

6515710

DATED 4th April 2008 (12.40 pm)

THE SHAREHOLDERS (1)

and

STEELRAY NO 242 LIMITED (2)

and

STEELRAY NO 243 LIMITED (3)

and

51 BRAIDLEY ROAD LIMITED (4)

and

STEELRAY NO 245 LIMITED (5)

and

SAXONBURY ROAD LIMITED (6)

REORGANIZATION AGREEMENT

Steele Raymond LLP
Richmond Point
43 Richmond Hill
Bournemouth
BH2 6LR



WE CERTIFY THIS
TO BE A TRUE COPY
OF THE ORIGINAL

Steele Raymond LLP
Richmond Point, 43 Richmond Hill
Bournemouth, Dorset, BH2 6LR

THIS AGREEMENT is made the ^{4th} day of *April* 2008

BETWEEN:

- (1) THE PERSONS (being all the current members of Topco) whose names and addresses are shown in column one of Schedule One to this Agreement (the "Shareholders"),
- (2) STEELRAY NO 242 LIMITED a company registered in England and Wales, number 6307574 having its registered office at Richmond Point, 43 Richmond Hill, Bournemouth, Dorset BH2 6LR (hereinafter referred to as "Topco"),
- (3) STEELRAY NO 243 LIMITED a company registered in England and Wales, number 6374132 having its registered office at Richmond Point, 43 Richmond Hill, Bournemouth, Dorset, BH2 6LR (hereinafter referred to as "Newco 1");
- (4) 51 BRAIDLEY ROAD LIMITED a company registered in England and Wales, number 6515710 having its registered office at Richmond Court, 216 Capstone Road, Bournemouth, Dorset, BH8 8XR (hereinafter referred to as "Newco 2"),
- (5) STEELRAY NO 245 LIMITED a company registered in England and Wales, number 6417386 having its registered office at Richmond Point, 43 Richmond Hill, Bournemouth, Dorset BH2 6LR (hereinafter referred to as "Newco 3"), and
- (6) SAXONBURY ROAD LIMITED a company registered in England and Wales, number 6515389 having its registered office at Richmond Court, 216 Capstone Road, Bournemouth, Dorset, BH8 8XR (hereinafter referred to as "Newco 4")

WHEREAS:

- (A) KINGS SCHOOL OF ENGLISH (WIMBORNE MINSTER) LIMITED ("KSE(WM)L") is a private company limited by shares number 1033443 having an authorized share capital of £100 divided into 100 Ordinary Shares of £1 each of which 100 have been issued fully paid or

credited as fully paid all of which issued shares are currently owned by Topco

- (B) On 2008 KSE(WM)L transferred its freehold and leasehold interests in land (with Title Numbers DT79328, DT173209, DT336603 and DT231773) and the property development and nursery businesses to Topco as a dividend in specie
- (C) On the date hereof all the then existing shareholders of KSE(WM)L entered into a share exchange agreement with Topco pursuant to which they transferred their entire shareholdings in KSE(WM)L to Topco in consideration for the issue and allotment to them credited as fully paid and the transfer to them of the subscriber share fully paid together totalling 100 Ordinary Shares of £1 each in the capital of Topco
- (D) The parties have agreed to reorganize the share capital of Topco and effect a voluntary liquidation of Topco as hereinafter provided, and to effect the transactions set out or referred to in this Agreement as part of such arrangements

NOW IT IS HEREBY AGREED as follows -

1 DEFINITIONS

- 1.1 In this Agreement, unless the context otherwise requires, the following words and expressions shall have the meanings referred to.

