

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

CHFP025

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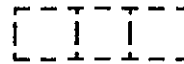
Pursuant to section 155(6) of the Companies Act 1985

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



4718834

Name of company

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

* REFLEX AUDIO VISUAL LIMITED

* insert full name
of company

XWe ~~0~~ ANDREW BRYMER OF 40 ST PATRICKS AVENUE, CHARVIL, READING, BERKSHIRE,
RG10 9RA
ROLAND DREESDEN OF 22 WESSEX GARDENS, TWYFORD, READING, RG10 0AY AND
WILLIAM JEPPE OF 17 SWALLOWS CROFT, READING, RG1 6EH

~~0~~ insert name(s) and
address(es) of all
the directors

† delete as
appropriate

~~XXXXXXXXXXXX~~ [all the directors]† of the above company (hereinafter called 'this company') do
solemnly and sincerely declare that:

§ delete whichever
is inappropriate

The business of this company is:

- (a) ~~that of a person authorised under section 1 of the Insurance Companies Act 1982 to carry on
insurance business in the United Kingdom~~
- (b) ~~that of a person authorised under section 1 or 2 of the Insurance Companies Act 1982 to carry on
insurance business in the United Kingdom~~
- (c) something other than the above§

This company is [the] **[X]** holding company of* REFLEX LIMITED _____
("THE SUBSIDIARY") _____ which is

proposing to give financial assistance in connection with the acquisition of shares

in [this company] [_____
_____ ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ the holding company of this company.]

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

Field Seymour Parkes
The Old Coroner's Court, 1
London Street, PO Box 174,
Reading, Berkshire, RG1 4QW

DX 4001 Reading 1
4/PW/37390/001 255460.v1#

For official Use
General Section

Post room



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

The assistance is to be given to: (note 2) FIELDSEC 321 LIMITED WHOSE REGISTERED OFFICE
IS AT 1 BENNET COURT, BENNET ROAD, READING, RG2 0QZ

SEE SCHEDULE 1 ATTACHED.

† delete as appropriate

SEE SCHEDULE 2 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 29 JULY 2005

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

X We have formed the opinion, as regards this 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)

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

(a) ~~X~~We have formed the opinion that this 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 this company within 12 months of that date, and the~~
~~have formed the opinion that this 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 FIELD STAMMOR PARADE, THE OLD
COURT HOUSE, READING.

Declarants to sign below

Day Month Year

on 2 9 0 7 2 0 0 5

before me HEW JOHN EVANI

~~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
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

REFLEX AUDIO VISUAL LIMITED
SCHEDULE 1 (to Form 155(6)b)
THE FORM OF THE FINANCIAL ASSISTANCE

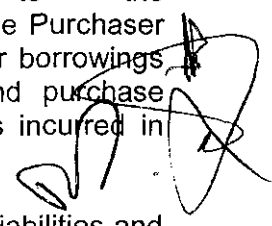
1. Definitions

If not otherwise defined in these schedules 1 and 2 the following expressions have the following meanings:-

"Amendment Letter"	means the amendment letter in respect of the Facility Letter from the Bank dated 29 July 2005
"Accession Agreement"	means the accession agreement to be entered into by the Company (as agent for itself and Reflex pursuant to the Bank Guarantee) and the Purchaser in favour of the Bank in respect of the Bank Guarantee
"Acquisition"	means the acquisition of the entire issued share capital of the Company by the Purchaser
"Bank"	means The Governor and the Company of the Bank of Scotland
"Bank Facility"	means the term loan made available by the Bank to the Company under the Facility Letter
"Bank Guarantee"	means the corporate guarantee dated 22 April 2003 between the Company (1), Claimgrange Limited (2), Reflex (3) and the Bank (4) to secure the liabilities of the Company, Claimgrange Limited and Reflex to the Bank
"Company"	means Reflex Audio Visual Limited (company number 4718834) whose registered office is at 1 Bennet Court, Bennet Road, Reading RG2 0QZ
"Eurofactor"	means Eurofactor (UK) Limited (company number 417709) whose registered office is at Bellerive House, 3 Muirfield Crescent, London E14 9SW
"Eurofactor Facilities"	means the invoice discounting facilities made available by Eurofactor to Reflex pursuant to a confidential invoice discounting agreement dated 26 October 2001 between the parties
"Eurofactor Guarantee"	means the corporate guarantee to secure the liabilities of the Purchaser and Reflex to Eurofactor
"Facility Letter"	means the facility letter in respect of the Bank Facility from the Bank dated 14 April 2003 and accepted by the Company on 22 April 2003
"Finance Agreements"	means the Accession Agreement, the Eurofactor Guarantee and the Loan Agreement

"Purchaser"	means Fieldsec 321 Limited (company number 05467449) whose registered office is at 1 Bennet Court, Bennet Road, Reading RG2 0QZ
"Reflex"	means Reflex Limited (company number 3131814) whose registered office is at 1 Bennet Court Bennet Road Reading RG2 0QX
"Loan Agreement"	means the intra-group loan agreement to be entered into between Reflex (1) and the Purchaser (2)

