

155 (6)b

G

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

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

00047169

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

* insert full name
of company

Name of company

* Ash & Lacy Limited

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

† We of Christopher John Burr of Ashmore House, Norton, Evesham, Worcestershire, WR11

4YL

Howard Caile Everett of 27 Newton Road, Knowle, Solihull, West Midlands, B93 9HL

David Leslie Grove of Badgers Holt, Rookery Lane, Lowsonford, Solihull, West Midlands, B95

5EP

David Stuart Winterbottom of Walnut Tree Farm, Cowley, Snasall, Staffordshire, ST20 0BE

† delete as EM
appropriate

[the sole director] [all the directors] † of the above company (hereinafter called 'this company') do
solemnly and sincerely declare that:

† delete whichever
is inappropriate

The business of this company is:

(a) ~~that of a [recognised bank] [licensed institution] within the meaning of the Banking Act 1979.~~ §

(b) ~~that 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 §

EM This company is [the] [a] holding company of * Access Design & Engineering Limited

which is

proposing to give financial assistance in connection with the acquisition of shares in [this company]

EM

the holding company of this company. †

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

1783182/JMC/JWY
Wragge & Co
55 Colmore Row
Birmingham B3 2AS
Doc.# 2772927

For official Use
General Section

Post room



EM

The assistance is for the purpose of ~~the acquisition~~ [reducing or discharging a liability incurred for the purpose of that acquisition]. [†] (note 1)

Please do not
write in this
margin

The number and class of the shares acquired or to be acquired 50,000,000 Ordinary Shares
is: of 5 pence each

Please complete
legibly, preferably
in black type, or
bold block lettering

The assistance is to be given to: (note 2) Hill & Smith Holdings PLC, Spring Vale Business
and Industrial Park, Bilston, West Midlands WV14 0QL (the "Purchaser")

The assistance will take the form of:

see paragraph 2.1 in the attached document headed "Project Motorway -
Financial Assistance Summary - Target and Subsidiaries".

EM

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

[†] delete as
appropriate

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

see paragraphs 2.2 and 2.3 in the attached document headed "Project
Motorway - Financial Assistance Summary - Target and Subsidiaries".

The amount (if any) by which the net assets of the company which is giving the assistance will be
reduced by giving it is nil

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

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

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

I/We have formed the opinion, as regards this 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) I/We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date] * (note 3)

~~(b) [this intended to commence the winding up of the company within 12 months of that date, and I/We have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding up] * (note 3) + + + +~~

And I/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

Declarants to sign below

Day Month Year
on

31	07	2001
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before me EM Massingham

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

PROJECT MOTORWAY
- FINANCIAL ASSISTANCE SUMMARY - TARGET AND SUBSIDIARIES

1 Overview

1.1 Definitions

For the purposes of this summary, the following definitions shall have the following meanings:

“Acquisition” means the acquisition by the Purchaser of the Shares;

“Act” means the Companies Act 1985 (as amended from time to time);

“Additional Subsidiaries” means those subsidiaries listed in paragraph 1.2(d) below;

“Barclays” means Barclays Bank PLC;

“Facilities Agreement” means the facilities agreement dated 13 September 2000 as amended and restated on 27 July 2001 between, inter alia, the Purchaser as borrower and Barclays as agent, security trustee and ancillary bank, pursuant to which the Banks (as defined therein) make available to the Purchaser certain loans, one of which is to finance the Acquisition;

“Material Subsidiaries” means those subsidiaries listed in paragraph 1.2(c) below;

“Offer” means the offer made or proposed to be made for the Shares by or on behalf of the Purchaser to the shareholders of Target;

“Purchaser” means Hill & Smith Holdings PLC (Company number 671474);

“Security” means the security to be granted by Target or each of the Material Subsidiaries in favour of Barclays acting as security trustee, which includes:

- (a) a guarantor accession agreement, pursuant to which the relevant company agrees to become a guarantor under the Facilities Agreement (**“Accession Agreement”**); and
- (b) a security agreement in favour of the Bank acting as security agent (**“Security Agreement”**);

“Shares” means all the issued ordinary shares in the capital of the Target (including any ordinary shares of the Target issued while the Offer remains open for acceptance);

“Target” means Ash & Lacy Limited (previously known as Ash & Lacy plc) (Company number 47169).

