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

155(6)b

CHFP025

Please do not
write in this
margin

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

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

For official use

Company number

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

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00478794

Name of company

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

* Yates Group Limited ("YGL")

* insert full name
of company

X/We ~~do~~ Please see Rider 1

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

† delete as
appropriate

~~XXXXXXXXXXXX~~ [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 person authorised under section 1 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom~~
- (b) ~~that of a person authorised under section 1 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom~~
- (c) something other than the above§

This company is ~~not~~ [a] holding company of* Yates's Wine Lodges Limited

(company number 00038397) (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~~]

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

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

DX 135316 BARBICAN 2
alst/21367096

For official Use
General Section

Post room



LD4
COMPANIES HOUSE

0399
25/05/05

Please do not
write in this
margin

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

whose registered office is at Leconfield House, Curzon Street, London, W1J 5JA (the "Acquirer")

The assistance will take the form of:

Please see Rider 3.

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

† delete as appropriate

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

Please see Rider 4.

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

The date on which the assistance is to be given is Within 8 weeks of the date hereof

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

☒ 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) ☒ 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) ~~XXXXXX 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)~~

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

Day Month Year
on

2	0	0	5
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2	0	0	5
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Seville & Co.
Notaries Public
Princes House
95 Gresham Street
London EC2V 7NN
Tel: (0)20 7920 0000
Fax: (0)20 7920 0088

before me Commissioner for Oaths, London, England
Jan R. Campbell
A Commissioner for Oaths of 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
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

RIDER 1

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

Form 155(6)(b) – Yates’s Wine Lodges Limited (the “Company”)

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)(b) - Yates's Wine Lodges Limited (the "Company")

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)(b) - Yates's Wine Lodges Limited (the "Company")

The background to the financial assistance is as follows

- 1.1 The Acquirer proposes to acquire the entire issued share capital of YGL (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 to YGL (the "**Seller Loan**").
- 1.3 YGL will use the proceeds from the Seller Loan to make a loan of £44,737,980 to its subsidiary, the Company (the "**YGL Loan**"). The YWLL Loan will be used for the purpose of ensuring that the Company has sufficient distributable reserves to legally pay a dividend to its parent, YGL. 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. YLG will also use the dividend payment from the Company 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 YGL Loan is to facilitate the payment of a dividend from the Company to YGL and then from YGL 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 YGL 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 YGL 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 an inter-company loan agreement between (1) YGL (as "**Lender**") and (2) the Company (as "**Borrower**") pursuant to which the Lender agrees to make available to the Borrower a loan in the principal amount of £44,737,890 on the terms and conditions contained therein (the "YGL Inter-company Loan Agreement").

RIDER 4

Yates Group Limited
(Company No. 00478794)

Form 155(6)(b) - Yates's Wine Lodges Limited (the "Company")

The principal terms on which the financial assistance will be given are contained under the terms of the YGL 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 YGL Inter-company Loan Agreement, for the purposes of financing the payment of a dividend.

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's subsidiary, Yates's Wine Lodges Limited, in relation to the purchase of the Company's 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

Ernst & Young LLP
Registered Auditor
Luton
20 May 2005

[Handwritten mark]