



155(6)a

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

Company number

* Yates Group Limited (the "Company")

XWea See Rider 1

XXXXXXXXXXXX [the sole director] [all the directors]† of the above company do solemnly and sincerely declare that:

The business of the company is:

is that of a recognised bank licensed institution within the meaning of the Banking Act 1973.

XX

No other person authorized under section 8 or A of the Insurance Companies Act 1962 to carry on business as agent.

XXXXXXXXXXXXXXinsurance business of the United KingdomXXXXXXXXXXXXX

(c) something other than the above§

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

[company] [XXXXXXXXXXXXXXXXXXXXXX]

The assistance is for the purpose of [that acquisition] [reducing or eliminating a liability incurred for the

XXXXXXXXXXXXXXXXXXXX

The number and class of the shares acquired or to be acquired is: See Rider 2

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

CMS Cameron McKenna LLP
Mitre House
160 Aldersgate Street
London
EC1A 4DD

DX 135316 BARBICAN 2
ALST/21365417

For official Use

General Section

Post room



LD4
COMPANIES HOUSE

0392
25/05/05

The assistance is to be given to: (note 2) Yates Bidco Limited (Company Number 5444449)
whose registered office is at Leconfield House, Curzon Street, London W1J 5JA
(the "Acquirer")

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 Rider 3

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

† delete as
appropriate

the Acquirer

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

See Rider 4

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

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

☒ 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)

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

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

- (a) ☒ 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 ☒ 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

9 Appold Street, London EC2

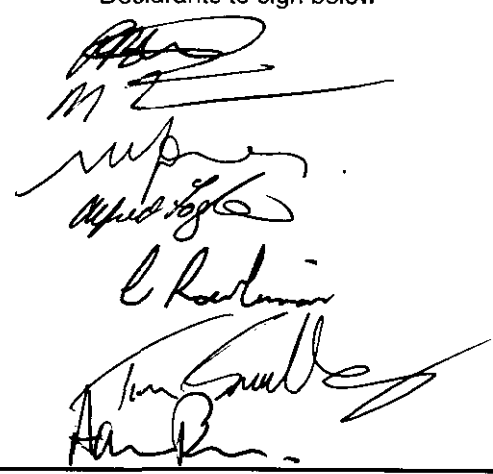
Declarants to sign below

Saville & Co.
Notaries Public
Princes House
95 Gresham Street
London EC2V 7NA
Telephone: +44 (0)20 7920 0000
Fax: +44 (0)20 7920 0088

on

| | | |
|-----|-------|------|
| Day | Month | Year |
| 20 | 05 | 2005 |

before me _____
Commissioner for Oaths, London, England
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

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

RIDER 1

Yates Group Limited
(Company No. 00478794)

Form 155(6)(a)

Philip Kaziewicz
Mark Tagliaferri
Mark Jones
Al Foglio
Colin Rowlinson
Tim Smalley
Aaron Brown

RIDER 2

Yates Group Limited
(Company No. 00478794)

Form 155(6)(a)

The number and class of the shares acquired is:

67,060,301 ordinary shares of 25 pence each

RIDER 3

Yates Group Limited
(Company No. 00478794)

Form 155(6)(a)

