

CHFP025

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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00399575

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

Name of company

* Austin Reed Limited (the "Company")

* insert full name
of company

~~X~~We ø See annexure 1

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

† delete as appropriate

~~XXXXXXXXXXXX~~ [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

XXXXXX [company's holding company Austin Reed Group Limited (company number
00164291) ("**ARGL**") XXXXXX

The assistance is for the purpose of ~~the 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: 31,995,598 ordinary shares
of £0.25 each _____

Presenter's name address and
reference (if any) :
Hammonds
Trinity Court
16 John Dalton Street
Manchester
M60 8HS

14347 Manchester 1
Ref: GRB/DAR.101-1

For official Use
General Section

FRIDAY



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AH8NYOAI
30/03/2007
COMPANIES HOUSE

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The assistance is to be given to: (note 2) Darius Capital Limited ("DCL")
(company number 05940388) whose registered office is at 15 - 17 Grosvenor
Gardens, London SW1W 0BD

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 annexure 2

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

† delete as
appropriate

DCL

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

See annexure 3

The amount of cash to be transferred to the person assisted is £ See annexure 4

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

[illegible]

Declarants to sign below



before me Scott Gibson

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

- 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.

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

Austin Reed Limited (company number 399575)

Annexures to Form 155(6)a

ANNEXURE 1

Name of Director

Address

Nicholas William Hollingworth

71 Earls Court Road, London W8 6EF

Alan Charlton

24 Keepers Green, Braiswick, Colchester CO4
5UT

AR
SK
SH

Annexures to Form 155(6)a

ANNEXURE 2

The execution by the Company of the following as the same may be amended, varied, supplemented or waived from time to time:

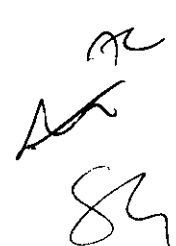
1. a senior facilities agreement (the "**Facilities Agreement**") proposed to be entered into between A R Holdings Limited (company number 06160362) ("**ARH**"), DCL, ARGL, the Company, Austin Reed Credit Services Limited (company number 01529898) ("**ARCSL**"), Country Casuals Holdings Limited (company number 02319160) ("**CCHL**") and Country Casuals Limited (company number 00510900) ("**CCL**") (ARGL, ARCSL, the Company, CCHL and CCL each a "**Subsidiary**" and together the "**Subsidiaries**") (ARH, DCL, and the Subsidiaries together being referred to as the "**Group**") and Landsbanki Islands H.F. (the "**Bank**") (in its capacity as mandated lead arranger, agent and security trustee);
2. a guarantee (the "**Guarantee**") contained within the Facilities Agreement proposed to be entered into by ARH, the Company and the other Subsidiaries in favour of the Bank and each other Finance Party (as defined in the Facilities Agreement);
3. a debenture (the "**Debenture**") proposed to be entered into by the Company and each other member of the Group in favour of the Bank (in its capacity as security trustee);
4. an intercreditor deed (the "**Intercreditor Deed**") proposed to be entered into between the Bank (in various capacities), each member of the Group, Landsbanki Commercial Finance ("**Landsbanki CF**") and the Investors (as defined therein);
5. an intra-group loan agreement (the "**Intra-Group Loan Agreement**") proposed to be entered into between each member of the Group (as borrowers) (each a "**Borrower**") and each member of the Group (other than ARH) (as lenders) (each a "**Lender**");
6. a credit facilities agreement (i) and a debt purchase agreement (ii) proposed to be entered into between the Company, CCL (together the "**ABL Borrowers**") and Landsbanki CF (together, the "**ABL Agreements**"); and
7. a corporate guarantee (the "**ABL Guarantee**") proposed to be entered into by the Company and each other member of the Group in favour of Landsbanki CF.

Handwritten initials and signature: "AR" and a signature that appears to be "84".

Annexures to Form 155(6)a

ANNEXURE 3

1. pursuant to the Facilities Agreement the Bank would make available to DCL sterling term loan facilities of up to £18,750,000 (the "**Facilities**") part of which would be used to refinance certain indebtedness of DCL incurred in connection with the acquisition of the entire ordinary share capital of the Company by DCL on 1 February 2007 (the "**Indebtedness**"). By entering into the Facilities Agreement the Company will give certain representations and warranties, covenants, indemnities and rights of set-off to the Bank to enable the Bank to make the Facilities available;
2. pursuant to the Guarantee, the Company would guarantee the payment and discharge by ARH, DCL and the other Subsidiaries of all their obligations and liabilities to the Bank and each other Finance Party (as defined therein) under the Finance Documents (as defined therein) (including under the Facilities Agreement) and indemnify each Finance Party in respect of such liabilities;
3. pursuant to the Debenture the Company would create fixed and floating charges over all its property, assets and undertaking, both present and future, in favour of the Bank (as security trustee) by way of security for the payment and discharge of all obligations and liabilities of the Company to the Bank and to Landsbanki CF. The Debenture contains a further assurance clause which would entitle the Bank (as security trustee) to call for additional security documents to be entered into at its request to, amongst other things, perfect by way of legal charge a charge which as created under the Debenture was merely equitable;
4. pursuant to the Intercreditor Deed the Company would acknowledge the priority of security and ranking of payments and other contractual arrangements made between the parties thereto;
5. pursuant to the Intra-Group Loan Agreement the Borrowers would make a sterling revolving credit facility of up to an aggregate amount of £65,000,000 available to the Lenders, to include a loan of £26,802,000 to be made by the Company to DCL to assist in refinancing the Indebtedness;
6. pursuant to the ABL Agreements, Landsbanki CF would make available to the ABL Borrowers an inventory facility, an issuance facility and an invoice discounting facility of up to a maximum aggregate amount of £8,000,000 (the "**ABL Facilities**"). By entering into the ABL Agreements, the Company will give certain representations and warranties, covenants, indemnities and rights of set-off to enable Landsbanki CF to make the ABL Facilities available; and
7. pursuant to the ABL Guarantee the Company would (i) guarantee the payment and discharge by the ABL Borrowers of their obligations and liabilities to Landsbanki CF under the ABL Agreements and (ii) further indemnify Landsbanki CF in respect of such liabilities.

Handwritten signature and initials in the bottom right corner of the page.

Austin Reed Limited (company number 399575)

Annexures to Form 155(6)a

ANNEXURE 4

The amount of cash to be transferred to the person assisted:

Any loans made by the Company under the terms of the Intra-Group Loan Agreement.

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BDO Stoy Hayward
Chartered Accountants

BDO Stoy Hayward LLP
8 Baker Street London W1U 3LL
Telephone: +44 (0)20 7486 5888
Facsimile: +44 (0)20 7487 3686
DX 9025 West End W1
Web site: www.bdo.co.uk

The Directors
Austin Reed Limited
Station Road
Thirsk
North Yorkshire
YO7 1QH

27 March 2007

Dear Sirs

Independent auditors' report to the directors of Austin Reed Limited (the "Company") pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of the Company dated ~~27 March 2007~~ in connection with the proposal that the Company should give financial assistance for the purpose of reducing or discharging a liability incurred in connection with the purchase of the entire ordinary share capital of the Company's holding company, Austin Reed Group Limited.

Our report has been prepared pursuant to the requirements of section 156(4) of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of section 156(4) of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

Yours faithfully

BDO Stoy Hayward LLP

015522/DRN/Audit report re financial assistance for purchase of shares in parent
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parent and discharge of liab.doc