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CHFP025

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COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares

155(6)a

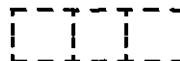
Pursuant to section 155(6) of the Companies Act 1985

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



04021538

Note

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

Name of company

* Springmede Limited

* insert full name
of company

*/We Martin Cox of Tamney, Wonham Way, Peaslake, Nr Guildford, Surrey GU5

4PA

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

William Francis Tiernan of 30 Johns Lane, Morden, Surrey SM4 6EU

Anthony James Smith of 15 The Byway, Sutton, Surrey SM2 5LE

† 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]~~

limited†

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: 15165 ~~29898~~ ordinary shares
of £1 each and 2965 ~~298~~ "A" ordinary shares of £1 each

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

Shoosmiths
Russell House, 1550
Parkway, Solent Business
Park, Whiteley, Fareham,
Hampshire, PO15 7AG
124693 Whiteley

For official Use
General Section

Post room



A05
COMPANIES HOUSE

0175
16/02/01

The assistance is to be given to: (note 2) Levetas Limited (company number 04021852)
whose registered office is at Russell House, 1550 Parkway, Solent Business Park,
Whiteley, Fareham, Hampshire PO15 7AG

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

The assistance will take the form of:

Please see Rider A

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

† delete as
appropriate

Levetas Limited (company number 04021852) whose registered office is at
Russell House 1550 Parkway Solent Business Park Whiteley Fareham PO15 7AG

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

Please see Rider B

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 February 2001

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

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

*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) ~~It~~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 I/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 I/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 10 NORWICH STREET
LONDON EC4A 1BD

Declarants to sign below

Day Month Year
on

0	7	0	2	2	0	0	1
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before me J. H. O. (A.T. CORNELIUS)

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

RIDER A

SPRINGMEDE LIMITED

The assistance will take the form of:

1. The Royal Bank of Scotland plc (the "Bank") making available a term loan facility on the terms of a facility letter (the "Facility Letter") of £3,250,000 to Levetas Limited ("Levetas") for the purpose of assisting the acquisition by Levetas of all the issued shares in the Company (the "Acquisition").
2. The Bank making available to Levetas, the Company, Edes (UK) Limited (company number 02672031) ("Edes") and Edit (UK) Limited (company number 03045790) ("Edit") an overdraft facility limited to £750,000 (such limit to be increased to £1,000,000 during the period between 1 July 2001 and 31 October 2001) on the terms of a working capital facility letter (the "Working Capital Facility Letter") for the purposes of general working capital.
3. SandAire Investments PLC ("SandAire") and Ralph Kanter making an investment of £3,805,000 in aggregate in Levetas consisting of a subscription for 174627 "A" Ordinary shares of £1 each in Levetas and the subscription for of £3,630,373 of "A" secured loan stock ("A" Loan Stock") issued by Levetas for the purpose of assisting with the financing of the Acquisition in accordance with the terms of an Investment Agreement made between Martin Cox and William Tiernan (1) Anthony Smith (2), Ralph Kanter (3) Levetas Limited (4) and SandAire Investments PLC (5) (the "Investment Agreement") and the "A" Loan Stock Instrument executed by Levetas.
4. Anthony Smith making an investment of £3,785,000 in Levetas consisting of a subscription for 44,776 ordinary shares of £1 each in Levetas and the purchase of £740,224 of "A" Loan Stock £1,000,000 "B" loan stock and £2,000,000 "C" guaranteed loan stock in accordance with the terms of the "A" Loan Stock Instrument, the "B" Loan Stock Instrument and "C" Loan Stock Instrument respectively issued by the Company for the purpose of assisting with the financing of the Acquisition.
5. The Company entering into a Debenture (the "Bank Debenture") under which it will grant a fixed and floating charge over all its undertakings, assets, property and revenue both present and future in favour of the Bank.

