

G

COMPANIES FORM No. 155(6)a

Declaration in relation to
assistance for the acquisition
of shares

155(6)a

CHFP025

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

[] [] [] [] [] []

02829165

Note

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

Name of company

* Paradise Datacom Limited ("Company")

* insert full name
of company

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

~~/We~~ * Nigel Lindsay Mills of Millshaven, Shenfield Place, Shenfield,
Brentwood, Essex CM15 9AJ and Ronald Titchener of 18 Normandie Way,
Bures, Suffolk CO8 5BE

† 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]~~

Limited†

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: 60,000 Ordinary Shares
of £1 each.

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

DLA
Victoria Square House
Victoria Square
Birmingham
B2 4DL
DX 13022 BIRMINGHAM 1
JZS.

For official Use
General Section



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

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 Rider 1.

The person who ~~has acquired~~ [will acquire][†] the shares is:

[†] delete as
appropriate

Intelek Plc

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

See Rider 2.

The amount of cash to be transferred to the person assisted is £ Nil

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 See Rider 3.

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

~~1~~ 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)

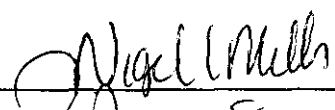
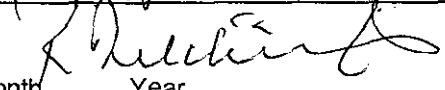
(a) ~~1~~ We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

(b) ~~It is intended to commence the winding-up of the company within 12 months of that date, and 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 ~~1~~ 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

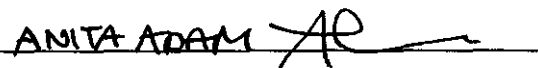
Declarants to sign below



Day Month Year

on

06 03 2001

before me



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
37 Castle Terrace
Edinburgh
EH1 2EB

RIDER 1

The assistance will take the form of the Company entering into:-

1. a cross guarantee in the Bank's standard form of all the liabilities to the Bank of Intelek Plc (the "**Borrower**"), Labtech Limited, CML Group Limited, Pascall Electronics Limited, Intelek Properties Limited, Paradise Datacom LLC (the "**US Co**"), the Company and Pascall Electronic (Holdings) Limited (together, the "**Charging Group Companies**") without limit (the "**Cross Guarantee**");
2. a debenture in the Bank's standard form (the "**Debenture**"); and
3. an intra-group loan agreement made between the Company and the Borrower (the "**Intra-Group Loan Agreement**").

RIDER 2

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

1. By entering into the Cross Guarantee the Company would be required to pay to the Bank on demand the balance from time to time unpaid of any obligation for the payment or repayment of money in any currency, whether present or future, actual or contingent, joint or several, whether incurred as principal or surety or in any other way whatever, and including principal, interest, commission, fees and other charges due or to become due to the Bank now or in the future by the Charging Group Companies and to discharge on demand all liabilities owing or to become owing to the Bank by the Charging Group Companies however arising.
2. By entering into the Debenture:-
 - 2.1 the Company would be required on demand in writing made to the Company pay or discharge to the Bank all moneys and liabilities which shall for the time being (and whether on or at any time after such demand) be due owing or incurred to the Bank by the Company whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and including interest discount commission or other lawful charges and expenses which the Bank may in the course of its business charge in respect of any of the matters aforesaid or for keeping the Company's account and so that interest shall be computed and compounded according to the usual mode of the Bank as well after as before any demand made or judgment obtained hereunder and to discharge on demand all liabilities owing or to become owing to the Bank by the Company however arising;

2.2 the Company with full title guarantee charges with the payment or discharge of all moneys and liabilities covenanted under the Debenture to be paid or discharged by the Company:-

2.2.1 by way of legal mortgage all the freehold and leasehold property of the Company the title to which is registered at H M Land Registry and which is described in the Schedule to the Debenture together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;

2.2.2 by way of legal mortgage all other freehold and leasehold property of the Company now vested in it (whether or not registered at H M Land Registry) together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;

