

3216282

DATED 5th July 1996

We hereby certify
this to be a true copy
of the original

WELSURE LIMITED

and

SUREWELL LIMITED

B.P. Collins To
16.7.96

SALE AND PURCHASE AGREEMENT
relating to
the Business of Welsure Limited trading as
"Abacus Press"

B P Collins & Co
Collins House
32-38 Station Road
Gerrards Cross
Bucks SL9 8EL

Tel: 01753 889995
Fax: 01753 889851/889857



SALE AND PURCHASE AGREEMENT

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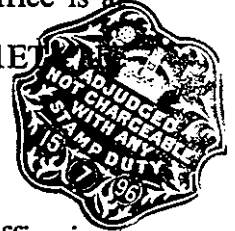
THIS AGREEMENT is made on
BETWEEN:-

5th July

1996

Exempt
8/15/77

- (1) **WELSURE LIMITED** (registered number 1306696) whose registered office is at Interplan House, North Bridge Road, Berkhamsted, Hertfordshire HP4 1ET ("the Vendor"); and
- (2) **SUREWELL LIMITED** (registered number 3216282) whose registered office is at Interplan House, North Bridge Road, Berkhamsted, Hertfordshire HP4 1ET ("the Purchaser")



W H E R E A S:-

- A. The Vendor has for some time past carried on the Business (as hereinafter defined) at the Premises (as hereinafter defined).
- B. The Purchaser is a wholly owned subsidiary of the Vendor.
- C. The Vendor has agreed to sell and the Purchaser has agreed to purchase with effect from the Transfer Date (as hereinafter defined) the Business as a going concern for the consideration and otherwise upon the terms and subject to the conditions hereinafter appearing.

NOW IT IS HEREBY AGREED as follows:-

1. DEFINITIONS

- 1.1 In this Agreement and the Schedule hereto the words and expressions set out below shall unless the context otherwise requires have the respective meanings given in this Clause:-

"Assets" means the assets used in the Business to be purchased by the Purchaser as described in Clause 2.2;

"Balance Sheet" means the pro forma balance sheet relating to the Business as at the Transfer Date in the form annexed hereto and signed by or on behalf of the parties for the purposes of identification;

"Business" means the Vendor's business of printers as carried on under the name and style of "Abacus Press" by the Vendor immediately prior to the Transfer Date at and from the Premises;

"Cash" means all cash at bank and in hand of the Vendor at the Transfer Date as set out in the list annexed hereto and marked "A" the aggregate value of which is included in the Balance Sheet;

"Completion" means actual completion in accordance with the terms of this Agreement;

"Consideration" means the consideration for the sale of the Business referred to in Clause 4;

"Contracts" means all current contracts and engagements of the Vendor in relation to the Business at the Transfer Date;

"Creditors" means the trade, sundry and hire/lease purchase creditors, accruals, PAYE, National Insurance, Value Added Tax, bank overdraft and deferred taxation of the Vendor at the Transfer Date as set out in the list annexed hereto and marked "B" the aggregate amount of which is included in the Balance Sheet together with any other creditors or items not so listed or included in the Balance Sheet from whom invoices may subsequently be received or in respect of which monies may subsequently be payable relating to liabilities of the Vendor arising in the ordinary course of business prior to the Transfer Date (except as specifically excluded by this Agreement);

"Debtors" means the trade and other debtors and prepayments of the Vendor at the Transfer Date as set out in the list annexed hereto and marked "C" the aggregate value of which is and included in the Balance Sheet together with any other debtors or prepayments not so listed or included in the Balance Sheet in respect of which monies may be due and payable or otherwise held for the benefit of the Vendor arising in the ordinary course of business prior to the Transfer Date (except as specifically excluded by this Agreement;

"Debts" means the amount due to the Vendor from the Debtors;

"Employees" means all the employees employed by the Vendor in connection with the Business at the Transfer Date with the exception of Charles Patrick White, Jacqueline Sandra White and Peter Alan Gower;

"Goodwill" means the goodwill of the Vendor in relation to the Business together with the exclusive right for the Purchaser to represent itself as carrying on the Business in succession to the Vendor;

