

COMPANIES FORM No. 88(2) (Rev 1988)

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Return of allotments of shares

88(2)

CHA 101

Pursuant to section 88(2) of the Companies Act 1985 (the Act)

(REVISED 1988)
This form replaces forms
PUC2, PUC3 and 88(2)

To the Registrar of Companies (address on page 2)
(see note 1)

Company Number

1637277

1. Name of company

insert full name
of company

NUCLEUS DESIGN LIMITED (now **NUCLEUS LIMITED**)

2. This section must be completed for all allotments

† distinguish
between
ordinary
preference, etc

Description of shares †	10p Ordinary	7% Preference	
A Number allotted	27,820	80,000	
B Nominal value of each	£0.10	£1	£
C Total amount (if any) paid or due and payable on each share (including premium if any)	£0.15	£1	£

§ complete
(a) or (b) as
appropriate

Date(s) on which the shares were allotted

(a) [on 4 / 1 / 99] §, or

(b) [from to] §

The names and addresses of the allottees and the number of shares allotted to each should be given on page 2

3. If the allotment is wholly or partly other than for cash the following information must be given (see notes 2 & 3)

D Extent to which each share is to be treated as paid up. Please use percentage	100.00 %	%	%
E Consideration for which the shares were allotted	The acquisition from the allottees of the entire issued capital of Nucleus Consulting Limited.		

NOTES

1. This form should be delivered to the Registrar of Companies within one month of the (first) date of allotment.
2. If the allotment is wholly or partly other than for cash, the company must deliver to the registrar a return containing the information at D & E. The company may deliver this information by completing D & E and the delivery of the information must be accompanied by the duly stamped contract required by section 88(2)(b) of the Act or by the duly stamped prescribed particulars required by section 88(3) (Form No. 88(3)).
3. Details of bonus issues should be included only in section 2.



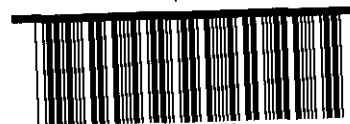
Presentor's name, address, telephone number and reference (if any):

H W Fisher & Co
Acre House
11-15 William Road
London NW1 3ER

N 235 CN

For official use

Post room



KLO
COMPANIES HOUSE

0051
09/02/00

4. Names and addresses of the allottees

Names and Addresses	Number of shares allotted		
	Ordinary	Preference	Other
Jonathan Baron STRANGER			
186 Epsom Road, Merrow, Guildford, Surrey, GU1 2RR, England,	13,910	40,000	
Peter Nicholas MATTHEWS			
46 Matham Road, East Molesey, Surrey, KT6 0SU,	13,910	40,000	
Total	27,820	80,000	0

Where the space given on this form is inadequate, continuation sheets should be used and the number of sheets attached should be indicated in the box opposite:

0

§ Insert
Director,
Secretary,
Administrator,
Administrative
Receiver or
Receiver
(Scotland) as
appropriate

Signed P. Matthews Designation § Director Date 4/1/99

Companies registered in England and Wales
or Wales should deliver this form to:-
The Registrar of Companies
Companies House
Crown Way
Cardiff CF4 3UZ

Companies registered in Scotland
should deliver this form to:-
The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh EH1 2EB

Jon Stranger
186 Epsom Road
Guildford
Surrey GU1 2RR

18th December 1998

Dear Jon

Nucleus Consulting Limited

Following our various conversations on the subject of merging Nucleus Consulting with Nucleus Design and then changing the name to Nucleus Limited, I now write to you formally with an offer.

I propose that Nucleus Design Limited acquire the entire share capital of Nucleus Consulting Limited for the following consideration:

- £80,000 of Preference Shares, plus
- 5% of the expanded equity of Nucleus Design Limited (to be re-named Nucleus Limited as of January 4th 1998)

This would mean that you would receive £40,000 of the above Preference Shares and 2.5% of the expanded equity in Nucleus Design, in line with your 50% current shareholding in Nucleus Consulting. I also propose that you become Technical Director of Nucleus Limited at a salary of £15,000 per annum, to be drawn under PAYE, while billing your consultancy time for client work on the same basis as now. This salary will cover your time to attend board meetings, management meetings and some business development and marketing activities, for which we will document on timesheets and compensate further, if required.

The Preference shares will carry a fixed annual dividend of 7% and will be repaid at par in preference to other share capital, either on sale, flotation or liquidation.

I also propose that the entire reserves of Nucleus Consulting Limited are paid out to shareholders as of 31st December 1998, either as a dividend or by salary bonus and all other assets are transferred to Nucleus Design. You need, therefore, to urgently prepare Nucleus Consulting management accounts.

It would make sense to arrange for the acquisition to take place on 1 January 1999. This would avoid consolidating the balance sheets, which would otherwise have to show the resulting goodwill as an intangible asset. As I have just finished cleaning up previous

intangible assets - which are not valued by either analysts or bankers - I would prefer not to have to add any new items. Instead, we will be able to produce a note to the account's pro forma figures and a balance sheet covering the entire year 1998.

If you are in agreement with this proposal, please sign your acceptance below and I will then instruct solicitors to draw up a short purchase and sale agreement and ensure that no adverse tax consequences, or taxation payable for the share exchange are liable.

Jon, I think that, assuming we proceed, this is a defining moment in building Nucleus into a very special company that we will both be proud of. I look forward to working more closely with you during 1999 and taking our company into 'the Digital Century'.

Yours as ever

Peter Matthews
Managing Director

Acceptance of the above offer:

Signed:

Name: Jon Stranger

Date: 18th December 1998