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COMPANIES FORM No. 155(6)(a)

Declaration in relation to assistance for the acquisition of shares

155(6)a

CHFP000

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

| | | |
|--|--|--|
| | | |
|--|--|--|

561211

Name of company

* NEAL'S NURSERIES LIMITED

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

* insert full name of company

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

1/We Ø COLIN CAMPBELL PRESTON OF PADDOCK COTTAGE, NEWLANDS DRIVE, MAIDENHEAD, BERKSHIRE, SL6 4LL

MAURICE HAWES OF YEW TREE COTTAGE, 59 GREEN LANE, HERSHAM, SURREY, KT12 5EZ

ANNE LAMARCHE OF CALDECOTE MANOR, BALDOCK, HERTFORDSHIRE, SG7 5LD

† 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 1970§~~

~~(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] NEAL'S NURSERIES HOLDINGS LIMITED

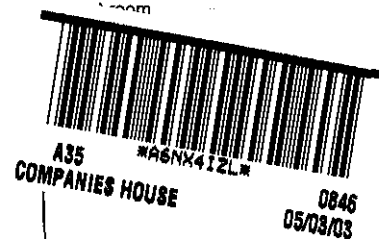
Limited]†

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: 70,000 ORDINARY
SHARES OF £1 EACH

Presentor's name address and reference (if any):
SHERIDANS
14 RED LION SQUARE
LONDON
WC1R 4QL
REF: NL

For official Use (02/00)
General Section



The assistance is to be given to: (note 2) CAPITAL GARDENS LIMITED

(COMPANY NO: 3073194) WHOSE REGISTERED OFFICE ADDRESS IS

1 TOWNSEND YARD, HIGHGATE HIGH STREET, LONDON, N6 5JF

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:

1. CORPORATE GUARANTEE BY NEAL'S NURSERIES LIMITED IN FAVOUR OF BANK OF SCOTLAND.
2. DEBENTURE BY NEAL'S NURSERIES IN FAVOUR OF BANK OF SCOTLAND.

The person who ~~[has acquired]~~~~[will acquire]~~ the share is:
CAPITAL GARDENS 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 £ N/A

The value of any asset to be transferred to the person assisted is £ N/A

The date on which the assistance is to be given is 28 February 2003

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 3000 HILLSWOOD DRIVE,
CHERTSEY, SURREY

on

| Day | Month | Year |
|-----|-------|------|
| 28 | 02 | 2003 |

before me J. Brewer

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

JENNIFER BREWER

Declarants to sign below

A. [Signature]
John Campbell-Parker

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

FORM 155(6) STATUTORY DECLARATION

SCHEDULE

NEAL'S NURSERIES LIMITED ("the Company")

The principal terms on which assistance will be given are:

- 1. Under the terms of the Corporate Guarantee ("the Guarantee")**
 - 1.1 The Company unconditionally guarantees the payment or discharge of all monies and liabilities whether actual or contingent from time to time due or owing to the Governor and Company of the Bank of Scotland ("the Bank") by Capital Gardens Limited ("the Principal") including interest and any charges or expenses incurred by the Bank ("the Secured Liabilities").
 - 1.2 The Guarantee shall not be affected by any other judgement, security, right or remedy obtained by the Bank in respect of the Secured Liabilities.
 - 1.3 If so demanded by the Bank, the Company shall deposit with the Bank such amount, up to the maximum of the Secured Liabilities, as the Bank shall specify to secure the Company's obligations as guarantor.
 - 1.4 The Bank shall have a lien on all securities or other property deeds and documents of the Company.
 - 1.5 If the Guarantee is determined or a demand is made by the Bank then the Bank may open up a new account in the name of the Principal (and if no such account is actually opened it shall nevertheless be deemed to have happened). All payments made to the Bank from that time shall be credited to the new account and shall not reduce the amount of the Secured Liabilities.
 - 1.6 The Bank may at any time without notice and before or after any demand has been made under the Guarantee:-
 - (a) exercise a right of set-off or retention in respect of all money standing to the credit of the Company's account against payment of all money owing by the Company to the Bank or apply such money to a separate suspense account or apply such money in settlement of the Secured Liabilities;
 - (b) refuse payment of any cheque where such payment would reduce the aggregate credit balances of the Company below the amount of the Secured Liabilities; or
 - (c) debit any account of the Company with any money then due and payable by the Company to the Bank under the Guarantee.
 - 1.7 Any settlement, discharge or release granted by the Bank to the Company shall be conditional upon no security or payment made to the Bank by the

Principal or any other person being terminated, avoided or reduced by any applicable laws. If this happens then the Bank shall be entitled to recover from the Company as if the release had not been given.