"Liabilities" means the amounts due by the Vendor to the Creditors;

"Motor vehicles" means the motor vehicles used by the Vendor in the Business at the Transfer Date as set out in the list annexed hereto and marked "D" the aggregate value of which is included in the Balance Sheet;

"Plant and Equipment" means all plant fixtures and equipment computers and sundry equipment used by the Vendor in the Business at the Transfer Date the principal items of which are set out in the list annexed hereto and marked "E" the aggregate value of which is included in the Balance Sheet;

"Premises" means the leasehold properties from which the Business is carried on by the Vendor brief particulars of which are set out in the Schedule hereto;

"Stock" means the current stock and work in progress used by the Vendor in the Business at the Transfer Date as set out in the list annexed hereto and marked "F" the aggregate value of which is included in the Balance Sheet;

"Transfer Date" means the close of business on 5th July 1996;

"Transfer Value" means the sum of £1,077,403 representing the aggregate of the values at which the Assets appear in the Balance Sheet less the aggregate of the amounts at which the Liabilities appear in the Balance Sheet and which are to be assumed by the Purchaser hereunder.

- 1.2 Reference in this Agreement to a Schedule or to a Clause is a reference to a Schedule or to a Clause in this Agreement.
- 1.3 References herein to legislative provisions shall be taken to include, where appropriate, any regulations made thereunder and those provisions and regulations as from time to time amended and re-enacted whether before or after the date hereof.
- 1.4 Clause headings are for ease of reference only and do not affect the construction of this Agreement.

2. SALE AND PURCHASE

Subject to the provisions of this Agreement, the Vendor with full title guarantee shall sell to the Purchaser which shall purchase free from all charges liens equities and incumbrances (except for or represented by the Liabilities or securities given for the same) as at the Transfer Date:-

- 2.1 the Business as a going concern; and
- 2.2 the assets and rights owned by or under the control of the Vendor and used in the Business comprising the following:-

- (a) the Goodwill;
- (b) the Premises;
- (c) the Plant and Equipment;
- (d) the Motor Vehicles;
- (e) the Stock;
- (f) the Debts;
- (g) the Cash;
- (h) the Contracts; and
- (i) all other assets (if any) of whatever nature employed in the Business as at the Transfer Date with the exception of the items excluded from this sale by Clause 3.

3. EXCLUSIONS

For the avoidance of doubt only (and so that the absence of any item from the following list shall not because of that fact be used as evidence that it was intended to be sold hereunder) the following items are excluded from this sale:-

- 3.1 the statutory books of the Vendor;
- 3.2 the following motor cars:-
 - 3.2.1 Mitsubishi Shogun LWB 3.0 V8 Automatic registration number JAK 193W; and
 - 3.2.2 Audi Cabriolet 2.6E registration number M115 0JB.
- 3.3 the outstanding hire purchase and other obligations of the Company in respect of the motor cars referred to in Clause 3.2.
- 3.4 the employment contracts of Charles Patrick White, Jacqueline Sandra White and Peter Alan Gower and all ongoing liabilities of the Vendor in respect of the same.

- 3.5 all liabilities arising from the Lease dated 17th April 1980 of premises known as Unit 2, Site 2, North Bridge Road, Berkhamsted, Herts.
- 3.6 the Executive Pension Plans effected with National Provident Institution for the benefit of Charles Patrick White and Jacqueline Sandra White respectively and the Appropriate Personal Pension Scheme effected with Standard Life Assurance Company for the benefit of Peter Alan Gower including but not limited to all ongoing liabilities of the Vendor (if any) in relation to contributions payable in respect of the same.
- 3.7 all liabilities other than the Liabilities.

4. CONSIDERATION

- 4.1 In calculating the consideration for the sale and purchase hereunder the Assets and the Liabilities shall have the values respectively shown against them in the Balance Sheet.
- 4.2 The consideration for the sale and purchase hereunder shall be:-
- 4.2.1 a sum equal to the Transfer Value which will be satisfied by the issue and allotment to the Vendor, credited as fully paid at par of 1,077,403 Ordinary Shares of £1.00 each in the capital of the Purchaser; and
- 4.2.2 an obligation on the part of the Purchaser to assume, pay, satisfy, discharge, fulfil and indemnify the Vendor against the Liabilities.