“the Companies”	means each or all (as applicable) of Topco, KSE(WM)L, Newco 1, Newco 2, Newco 3 and Newco 4,
“RQW”	means Robert Quinton Watts,
“JAW”	means Judith Ann Watts;
“DJW”	means Danielle Jane Watts,
“the Directors of Topco”	means RQW, JAW and DJW,

- “the KSE(WM)L Shares” means the 100 issued Ordinary Shares of £1 each in the capital of KSE(WM)L,
- “the Liquidation Agreement” means a contract between the Shareholders, the Directors of Topco and the Liquidator, relating to the implementation of the liquidation of Topco pursuant to a scheme under Section 110 of the Insolvency Act 1986,
- “the Liquidator” means Mr T C H Ball, the proposed liquidator of Topco appointed pursuant to the Liquidation Agreement,
- “Newco 1 Consideration Shares” means the 100 Ordinary Shares of £1 each in the capital of Newco 1 to be issued credited fully paid or transferred (as applicable) pursuant to Clause 4 2 hereof.
- “Newco 2 Consideration Shares” means the 100 Ordinary Shares of £1 each in the capital of Newco 2 to be issued credited fully paid or transferred (as applicable) pursuant to Clause 4 3 hereof;
- “Newco 3 Consideration Shares” means the 100 Ordinary Shares of £1 each in the capital of Newco 3 to be issued credited fully paid or transferred (as applicable) pursuant to Clause 4.4 hereof,
- “Newco 4 Consideration Shares” means the 100 Ordinary Shares of £1 each in the capital of Newco 4 to be

issued credited fully paid or transferred (as applicable) pursuant to Clause 4 5 hereof,

“the Reorganization”

means all the steps and transactions provided for in this Agreement up to and including Second Completion,

“the Tax Clearances”

means the letter from the Inland Revenue to Steele Raymond dated 1 February 2008 containing clearances relating to the Reorganization under Sections 138 and 139 of the Taxation of Chargeable Gains Act 1992, and Section 707 of the Income and Corporation Taxes Act 1988 respectively

- 1 2 The headings in this Agreement are for ease of reference only and shall not affect its interpretation,
- 1.3 References herein to statutory provisions shall be construed as references to those provisions as respectively amended, re-enacted or consolidated or as their application is modified by other provisions (whether before, on or after the date hereof) from time to time and shall include references to any provisions of which they are re-enactments or consolidations (whether with or without modification);
- 1 4 The schedules to this Agreement form part of this Agreement as if set out in full in the operative part of this Agreement and references to schedules shall be taken to be references to this Agreement unless it is otherwise provided,
- 1 5 Any reference to the masculine in this Agreement shall be deemed to include a reference to the feminine and neuter and “their” shall include “its” and vice versa,
- and

1 6 Words in the singular in this Agreement shall include the plural and vice versa.

2. INITIAL STEPS REGARDING THE REORGANIZATION OF TOPCO

2 1 The parties shall procure that all the following steps or actions set out in this Clause 2 1 shall take place at Richmond Point, 43 Richmond Hill, Bournemouth, Dorset BH2 6LR immediately following the signing of this Agreement ("First Completion") -

2 1 1 The passing of all resolutions of the members of the Companies which are proposed, upon the advice of the Companies' professional advisers, at First Completion in order to facilitate or implement the Reorganization,

2 1 2 Immediately thereafter, all the Shareholders and the other parties thereto shall enter into and exchange the Liquidation Agreement and the Liquidator will be requested to issue his written consent to act as provided in the Liquidation Agreement

2 2 The parties hereto shall use all reasonable endeavours to procure that the business set out in Clause 2 1 is duly carried out but in the event that such transactions have not been carried out by close of business on the date hereof then any party hereto may give notice in writing to the other parties hereto terminating this Agreement forthwith whereupon none of the parties hereto (provided he she or it shall have used all reasonable endeavours as aforesaid) shall be under any liability in respect hereof other than as may arise, or have arisen, under Clause 5 hereof

2 3 The parties hereto hereby agree to exercise all and any powers which they may have, whether as directors or shareholders of any of the Companies or otherwise, so as to assist and co-operate in implementing the Reorganization in accordance with the terms of this Agreement and

further agree to observe and comply with the conditions, provisions and stipulations contained in the Tax Clearances

