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COMPANIES FORM No. 155(6)b

**Declaration by the directors
of a holding company in
relation to assistance for the
acquisition of shares****155(6)b**Please do not
write in this
marginPlease complete
legibly, preferably
in black type, or
bold block lettering**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† delete as
appropriate§ delete whichever
is inappropriate

Pursuant to section 155(6) of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

58397

Name of company

* Towers & Co. Limited

x/We § See Annexure 1

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

The business of this company is:

- ~~(a) that of a [recognised bank] licensed institution within the meaning of the Banking Act 1979~~
~~(b) that of a person authorised under section 8 or 4 of the Insurance Companies Act 1982 to carry on
insurance business in the United Kingdom~~
(c) something other than the above§

This company is [the] [x] holding company of* Towers & Co. (Sheffield) Limited
("the Company") which is

proposing to give financial assistance in connection with the acquisition of shares

in [this company] [

the holding company of this company.]†

Presentor's name address and
reference (if any):Travers Smith Braithwaite
10 Snow Hill
London
EC1A 2ALDX 79 London/City
BDM / 620308For official Use
General Section

Post room

KLO *KU5M0463* 2877
COMPANIES HOUSE 03/03/98

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

Please do not write in this margin

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

The number and class of the shares acquired or to be acquired is: 11,548,673 Ordinary Shares of £1 each and 2,000,000 Deferred Shares of £1 each

The assistance is to be given to: (note 2) Towers Thompson Holdings Limited of Turnford Place, Great Cambridge Road, Broxbourne, Hertfordshire, EN10 6NH

The assistance will take the form of:

See Annexure 2

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

Towers Thompson Holdings Limited

† delete as appropriate

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

See Annexure 3

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

~~X~~/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) ~~X~~/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)

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

(b) ~~It is intended to commence the winding up of this company within 12 months of that date, and X/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 ~~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 James Smith Braithwaite
10 Snow Hill London ECUA 2AL

the 25th day of February
one thousand nine hundred and ninety-eight

before me Z. H. Lee

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

[Signature]
[Signature]
DW Barry
[Signature]
[Signature]

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
CF4 3UZ

or, for companies registered in Scotland:-

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

FORM 155(6)(b) – Annexure 1

Alan Thompson of "The Cedars", Hadley Green Road, Monken Hadley,
Hertfordshire, EN5 5PY

Terry Goddard of Orchard Cottage, 38 Cherry Orchard Road, West Molesey,
Surrey, KT8 1QZ

Paul Dolan of 6 Baynham Close, Bexley, Kent, DA5 1RN

Dennis Clark of "Catterils", Bush End, Takeley, Nr Bishop's Stortford,
Hertfordshire, CM22 6NN

Derek Berry of 45 Dagobert House, Smithy Street, London, E1 3HW

FORM 155(6)(b) – Annexure 2

The entry into by the Company of the following documents and the performance by the Company of its obligations thereunder:-

1. An inter-company cross-guarantee ("**the BNY Guarantee**") to be executed by the Company and certain other subsidiaries of Towers Thompson Holdings Limited ("**TTHL**") in favour of BNY Financial Limited ("**BNY**") in respect of all moneys and liabilities from time to time due, owing or incurred by TTHL and such subsidiaries to BNY.
2. A debenture ("**the BNY Debenture**") to be executed by the Company in favour of BNY securing all obligations and liabilities of the Company from time to time to BNY (including, without limitation, under the BNY Guarantee).
3. An inter-company cross-guarantee ("**the HIL Guarantee**") to be executed by the Company and certain other subsidiaries of TTHL in favour of Hillsgdown International Limited ("**HIL**") in respect of the obligations of TTHL to pay deferred Consideration and interest thereon pursuant to clauses 3.3 and 3.4 of the Acquisition Agreement.
4. A debenture ("**the HIL Debenture**") to be executed by the Company in favour of HIL in its capacity as Vendor under an acquisition agreement of even date with this Form 155(6)(b) and made between HIL, Hillsgdown Holdings Plc as Guarantor and TTHL as Purchaser ("**the Acquisition Agreement**").
5. A deed of priorities ("**the Deed of Priorities**") to be entered into between the Company and others (1), BNY (2), Barclays Bank PLC (3) and HIL (4).

FORM 155(6)(b) – Annexure 3

1. The principal terms on which the financial assistance will be given under the BNY Guarantee are that the Company agrees to guarantee and indemnify BNY in respect of all monies, obligations and liabilities due, owing or incurred to BNY by TTHL and/or any of its subsidiaries from time to time (including the Company) including without limitation, in respect of prepayments made and loans made to (inter alia) TTHL to enable it to purchase the entire issued share capitals of Towers & Co. Limited, B. Thompson Limited, John Silver Holdings Limited, A.S. Juniper & Co. Limited, Danegoods (London) Limited and Swan Foods International Limited pursuant to the Acquisition Agreement.
2. The principal terms on which the financial assistance will be given under the BNY Debenture are that the Company agrees to create fixed and floating charges over all of its assets, properties and undertakings as security for all moneys owing by it to BNY, including without limitation under the BNY Guarantee.
3. The principal terms on which the financial assistance will be given under the HIL Guarantee are that the Company agrees to guarantee and indemnify HIL in respect of the obligations of TTHL to pay deferred Consideration and interest thereon pursuant to clauses 3.3 and 3.4 of the Acquisition Agreement in respect of the acquisition by TTHL pursuant to the Acquisition Agreement of the entire issued share capitals of Towers & Co. Limited, B. Thompson Limited, John Silver Holdings Limited, A.S. Juniper & Co. Limited, Danegoods (London) Limited and Swan Foods International Limited.
4. The principal terms on which the financial assistance will be given under the HIL Debenture are that the Company agrees to create fixed and floating charges over all of its assets, properties and undertakings as security for its obligations under the HIL Guarantee.
5. The principal terms under which the financial assistance will be given under the Deed of Priorities are that the Company enters into covenants and undertakings with the other parties to the Deed of Priorities.



The Directors
Towers & Co. Limited
Turnford Place
Great Cambridge Road
Broxbourne
Hertfordshire EN10 6NH

25 February 1998

Dear Sirs

Auditors' report to the directors of Towers & Co. Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 25 February 1998 in connection with the proposal that the 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

KPMG

Registered Auditors



Member firm of
KPMG International

KPMG is registered
to carry on audit work and
authorised to carry on
investment business

by the Institute of
Chartered Accountants in
England and Wales. The
principal place of

business is 8 Salisbury
Square, London EC4Y 8BB
where a list of partners'
names is open to inspection.