6. The Company entering into a corporate guarantee (the "Guarantee") in favour of the Bank pursuant to which it would guarantee the performance by the Company, Levetas, Edes and Edit (together the "Group Companies") of the Guaranteed Obligations (as defined in Rider B).
7. Each Group Company entering into a composite guarantee and debenture (the "SandAire Debenture") under which it will create a fixed and floating charge over the Company's property and assets in favour of SandAire.
8. Each Group Company entering into a composite guarantee and debenture (the "Kanter Debenture") under which it will create a fixed and floating charge over the Company's property and assets in favour of Ralph Kanter.
9. Each Group Company entering into a composite guarantee and debenture in respect of the "A" Loan Stock (the "'A'" Smith Debenture") under which it will create a fixed and floating charge over the Company's property and assets in favour of Anthony Smith
10. Each Group Company entering into a composite guarantee and debenture in respect of the "B" Loan Stock (the "'B'" Smith Debenture") under which it will create a fixed and floating charge over the Company's property and assets in favour of Anthony Smith
11. The Company entering into an inter creditor agreement to be made between the Bank (1) the Group Companies (2) Anthony Smith, and SandAire (the "Subordinated Creditors") (3)(the "Inter Creditor Agreement").

RIDER B

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

1. The principal terms of the Facility Letter are that the Bank provides to Levetasa term loan of £3,250,000 in two tranches - £2,500,000 ("Tranche A") and £750,000 ("Tranche B").
Tranche A will be repaid quarterly by four instalments of £100,000 followed by twelve quarterly instalments of £125,000 and four quarterly instalments of £150,000 with the first payment on 31 March 2001. Tranche B will be repaid in two instalments of £375,000 on 30 June 2006 and 31 December 2006.

2. The principal terms of the Working Capital Facility Letter are that the Bank provides to the Group Companies an overdraft facility of £750,000 (such limit to be increased to £1,000,000 during the period between 1 July 2001 and 31 October 2001) repayable on demand.

3.

- 3.1 The principal terms of the "A" Loan Stock Instrument are that Levetas issues loan stock in the sum of £3,630,373 in aggregate to SandAire and Ralph Kanter and £740,224 to Anthony Smith which shall be redeemed as follows:

<u>Date</u>	<u>Amount</u>
31 December 2004	£250,000
31 December 2005	£500,000
On each 31 December thereafter	£500,000

- 3.2 The principal terms of the "B" Loan Stock Instrument are that Levetas issues loan stock in the sum of £1,000,000 to Anthony Smith which shall be redeemed as follows:

<u>Date</u>	<u>Amount</u>
31 December 2004	£250,000
31 December 2005	£500,000
31 December 2006	£250,000

- 3.3 The principal terms of the "C" Loan Stock Instrument are that Levetas issues loan stock in the sum of £2,000,000 to Anthony Smith which is guaranteed by the Bank and shall be redeemed as follows:

<u>Date</u>	<u>Amount</u>
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- 4 The principal terms of the Bank Debenture are that the Company covenants to discharge to the Bank all of the Company's liabilities to the Bank whether present or future actual or contingent, solely or jointly together with charges, interest, commission and expenses and the Company with full title guarantee charges to the Bank:-
- 4.1 by way of legal mortgage all the freehold and leasehold property vested in or charged to the Company;
 - 4.2 by way of fixed charge all estates or interests in any freehold and leasehold property now or in the future vested in or charged to the Company;
 - 4.3 by way of fixed charge all plant machinery fixtures and fittings of the Company present or future;
 - 4.4 by way of fixed charge all furniture, furnishings, equipment, tools and other chattels of the Company present and future not regularly disposed of in the ordinary course of business;
 - 4.5 by way of fixed charge all the goodwill and uncalled capital of the Company present and future;
 - 4.6 by way of fixed charge all stocks, shares and other securities of the Company present and future;
 - 4.7 by way of fixed charge all intellectual property rights choses in action and claims of the Company present and future and the proceeds of any insurance from time to time affecting the Property;
 - 4.8 by way of fixed charge the benefit of any currency or interest rate swap cap or collar or other hedging agreement or any future transaction or treasury instrument made with the Bank or any third party;
 - 4.9 by way of fixed charge all book debts and other debts of the Company present and future and the proceeds of payment or realisation of each of them until the receipt of the proceeds from time to time;
 - 4.10 by way of fixed charge all funds standing to the credit of the Company from time to time on any account with the Bank or any other bank or financial institution or organisation;
 - 4.11 by way of a floating charge all the undertaking and all property assets and rights of the Company present and future not subject to a fixed charge under this deed.

