

CHFP000

COMPANIES FORM No. 173

Declaration in relation to the redemption or purchase of shares out of capital

173

Please do not write in this margin

Pursuant to section 173 of the Companies Act 1985

| Please complete legibly, preferably in black type, or bold block lettering | To the Registrar of Companies (Address overleaf - Note 4) Name of company | For official use | Company number 2597969 |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------------|
| insert full name of company | * ARUN ESTATE AGENCIES LIMITED | | |
| Note Please read the notes on page 2 before completing this form. c insert name(s) and address(es) of all the directors | PAUL ANTHONY ROONEY of ROEBUCK HOUSE, 1 FARM CLOSE, WARNHAM WEST SUSSEX, RH12 3QT MICHAEL BEER of THE LAURELS, 19 PARK AVENUE, SITTINGBOURNE, KENT ME10 1QY BRIAN MATTHEWS of 1 WOODCOT COTTAGES, BILLINGSHURST, WEST SUSSEX RM14 9DS CHRISTOPHER COXON of 31 HIGHLANDS AVENUE, HORSHAM, WEST SUSSEX | | |
| fidelete as appropriate | [the sole director] [all the directors]† of the above company do sciennily and sincerely decrare 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 3 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom§ (c) that of something other than the above§ | | |
| § delete whichever is mappropriate | | | |

The company is proposing to make a payment out of capital for the redemption or purchase of its own shares

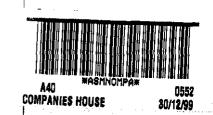
The amount of the permissible capital payment for the shares in question in question is £ 1,691,659 (note 1) (ONE MILLION, SIX HUNDRED AND NINETY-ONE THOUSAND, SIX HUNDRED AND FIFTY-NINE POUNDS)

Continued overleaf

Presentor's name address and reference (if any):
WARRENER STEWART
HARWOOD HOUSE
45 HARWOOD ROAD
LONDON
SW6 4QP

Tel:0171 7316163

For official Use General Section



MWe have made full enquiry into the affairs and prospects of the company, and Mwe have formed the opinion:

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(a) as regards its initial situation immediately following the date on which the payment out of capital is proposed to be made, that there will be no grounds on which the company could then be found unable to pay its debts (note 2), and

as regards its prospects for the year immediately following that date, that, having regard to my/our intentions with respect to the management of the company's business during that year and to the amount and character of the financial resources which will in my/ our view be available during that year, the company will be able to continue to carry on business as a going concern (and will

Please complete legibly, preferab in black type, or bold block letter

And \mathcal{M} we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

accordingly be able to pay its debts as they fall due) throughout that year. (note 2)

Declared at Howham

Wost Susses

Deglarant(s) to sign below

on 23 121999
before me

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

Notes

will write to

- 1 'Permissible capital payment' means an amount which, taken together with
 - (i) any available profits of the company: and
 - (ii) the proceeds of any fresh issue of shares made for the purposes of the redemption or purchase;

is equal to the price of redemption or purchase.

'Available profits' means the company's profits which are available for distribution (within the meaning of section 172 and 263 of the Companies Act 1985).

The question whether the company has any profits so available and the amount of any such profits is to be determined in accordance with section 172 of the Companies Act 1985.

2 Contingent and prospective liabilities of the company must be taken into account, see sections 173(4) & 517 of the Companies Act 1985.

- A copy of this declaration together with a copy of the auditors report required by section 173 of the Companies Act 1985, must be delivered to the Registrar of Companies not later than the day on which the company publishes the notice required by section 175(1) of the Companies Act 1985, or first publishes or gives the notice required by section 175(2), whichever is the earlier.
- The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies Companies House Crown Way Cardiff CF4 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies Companies House 37 Castle Terrace Edinburgh



AUDITORS' REPORT TO THE DIRECTORS OF ARUN ESTATE AGENCIES LIMITED PURSUANT TO SECTION 173 (5) OF THE COMPANIES ACT 1985

We have examined the attached statutory declaration of the directors dated 25th December 1999 in connection with the company's proposed purchase of 1,700,000 preference shares by a payment out of capital and reserves.

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

In our opinion the amount of £1,691,659 specified in the statutory declaration of the directors as the permissible capital payment for the shares to be purchased is properly determined in accordance with sections 171 and 172 of the Companies Act 1985.

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any matters mentioned in section 173 (3) of the Companies Act 1985 is unreasonable in all the circumstances.

WARRENER STEWART

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Chartered Accountants and Registered Auditors

Harwood House 43 Harwood Road London SW6 4QP

Date 23rd Deanhor 1999

This is the vepor's attreterred to in the Sportstory Declaration of Raul Anthony Rooney Hickard Geer Knain Hatthans and Christyhar E1705/6/1240 Coxon made this 23rd December 1999