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Rule 1.24

The Insolvency Act 1986

Form 1.1

Report of a Meeting Approving Voluntary Arrangement

Pursuant to Section 4 of the Insolvency Act 1986

To the Registrar of Companies

S.4

For Official Use

Company Number

| 3241871 |

Name of Company

(a) Insert full name of company

| (a) SBS Group PLC |

(b) Insert full name(s) and address(es)

I (b) William Antony Batty

Antony Batty & Co
New House, Suite 24
67 –68 Hatton Garden
London
EC1N 8JY

(c) Insert date

The Chairman of a meeting held in pursuance of Section 4 of the Insolvency Act 1986 on (c) 10 March 2004 enclose a copy of my report of the said meeting.

Signed _____   Date __11 / 8 / 04__

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

W A Batty
Antony Batty & Co
New House, Suite 24
67 –68 Hatton Garden
London
EC1N 8JY

8111 ~3

ANTONY BATTY & COMPANY
Licensed Insolvency Practitioners

New House, Suite 24
67 – 68 Hatton Garden
London
EC1N 8JY
Telephone: 020 7831 1234
Facsimile: 020 7430 2727

TO WHOM IT MAY CONCERN

11 March 2004

Dear Sirs,

SBS GROUP PLC – COMPANY VOLUNTARY ARRANGEMENT

I write to inform you that at meetings of the creditors and members of the above named company held on 10 March 2004, the company's proposal for a Company Voluntary Arrangement was accepted and I was duly appointed as Supervisor.

Copies of the voting records at the creditors and members meetings are attached.

The proposal was modified as follows:-

"The Governor and Company of the Bank of Scotland ("the Bank") as creditor of SBS Group Plc waive any right to the receipt of shares under the terms of the CVA, but reserves all its rights and remedies whether under any security granted to it or otherwise to pursue all and any subsidiaries of the Borrower for all of the secured liabilities as defined in a corporate guarantee dated 16 August 1999 and made between the Bank and various SBS Group companies."

This report on the meetings of creditors and members has been filed in the Royal Courts of Justice in accordance with Section 4 of the Insolvency Act 1986.

I note that a small number of creditors have not yet completed and returned the acknowledgement of claim form which was attached to the notice of the meetings. In order to be registered for distribution purposes, I shall be grateful if the creditors concerned would return the form, duly completed, as soon as possible.

Creditors should also complete and return the enclosed form to ensure that shares to which they are entitled to are issued in the correct name.

Failure to complete and return the form may result in being excluded from any distribution.

Yours faithfully,

W A Batty
Supervisor

SBS Group Plc
MEMBERS' MEETING VOTING RECORD

Resolution 1: To accept the Company's proposals for a Company Voluntary Arrangement

Votes Cast

Members voting for Resolution 1

A Hamilton	322
A MacDonald	1,500
British Smaller Companies VCT Plc	40,000
C Dunks	5,000
E Colledge	900
F Wotherspoon	108,747
G Jones	503
G Jones	1,383,690
G Steward	655
H Durrant	715
H Mistry	300
I Zarb	1,500
J Banks	879
J Clendinnine	393
J Cole	310
Lord May	1,000
M Tongue	400
N Foster	300
N MacKrell	330
P Farmer	345
R Pinfield	450
T Sawyer	500
Waksman Family Investments LLC	6,985,814
	8,534,553

Members voting against Resolution 1   nil

Conclusion

The resolution to accept the voluntary arrangement with modifications was accepted by members voting in person and by proxy.

Signed

W A Batty
Supervisor

SBS Group Plc
CREDITORS' MEETING VOTING RECORD

Resolution 1: To accept the Company's proposals for a Company Voluntary Arrangement

Creditor	Proxy Holder	Claim Received	Voting for the purposes of requisite majorities under Rule 1.19 of the Insolvency Rules 1986		Voting for the purposes of unconnected persons in terms of Rule 1.19(4) of the Insolvency Rules 1986	
			For	Against	For	Against
Specific Instructions			£		£	
HM Customs & Excise	Chairman	£ 122,940.00		£ 122,940.00		£ 122,940.00
Zertina Assets Ltd	Chairman	£ 4,482,000.00	£ 4,482,000.00		£ 4,482,000.00	
Introstate Ltd	Chairman	£ 4,704,948.00	£ 4,704,948.00			
Proxy holders discretion						
West Words Ltd	G Jones	£ 666.00	£ 666.00			
		£ 9,310,554.00	£ 9,186,948.00	£ 122,940.00	£ 4,482,666.00	£ 122,940.00
			98.67%	1.32%		1.56%

Total creditors notified and entitled to vote.   £ 12,606,783.00
As per list of creditors in the Proposal
Less - connected parties included in the list   £ 4,704,948.00
     £ 7,901,835.00

Percentage of the Non-associated creditors voting against the Proposal

Notes
In the terms of Rule 1.19 of the Insolvency Rules 1986, the Proposal must be accepted by a requisite majority of 75% of creditors voting in favour of the proposal

Where connected persons (as defined by S.249 of the Insolvency Act 1986) of the company are involved in the voting procedure, under Rule 1.19(4) of the Insolvency Rules 1986, the resolution to accept the Proposal must not be rejected by greater than 50% of the unconnected creditors in a vote who were notified and entitled to vote - in a vote taken of the unconnected creditors.

The Governor & Company of the Bank of Scotland plc assigned £4,482,000 of their debt to Zertina Assets Limited on 25 February 2004.

Conclusion
The resolution to accept the voluntary arrangement with modification was accepted by the requisite majority of creditors voting in person and by proxy.

Signed

W A Batty
Supervisor -

SBS GROUP PLC – COMPANY VOLUNTARY ARRANGEMENT

CREDITOR ELECTION FORM

Name of creditor:...

Amount of claim:..

Please issue us with shares in accordance with the CVA proposal : *(Tick box)* ☐

Exact name and address to whom the shares should be issued

Full name(s)...:

Address:..

> *..*

> *..*

> *..*

Or

We waive all our rights to the shares being issued in accordance with   ☐
the CVA proposals:

Signed by:..

For and on behalf of:..

Position::..

Please return by 30 April 2004 to:

Antony Batty
Supervisor, Voss Net Plc
New House, Suite 24
67 – 68 Hatton Garden
London
EC1N 8JY