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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 04087584

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

Name of company

* NDR (Holdings) Limited

* insert full name of company

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

~~I~~/We ø See Appendix 1 attached

† 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 1987~~

~~(b) that of a person authorised under section 3(3)(a) 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] ~~[holding company]~~

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:

350,000 A Ordinary Shares of £0.10 and 660,310 Ordinary Shares of £0.10

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

Eversheds LLP
115 Colmore Row
Birmingham
B3 3AL

DX13004 Birmingham
765986

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General Section | Post room

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COMPANIES HOUSE 23/04/05

The assistance is to be given to: (note 2) Phoenix IT Group Plc (Company Number 3476115)

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

The assistance will take the form of:

See Appendix 2 attached

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

† delete as appropriate

Phoenix IT Group Plc (Company Number 3476115)

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

See Appendix 3 attached

The amount of cash to be transferred to the person assisted is £ See Appendix 4 attached

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

Please do not write in this margin

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

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

X/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) [X/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 X/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 X/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 115 COLMORE ROW, BIRMINGHAM, B3 3AL

Declarants to sign below

	Day	Month	Year
on	21	04	2005

before me DARREN WALKER

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

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Appendix 1 to Form 155(6)a

Names and Addresses of all Directors of NDR (HOLDINGS) LIMITED (number 04087584)

David Alan Simpson	Draycott Cottage Draycott Lane Kempsey Worcestershire WR5 3NY
David Taylor	The Old Rectory Bishampton Road Flyford Flavell Worcester Worcestershire WR7 4BT

Appendix 2 to Form 155(6)a

The form of the financial assistance to be given by NDR (HOLDINGS) LIMITED (number 04087584)

The execution, delivery and performance by the Company of the documents listed and described at paragraphs 1 to 2 (inclusive) below (or of documents referred to therein or relating thereto) as the same may be amended, increased, novated and/or replaced, varied, supplemented or substituted from time to time, which will be entered into, directly or indirectly, in connection with the transfer of the whole of the issued share capital of the Company by its present shareholders TP Byrne and Others (together the "Sellers") to Phoenix IT Group plc (the "Buyer") pursuant to a Sale and Purchase Agreement dated 22 March 2005 and made between the Sellers and the Buyer (the "Acquisition"):

1. An accession agreement (the "Accession Agreement") to be made between (1) the Company, (2) the Buyer and (3) The Governor and Company of the Bank of Scotland (the "Lender") to a corporate guarantee (the "Guarantee") made between (1) the Buyer, (2) the the Original Guarantors (as defined therein) (the Buyer, the Company, the Original Guarantors and Network Disaster Recovery Limited together being the "Group") and (3) the Lender pursuant to which the Buyer and each other member of the Group (including the Company) will guarantee to the Lender all monies, liabilities and obligations of the Buyer and any other member of the Group (from time to time) to the Lender including monies, liabilities and obligations incurred in connection with the Acquisition;

2. An intra-group funding agreement (the "Intra-Group Funding Agreement") to be made between the Buyer, the Company and certain other members of the Group pursuant to which monies may be loaned to or borrowed by each member of the Group or otherwise transferred within the Group.

Appendix 3 to Form 155(6)a

Principal terms on which Financial assistance will be given by NDR (HOLDINGS) LIMITED (number 04087584)

Terms defined in Appendix 2 have the same meaning in this Appendix 3

1. By executing the Accession Agreement the Company, each other member of the Group and any company which executes and delivers an accession agreement in the form contained in Schedule 3 of the Guarantee (an "Acceding Company") inter alia, unconditionally and irrevocably:

1.1 guarantees the payment or discharge of the Secured Liabilities (as defined below) and on demand in writing to pay or discharge them to the Lender; and

1.2 as principal obligor, agrees to indemnify and keep indemnified the Lender against all costs, losses or liabilities resulting from the failure by any Principal (as defined below) to make due and punctual payment of the Secured Liabilities (or any part thereof) or resulting from any of the Secured Liabilities being or becoming void, voidable, unenforceable or ineffective against any Principal.

For the purposes of this Paragraph 1:

"Secured Liabilities" means all or any monies and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Lender by the Principals (or any of them), whether actually or contingently, solely or jointly and whether or not the Lender shall have been an original party to the relevant transaction, and including interest, discount, commission and other lawful charges or expenses which the Lender may in the course of its business charge or incur in respect of any of these matters or for keeping any account of any Principal, and so that interest shall be computed and compounded according to the usual rates and practice of the Lender as well after as before any demand made or decree obtained under the Guarantee.

"Principal" means each member of the Group and each Acceding Company.

2. By executing the Intra-Group Funding Agreement the Company will make monies available to the Buyer and certain other members of the Group to be used by the Buyer and/or any such member of the Group to, inter alia, make payments when due to the Lender together with costs and expenses, in each case incurred by the Buyer or otherwise due in connection with the Acquisition.

Appendix 4 to Form 155(6)a

Amount of cash to be transferred to person assisted

The amount of cash to be transferred is variable. Pursuant to the Intra-Group Funding Agreement the Company will make monies available to the Buyer up to a maximum of £45,000,000 provided that in so doing the Company will not be unable to pay its debts within the meaning of the Insolvency Act 1986 Section 123.

Deloitte

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Birmingham B1 2HZ

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INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF NDR (HOLDINGS) LIMITED ("THE COMPANY") PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985

We have examined the attached statutory declaration of the directors dated 21 April 2005 in connection with the proposal that the Company should give financial assistance for the purchase of its entire issued ordinary share capital.

This report is made solely to the directors of the Company for the purpose of section 156(4) of the Companies Act 1985. Our work has been undertaken so that we might state to the directors of the Company those matters that we are required to state to them in an auditors' report under that section and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the opinions that we have formed.

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 is unreasonable in all the circumstances.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
21 April 2005

Four Brindleyplace
Birmingham
B1 2HZ

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