

2921254

DATED 25th MAY 1994

RECEIVED FOR FILING

IAN GREEN

- and -

CLUB PUBLISHING LIMITED

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AGREEMENT  
relating to the purchase of  
the business and assets of  
"Club Publishing" together with  
all publishing rights

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Theodore Goddard  
150 Aldersgate Street  
London EC1A 4EJ

(Ref: 368/1844.129)  
(Tel: 071 606 8855)



\*AIP922VB\*

ATISRECEIPT DATE: 12/07/94

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FIRST SCHEDULE	(The Employees)
SECOND SCHEDULE	(The Assets)
THIRD SCHEDULE	(The Warranties)

THIS AGREEMENT is made on

25th

May 1994

BETWEEN:

- (1) IAN GREEN (TRADING AS "CLUB PUBLISHING") of 63a Kings Road, Westcliff-on-Sea, Essex SS0 8LT (the "Vendor"); and
- (2) CLUB PUBLISHING LIMITED incorporated in England and Wales with number 2921254 (the "Purchaser").

WHEREAS:

The Vendor carries on the Business and has agreed to sell the Goodwill, the Publishing Rights and certain of the assets of the Business to the Purchaser on the terms and conditions hereinafter appearing.

NOW IT IS AGREED as follows:

1. INTERPRETATION

- 1.1 In this Agreement and the Recitals and the Schedules hereto unless the context requires otherwise:
  - 1.1.1 "the Assets" means all the assets listed in the Third Schedule used by the Vendor in the Business at Completion;
  - 1.1.2 "the Back Issues" means all issues of the Publications issued up to and including the last issue (prior to the date hereof) of each of the respective Publications;
  - 1.1.3 "the Business" means the business heretofore carried on by the Vendor of the publication and distribution of the Publications including the property, rights and assets agreed to be sold under this Agreement;
  - 1.1.4 "Business Day" means a day which is not a Saturday or Sunday or a bank or other public holiday in England;
  - 1.1.5 "the Business Information" means all material information relating to the conduct of the Business during the 2 years prior to the date hereof including without prejudice to the generality of the foregoing full details of customers and contacts and all circulation lists;
  - 1.1.6 "Completion" means completion of the obligations of the parties hereunder in accordance with the provisions of Clause 6;
  - 1.1.7 "Completion Date" means the date on which Completion is to take place pursuant to Clause 6;
  - 1.1.8 "the Consideration Shares" the 488 Ordinary Shares of £1 each in the capital of the Company;
  - 1.1.9 "the Contracts" the contracts for the supply of advertising entered into from time to time by Club Publishing;

- 1.1.10 "the Employees" means the employees of the Vendor whose names are set out in the First Schedule;
- 1.1.11 "the Goodwill" means the goodwill of the Business as carried on by the Vendor together with the exclusive right for the Purchaser to represent itself as carrying on the Business in succession to the Vendor;
- 1.1.12 "the Property Licence" means the agreement of even date in relation to premises at Boscombe House, Boscombe Road, Southend-on-Sea, Essex SS2 5JD entered into between Ian Green and Club Publishing Limited;
- 1.1.13 "the Publications" means the listing magazine "Good Times" (South East Essex) and the "Club-to-Club" Directories (Club Copthorne and Club Kingswood);
- 1.1.14 "the Publishing Rights" means the publication and distribution rights to and in respect of the Publications including, without prejudice to the generality of the foregoing, all designs, logos, copyrights, trade marks and trade names and the right to use the same to the exclusion of the Vendor;
- 1.1.15 "the Purchase Price" means £12,000;
- 1.1.16 "Stock and Work-in-Progress" means Back Issues, stock-in-trade, work-in-progress, stocks of raw materials, fuel and stores used in the Business whether on order, in transit or in stock wherever held;
- 1.1.17 "tax" or "taxation" shall include all taxes, levies, imposts and duties of whatsoever nature whenever imposed and without prejudice to the generality of the foregoing shall include:
- 1.1.17.1 within the United Kingdom, income tax, corporation tax, advance corporation tax, capital gains tax, the charge under section 601(2) of the Taxes Act 1988, value added tax, Customs and Excise duties, amounts corresponding to any corporation tax or income tax or advance corporation tax, inheritance tax, National Insurance contributions, stamp duty and stamp duty reserve tax;
- 1.1.17.2 outside the United Kingdom, all taxes including identical or substantially similar taxes to those referred to at Clause 1.1.17.1 above together with all other taxes on gross and net income, profits or gains, receipts, sales, use, occupation, franchise, value added, personal property and other taxes, levies, imposts, duties, charges or withholdings of any nature whatsoever; and
- 1.1.17.3 all penalties, charges, costs and interest included in or relating to any tax assessment