2.2.3 by way of first fixed charge the Company's membership interest in the US Co, all future freehold and leasehold property of the Company together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and all the goodwill and uncalled capital for the time being of the Company;

2.2.4 by way of first fixed charge all book debts and other debts now and from time to time due or owing to the Company;

2.2.5 by way of a first floating charge all other the undertaking and assets of the Company whatsoever and wheresoever both present and future but so that the Company is not to be at liberty to create any mortgage or charge upon and so that no lien shall in any case or in any manner arise on or affect any part of the said premises either in priority to or *pari passu* with the charge hereby created and further that the Company shall have no power without the consent of the Bank to part with or dispose of any part of such premises except by way of sale in the ordinary course of its business;

2.3 Any debentures mortgages or charges created after the date of the Debenture by the Company (otherwise than in favour of the Bank) shall be expressed to be subject to the Debenture. The Company shall subject to the rights of any prior mortgagee deposit with the Bank and the Bank during the continuance of this security shall be entitled to hold all deeds and documents of title relating to the Company's freehold

and leasehold property for the time being and the Company shall on demand in writing made to the Company by the Bank at the cost of the Company execute a valid legal mortgage of any freehold and leasehold properties acquired by it after the date of the Debenture and the fixed plant and machinery thereon to secure the payment or discharge to the Bank of the moneys and liabilities secured under the Debenture such legal mortgage to be in such form as the Bank may require.

2.4 During the continuance of the Debenture the Company:-

- (a) shall furnish to the Bank copies of the trading and profit and loss account and audited balance sheet in respect of each financial year of the Company and of every subsidiary thereof forthwith upon the same becoming available and not in any event later than the expiration of three months from the end of such financial year and also from time to time such other financial statements and information respecting the assets and liabilities of the Company as the Bank may reasonably require;
- (b) shall maintain the aggregate value of the Company's book debts (excluding debts owing by any subsidiary of the Company) and cash in hand as appearing in the Company's books and of its stock according to the best estimate that can be formed without it being necessary to take stock for the purpose at a sum to be fixed by the Bank from time to time and whenever required by the Bank obtain from the Managing Director of the Company for the time being or if there shall be no Managing Director then from one of the Directors of the Company and furnish to the Bank a certificate showing the said aggregate value;
- (c) shall pay into the Company's account with the Bank all moneys which it may receive in respect of the book debts and other debts charged by the Debenture and shall not without the prior consent of the Bank in writing purport to charge or assign the same in favour of any other person and shall if called upon to do so by the Bank execute a legal assignment of such book debts and other debts to the Bank; and
- (d) shall insure and keep insured with an insurance office or underwriters to be approved by the Bank in writing from time to time and if so required by the Bank in the joint names of the Company and the Bank such of its property as is insurable against loss or damage by fire and such other risks as the Bank



may from time to time require to the full replacement value thereof and shall maintain such other insurances as are normally maintained by prudent companies carrying on similar businesses and will duly pay all premiums and other moneys necessary for effecting and keeping up such insurances within one week of the same becoming due and will on demand produce to the Bank the policies of such insurance and the receipts for such payments and if default shall at any time be made by the Company in effecting or keeping up such insurance as aforesaid or in producing any such policy or receipt to the Bank on demand the Bank may take out or renew such insurances in any sum which the Bank may think expedient and all moneys expended by the Bank under that provision of the Debenture shall be deemed to be properly paid by the Bank.

3. By entering into the Intra-Group Loan Agreement the Company would be required to lend to the Borrower such sums as the Borrower considers necessary to allow it to make payment of all sums due or to become due by the Borrower pursuant to the Acquisition Facilities Agreement and the CMML Letter.

RIDER 3

The same date as that upon which this declaration is made or a date within 8 weeks of the date hereof.