The background to the financial assistance is as follows

- 1.1 The Acquirer proposes to acquire the entire issued share capital of the Company (the "**Acquisition**") from Thorium Limited (company no. 5141092) (the "**Seller**").
- 1.2 The Seller is to enter into a daylight facility (the "**Daylight Facility**") between (1) the Seller (as borrower) and (2) The Royal Bank of Scotland plc (as lender) (2) pursuant to which a term loan facility of £44,737,890 is to be provided to the Seller to enable the Seller to make a loan of £44,737,890 to the Company (the "**Seller Loan**").
- 1.3 The Company will use the proceeds from the Seller Loan to make a loan of £44,737,980 to its subsidiary, Yates's Wine Lodges Limited ("**YWLL**") (the "**YWLL Loan**"). The YWLL Loan will be used for the purpose of ensuring that YWLL has sufficient distributable reserves to legally pay a dividend to its parent, the Company. Following that dividend payment, the Company will have sufficient distributable reserves to legally pay a dividend to its parent, the Seller, in order for it to repay the Daylight Facility. The Company will also use the dividend payment to repay in part the Seller Loan so that the Seller may repay the Daylight Facility.
- 1.4 The purpose of the Seller Loan and the YWLL Loan is to facilitate the payment of a dividend from YWLL to the Company and then from the Company to the Seller. By paying the dividend the Company will have stripped out its reserves; hence the asset value of the Company, and of the Company and YWLL together will be less than if such dividend strip had not occurred, therefore making the Acquisition cheaper for the Acquirer. The Acquirer will therefore benefit from the Seller Loan and the YWLL Loan as each are made in order to facilitate the dividend payment to the Seller and therefore for the Acquisition to be cheaper for the Acquirer.
2. The assistance will take the form of:
 - 2.1 an intercompany loan agreement between (1) the Seller (as "**Lender**") and (2) Company (as "**Borrower**") pursuant to which the Lender agrees to make available to the Borrower a loan in the principal amount of £44,737,980 on the terms and conditions contained therein (the "**Seller Inter-company Loan Agreement**"); and
 - 2.2 an intercompany loan agreement between (1) the Company (as "**Lender**") and (2) YWLL (as "**Borrower**") pursuant to which the Lender agrees to make available to the Borrower a loan in the principal amount of £44,737,980 on the terms and conditions contained therein (the "**YWLL Inter-company Loan Agreement**").

RIDER 4

Yates Group Limited
(Company No. 00478794)

Form 155(6)(a)

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

1. Under the terms of the Seller Inter-company Loan Agreement, the Borrower (as defined therein) will borrow monies from the Lender (as defined therein) in accordance with the terms of the Seller Inter-company Loan Agreement, for the purposes for on-lending the money to YWLL to pay a dividend.
2. Under the terms of the YWLL Inter-company Loan Agreement, the Borrower (as defined therein) will borrow monies from the Lender (as defined therein) in accordance with the terms of the YWLL Inter-company Loan Agreement, for the purposes for the purposes of paying a dividend.

BOARD MEMORANDUM FOR 155 6(a)

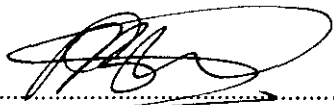
**Yates Group Limited
(the "Company")
Company No. 00478794**

Memorandum in connection with the proposed arrangement whereby the Company will give financial assistance for the purpose of the proposed acquisition of the entire issued share capital of Company particulars of which are given in the statutory declaration made by the directors of the Company this day pursuant to section 155(6) of the Companies Act 1985.

The director confirms the following matters to the best of his knowledge and belief.

1. At the close of business on 19 May 2005, the aggregate of the Company's assets as stated in its accounting records exceeded the aggregate of its liabilities as so stated.
2. From our knowledge of events since that date and of the likely course of the Company's business, the directors have formed the opinion that the aggregate of the Company's assets will exceed the aggregate of its liabilities immediately before the proposed financial assistance is given and that the giving of such financial assistance will not reduce the net assets of the Company.

Dated: 20-5-05



Signed on behalf of the Board

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF YATES GROUP
LIMITED PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors of Yates Group Limited (the "Company") dated 20 May 2005, prepared in accordance with applicable United Kingdom law, in connection with the proposed financial assistance to be given by the Company in relation to the purchase of its own shares, particulars of which are given in the attached statutory declaration.

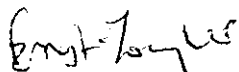
This report is made solely to the directors in accordance with Section 156(4) of the Companies Act 1985. Our work has been undertaken so that we might state to the directors those matters we are required to state to them in an auditors' report under section 156(4) and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors, for our audit work, for this report, or for the opinions we have formed.

BASIS OF OPINION

We have enquired into the state of affairs of the Company so far as necessary 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.



Ernst & Young LLP
Registered Auditor
Luton
20 May 2005