2. The Form of the Financial Assistance

- 2.1 The Purchaser proposes to acquire the entire issued share capital of the Company, which is the holding company of Reflex. The Bank has agreed to continue to make the Bank Facility available to the Purchaser and the Company after the Acquisition. It is a condition to the continued availability of the Bank Facility that the Purchaser and the Company (as agent for itself and Reflex) enter into the Accession Agreement.
- 2.2 In addition Eurofactor has agreed to continue to make available to Reflex the Eurofactor Facilities on condition that the Purchaser and Reflex enter into the Eurofactor Guarantee.
- 2.3 Reflex has agreed to make a loan of up to £ 2,000,000 to the Purchaser, pursuant to the Loan Agreement, which will be used by the Purchaser for the purposes of paying inter alia the cash consideration and other borrowings incurred by the Company pursuant to the terms of the sale and purchase agreement relating and inter alia meeting various professional costs incurred in connection with the Acquisition. 
- 2.4 The grant to the Company of and the assumption by the Company of liabilities and obligations under each of the Finance Agreements in accordance with and subject to the terms of each document constitutes the financial assistance ("the Financial Assistance").

This is schedule 1 referred to in the Form 155(6)b as declared by the Directors of Reflex Audio Visual Limited on 29 July 2005.

REFLEX AUDIO VISUAL LIMITED
STATUTORY DECLARATION
SCHEDULE 2 (to Form 155(6)b)
THE PRINCIPAL TERMS OF FINANCIAL ASSISTANCE

Principal terms on which assistance will be given

A. The Accession Agreement

1. The principal terms of the Accession Agreement are that:

- as consideration for the Bank agreeing to the accession of the Purchaser to the Bank Guarantee, the Purchaser agrees to be bound by the terms of the Bank Guarantee and to perform all its obligations as if it were a Participant (as defined in the Bank Guarantee) from the date on which the Accession Agreement becomes effective; and
- the Company (as agent for itself and Reflex) agrees to the accession of the Purchaser to the Bank Guarantee.

2. The principal terms of the Bank Guarantee are that:

- the Bank Guarantee is given to the Bank;
- the Bank Guarantee is unlimited;
- under the Bank Guarantee, each Participant guarantees the discharge on demand of the Secured Liabilities as defined in clause 19.13 of the Bank Guarantee by the Participant (as defined in the Bank Guarantee) to the Bank;
- under the Bank Guarantee any amount not recoverable on the basis of a guarantee is nevertheless recoverable from the Company as principal debtor by way of indemnity;
- the Bank Guarantee is a continuing security;
- under the Bank Guarantee, the Company agrees that it shall not be entitled to take the benefit of any security held by the Bank in respect of the group's obligations and not to prove against any member of the group in competition with the Bank

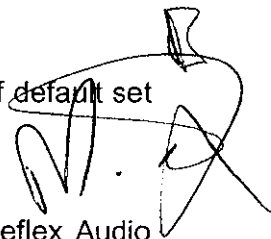
B. Eurofactor Guarantee

The principal terms of the Guarantee are:

- the Eurofactor Guarantee is given to Eurofactor;
- the Eurofactor Guarantee is unlimited;
- under the Eurofactor Guarantee, the Purchaser guarantees the discharge on demand of the liabilities of Reflex to Eurofactor (UK) Limited;
- under the Eurofactor Guarantee any amount not recoverable on the basis of a guarantee is nevertheless recoverable from Reflex as principal debtor by way of indemnity;
- the Eurofactor Guarantee is a continuing security;
- under the Eurofactor Guarantee, Reflex agrees that it shall not be entitled to take the benefit of any security held by Eurofactor in respect of the Company's obligations and not to prove against any member of the group in competition with Eurofactor

C. Loan Agreement

The principal terms of the Loan Agreement are:

- the Loan Agreement shall be entered into by Reflex for the provision by Reflex to the Purchaser of a loan of up to £2,000,000 ;
 - the loan shall be for the purposes set out in Clause of the Loan Agreement;
 - the loan shall be repayable on demand and shall be subject to the events of default set out in the loan agreement; and
 - the loan shall be interest free.
- 

This is schedule 2 referred to in the Form 155(6)b as declared by the Directors of Reflex Audio Visual Limited on 29 July 2005.

To: The Directors
Reflex Audio Visual Limited
1 Bennet Court
Reading
Berkshire
RG2 0QX



HURST MORRISON THOMSON

5 Fairmile Henley-on-Thames
Oxfordshire RG9 2JR

telephone: 01491 579866

facsimile: 01491 573397

email: hmt@hmtgroup.co.uk

www.hmtgroup.com

**AUDITORS' REPORT TO THE DIRECTORS
OF REFLEX AUDIO VISUAL LIMITED
(THE "COMPANY")**

PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985

We have examined the attached statutory declaration of the directors dated *29 July* 2005 in connection with the proposal that the Company should give financial assistance particulars of which are given in the statutory declaration.

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 the statutory declaration as to any of the matters mentioned in section 156(2) of the Companies Act 1985 is unreasonable in all of the circumstances.

Yours faithfully

Hurst Morrison Thomson LLP

29 July 2005