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CHFP004

COMPANIES FORM No. 155(6)a

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

236243

Name of company

* UNITED INDUSTRIES OPERATIONS LIMITED

Note

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

* insert full name of
company

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

†/We[†]

SULAKHAN SAHOTA of 7 Blythe Way, Solihull, West Midlands, B91 3EY and SIMON
ROBERT JAMES POWELL of Prospect House, Upton, Didcot, Oxfordshire, OX11 9HU

† 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 a recognised bank or financial 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 liability incurred for the~~
~~purpose of the acquisition]~~ †

The number and class of the shares acquired or to be acquired is: 10,000,000 ordinary shares of
£1.00 each

Presenter's name address and
reference (if any):
Wragge & Co
55 Colmore Row
Birmingham B3 2AS
Ref 1809174/IRI
doc ref:3095693

For official Use
General Section

Post room



BIR
COMPANIES HOUSE

0752

31/01/02

capova Solutions Ltd.

The assistance is to be given to: (Note 2) See continuation sheet 1

Please do not
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*Please complete
legibly, preferably
in black type, or
bold block
lettering*

The assistance will take the form of:

see continuation sheet 2

The person who ~~has acquired~~ [will acquire][†] the shares is:
UIO (Holdings) Limited (No. 4333830)

[†] delete as
appropriate

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

see continuation sheet 3

The amount of cash to be transferred to the person assisted is £ 1,068,002 to UI; £12,479,000 to UIOH

The value of any asset to be transferred to the person assisted is £ 27,515,000 to UI

The date on which the assistance is to be given is within 8 weeks of the date hereof

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 55 Colmore Row
Birmingham

Day Month Year
on

1	8	0	1	2	0	0	2
---	---	---	---	---	---	---	---

before me P. J. Parkinson
P. J. Parkinson

Declarants to sign below

S. Powell
S. POWELL
S. Sahota
S. SAHOTA

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
DX: 33050
Cardiff

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB
DX: 235
Edinburgh

UNITED INDUSTRIES OPERATIONS LIMITED (Company Number 236243)

FORM G155(6)(a)

Continuation Sheet 1

UIO (Holdings) Limited (No. 4333830) whose registered office is at Boundary Road Loudwater High Wycombe HP10 9US ("UIOH");

The Co-operative Bank p.l.c. whose registered office is at 1 Balloon Street Manchester;

NMB-Heller Limited whose registered office is at Enterprise House Bancroft Road Reigate Surrey RH2 7RT; and

United Industries plc whose registered office is at Boundary Road Loudwater High Wycombe HP10 9US ("UI");

PJP.

UNITED INDUSTRIES OPERATIONS LIMITED (Company Number 236243)

FORM G155(6)(a)

PJP

Continuation Sheet 2

1 Definitions

"Atlas Mill" means Atlas Mill, Number 6, Mornington Road, Bolton, Greater Manchester (title number GM119323);

"Business Finance Agreement" means the business finance agreement between NMB and the Company pursuant to which invoice discounting, loan and other ancillary facilities will be provided to the Company;

"Co-op" means The Co-operative Bank p.l.c.;

"Co-op Facility" means a term loan facility to be entered into between Co-op and UIOH;

"Corby Property" means freehold land and buildings on the north side of St James Road, Corby (title number NN166019);

"Droitwich Property" means unregistered leasehold land and buildings being units 1,3 and 4 North Bank, Berry Hill Industrial Estate, Droitwich;

"Loan Note Instrument" means a loan note instrument constituting up to £2,685,000 secured loan notes 2012 of UIOH;

"Neepsend" means Neepsend Limited (No. 166367) a wholly owned subsidiary of the Company;

"NMB" means NMB-Heller Limited;

"Perplas" means Perplas Limited (company number 2903268);

"Perplas Properties" means:

(a) freehold and leasehold land and buildings at Todmorden Road, Bacup (title numbers LA 637506, LA644185, LA 461641 LA 437430 and LA 513559);

(b) Unit 3 Albion Works, Albion Street, Bacup;

(c) Unit A Beech Industrial Estate, Bacup;

(d) Unit B Beech Industrial Estate, Bacup; and

(e) Land to the north of Vale Street, Bacup, Lancashire (title number LA899055).

