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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

For official use

Company number 1577699

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

Name of company

* GEORGE WORRALL ENGINEERING LIMITED

*Insert full name of company

I/We† ROBERT INNES FERGUSON of 51 Millbrook Drive, Shenstone, Lichfield, Staffordshire WS14 OTL

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

§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 of a [recognised bank] [licensed 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]~~‡

The assistance is for the purpose of ~~(that acquisition)~~ ~~[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: 1,000 Ordinary Shares of £1 each

Presentor's name, address and reference (if any):

Keely Smith Primmer Parkes
28 Dam Street
Lichfield
Staffordshire
WS13 6AA

For official use
General Section

A02 *A59JX3EL* 494
COMPANIES HOUSE 03/02/98

COMPANIES HOUSE 28/01/98

The assistance is to be given to: (note 2) Cromalt Limited of [Hanover Court Queen Street, Lichfield, Staffordshire]

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:

See attached

The person who ~~[has acquired]~~ (will acquire)* the shares is:

Cromalt Limited

*Delete as appropriate

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

See attached schedule

The amount of cash to be transferred to the person assisted is £ 76,300

The value of any asset to be transferred to the person assisted is £ Not applicable

The date on which the assistance is to be given is the date of this declaration 19

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

I/~~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) [I/~~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 I/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 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 Miles Solicitors.
20-24 Moorgate Terrace,
Leamington Spa.
the 6th day of January
One thousand nine hundred and Ninety Eight.

before me [illegible]

A Commissioner for Oaths ~~or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.~~

Declarants to sign below

R. J. Feigman.

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.

SCHEDULE

(1) Form of Assistance

The assistance will be take the form of the execution of the following documents:-

1. A Companies Invoice Sale and Purchase Agreement (Undisclosed) with Alex Lawrie Receivables Financing Limited

2. A set of Standard Terms & Conditions in favour of Alex Lawrie Receivables Financing Limited

3. A Memorandum and Charge in favour of Alex Lawrie Receivables Financing Limited

4. A Facility Letter in favour of Midland Bank plc

5. A Debenture in favour of Midland Bank plc

6. A Deed of Unlimited Guarantee in favour of Midland Bank plc

7. A Loan Agreement with Cromalt Limited (being the person assisted)

8. A Bonus Agreement relating to the payment of a bonus by the Company to Mr. William Worrall (being one of the Vendors)

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

2.1 The Company will enter into an invoice discounting arrangement with Alex Lawrie Receivables Financing Limited, pursuant to which the Company will sell and Alex Lawrie Receivables Financing Limited will purchase, the book debts of the Company and the proceeds of sale thereof. This transaction will be effected on the terms contained in the Invoice Sale and Purchase Agreement and the Standard Terms and Conditions and the Company's obligations will be secured by way of a Charge over the book debts and proceeds of realisation thereof of the Company.

2.2 The Company will obtain facilities from Midland Bank plc under the terms of a Facility Letter to be executed by the Company. Pursuant to the terms of the said Facility Letter, the Company will enter into a Deed of Unlimited Guarantee, whereby the Company undertakes to guarantee the obligations of Cromalt Limited (being the person assisted) towards Midland Bank plc. The obligations of the Company under the terms of its facility and in relation to the guarantee given in connection with the obligations of Cromalt Limited will be secured by a Debenture comprising a Fixed and Floating Charge over the property, assets and undertaking of the Company.

2.3 The Company will advance the sum of £76,300 realised in relation to the facilities being

afforded by Alex Lawrie Receivables Financing Limited to Cromalt Limited on the date of completion of the acquisition of the share capital under the terms of the Loan Agreement, thereby enabling it to discharge its liability to make payment of the consideration for the shares due on the date of completion.

2.4 The Company will enter into a Bonus Agreement with Mr. William Worrall (being one of the parties disposing of his shares in the Company to the person being assisted), pursuant to which the Company will agree to pay a bonus to Mr. Worrall in recognition of his services as a director, such bonus being equivalent to the trading profits of the Company for the financial year ended 31st December 1997.

Tomkinson Teal
Chartered Accountants

Hanover Court
5 Queen Street
Lichfield
Staffs
WS13 6QD
Tel (01543) 255612
Fax (01543) 415461

WE HEREBY CERTIFY THIS TO BE
A TRUE COPY OF THE ORIGINAL
Dated 2.2.98
KEELY SMITH PRIMMER PARKES
SOLICITORS LICHFIELD

AUDITORS REPORT TO THE DIRECTORS OF GEORGE WORRALL ENGINEERING LIMITED PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985

We have examined the attached statutory declaration of the directors dated 6th January 1998 in connection with the proposal that the Company should give financial assistance for the purchase of the whole of its issued share capital.

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 1985 is unreasonable in all the circumstances.

Tomkinson Teal
Chartered Accountants
Lichfield

Dated: 6th January 1998