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1.2 Background

- (a) In order to effect the Acquisition, the Purchaser has incurred or will incur liabilities under the Facilities Agreement.
- (b) The Purchaser has agreed under the Facilities Agreement to procure that the Target and the Material Subsidiaries execute the Accession Agreement (and consequently them having to execute the Security Agreement).
- (c) The Material Subsidiaries are:
 - (i) Ash & Lacy Limited (also the Target);
 - (ii) Ash & Lacy Manufacturing Limited;
 - (iii) Ash & Lacy Building Products Limited;
 - (iv) Ash & Lacy Perforators Limited;
 - (v) Express Reinforcements Limited;
 - (vi) Hawkshead Properties Limited; and
 - (vii) Jospeh Ash Limited.(each a Material Subsidiary).
- (d) The Additional Subsidiaries are as follows:
 - (i) Ash & Lacy Services Limited;
 - (ii) J & F Pool Limited;
 - (iii) W & S Allely Limited;
 - (iv) Eden Material Services (U.K.) Limited;
 - (v) Wombwell Foundry Limited;
 - (vi) Redman Fisher Engineering Limited;
 - (vii) Eurogrid Limited;
 - (viii) Bromford Iron and Steel Company Limited;
 - (ix) Ash & Lacy Pressings Limited;
 - (x) SI Pressure Instruments Limited; and
 - (xi) Access Design & Engineering Limited.(each an Additional Subsidiary).

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- (e) In addition to (b) above, the Additional Subsidiaries shall also be required to execute the Accession Agreement (and consequently to execute the Security Agreement) to ensure the enlarged group's compliance with the financial covenants at 18.14 of the Facilities Agreement.

2 Financial Assistance in relation to the Acquisition

- 2.1 The financial assistance to be given by Target, the Material Subsidiaries and the Additional Subsidiaries will take the form of the entry into and performance of each of their obligations under the Security.
- 2.2 The financial assistance is as follows:
 - (a) pursuant to the Accession Agreement, the Target (or the relevant Material Subsidiary or Additional Subsidiary, as the case may be) agrees to be a guarantor under the Facilities Agreement, pursuant to which:
 - (i) it guarantees to the Finance Parties (as defined in the Facilities Agreement) the prompt performance by each borrower under the Facilities Agreement of all its payment obligations under the Finance Documents (as defined therein);
 - (ii) if a borrower does not pay any amount due to the Finance Parties, it shall forthwith on demand by Barclays (acting as agent) pay that amount; and
 - (iii) it will indemnify the Finance Parties on demand against any loss or liability suffered by any of them if any obligation guaranteed is or becomes unenforceable, invalid or illegal;
 - (b) pursuant to the Security Agreement, the Target (or the relevant Material Subsidiary or Additional Subsidiary, as the case may be) charges in favour of Barclays acting as security trustee the assets described in the Security Agreement, as security for the payment of all the present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of that company to any Finance Party under each Finance Document (both such terms as defined in the Facilities Agreement).
- 2.3 The entry into and performance by the Target (or the relevant Material Subsidiary or Additional Subsidiary, as the case may be) of its obligations under the Security constitute financial assistance by it since, pursuant to section 151(2) of the Act, the provision of the Security assists the Purchaser in reducing or discharging the liabilities incurred by the Purchaser in relation to the Acquisition.

End of summary

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KPMG Audit Plc

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Birmingham
B3 2DL

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E-mail karen.hanlan@kpmg.co.uk

The Directors
Ash & Lacy Limited
Springvale Business and Industrial Park
Bilston
West Midlands
WV14 8QL

Our ref rpm/6/kmh/lmb-281b

31 July 2001

Dear Sirs

Auditors' report to the directors of Ash & Lacy Limited ("the company") pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 31 July 2001 in connection with the proposal that Access Design & Engineering Limited, of which the company is a holding company, should give financial assistance for the purchase 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

Enclosures:



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