

Oyez

CHFP041

COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares.

155(6)a

Please do not write in this margin

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

[] [] [] []

02841874

Name of company

* The Resident Limited

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

*Insert full name of company

†We†

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

Miranda Lucy Davis (formerly known as Miranda Lucy Birtles) of 77 St Mark's Road, London W10 6JT and Melissa Owston of 23 Poplar Grove, London W6 7RF

§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]~~ §

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: 99,900 Ordinary Shares of £1 each

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

Julie Hall
Osborne Clarke
Hillgate House
26 Old Bailey EC4M 7HW
DX 466 LDE
Ref: SA/0859384/355823

For official use
General Section



A21
COMPANIES HOUSE

0757
20/09/02

COMPANIES HOUSE

29/08/02

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

~~I~~/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) ~~I~~/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 HILLGATE HOUSE, 26 OLD BAILEY,
LONDON EC4M 7ND

Declarants to sign below

on Day Month Year

23 08 2002

Oliver Wilson

before me CRAIG WILKINSON

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 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

The assistance is to be given to: (note 2)

Metropolis Publishing Limited (Company Number 04434155), Hillgate House, 26 Old Bailey,
London EC4M 7HW

Please do not
write in
this margin

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

The assistance will take the form of:

See Schedule 1 attached

The person who ~~has acquired~~ [will acquire]* the shares is:
JIR Limited (Company Number 04454031)

*Delete as
appropriate

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

See Schedule 2 attached

The amount of cash to be transferred to the person assisted is £ None

The value of any asset to be transferred to the person assisted is £ None

The date on which the assistance is to be given is within eight weeks of the date hereof

The Resident Limited

Company Number: 02841874

SCHEDULE 1

The entering into by the Company of the following documents (as the same may be amended, varied, supplemented or substituted from time to time) such documents creating obligations given by the Company to secure funding granted to Metropolis Publishing Limited (the "**Borrower**") which has forwarded funds to its subsidiary, JIR Limited, (the "**Purchaser**") to assist it in its purchase of 99.9% of the entire issued share capital of the Company:

1. A corporate guarantee (the "**Guarantee**") to be made between, amongst others, the Company and The Governor and Company of the Bank of Scotland (the "**Bank**") as security for the facilities contained within two facility letters to be made between, amongst others, the Bank and the Borrower (the "**Facility Letters**") by which the Bank has made available certain facilities to the Purchaser to enable it to purchase 99.9% of the entire issued share capital of the Company.
2. A debenture (the "**Debenture**") to be made between, the Company and the Bank as security for the Facility Letters by which the Bank has made available certain facilities to the Borrower to enable it to purchase 99.9% of the entire issued share capital of the Company.
3. An intercompany loan agreement (the "**Intercompany Loan Agreement**") to be made between, amongst others, the Borrower and the Company by which the Company agrees to make available to the Borrower a revolving credit facility of up to £650,000 (six hundred and fifty thousand pounds) for the purpose of, amongst other things, meeting interest and other payments due to the Bank by the Purchaser under the Facility Letters.
4. A subordination deed to be entered into between, amongst others, the Company and the Bank (the "**Subordination Deed**").

SCHEDULE 2

Guarantee

1. Under the terms of the Guarantee, the Company guarantees payment of the Secured Liabilities (as defined therein) being all or any monies and liabilities which shall for the time being (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner by the Principal (as defined therein) to the Bank whether actually or contingently and whether incurred solely, severally or jointly and whether as principal or surety and whether on account of money advanced, bills of exchange, promissory notes, guarantees, indemnities or otherwise, including interest, discount, commission and other lawful charges or expenses which the Bank may in the course of its business charge or incur (including for any advances made by the Bank during the three months' period of notice referred to in Clause 6 of the Guarantee or in relation to any other liability of the Principal to the Bank), together with:
 - (a) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) recoverable by the Bank from the Principal;
 - (b) (on a full indemnity basis) all costs and expenses (including without limitation legal costs) charged or incurred by the Bank in perfecting or in or about the recovery or attempted recovery of money due to the Bank under the Guarantee; and
 - (c) interest calculated and accruing daily from demand in accordance with the usual the Bank rates and practice on (a) and (b) above;

and shall on demand in writing pay or discharge them to the Bank.

The Company's liability under the Guarantee shall not be discharged or affected by anything that would not have discharged or affected it if the Company had been a principal debtor instead of a guarantor. The Company acknowledges and agrees that the Guarantee and the rights of set off contained in it shall be a continuing security and shall extend to cover the ultimate balance due at any time to the Bank from the Principal.

Debenture

2. Under the terms of the Debenture, the Company with full title guarantee charges to the Bank as a continuing security for the payment or discharge of the Secured Liabilities (as defined therein) being:
 - 2.1 First: by way of legal mortgage all the freehold and leasehold property (including the property described in the Schedule to the Debenture) now vested in it whether or not the title to the property is registered at H.M. Land Registry together with all present

and future buildings, fixtures (including trade and tenant's fixtures), plant and machinery which are at any time on the property.