5. TITLE

The Purchaser shall accept without enquiry, requisition or objection such title as the Vendor may have in the Business and the Assets.

6. COMPLETION

- 6.1 Completion shall take place on 5th July 1996 when possession of the Business and Assets shall be given to the Purchaser as at the Transfer Date and the Consideration shall be deemed to have been paid by the Purchaser to the Vendor and the number of Ordinary Shares referred to in Clause 4.2.1 shall be issued and allotted to the Vendor.
- 6.2 Without prejudice to the provisions of Clause 6.1 the parties shall on Completion enter into assignments of the goodwill and of the Premises which shall contain inter alia covenants on the part of the Purchaser to observe and perform all the obligations of the Vendor pursuant to the respective leases of the Premises.

7. VALUE ADDED TAX

- 7.1 The Consideration payable by the Purchaser hereunder is exclusive of any Value Added Tax which shall if properly chargeable be payable in cash to the Vendor in addition to the Consideration.
- 7.2 The parties hereto agree that the sale of the Business and the Assets is the transfer of a business as a going concern and shall use their respective reasonable endeavours to procure that the same is deemed to be such for the purposes of s.49 of and paragraph 8 (1) (a) of Schedule 4 to the Value Added Tax Act 1994.
- 7.3 On completion the Vendor shall deliver to the Purchaser all records relating to the Business.

8. TRANSFER

- 8.1 Where any assignment of the Premises by the Vendor to the Purchaser under this Agreement requires the landlords' consent and such consent has not been obtained before the Transfer Date, the Purchaser may at any time after the Transfer Date go into occupation of the Premises as licensee of the Vendor subject to the following provisions:-

- 8.1.1. the Purchaser shall pay or otherwise indemnify the Vendor against all outgoings and expenses relating to the Premises arising after the Purchaser's occupation begins; and
- 8.1.2 the Purchaser shall indemnify the Vendor against any damage, losses, claims or demands arising from the possession or occupation of the Premises by the Purchaser (whether made by the landlords thereof or otherwise) and in particular (but without limitation) will observe and perform all the covenants and conditions contained or referred to in the leases relating thereto.

The Vendor may by notice to the Purchaser require the Purchaser to accept an assignment of either or both of the Premises at any time after the landlords' consent to such assignment is obtained.

- 8.2. Without prejudice to Clause 8.1 the Vendor shall use all reasonable endeavours to obtain all such consents as may be necessary for the transfer to the Purchaser with effect from the Transfer Date of the Business. The Vendor hereby declares itself a trustee for the Purchaser in respect of the Business (including in particular the benefit of all subsisting contracts, orders and engagements entered into by the Vendor) until the same shall have fully assigned to the Purchaser and the Vendor undertakes that until completion of such assignments it will act under the direction of the Purchaser and as its agent in all matters relating to the Business.

- 8.3 Subject to the foregoing, the Vendor shall on the Transfer Date or as soon as practicable thereafter at the expense of the Purchaser execute and do and concur in all such assurances assignments and things as shall reasonably be required by the Purchaser for vesting in the Purchaser the Business and the Assets and giving the Purchaser the full benefit of this Agreement.

9. EMPLOYEES

The parties acknowledge that pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 1981 the contracts of employment between the Vendor and the Employees will have effect from the Transfer Date as if originally made between

the Purchaser and the Employees and the Vendor shall obtain and produce to the Purchaser all such Trade Union consents to the transfer of the Employees and the Purchaser shall keep the Vendor indemnified from and against all holiday entitlements of the Employers which have accrued up to the Transfer Date. The Vendor undertakes to indemnify and keep the Purchaser indemnified from all liabilities obligations costs, claims or demands arising from or in respect of any of the Employees insofar as and to the extent that the same were caused by any act or omission of the Vendor prior to the Transfer Date.

10. FURTHER ASSURANCE

The Vendor hereby undertakes with the Purchaser that it will at the request of the Purchaser but at no cost to the Vendor for a period of one year from and after Completion provide the Purchaser with such information and assistance as the Purchaser may reasonably require relating to the Business and shall pass on promptly to the Purchaser any enquiries relating to the Business which are received by the Vendor.