"Railko" means Railko Limited (company number 2903270);

"Railko Properties" means the leasehold property known as the land and buildings on the north side of Boundary Road, Loudwater (title number BM 161706);

"Sheffield Properties" means land at Percy Street and Lancaster Street, Sheffield, South Yorkshire registered under title numbers SYK 414132, SYK 414129, SYK 414128 and SYK 143286;

"Shipton" means United (Shipton) Limited (company number 00888592);

"UI" means United Industries PLC (company number 269003);

"UIOH" means UIO (Holdings) Limited (company number 4333830);

2 Form of the Assistance

The assistance will take the form of the Company entering into the following documentation (as the same may be amended, varied supplemented or substituted from time to time) and fulfilling its obligations thereunder:

2.1

- (a) a share sale agreement and related documents under which the entire issued share capital of Shipton is being sold to UI by the Company (the **"Shipton Sale Agreement"**);
- (b) a fixed and floating charge in favour of NMB securing the payment of all monies owing to NMB pursuant to the Business Finance Agreement (the **"NMB Charge"**);
- (c) a legal charge in favour of NMB over Atlas Mill, the Corby Property and the Droitwich Property (the **"NMB Legal Charge"**);
- (d) a chattel mortgage in favour of NMB entered into pursuant to the Business Finance Agreement (the **"Chattel Mortgage"**);
- (e) a debenture in favour of Co-op pursuant to the Co-op Facility (the **"Co-op Debenture"**);
- (f) a composite guarantee in favour of Co-op pursuant to the Co-op Facility (the **"Co-op Guarantee"**);
- (g) legal charges in favour of Co-op over Atlas Mill, the Corby Property and the Droitwich Property (the **"Co-op Legal Charges"**);
- (h) a debenture pursuant to the Loan Note Instrument (the **"UI Debenture"**);
- (i) a guarantee pursuant to the Loan Note Instrument (the **"UI Guarantee"**);

- 2.2 an intra-group support agreement (the **"Support Agreement"**) between the Company, UIOH and Neepsend (inter alia) under which the Company agrees to provide an inter-company loan to UIOH.

- 2.3 the business sale agreements and related documents pursuant to which the business and assets of Perplas and Railko are transferred from the Company to UI (the "**P&R Business Sale Agreements**");
- 2.4 a share sale agreement and related documents under which the entire issued share capitals of Neepsend and CQR are being sold to the Company by UI (the "**Share Sale Agreement**").
- 2.5 a deeds of transfer transferring the Sheffield Properties to UI ("**SPT**").
- 2.6 a deed of priorities between Co-op (1) NMB (2) UI (3) Neepsend (4) UIO (5) and UIOH (6) (the "**Priority Deed**").
- 2.7 the purchase by way of assignment from Neepsend of the benefit of an inter-company balance of £1,511,000 due from UI (at face value) (the "**Debt Assignment**").

UNITED INDUSTRIES OPERATIONS LIMITED (Company Number 236243)

FORM G155(6)(a)

(Company Number 236243)

PJP

Continuation Sheet 3

Terms of Assistance

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

- 1 the terms of the Shipton Sale Agreement provide for the transfer of the entire issued share capital of Shipton to UI. The consideration of £75,000 will be set off against the balance on the inter-company loan account between the Company and UI.
- 2 under the terms of the NMB Charge, the Company, inter alia, will guarantee the payment of all monies and the performance of all obligations and liabilities, from time to time owing by the Company to NMB (including, without limitation, those owing under the Business Finance Agreement) and will create fixed and floating charges over all of its assets and undertaking in order to secure the payment and discharge of all monies, liabilities and obligations at any time owing by it to NMB.
- 3 under the terms of the Chattel Mortgage, the Company, inter alia will create fixed and floating charges over specific plant and machinery and equipment to secure the payment and discharge of all monies, liabilities and obligations at any time owing by it to NMB;
- 4 under the terms of NMB Legal Charge the Company will (inter alia) grant a legal charge over Atlas Mill, the Corby Property and the Droitwich Property in favour of NMB in order to secure the payment and discharge of all monies and liabilities and obligations at any time arising by UIO to NMB (including, without limitation, those arising under the Business Finance Agreement).
- 5 under the terms of the Co-op Debenture, the Company, inter alia, will create fixed and floating charges over all of the Company's assets and undertaking in order to secure the payment and discharge of all monies, liabilities and obligations at any time owing by the Company to Co-op.
- 6 under the terms of the Co-op Legal Charges the Company will (inter alia) grant legal charges over Atlas Mill, the Corby Property and the Droitwich Property in favour of Co-op in order to secure the payment and discharge of all monies, liabilities and obligations at any time owing by the Company to Co-op (including, without limitation those arising under the Co-op Facility).
- 7 Under the terms of the Co-op Guarantee, the Company, inter alia, will guarantee the payment of all monies and the performance of all obligations from time to time owing by UIOH to Co-op (including, without limitation, those owing under the Co-op Facility).
- 8 under the terms of the UI Debenture, the Company, inter alia, will create fixed and floating charges over all of its assets and undertaking in order to secure the payment

