

G

COMPANIES FORM No. 173

**Declaration in relation to
the redemption or purchase
of shares out of capital**

173

CHA 116

Please do not
write in this
margin

Pursuant to section 173 of the Companies Act 1985

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

To the Registrar of Companies
(Address overleaf - Note 4)

For official use

Company number

1111

3085962

* Insert full name
of company

Name of company

* Framleydove Limited

Note
Please read the notes
on page 2 before
completing this form

I/We See Exhibit 1

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

Delete as
appropriate

~~(a) as a director~~ (all the directors) of the above company do solemnly and sincerely declare that:

Delete whichever
is inappropriate

The business of the company is:

~~(a) that of a company authorised under section 1 of the Insurance Companies Act 1982 to carry on~~

~~(b) that of a person authorised under section 3 of the Insurance Companies Act 1982 to carry on~~
insurance business in the United Kingdom

(c) that of something other than the above

The company is proposing to make a payment out of capital for the redemption or purchase of its own
shares

The amount of the permissible capital payment for the shares in question is £ 11,304,045.58
(note 1)

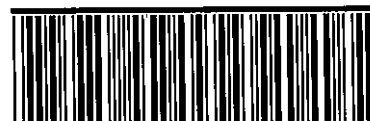
Continued overleaf

Presenter's name, address and
reference (if any):
Nabarro Nathanson
50 Stratton Street
London
W1X 6NX

DX: No. DX Exchange

For official use
General Section

Post room



A26 *A3NR8166* 367
COMPANIES HOUSE 15/11/97

We have made full enquiry into the affairs and prospects of the company, and I/we have formed the opinion:

- i) as regards its initial situation immediately following the date on which the payment out of capital is proposed to be made, that there will be no grounds on which the company could then be found unable to pay its debts (note 2), and
- ii) as regards its prospects for the year immediately following that date, that, having regard to my/our intentions with respect to the management of the company's business during that year and to the amount and character of the financial resources which will in my/our view be available during that year, the company will be able to continue to carry on business as a going concern (and will accordingly be able to pay its debts as they fall due) throughout that year. (note 2)

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 St Martin's Court,
#7 Queens Road, Weybridge
Surrey

on the 12th day of September
one thousand nine hundred and ninety -
seven

before me

[Signature]
Commissioner for Oaths, or Notary Public, or Justice of the Peace, or Solicitor having the powers conferred on Commissioner for Oaths.

Declarant(s) to sign below

[Signature]
[Signature]
Jean Thompson
[Signature]
[Signature]

Please do not
write in this
margin

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

NOTES

'Permissible capital payment' means an amount which, taken together with (i) any available profits of the company; and

(ii) the proceeds of any fresh issue of shares made for the purposes of the redemption or purchase;

is equal to the price of redemption or purchase.

'Available profits' means the company's profits which are available for distribution (within the meaning of section 172 and 263 of the Companies Act 1985).

The question whether the company has any profits so available and the amount of any such profits is to be determined in accordance with section 172 of the Companies Act 1985.

Contingent and prospective liabilities of the company must be taken into account, see sections 173(4) & 517 of the Companies Act 1985.

- 3 A copy of this declaration together with a copy of the auditors report required by section 173 of the Companies Act 1985, must be delivered to the Registrar of Companies not later than the day on which the company publishes the notice required by section 175(1) of the Companies Act 1985, or first publishes or gives the notice required by section 175(2), whichever is the earlier.

- 4 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF4 3UZ

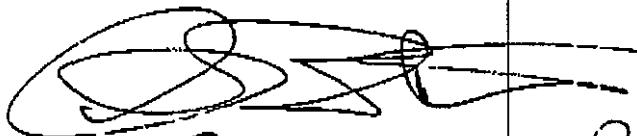
or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
100-102 George Street
Edinburgh
EH2 3DJ

EXHIBIT I

1. Malcolm Robin Oliphant of 45 Alwyn Avenue, London W4 4PA *Robin Oliphant*
2. Gregory Anthony Smith of 12 Levignen Close, Church Crookham, Hampshire GU13 OTW *G.A. Smith*
3. Erik William Linnes of 18 Cleveland Square, London W2 6DG
4. Graham William Lee of 25 Devereux Lane, London SW13 8DB
5. Frederick Iseman of 550 Park Avenue, New York, NY 10021
6. Jean Thompson of Lyntonmore Ridgway, Pyrford, Surrey GU22 8PN *Jean Thompson*
7. Sir James McKinnon of Huxley House, 28 Copse Lane, Esher, Surrey KT10 9HE *James McKinnon*
8. Robin Edward Webb of Badgers Wood, 31 Kenwood Drive, Hersham, Walton-on-Thames, Surrey KT12 5AX *Robin Webb*
9. Leon Liebman of 2 Neville Terrace, London SW7 3AT *Leon Liebman*

This is the Exhibit referred to in
the Declaration made before me
this 12th day of November 1997



Commissioner for Oaths

**Coopers
& Lybrand**

business assurance
business recovery and insolvency
corporate finance
management consulting
tax and human resource advice

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London WC2N 6NN

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telex 887470

your reference

our reference

DH/ER/DH712/EP4.091/rzc

The Directors
Framleydove Limited
Elgin House
St George's Avenue
WEYBRIDGE
Surrey
KT13 0BX

12 November 1997

Dear Sirs

**Auditors' report to the directors of Framleydove Limited
pursuant to section 173(5) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors of Framleydove Limited ('the Company') dated 12 November 1997 in connection with the Company's proposed purchase of 9,032,666 of its preference shares by a payment out of capital.

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

In our opinion, the amount of £11,304,046 specified in the statutory declaration of the directors as the permissible capital payment for the shares to be purchased has been properly determined in accordance with sections 171 and 172 of the Companies Act 1985.

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 173(3) of the Companies Act 1985 is unreasonable in all the circumstances.

Coopers & Lybrand

Chartered Accountants and Registered Auditors
LONDON

for JT. [signature] GAS

None of the names of the partners in the United Kingdom firm of Coopers & Lybrand and its associate practices are open to inspection at the above address, which is the principal place of business.

All partners in the associated practices are authorised to conduct business as agents of, and all contracts for services to clients are with, Coopers & Lybrand. Coopers & Lybrand is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

Coopers & Lybrand is a member of Coopers & Lybrand International, a limited liability association incorporated in Switzerland.