3 WINDING UP OF TOPCO

- 3 1 The Shareholders shall procure that the following steps to implement the liquidation of Topco pursuant to Section 110 of the Insolvency Act 1986 shall take place immediately following First Completion at Richmond Point aforesaid - a General Meeting of the members of Topco shall be duly held at which the Resolutions in the forms set out in Schedule Two shall be duly passed as Resolutions of Topco, the Directors of Topco having already made a statutory declaration of solvency relating to Topco under Section 89 of the Insolvency Act 1986.
- 3 2 The Shareholders and the Directors of Topco shall do such acts and execute and deliver such deeds and documents as may be necessary to assist in the implementation of the liquidation of Topco and the distribution of its assets in accordance with the terms of this Agreement
- 3 3 It is agreed that the Liquidator will sign in his capacity as Liquidator or as the case may be as agent for the Companies and that neither he nor his firm nor any representative of such shall incur any personal liability under the Reorganisation Agreement or under any document made to implement its terms or any collateral agreement which may exist or be implied in any way in respect of any distribution, transfer or assignment

4 SECOND COMPLETION

- 4 1 Second Completion ("Second Completion") shall take place at Richmond Point aforesaid immediately following the General Meeting referred to in Clause 3 1 when -
- 4 2 1 The Shareholders shall procure that the Liquidator shall deliver to Newco 1

- (a) a transfer duly executed by Topco and the Liquidator (as applicable) in favour of Newco 1 of all the KSE(WM)L Shares, the consideration for which shall be the Newco 1 Consideration Shares,
 - (b) the share certificate representing the KSE(WM)L Shares;
 - (c) the Certificates of Incorporation, Common Seal, Minute Books, Statutory Registers and Share Certificate Book of KSE(WM)L;
- 4 2 2 The Shareholders shall procure that a Board Meeting of KSE(WM)L shall be held at which it shall be resolved that the transfer referred to in Clause 4 2 1(a) above shall be approved for registration
- 4 2 3 Upon completion of all the matters referred to in Clauses 4 2 1 and 4 2 2 above, Newco 1 shall procure that
 - (a) the Newco 1 Consideration Shares are duly allotted and issued credited as fully paid to the Shareholders in the numbers shown in column four of Schedule One and the Shareholders names are entered into the Registers of Allotments and Members of Newco 1 as the holders of such shares, and
 - (b) definitive share certificates for the relevant Newco 1 Consideration Shares are sealed by Newco 1 and issued to the Shareholders
- 4 3 1 The Shareholders shall procure that the Liquidator shall deliver to Newco 2 transfers for the leasehold property with title number DT231773 the consideration for which shall be the Newco 2 Consideration Shares,
- 4 3 2 Upon completion of all the matters referred to in Clauses 4 3 1 above, Newco 2 shall procure that
 - (a) the Newco 2 Consideration Shares are duly allotted and issued credited fully paid to the Shareholders in the numbers shown in column two of Schedule One and the Shareholders names are entered in the Registers of Allotments and Members of Newco 2 as the holders of such shares, and

- (b) definitive share certificates for the relevant Newco 2 Consideration Shares are sealed by Newco 2 and issued to the Shareholders
- 4 4 1 The Shareholders shall procure that the Liquidator shall deliver to Newco 3 transfers for the freehold property's with title numbers DT173209 and DT336603 and the Property Development Business (by way of a Deed of Assignment) the consideration for which shall be the Newco 3 Consideration Shares,
- 4 4 2 Upon completion of all the matters referred to in Clauses 4.4 1 above, Newco 3 shall procure that
 - (a) the Newco 3 Consideration Shares are duly allotted and issued credited fully paid to the Shareholders in the numbers shown in column three of Schedule One and the Shareholders names are entered in the Registers of Allotments and Members of Newco 3 as the holders of such shares, and
 - (b) definitive share certificates for the relevant Newco 3 Consideration Shares are sealed by Newco 3 and issued to the Shareholders
- 4 5 1 The Shareholders shall procure that the Liquidator shall deliver to Newco 4 transfers for the freehold property's with title numbers DT79328 and the Nursery Business (by way of a Deed of Assignment) the consideration for which shall be the Newco 4 Consideration Shares,
- 4 5 2 Upon completion of all the matters referred to in Clauses 4 4 1 above, Newco 4 shall procure that
 - (a) the Newco 4 Consideration Shares are duly allotted and issued credited fully paid to the Shareholders in the numbers shown in column three of Schedule One and the Shareholders names are entered in the Registers of Allotments and Members of Newco 4 as the holders of such shares, and