- 1.8 Where any security is held under the Guarantee, the Bank shall be entitled to retain such security for such period following repayment of the Secured Liabilities as the Bank may in its absolute discretion decide.
- 1.9 The Guarantee shall continue until 3 months after receipt by the Bank of notice from the Company to determine the Guarantee. On expiry of such notice period, the liability of the Company shall be fixed and the Company shall remain liable for the amount recoverable from the Principal at that date.
- 1.10 The Bank is not obliged to take any action against the Principal before enforcing the Guarantee and the Bank need not advise the Company of any default by the Principal.
- 1.11 The Company agrees that its liability under the Guarantee shall not be reduced or discharged by (inter alia):-
 - (a) any act or omission by the Bank of enforcing any security or guarantee from or against the Principal;
 - (b) any termination or variation of any document relating to the Secured Liabilities or any changes made by the Bank in respect of the credit facilities of the Principal;
 - (c) any grant of time, indulgence, waiver or concession granted to the Principal; and
 - (d) any insolvency event occurring in relation to the Principal or the Company.
- 1.12 In the event of an insolvency event occurring in relation the Principal the Secured Liabilities shall be deemed outstanding until actually met in full. Any rights the Company may have against the Principal shall be excluded until the Bank's claims have been satisfied in full.
- 1.13 The Company agrees not to take any steps to enforce any claims against the Principal for money paid by the Company to the Bank pursuant to the Guarantee without the Bank's consent.
- 1.14 Any sums which are not be recoverable from the Company in its capacity as guarantor, the Company shall be liable for as a sole or principal debtor.

2. Under the terms of the Debenture

2.1 The Company covenants to pay or discharge on demand all monies or liabilities due or owing by the Company to the Bank, actual or contingent, together with interest and other lawful charges or expenses which the Bank may charge or incur, such interest to be compounded according to the Bank's usual rates and practices ("the Secured Liabilities")

2.2 The Company charges to the Bank as a continuing security and with full title guarantee for the payment or discharge of the Secured Liabilities:-

(a) by way of fixed charge

- (i) all future freehold and leasehold property belonging to the Company, together with all buildings, fixtures, plant and machinery which are at any time on the property;
- (ii) all the Company's goodwill and uncalled capital;
- (iii) all present and future stocks, shares and other securities owned by the Company and all interests in and claims under policies of insurance or assurance held by the Company and all rights and claims to which the Company is now or may be entitled under any contracts;
- (iv) all intellectual property rights held or to be held by the Company;
- (v) all present and future book debts and other debts owing to the Company and the benefit of all rights and claims of the Company pertaining thereto;
- (vi) all present and future plant and machinery not otherwise charged and other chattels of the Company; and
- (vii) all present and future bank accounts, cash at bank and credit balances of the Company.

(b) by way of floating charge all the property and undertaking of the Company ("the Assets") not otherwise charged under the Debenture (except for any freehold and leasehold property presently vested in the Company) and the Company is prohibited from creating any further fixed security, mortgage or floating charges over the Assets which have priority over or rank *pari passu* with the floating charge created herein.

2.3 The Bank may convert the floating charge into a fixed charge over the Assets at any time and the floating charge shall automatically convert into a fixed charge if the Company attempts to create a fixed charge over the Assets in

favour of any other person or if the Company ceases to trade or if an insolvency event occurs.

- 2.4 The Company will not without the Bank's consent create or attempt to create any encumbrance in respect of any Asset charged under the Debenture or dispose of any such Asset.
- 2.5 If required by the Bank, the Company will deposit with the Bank all deeds and documents of title relating to the Company's property, shares and insurance policies.
- 2.6 The Company will on demand by the Bank execute a legal mortgage over any property acquired after the date of the Debenture, execute a fixed charge in security of any Asset subject to a floating charge and execute a chattel mortgage over such chattels as the Bank may specify.
- 2.7 The Company will deliver to the Bank copies of its accounts for each financial year as soon as these become available, notify the Bank if it acquires any property and comply in all material respects with all applicable laws.
- 2.8 The Company shall keep the Assets in good and substantial repair and maintain policies of insurance as are normally maintained by companies carrying on the same business.
- 2.9 The Bank has the right to appoint a receiver or an administrative receiver if the Company fails to make payment in full of all of any of the Secured Liabilities following a demand by the Bank for such payment.
- 2.10 The Bank has a statutory power of sale exercisable at any time after a demand has been made for payment of the Secured Liabilities or after a receiver has been appointed.
- 2.11 The Company agrees that any moneys standing to its credit on any account held with the Bank may be applied by the Bank towards payment of any moneys owing by the Company to the Bank.



BDO Stoy Hayward
Chartered Accountants

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

28 February 2003

The Directors
Neal's Nurseries Limited ("the Company")
Heathfield Road
London
SW18 2PH

Dear Sirs

We refer to the statutory declaration ("the Declaration") to which this report is annexed.

We have enquired into the state of affairs of the Company and we are not aware of anything to indicate that the opinion expressed by the Directors in the 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