2.2 Secondly: by way of fixed charge:

- (a) all future freehold and leasehold property belonging to the Company together with all buildings, fixtures (including trade and tenant's fixtures), plant and machinery which are at any time on the property;
- (b) all present and future interests of the Company in or over land or the proceeds of sale of it and all present and future licences of the Company to enter upon or use land and the benefit of all other agreements relating to land to which it is or may become party or otherwise entitled and all fixtures (including trade and tenant's fixtures), plant and machinery which are at any time on the property charged under the Debenture;
- (c) all the Company's goodwill and uncalled capital for the time being;
- (d) all present and future stocks, shares and other securities owned (at law or in equity) by the Company and all rights and interests accruing or offered at any time in relation to them, all rights and interests in and claims under all policies of insurance and assurance held or to be held by or insuring to the benefit of the Company and the benefit of all rights and claims to which the Company is now or maybe entitled under any contracts;
- (e) all patents, patent applications, trade marks, trade mark applications, trading names, brand names, service marks, copyrights, rights in the nature of copyright, moral rights, inventions, design rights, registered designs, all trade secrets and know-how, computer rights, programmes, systems, tapes, disks, software, all applications for registration of any of them and other intellectual property rights held or to be held by the Company or in which it may have an interest and the benefit of all present and future agreements relating to the use of or licensing or exploitation of any such rights (owned by the Company or others) and all present and future fees, royalties or similar income derived from or incidental to any of the foregoing in any part of the world;
- (f) all present and future book and other debts and monetary claims of the Company whether payable now or in the future and the benefit of all present and future rights and claims of the Company against third parties relating to them and capable of being satisfied by the payment of money (save as charged under sub-clause (d) above);
- (g) all present and future plant and machinery not otherwise charged under the Debenture and all other present and future chattels of the Company (excluding any of the same for the time being forming part of the Company's stock in trade or work in progress); and

- (h) all present and future bank accounts, cash at bank and credit balances of the Company with any bank or other person whatsoever and all rights relating or attaching to them (including the right to interest).
- 2.3 Thirdly: by way of floating charge all the Assets (as defined therein) not effectively otherwise charged by the Debenture, including (without limitation) any immovable property of the Company in Scotland and any Assets in Scotland falling within any of the types mentioned in paragraph 2.2 above, but so that the Company is prohibited from creating any fixed security or mortgage or any other floating charge over the Assets having priority over *or* ranking *pari passu* with the floating charge created by this sub-clause (otherwise than in favour of the Bank) and the Company will have no power without the consent of the Bank to part with or dispose of any part of those Assets except by way of sale in the ordinary course of its business.
- 2.4 Fourthly: the Bank may at any time, by notice to the Company, immediately convert the floating charge created under paragraph 2.3 above into a fixed charge over any Assets specified in that notice and the floating charge will, without notice from the Bank, automatically be converted with immediate effect into a fixed charge:
- (a) in respect of any Assets which become subject to a fixed charge in favour of any other person or to a disposition otherwise than by way of sale in the ordinary course of the Company's business immediately upon such charge or disposition;
 - (b) in respect of all the Assets charged under paragraph 2.3 above if and when the Company ceases to carry on business or to be a going concern; and
 - (c) in respect of all Assets on the making of an order for the compulsory winding-up of the Company or on the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Company or on the presentation of a petition for the making of an administration order in relation to the Company or on the presentation of an application for a warrant of execution, writ of fieri facias, garnishee order or charging order.

Intercompany Loan Agreement

3. The Intercompany Loan Agreement provides, amongst other things, that the Borrower may require the Company to provide loan funds to the Borrower to enable the Purchaser to discharge its obligations to the Bank of up to £650,000 (six hundred and fifty thousand pounds) until the date upon which the Bank notifies the Borrower that the Facility (as defined therein) is terminated with immediate effect.

Subordination Deed

4. The Subordination Deed, to be made between the Company, Miranda Davis and Melissa Owston (the "**Vendors**") and the Bank, provides for the rights of the Vendors to be fully subordinated in favour of the Bank and particularly for the deferred consideration under clause 3 of the service agreements of the Vendors to be fully subordinated in favour of the Bank.

BOARD MEMORANDUM

of

THE RESIDENT LIMITED (the "Company")

We hereby certify that this is a true
and accurate copy of the original
dated this 28 day of August 2002

Signed: Osborne Clarke
Osborne Clarke
Hillgate House
26 Old Bailey
London EC4M 7HW

Memorandum given in connection with the proposed arrangements whereby the Company will give financial assistance for the acquisition of its own shares, particulars of which are given in the statutory declaration made by the directors this day pursuant to section 155(6) of the Companies Act 1985 (the "Act").

1. As at the close of business on 23rd August 2002 the aggregate of the Company's assets as stated in its accounting records exceeded the aggregate of its liabilities as so stated.
2. From the director's knowledge of events since that date and of the likely course of the Company's business, the directors have formed the opinion that the aggregate of the Company's assets will exceed the aggregate of its liabilities immediately before the proposed financial assistance given and that the giving of such financial assistance will not reduce the net assets of the company.

Dated: 23rd August 2002

Richard Davis
Richard Davis
Director



Linn
Maggs
Goldwin

Chartered Accountants and Registered Auditors

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

We have examined the attached statutory declaration of the directors dated 23rd August 2002 in connection with the proposal that the company should give financial assistance for the purchase of the entire issued share capital of the Company.

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 matters mentioned in section 156 (2) of the Companies Act 1985 is unreasonable in all the circumstances.

Linn Maggs Goldwin
Registered Auditors
Chartered Accountants

Date: 23/8/02

John R Linn FCA

Roger P Maggs MA FCA

Paul R Goldwin ACA