- and discharge of all monies, liabilities and obligations at any time owing by it to UI (including, without limitation, those owing under the UI Guarantee).
- 9 under the terms of the UI Guarantee, the Company, Neepsend and UIOH will guarantee the payment of all monies and the performance of all obligations from time to time owing by UIOH to UI (including, without limitation, those owing under the Loan Note Instrument).
- 10 under the terms of the Support Agreement the Company and the other parties (namely Neepsend Limited and UIOH) agree to make inter-company loans to each other for the purposes (inter alia) of assisting UIOH with the acquisition of the entire issued share capital of the Company including (without limitation) an initial loan by the Company to UIOH of £12,479,000.
- 11
- 12 the terms of the SPT provides for the Company to transfer the Sheffield Properties to UI for the sum of £1,000,000 being the open market value. The consideration will be left outstanding as an inter-company debt.
- 13 under the terms of the P&R Business Sale Agreements, the business and assets of Perplas and Railko (including the beneficial interest in the Perplas Properties and the Railko Properties) are transferred to UI for a cash consideration of £20,000,000 plus assumption of trade creditors and bank debit balances (Perplas) and £4,000,000 plus assumption of trade creditors and bank debit balances (Railko). In relation to the Perplas business the cash price of £20,000,000 will be satisfied as to £12,443,000 by set-off against inter-company debt due from UI and the balance of £7,557,000 will initially be left outstanding on inter-company loan account and subsequently set off against dividends to be declared and paid by the Company. In relation to the Railko business the cash price of £4,000,000 will initially be left outstanding on inter-company loan account and subsequently set off against dividends to be declared and paid by the Company.
- 14 the terms of the Share Sale Agreement provide for the transfer of the entire issued share capitals of Neepsend Limited and CQR to UI. The consideration of £1,068,000 (Neepsend) and £2(CQR) will be paid in cash on completion.
- 15 the terms of the Priority Deed regulate the rights of obligations of Co-op, NMB and UI as the holders of security granted or to be granted by UIOH, the Company and Neepsend Limited including (inter alia) the Co-op Debenture, the Co-op Guarantee, the Co-op Legal Charges, the NMB Charge, the NMB Legal Charge, the UI Debenture and the UI Guarantee.
- 16 under the terms of the Debt Assignment the Company will acquire the benefit of a debt in the sum of £1,511,000 due from UI at face value the consideration for which will be left outstanding as an inter-company debt due from the Company to Neepsend.

END OF SUMMARY



KPMG Audit Plc

1 The Embankment
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The Directors
United Industries Operations Limited
Boundary Lane
Loudwater
High Wycombe
HP10 9US

Your ref

Our ref jp/am/218/A

Contact Nick Pawson
0113 231 3750

18 January 2002

Dear Sirs

Auditors' report to the directors of United Industries Operations Limited ('the Company'), pursuant to Section 156(4) of the Companies Act 1985

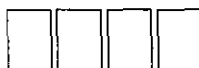
We have examined the attached statutory declaration of the directors dated 18 January 2002 in connection with the proposal that the Company should give financial assistance for the purchase of 100% of the Company's ordinary shares. We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

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.

Yours faithfully

KPMG Audit Plc

Registered Auditor



KPMG Audit Plc, a company
incorporated under the UK Companies
Acts, is a member of KPMG
International, a Swiss association

KPMG Audit Plc is
registered to carry on audit
work by the Institute of
Chartered Accountants in

England and Wales.
Registered in England
No 3110745

Registered office
8 Salisbury Square
London EC4Y 8BB