1.3. commission and other banking charges and legal, administrative and other costs, charges and expenses incurred by the Bank in relation to the Assignment (including any act necessary to release the Assignmentd Assets (as defined in the Assignment) from the security) or in enforcing the security thereby created on a full and unqualified indemnity basis; and
 - 5.1.4. any fees charged by the Bank for time spent by the Bank's officials, employees or agents in dealing with any matter relating to the Assignment. Such fees shall be payable at such rate as may be specified by the Bank.
- 5.2. Under the terms of the First Assignment, CSL will grant security by way of assignment of:-
- 5.2.1. all money, including bonuses, that has accrued or may become payable under the Policy (as defined in the First Assignment);
 - 5.2.2. the benefit of all options and rights given to CSL in connection with the Policy; and
 - 5.2.3. all CSL's rights and interests in the Policy
- as continuing security for the payment to the Bank of the Secured Obligations (as defined in the First Assignment).
- 5.3. Otherwise, the First Assignment contains provisions usual in an assignment of this type, including the granting of a power of attorney.

6. Second Assignment

- 6.1. CSL covenants to pay or discharge to the Bank in accordance with any relevant agreement between the Bank and CSL relating to the amounts secured by the Assignment or, in the absence of any such agreement, on demand:
- 6.1.1. all money and liabilities whether actual or contingent (including further advances made after the date of the Assignment by the Bank and secured directly or indirectly by the Assignment) which are now or at any time hereafter might be due owing or incurred from or by CSL to the Bank anywhere or for which CSL may be or become liable to the Bank in any manner whatsoever without limitation (and whether alone or jointly with any other person and in whatever style, name or form and whether as principal or surety and notwithstanding that the same may at any earlier time have been due owing or incurred to some other person and have subsequently become due owing or incurred to the Bank as a result of a transfer, assignment or other transaction by operation of law);
 - 6.1.2. interest on all such money and liabilities to the date of payment at such rate or rates as may from time to time be agreed between the Bank and CSL or, in the absence

of such agreement, at the rate, in the case of an amount denominated in Sterling, of two percentage points per annum above the Bank's base rate for the time being in force (or its equivalent or substitute rate for the time being) or, in the case of an amount denominated in any currency or currency unit other than Sterling, at the rate of two percentage points per annum above the cost to the Bank (as conclusively determined by the Bank) of funding sums comparable to and in the currency unit of such amount in the London Interbank Market (or such other market at the Bank may select) for such consecutive periods (including overnight deposits) as the Bank may in its absolute discretion from time to time thereon select;

- 6.1.3. commission and other banking charges and legal, administrative and other costs, charges and expenses incurred by the Bank in relation to the Assignment (including any act necessary to release the Assignmentd Assets (as defined in the Assignment) from the security) or in enforcing the security thereby created on a full and unqualified indemnity basis; and
- 6.1.4. any fees charged by the Bank for time spent by the Bank's officials, employees or agents in dealing with any matter relating to the Assignment. Such fees shall be payable at such rate as may be specified by the Bank.
- 6.2. Under the terms of the Second Assignment, CSL will grant security by way of assignment of:-
 - 6.2.1. all money, including bonuses, that has accrued or may become payable under the Policy (as defined in the Second Assignment);
 - 6.2.2. the benefit of all options and rights given to CSL in connection with the Policy; and
 - 6.2.3. all CSL's rights and interests in the Policyas continuing security for the payment to the Bank of the Secured Obligations (as defined in the Second Assignment).
- 6.3. Otherwise, the Second Assignment contains provisions usual in an assignment of this type, including the granting of a power of attorney.

This is Continuation Sheet 2 referred to in the Statutory Declaration of Stephen Francis Clifflen and John Colclough made on 30 August 2002 pursuant to section 155 of the Companies Act 1985.

Signed



STEPHEN FRANCIS CLIFFEN

Signed



JOHN COLCLOUGH

before me



the person before whom the Statutory Declaration is sworn

30 August 2002

The Directors
Coxlease School Limited
High Coxlease House
Clay Hill
Lyndhurst
Hampshire
SO43 7DE

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Charter Court
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Millbrook
Southampton SO15 0LE
Telephone +44 (0)2380 777900
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Dear Sirs

COXLEASE SCHOOL LIMITED (the "Company")

We refer to the statutory declaration (form 155(6)(a)) proposed to be made by all the directors of the Company (to which this report will be annexed) in respect of the financial assistance which it is proposed that the Company will give in connection with the purchase of shares in its holding company, High Coxlease Limited.

As the auditors of the Company we report that we have enquired into the state of affairs of the company and we are not aware of anything to indicate that the opinion expressed by the directors in the statutory declaration as to any of the matters mentioned in section 156(2) Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

HLB AV Audit Plc

HLB AV AUDIT PLC