regardless of whether such taxes, penalties, charges, costs and interest are directly or primarily chargeable against or attributable to the Vendor or any other person and regardless of whether the Vendor has or may have any right of reimbursement against any other person;

- 1.1.18 "Taxes Act 1988" means the Income and Corporation Taxes Act 1988;
- 1.1.19 "the Transfer Date" means the date hereof;
- 1.1.20 "the Transfer Regulations" means the Transfer of Undertakings (Protection of Employment) Regulations 1981;
- 1.1.21 "the VATA" means the Value Added Tax Act 1983;
- 1.1.22 "VAT" means value added tax;
- 1.1.23 "the Vendor" includes his successors in title or personal representatives as the case may be;
- 1.1.24 "the Warranties" means the warranties, representations and undertakings specified in the Third Schedule;
- 1.1.25 reference to a document as "in the agreed terms" means that document in a form agreed and a copy of which has been initialled for the purposes of identification by or on behalf of the parties hereto;
- 1.1.26 references to any statutory provision include any re-enactment or statutory modification or extension thereof (whether before or after the date hereof) and any statutory provision of which the provision referred to is a re-enactment (whether with or without modification) and also include any orders, regulations, instruments or other subordinate legislation made under the statutory provision referred to;
- 1.1.27 the masculine gender includes the feminine and neuter and the singular number includes the plural and vice versa;
- 1.1.28 references to Clauses, sub-Clauses and Schedules are references to clauses and sub-clauses of and schedules to this Agreement;
- 1.1.29 words and phrases the definitions of which are contained or referred to in Part XXVI of the Companies Act 1985 shall be construed as having the meaning thereby attributed to them;
- 1.1.30 "agreement" includes a concession, contract, deed, franchise, licence, treaty or undertaking and any waiver or release (in each case whether oral, written, implied or arising by operation of law);
- 1.1.31 the "assets" of any person means the whole or part of its business, undertaking, property, assets, rights and revenues (including any right to receive revenues);

- 1.1.32 "encumbrance" includes any interest or equity of any person (including, without prejudice to the generality of the foregoing, any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention, letter of inhibition, standard security and floating charge or any other security agreement or arrangement;
- 1.1.33 "person" includes any individual, company, corporation, firm, partnership, joint venture, association, organisation or trust (in each case whether or not having separate legal personality) and references to any of the same shall indicate a reference to the others.
- 1.2 The Schedules hereto form part of and are incorporated in this Agreement.
- 1.3 Headings and sub-headings are included for ease of reference only and shall not affect the interpretation of this Agreement.
2. SALE AND PURCHASE
- 2.1 Subject to the terms and conditions of this Agreement the Vendor as beneficial owner shall sell and the Purchaser relying upon the Warranties and upon the indemnities by the Vendor herein contained shall purchase as a going concern as at and from the date hereof free from all encumbrances for the Purchase Price:
- 2.1.1 the Assets;
- 2.1.2 the Goodwill;
- 2.1.3 the Publishing Rights;
- 2.1.4 the benefit (subject to the burden) of the Contracts;
- 2.1.5 all Stock and Work-in-Progress;
- 2.1.6 all book and other debts in respect of the Business belonging to the Vendor at the Transfer Date;
- 2.1.7 the Business Information. If there are other books and records which also are or prove to be relevant to the assets being sold or to the obligations being assumed by the Purchaser hereunder the Purchaser shall have the right to examine the same at all reasonable times and to make copies thereof or take extracts therefrom.
- 2.2 All property in and title to and risk in the assets hereby agreed to be sold shall pass to the Purchaser on Completion.
- 2.3 The Purchaser shall not take over or assume any liabilities of the Business save as expressly provided for in this Agreement.

