

CHFP025

Declaration in relation to assistance for the acquisition of shares

155(6)a

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

T	T	T	T	T	T
1	1	1	1	1	1
1	1	1	1	1	1

198535

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

Name of company

* Stead, McAlpin & Company Limited

* insert full name
of company

XWe s James Kidd of Windy Ridge, 2 Stones Road, Dobroyd, Todmorden,
Lancashire OL14 7JP, and

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

Glenn Albinson of 104 Lacey Green, Wilmslow, Cheshire SK9 4BN

† delete as appropriate

~~xxxxxx~~ [all the directors] † of the above company do solemnly and sincerely declare that

The business of the company is

§ delete whichever
is inappropriate

[illegible]

(c) something other than the above §

The company is proposing to give financial assistance in connection with the acquisition of shares in the [company] ~~XXXXXXXXXXXXXXXXXXXX~~

The assistance is for the purpose of ~~reduction~~ ^{discharge} [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 35,196,387 Ordinary Shares
of £1 each and 48,537 6% Preference Shares of £1 each

**Presenter's name address and
reference (if any)**
Brabners Chaffe Street LLP
55 King Street Manchester
M2 4LO

For official Use
General Section

THURSDAY



RM

03/01/2008

175

COMPANIES HOUSE

The assistance is to be given to (note 2) Apex Textiles Limited (Company Number 6034814)
whose registered office is at Cummersdale Print Works, Nr Carlisle, Cumberland
CA2 6BT

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

Please see schedule 1

The person who [has acquired] ~~1000000~~ ^{ed} the shares is

† delete as
appropriate

Apex Textiles Limited (Company Number 6034814)

The principal terms on which the assistance will be given are

Please see schedule 2

The amount of cash to be transferred to the person assisted is £ Please see schedule 3

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 within 8 weeks of the date hereof

* delete either (a) or (b) as appropriate

~~X~~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) ~~[[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) XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX (note 3)

And ~~X~~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 Commerdale in the
County of Cumbria

Declarants to sign below

on

Day	Month	Year
11	9	2007

before me [Signature]
A Commissioner for Oaths or Notary Public or Justice of
the Peace or a Solicitor having the powers conferred on
a Commissioner for Oaths

x GAL A All

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

STEAD, MCALPIN & COMPANY LIMITED

(198535)

SCHEDULE 1

Form of Financial Assistance

Words and phrases used in this Schedule 1 shall have the meanings given to them in Schedule 4

FORM OF ASSISTANCE

The assistance will take the form of

- 1 the execution and delivery by the Company of the following documents and the compliance and fulfilment of all its obligations thereunder
 - 1 1 The Debenture
 - 1 2 The Inter Company Loan Agreement.
 - 1 3 The Guarantee
 - 1 4 The SM/JHB Inter Company Loan Agreement

STEAD, MCALPIN & COMPANY LIMITED

(198535)

SCHEDULE 2

The principal terms in which the financial assistance will be given

By entering into the following documents, the Company will be reducing or discharging certain liabilities incurred in connection with the Acquisition

Words and phrases used in this Schedule 2 shall have the meanings given to them in Schedule 4

- 1 By executing the Debenture the Company will
 - 1 1 grant fixed and floating charges over all its undertaking and assets in favour of the Lender as security for its obligations to the Lender
- 2 By executing the Inter Company Loan Agreement the Company will
 - 2 1 make available to Apex a loan facility which will be used by Apex to, amongst other things, fund its obligations to the Lender
- 3 By executing the Guarantee the Company will
 - 3 1 guarantee the payment and discharge by the Company, JHB and Apex of all their obligations and liabilities to the Lender under the Facility Letters and all other documents entered into therewith, and
 - 3 2 further indemnify the Lender in respect of such other liabilities
4. By executing the SM/JHB Inter Company Loan Agreement the Company will
 - 4 1 make available to JHB a loan facility which will be used by JHB to, amongst other things, fund its obligations to the Lender

STEAD, MCALPIN & COMPANY LIMITED

(198535)

SCHEDULE 3

The amount of cash to be transferred to the person assisted

The amount of any advance made from time to time by the Company to Apex under the terms of the Inter Company Loan Agreement

STEAD, MCALPIN & COMPANY LIMITED

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SCHEDULE 4

Definitions

“Acquisition”	the acquisition by Apex of the entire issued share capital of the Company and the entire issued share capital of JHB from the Seller pursuant to the Sale and Purchase Agreement,
“Apex”	Apex Textiles Limited (Company Number 6034814);
“Apex Facility Letter”	the loan facility letter to be entered into by (1) Apex (as Borrower) and (2) the Lender (as Lender) in relation to a loan facility of £[],
“Company”	Stead, McAlpin & Company Limited (Company Number 198535),
“Debenture”	the debenture to be granted by the Company in favour of the Lender,
“Facility Letters”	the JHB Facility Letter, the SM Facility Letter and the Apex Facility Letter,
“Guarantee”	an unlimited cross company guarantee proposed to be entered into by the Company, JHB and Apex in favour of the Lender,
“Inter Company Loan Agreement”	the inter company loan agreement proposed to be entered into between the Company and Apex,
“JHB”	J H Birtwistle & Company Limited (Company Number 37516),
“JHB Facility Letter”	the loan facility letter to be entered into by (1) JHB (as Borrower) and (2) the Lender (as Lender) in relation to a loan facility of £[],

“SM/JHB Inter Company Loan Agreement”

the inter company loan agreement proposed to be entered into between the Company and JHB,

“Lender”

JCCO 175 Limited
(Company Number: 6423233),

“the Sale and Purchase Agreement”

the share purchase agreement relating to the Acquisition to be entered into between McInerney and the Sellers;

“Seller”

John Lewis plc
(Company Number 233462), and

“SM Facility Letter”

the loan facility letter to be entered into by (1) the Company (as Borrower) and (2) the Lender (as Lender) in relation to a loan facility of £[].

The Board of Directors
Stead McAlpin & Company Limited
Cummersdale Print Works
Carlisle
Cumbria
CA2 6BT

Dear Sirs

**AUDITORS' REPORT TO THE DIRECTORS OF STEAD MCALPIN & COMPANY LIMITED
("the Company") PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985**

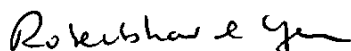
We have examined the attached statutory declaration of the directors dated 19/12/2007 in connection with the proposal that the Company should give financial assistance for the purpose of discharging or reducing a liability incurred in connection with the acquisition of its own shares

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 is unreasonable in all the circumstances



Robertshaw & Myers
Registered Auditors