The Debenture contains provisions, usual in such document including the granting of a Power of Attorney and also the right to appoint a receiver thereunder.

5. The principal terms of the Guarantee are that the Company will on demand pay or discharge to the Bank all liabilities which shall for the time being be due or incurred by the Group

Companies to the Bank together with charges, commission, interest and expenses (the "Guaranteed Obligations")

6. The principal terms of the SandAire Debenture, the Kanter Debenture, the "A" Smith Debenture and the "B" Smith Debenture are that each Group Company guarantees to pay to respectively SandAire, Ralph Kanter and Anthony Smith (the "Chargees") all monies and liabilities owed to the Chargees by any Group Company and each Group Company with full title guarantee charges to the Chargees, its properties
 - 6.1 by way of legal mortgage all of its properties;
 - 6.2 by way of fixed charge all stocks shares loan capital securities bonds and investments of any kind owned held it;
 - 6.3 by way of fixed charge:
 - 6.3.1 all freehold and leasehold properties acquired by it;
 - 6.3.2 all present and future interests in or over freehold or leasehold property;
 - 6.3.3 all present and future rights relating to its properties;
 - 6.3.4 all its present and future goodwill and its uncalled capital;
 - 6.3.5 all its equipment, plant machinery, tools, vehicles, furniture and other tangible moveable property;
 - 6.3.6 all present or future rights or interests in intellectual property;
 - 6.3.7 all book debts and other debts;
 - 6.3.8 all monies standing to the credit of any account with the Bank;
 - 6.4 by way of assignment all right title interest to and in and in claims under any present or future policies of insurances or assurances;
 - 6.5 by way of assignment the benefit of any agreements or any guarantee or security for the performance of such agreements and the benefit of all licences consents and authorisations;
 - 6.6 by way of floating charge all undertaking property assets and rights at any time not otherwise mortgaged or charged under the respective debenture.
7. The principal terms of the Inter Creditor Agreement are that:-
 - 8.1 all security granted to the Bank ("Bank Security") shall rank in priority to any security granted to the Subordinated Creditors;
 - 8.2 until the Bank Security is discharged no security shall be granted by the Company in favour of the Subordinated Creditors except the SandAire Debenture;
 - 8.3 until the Bank Security is discharged only payments permitted under the Facility Letter may be made to the Subordinated Creditors;
 - 8.4 in the event that the Company enters any insolvency proceedings all debts owed by the Company to the Subordinated Creditors shall be postponed to that owed to the Bank;

**AUDITORS' REPORT TO THE DIRECTORS OF SPRINGMEDE
LIMITED ("THE COMPANY") PURSUANT TO SECTION 156(4) OF
THE COMPANIES ACT 1985**

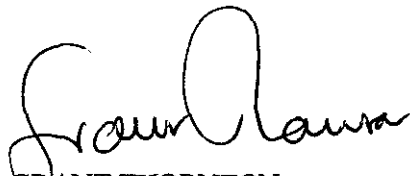
We have examined the attached statutory declaration of the directors dated 6 February 2001 in connection with the proposal that the Company should give financial assistance for the purchase of 15,165 of the Company's ordinary shares of £1 each and 2,065 'A' ordinary shares of £1 each.

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

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Brighton
6 February 2001