(b) definitive share certificates for the relevant Newco 4
Consideration Shares are sealed by Newco 4 and issued to the
Shareholders

4 6 The Liquidator will then be requested to proceed to wind up the affairs
of Topco in accordance with normal practice and distribute all
remaining assets (if any) of Topco as soon as reasonably practicable
after Second Completion

5 COSTS, FEES AND EXPENSES

5 1 The fees, costs and expenses of the Liquidator in connection with the
Reorganization will be borne by KSE(WM)L unless otherwise agreed in
writing between the parties

5 2 All accountancy or legal fees, costs and expenses of Steele Raymond
LLP and the Liquidator in connection with the Reorganization will be
borne by KSE(WM)L unless otherwise agreed in writing between the
parties

6 ANNOUNCEMENT

No public or press announcements by any party hereto relating to the
Reorganization shall be made without the prior written agreement of the
Shareholders, except as required by law

7 PRE-EMPTION WAIVERS, RESOLUTIONS AND FURTHER ASSURANCE

7 1 The Shareholders hereby consent to the Reorganization, waive any class
rights or other rights which they may have in relation to any part of the
Reorganization and also waive all and any rights of pre-emption which
they may have in relation to the transfer of any shares in the capital of

any of the Companies or any issue of new shares by any of the Companies, pursuant to or in the course of the Reorganization.

- 7 2 Each of the parties hereto hereby agrees, upon written request by any other party hereto, to promptly pass such resolutions, execute and deliver all such waivers, written resolutions, consents, instruments, assurances or other documents and do or procure such other acts or things within his power and whether as a director or shareholder (as the case may be) of any of the Companies or otherwise as shall be reasonably necessary or appropriate to give full effect to the provisions of this Agreement

8 NOTICES

- 8 1 Any notice under this Agreement shall be in writing and signed by or on behalf of the party giving it

- 8 2 Any such notice may be served by personal service or by leaving it or sending it by prepaid first class recorded delivery or registered post -

8 2 1 in the case of any individual, at or to their addresses shown above or to other addresses to the extent that the same have been notified in writing to the other parties hereto, or

8 2 2 in the case of a company, at or to its registered office for the time being

- 8 3 Any notice served by first class post shall be deemed to have been received by the addressee on the third business day following the date of posting

9 ENTIRE AGREEMENT AND NON MERGER

- 9 1 This Agreement together with any documents referred to herein constitute the entire agreement and understanding between the parties with respect to all matters therein referred to

- 9 2 This Agreement shall be binding on and shall endure for the benefit of the successors of the parties hereto and the provisions herein insofar as the same shall not have been fully performed shall remain in full force and effect notwithstanding completion

10 WAIVERS

Notwithstanding any rule of law or equity to the contrary, any release, waive or compromise or any other arrangement of any kind whatsoever which any party hereto may agree to or effect in connection with this Agreement shall, if agreed or effected as regards only one or more but less than all of the other parties hereto, not affect the rights and remedies of the party granting the waiver against such other parties hereto and in any event shall not affect the rights and remedies of the party granting the waiver except to its express extent

11 ASSIGNMENTS

None of the rights or obligations of any of the parties hereto hereunder may be assigned or transferred to any other person, firm or company without the prior written consent of all the other parties hereto

12 SEVERABILITY

Notwithstanding that any provisions of this Agreement may prove to be illegal or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

13. VARIATIONS

No variation of this Agreement shall be valid unless it is in writing and signed by or on behalf of each of the parties hereto

14 LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with English law. The parties hereby submit for the purposes of and in connection with this Agreement to the non-exclusive jurisdiction of the English Courts.

15 RESTRICTIONS

The parties hereby agree that they will not at any time following the date of execution of this Agreement disclose to any person or use for any purpose and will use all reasonable endeavours to prevent the publication or disclosure of any information concerning the business, accounts or finances of the Companies, including the terms of this Agreement and all matters in connection thereto, other than any such information which may be required by taxation authorities or any other government body or which may come into the public domain other than by reason of a breach of this clause.