3. EXCLUSIONS FROM THE SALE AND INDEMNITY

3.1 There shall be excluded from the sale and purchase hereby effected any assets not specifically included pursuant to Clause 3 and, for the avoidance of doubt all creditors and all other liabilities of whatsoever nature (including, without limitation, any liability to tax) whensoever arising in relation to any of the operations of the Business up to the Transfer Date.

3.2 The Vendor hereby agrees and undertakes to indemnify the Purchaser against any action, claim, demand, proceeding, expenses, charges or liability (including costs) which the Purchaser may have brought against it in respect of the operation of the Business prior to the date hereof, including, without limitation, any liability arising out of the Vendor's partnership with Bernard Dare and David Bennett.

4. CONSIDERATION

The Purchase Price for the assets of the Vendor set out in Clause 2 to be sold and purchased hereunder shall be satisfied by the allotment and issue to the Vendor of the Consideration Shares.

5. PURCHASE PRICE

5.1 The Purchase Price for the Goodwill, the Publishing Rights and the other assets of the Vendor set out in Clause 2.1 to be sold and purchased hereunder shall be the Purchase Price which shall be apportioned as follows:

	£
5.1.1 the Goodwill	10,000
5.1.2 all other assets hereby agreed to be sold	2,000
	<hr/>
	12,000

5.2 The Vendor undertakes with the Purchaser that it will forthwith upon Completion apply to H.M. Customs & Excise for confirmation that Article 5 of the Value Added Tax (Special Provisions) Order 1992 ("Article 5") applies to the sale of assets pursuant to this Agreement and the parties shall use their best endeavours to ensure that such confirmation is given.

5.3 In the event that Article 5 is not so applicable, the Purchaser shall forthwith pay to the Vendor an amount equal to the VAT due at the appropriate rate in respect of the sale of assets pursuant to this Agreement and shall indemnify the Vendor in respect of all fines, penalties and interest incurred by the Vendor as a result of the failure of the Vendor to charge and of the Purchaser to pay VAT, provided that:

5.3.1 the Purchaser shall be entitled on behalf of the Vendor but at the Purchaser's expense to conduct all correspondence and proceedings in relation to the payment of such VAT; and

5.3.2 in the event that the Purchaser shall pay VAT which is subsequently recovered by the Vendor any supplement repaid to the Vendor shall be paid over to the Purchaser forthwith.

6. COMPLETION

6.1 Completion shall take place forthwith at the offices of Theodore Goddard at 150 Aldersgate Street, London EC1A 4EJ.

6.2 On Completion:

6.2.1 the Purchaser shall be entitled to delivery and/or possession (wherever the same may be situated) of all items comprised in the Assets and all documents of title relating thereto;

6.2.2 the Vendor shall deliver to the Purchaser:

6.2.2.1 all requisite transfers, assignments and novations of the assets (other than the Properties and assets passing by physical delivery) hereby agreed to be sold, together with the documents of title thereto;

6.2.2.2 the Business Information, all original documents relating to the Intellectual Property, all correspondence and accounting, stock and other records of the Vendor relating to the Business

6.2.2.3 all other physical assets hereby agreed to be sold.

6.3 On Completion the Vendor and the Purchaser shall enter into the Property Licence.

6.4 This Agreement shall notwithstanding Completion remain in full force and effect in regard to any of the provisions remaining to be performed or carried into effect and (without prejudice to the generality of the foregoing) in regard to all obligations, guarantees, representations, undertakings and warranties contained herein or in any Schedule.

7. WARRANTIES

7.1 As a condition of this Agreement the Vendor HEREBY AGREES AND UNDERTAKES WITH AND WARRANTS to the Purchaser in the terms of the Third Schedule.

7.2 The Warranties specified in each paragraph of the Third Schedule shall be separate and independent and save as expressly provided shall not be limited by reference to or inference from any other paragraph or anything in this Agreement.

8. ASSETS INCAPABLE OF TRANSFER

8.1 The Vendor shall use its best endeavours to obtain at its cost and expense any necessary consent of any person not a party hereto to the transfer to the Purchaser of the Business as a going concern



which is necessary to vest in the Purchaser full right and title to and enjoyment of any of the assets of the Business hereby agreed to be sold.