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

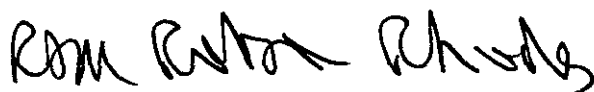
We have examined the attached statutory declaration of the directors dated 6 March 2001 in connection with the proposal that the Company should give financial assistance for the purchase of 60,000 of the Company's ordinary shares.

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



RSM ROBSON RHODES

Chartered Accountants and Registered Auditor

6 March 2001

Centre City Tower, 7 Hill Street, Birmingham B5 4UU, Telephone 0121-697 6000,
Fax 0121-697 6111/2, www.rsmi.co.uk

Offices at:
Bristol, Cambridge,
Dublin, Hemel
Hempstead, Leeds,
Manchester

Principal Office:
186 City Road
London EC1V 2NU,
at which a list of
Partners may be
inspected

Registered to carry on
audit work and authorised
to carry on investment
business by the Institute
of Chartered Accountants
in England and Wales



INVESTOR IN PEOPLE

RSM Robson Rhodes is
an independent member
firm of RSM International,
an affiliation of
independent accounting
and consulting firms

Our ref : TWL/PMB/pat

6 March 2001

Barclays Acquisition Finance
1st Floor
54 Lombard Street
London
EC3P 3AH

Dear Sirs

**REPORT BY THE AUDITORS OF PARADISE DATACOM LIMITED ("THE COMPANY")
TO BARCLAYS BANK PLC ("THE BANK")**

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

The purpose of this report is to assist the bank in considering whether the proposed arrangement is permitted under section 155(2) of the Act and is not intended to be used, quoted or referred to for any other purpose.

We have examined the Board Memorandum dated 6 March 2001 (a copy of which is attached, initialled by us for the purpose of identification) for which the directors are solely responsible and have enquired into the Company's state of affairs so far as necessary for us to review the basis for the Board Memorandum. Our enquiry did not constitute an audit under the provisions of the Companies Act 1985.

We confirm that as at the close of business on 31 January 2001 the aggregate of the Company's assets as stated in its accounting records exceeded the aggregate of its liabilities as so stated.

We are not aware of anything to indicate that the opinion expressed in paragraph 2 of the Board Memorandum is unreasonable in all the circumstances.

Yours faithfully



RSM ROBSON RHODES

Centre City Tower, 7 Hill Street, Birmingham B5 4UU, Telephone 0121-697 6000,
Fax 0121-697 6111/2, www.rsmi.co.uk

Offices at:
Bristol, Cambridge,
Dublin, Hemel
Hempstead, Leeds,
Manchester

Principal Office:
186 City Road
London EC1V 2NU,
at which a list of
Partners may be
inspected

Registered to carry on
audit work and authorised
to carry on investment
business by the Institute
of Chartered Accountants
in England and Wales



RSM Robson Rhodes is
an independent member
firm of RSM International,
an affiliation of
independent accounting
and consulting firms

PARADISE DATACOM LIMITED ("THE COMPANY")

BOARD MEMORANDUM

Memorandum in connection with the proposed arrangement 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 31 January 2001 the aggregate of the Company's assets as stated in its accounting records exceeded the aggregate of its liabilities as so stated.
2. From our 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 is given and that the giving of such financial assistance will not reduce the net assets of the Company.

SIGNED ON BEHALF OF THE BOARD

Signed on behalf of Paradise Datacom Limited

.....*Nigel Mills*.....

Date

6 March 2001

RSM RR

Centre City Tower, 7 Hill Street, Birmingham B5 4UU, Telephone 0121-697 6000,
Fax 0121-697 6111/2, www.rsmi.co.uk

Offices at:
Bristol, Cambridge,
Dublin, Hemel
Hempstead, Leeds,
Manchester

Principal Office:
186 City Road
London EC1V 2NU,
at which a list of
Partners may be
inspected

Registered to carry on
audit work and authorised
to carry on investment
business by the Institute
of Chartered Accountants
in England and Wales



INVESTOR IN PEOPLE

RSM Robson Rhodes is
an independent member
firm of RSM International,
an affiliation of
independent accounting
and consulting firms