16 THIRD PARTIES

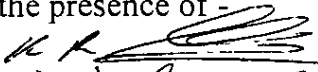
Subject to clause 9.2, no term of this Agreement is intended for the benefit of any third party, and the parties do not intend that any term of this Agreement should be enforceable by a third party either under the Contracts (Rights of Third Parties) Act 1999 or otherwise.

AS WITNESS the hands of the parties or their duly authorized representatives the day and year first above written.

SIGNED BY

ROBERT QUINTON WATTS

in the presence of -


Chartered Tax Advisor

)

)

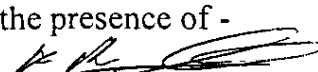
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SIGNED BY

JUDITH ANN WATTS

in the presence of -


Chartered Tax Advisor

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AS POWER OF ATTORNEY

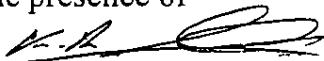
FOR JUDITH ANN WATTS

SIGNED BY)
DANIELLE JANE WATTS)
for and on behalf of)
STEELRAY NO 242 LIMITED)
in the presence of.-)


Chartered Tax Advisor


Danielle Watts

SIGNED BY)
DANIELLE JANE WATTS)
for and on behalf of)
STEELRAY NO 243 LIMITED)
in the presence of -)


Chartered Tax Advisor


Danielle Watts

SIGNED BY)
DANIELLE JANE WATTS)
for and on behalf of)
51 BRAIDLEY ROAD LIMITED)
in the presence of -)


Chartered Tax Advisor

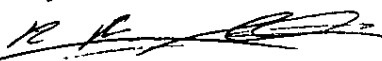
Danielle Watts

SIGNED BY)
DANIELLE JANE WATTS)
for and on behalf of)
STEELRAY NO 245 LIMITED)
in the presence of -)


Chartered Tax Advisor

Danielle Watts

SIGNED BY)
DANIELLE JANE WATTS)
for and on behalf of)
SAXONBURY ROAD LIMITED)
in the presence of -)


Chartered Tax Advisor

Danielle Watts

SCHEDULE ONE

1	2	3	4	4
<u>Name and address</u>	<u>Newco 1</u> <u>Consideration</u> <u>Shares of £1</u> <u>each</u>	<u>Newco 2</u> <u>Consideration</u> <u>Shares of £1</u> <u>each</u>	<u>Newco 3</u> <u>Consideration</u> <u>Shares of £1</u> <u>each</u>	<u>Newco 4</u> <u>Consideratio</u> <u>n Shares of</u> <u>£1 each</u>
Robert Quinton Watts 37 Elms Avenue Poole Dorset BH14 8EE	Ninety nine	Ninety nine	Ninety nine	Ninety nine
Judith Ann Watts 37 Elms Avenue Poole Dorset BH14 8EE	One	One	One	One

SCHEDULE TWO

COMPANY NUMBER 6307574

SPECIAL RESOLUTIONS FOR WINDING-UP VOLUNTARILY

THE COMPANIES ACTS 1985 1989 AND 2006

THE INSOLVENCY ACT 1986

STEELRAY NO 242 LIMITED

At a General Meeting of the Members of the above Company, duly convened and held at the offices of Steele Raymond Solicitors Richmond Point 43 Richmond Hill Bournemouth Dorset BH2 6LR on 2008 the following Special Resolutions were duly passed -

- 1) "That the Company be wound up voluntarily"
- 2) "That Mr T C H Ball of Mazars LLP be appointed Liquidator"
- 3) "That the Liquidator's remuneration be set by reference to the time properly given by the Liquidator and his staff in attending to matters in the winding up and be agreed by the directors"
- 4) "That the Liquidator shall have all the powers set out in Part 1 of Schedule 4 of the Insolvency Act 1986, and
- 5) "That the Liquidator be specifically authorised and instructed pursuant to Section 110 of the Insolvency Act 1986 to carry into effect the terms of the Liquidation Agreement of today's date made between the Shareholders in the Company (1) the Directors (2) and the Liquidator (3) and that, without limitation, the Liquidator shall, pursuant to Section 110(2) of the Insolvency Act 1986, be authorized to transfer the whole or part of the property of the Company to any other company or companies in exchange for shares in the transferee company, to be allotted to the members of this Company, as referred to in the Liquidation Agreement"

Director