11. ACCESS TO RECORDS

For a period of six years from and after Completion the Purchaser shall make available to the Vendor on being requested so to do all original records and books of accounts relating to the Business and then in the possession of the Purchaser and which are in the opinion of the Vendor reasonably necessary to enable the Vendor to make all proper returns in relation to the Business whether before or after the Transfer Date and the Purchaser shall permit the Vendor to take copies of all relevant documentation.

12. OTHER TAXATION

The Vendor shall :-

- 12.1 pay any Stamp Duty payable on this Agreement or on the transfer of and assignment of the property or other assets sold under this Agreement; and

12.2 pay all Capital Gains Tax (if any) which shall arise from this Agreement and which may be assessed on the Purchaser.

13. NO MERGER ON COMPLETION

Notwithstanding completion of the sale and purchase referred to in this Agreement, the same shall remain in force in order to give effect to all outstanding matters.

14. ENTIRE AGREEMENT

This Agreement, the Schedule and the annexures hereto shall constitute the entire agreement and understanding between the parties in respect of all matters which are referred to therein.

15. WAIVER

No failure or delay by either party in exercising any right, power or privilege shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege prevent any further exercise thereof or the exercise of any other right, power or privilege.

16. PROPER LAW

The construction, validity and performance of this Agreement shall be governed by the laws of England, to the non-exclusive jurisdiction of the Courts of which the parties hereto irrevocably submit.

AS WITNESS the respective signatures of the parties hereto the day and year first above written.

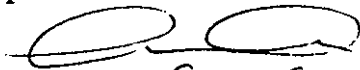
THE SCHEDULE

The Premises

1. All that property known as Interplan House (formerly Jado House), North Bridge Road, Berkhamsted, Hertfordshire as the same is demised by a Lease dated 25th August 1978 and made between (1) Benlox Holdings Limited (2) Olney Brothers Limited and (3) Burns-Anderson Limited.

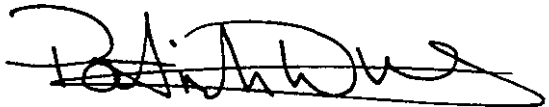
2. All those factory premises and land known as Unit A, North Bridge Road, Berkhamsted, Hertfordshire as the same are demised by a Lease dated 17th April 1980 and made between (1) Hillgate Industrial Estates Limited (2) William Boulton Limited and (3) William Boulton Group Limited.

SIGNED by JACQUELINE SANDRA WHITE)
and on behalf of WELSURE LIMITED)
in the presence of:)



COLIN CARR
Collins House
32-38 Station Road
Gerards Cross, Bucks SL9 8EL
Solicitor

SIGNED by CHARLES PATRICK WHITE)
for and on behalf of SUREWELL LIMITED)
in the presence of:)



COLIN CARR
Collins House
32-38 Station Road
Gerards Cross, Bucks SL9 8EL
Solicitor

SUREWELL LIMITED

PROFORMA BALANCE SHEET

FIXED ASSETS

Plant	907,500	
Fixtures, Fittings & Equipment	3,754	
Computers	3,093	
Sundry Equipment	20,114	
Motor Vehicles	68,854	1,003,315

CURRENT ASSETS

Stock & Work-in-Progress	63,204	
Trade Debtors	463,980	
Other Debtors & Prepayments	47,660	
Cash at Bank/in Hand	30,481	605,325

TOTAL ASSETS 1,608,640

CREDITORS payable within one year

Trade Creditors	277,657	
Sundry Creditors & Accruals	65,241	
Bank Overdraft	0	
Hire/Lease Purchase Creditors	133,225	476,123

TOTAL ASSETS LESS CURRENT LIABILITIES 1,132,517

CREDITORS payable after one year

Hire/Lease Purchase Creditors	72,880
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DEFERRED LIABILITIES

Deferred Taxation	46,221
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NET ASSETS 1,013,416

Represented by:

SHAREHOLDERS FUNDS 1,013,416