8.2 Insofar as any consent or sanction of any third party is required to the transfer of any of the assets of the Business (including but without prejudice to the generality of the foregoing the assets referred to in Clause 2 hereof) and such consent or sanction shall not have been received to the satisfaction of the Purchaser at Completion but the parties nonetheless agree to complete then:

8.2.1 nothing in this Agreement shall be deemed to operate as such a transfer or assignment as would give rise to any termination or forfeiture of any benefit, right or interest to any person in any of the said assets;

8.2.2 until such time as such consent or sanction is received to the satisfaction of the Purchaser the Vendor shall be deemed to be holding the relevant assets and the benefit thereof in trust for the Purchaser provided that the Purchaser shall have the right to perform, in place of the Vendor, any contract as sub-contractor, agent, licensee or sub-licensee (as the case may be) to the extent that such performance may be permitted by any such contract;

8.2.3 until such time as such consent or sanction is received to the satisfaction of the Purchaser the Vendor shall (so far as it lawfully may do so) act under the direction of the Purchaser in all matters relating to such orders and contracts for so long as the Vendor is required and authorised so to do by the Purchaser;

8.2.4 in the event of any such consent or sanction being refused in respect of subsisting contracts, engagements, instructions to proceed or orders then this Agreement shall be null and void insofar as it relates to any such item which shall thereupon be deemed to have been excluded from the sale and purchase hereunder in which event the Purchase Price shall (save in the case of contracts, engagements, instructions to proceed and orders which are not, either individually or collectively, material to the viability of the Business as a going concern) be adjusted in such manner as is equitable PROVIDED THAT adjustment to the Purchase Price shall only be made if the Purchaser can show that financial detriment has been or is likely to be suffered by the Purchaser.

## 9. EMPLOYEES

9.1 The Purchaser and the Vendor acknowledge that the transfer of the Business pursuant to this agreement constitutes a relevant transfer of the whole of the undertaking of the Vendor for the purposes of the Transfer Regulations.

9.2 The Vendor confirms that the Employees are all the employees employed in the Business at the date hereof and agrees that no other person will be employed in the Business before the Transfer Date and except with the prior written consent of the Purchaser the Vendor will not dismiss any of the Employees or give notice of dismissal to them or any of them.

10. GENERAL PROVISIONS

10.1 Whole Agreement and Variation

This Agreement (together with any documents referred to herein) constitutes the whole agreement between the parties hereto and no modification, variation or amendment of this Agreement shall be effective unless such modification, variation or amendment is in writing and has been signed by or on behalf of all the parties hereto.

10.2 Further Assurance

At any time after Completion the Vendor shall, at the request and (save as otherwise provided herein) cost of the Purchaser, execute such documents and do such acts and things as the Purchaser may reasonably require to carry out the terms of this Agreement and to vest in the Purchaser the property, assets and goodwill hereby agreed to be sold and to give the Purchaser the full benefit of all the provisions of this Agreement.

10.3 Counterparts

This Agreement may be entered into in any number of counterparts and by the parties to it as separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same agreement.

10.4 Governing Law and Jurisdiction

This Agreement shall be governed by English law and the parties hereto hereby submit to the non-exclusive jurisdiction of the English courts.

IN WITNESS whereof the hands of the parties hereto or their duly authorised representatives the day and year first before written.

RIDER 1

Clause 11

It is hereby certified that the transaction hereby effected does not form part of a larger transaction or of a series of transactions in respect of which the amount or value or the aggregate amount or value of the consideration referable to those assets liable to stamp duty exceeds £50,000.

A handwritten signature in dark ink, consisting of a stylized, cursive script that appears to be the initials 'J.S.' followed by a flourish.

FIRST SCHEDULE  
(The Employees)

PART I

<u>Name</u>	<u>Position</u>	<u>Salary</u>
Diana Barnes	Full time secretary	£5,200 per annum
Catherine Cooper	YTS Youth trainee	£1,820 (employer contribution)

SECOND SCHEDULE  
(The Assets)

(Assets)

	<u>Description</u>	<u>Value</u>
<u>Assets</u>	Apple Stylewriter II Printer	£160
<u>Work in</u>	Member to Member Directory - Club Kingswood	
<u>Progress</u>	- Copthorne - The Club	
	GoodTimes Issue 5	
<u>Book debts</u>		£10,000