

COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares.

155(6)a

G

CHA 116

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

For official use

Company number

[] [] [] [] [] [] [] [] [] []

01521006

Name of company

* KENNEDY CONSTRUCTION GROUP LIMITED (THE "COMPANY")

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

*Insert full name of company

I/We† THE PERSONS NAMED IN APPENDIX 1 TO THIS FORM

†Insert name(s) and address(es) of all the directors

§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 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†

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

~~[company]~~ ~~[company's holding company]~~ COMPANY'S ULTIMATE HOLDING COMPANY BERTREM LIMITED (COMPANY NUMBER: IOM-4411) limited†

The assistance is for the purpose of ~~(that acquisition)~~ ~~(reducing or discharging a liability incurred for the purpose of that acquisition)~~§

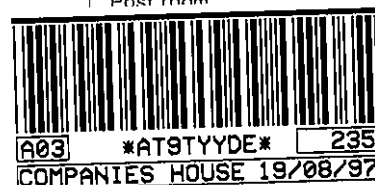
The number and class of the shares acquired or to be acquired is: 2000 ORDINARY SHARES OF £1.00 EACH

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

Eversheds Solicitors
London Scottish House
24 Mount Street
Manchester
M2 3DB
DX: 14344 Manchester-1

For official use
General Section

Post room



The assistance is to be given to: (note 2) DREAM OFFER LIMITED (COMPANY NUMBER 3403272)
REGISTERED OFFICE BANK HOUSE 9 CHARLOTTE STREET MANCHESTER M1 4EU (THE
"PARENT")

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:

AS SPECIFIED IN APPENDIX 2 TO THIS FORM

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

*Delete as
appropriate

DREAM OFFER LIMITED (COMPANY NUMBER: 3403272)

The principal terms on which assistance will be given are:

AS SPECIFIED IN APPENDIX 3 TO THIS FORM

The amount of cash to be transferred to the person assisted is £ 8,000,000

The value of any asset to be transferred to the person assisted is £ Nil

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 Douglas, Isle of Man

the 13th day of August

One thousand nine hundred and ninety-seven

before me [Signature]

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

ILE O'RiORDAN
SOLICITOR
SIMCOCKS
50 ATHOL ST
DOUGLAS
ISLE OF MAN

Declarants to sign below

Same as above

[Signature]
[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.

KENNEDY CONSTRUCTION GROUP LIMITED
APPENDICES TO FORM 155(6) a
APPENDIX 1

Name:	Sarah Elizabeth Atkinson ✓
Address:	13 Milverton Drive, Bramhall, Stockport SK7 1EY
Name:	Peter Vincent Carolan ✓
Address:	21 Norwood Park, Birkby, Huddersfield MD2 2DV
Name:	John Watson Reid ✓
Address:	The Laurels, Park Gates Drive, Cheadle Hulme, Cheadle, Cheshire SK8 7DF
Name:	Patrick Carney ✓
Address:	22 Carrwood Road, Wilmslow SK9 5DL
Name:	Sholto Douglas Bowie Carter ✓
Address:	103 Appleby Road, Kendal, Cumbria LA9 6HE

KENNEDY CONSTRUCTION GROUP LIMITED
APPENDICES TO FORM 155(6) a
APPENDIX 2

A The entering into of the following (or of the documents relating thereto) to which (other than in relation to items 4, 8 and 10) the Company is to be a party as the same may be amended varied supplemented or substituted from time to time:

1. a term loan, revolving credit, overdraft and temporary daylight facility agreement for the provision of:

1.1 a £17,500,000 secured term loan (the "Term Loan Facility") and a £3,000,000 revolving credit facility (the "Revolving Credit Facility") to the Parent by the financial institutions referred to therein as lenders (the "Lenders"); and

1.2 a £250,000 overdraft facility (the "Overdraft Facility") to the Original Charging Companies (as defined below) by The Royal Bank of Scotland plc as overdraft bank (the "Overdraft Bank"); and

1.3 a temporary daylight facility of up to £15,752,000 to the Parent (the "Daylight Facility") by the Overdraft Bank;

to be made between the Parent (as borrower), the Original Charging Companies (as defined below), The Royal Bank of Scotland plc as agent (the "Agent"), the Lenders and the Overdraft Bank (the "Facilities Agreement");

2. a form of composite guarantee and debenture to be given by the Company and each of the other Original Charging Companies (as defined below) to The Royal Bank of Scotland plc as security trustee for the Agent, the Lenders and the Overdraft Bank as beneficiaries (the "Beneficiaries") (the "Security Trustee") securing, among other obligations, sums due under the Facilities Agreement, the Standard Security (as defined below), the Bond and Floating Charge (as defined below), the Bank Account Security (as defined below) and the Hedging Agreement (as defined in the Facilities Agreement) and pursuant to which the Company will guarantee the payment of sums due to the Security Trustee and/or the Beneficiaries by the other Original Charging Companies under the Facilities Agreement, the Standard Security (as defined below), the Bond and Floating Charge (as defined below), the Bank Account Security (as defined below) and the Hedging Agreement (as defined in the Facilities Agreement) (the "Debenture");

3. forms of standard security over the feudal properties known as the subjects lying to the south west side of Union Street, Hamilton registered under title number LAN95859 and the subjects lying on the north west side of Goil Avenue, Bellshill registered under title number LAN90356 both to be granted by the Company to the Security Trustee securing, among other obligations, sums due under the Facilities Agreement (the "Standard Security");

4. a form of bond and floating charge to be given by Kennedy Utility to the Security Trustee securing, among other obligations, sums due under the Facilities Agreement (the "Bond and Floating Charge");
5. a form of cash collateral security to be granted by each of the Company, Joseph Kennedy, Kennedy Asphalt, Kennedy Pipelining and STH to the Security Trustee in respect of monies held blocked deposit accounts with The Royal Bank of Scotland International Limited in the name of each of such companies (the "Accounts") securing, among other obligations, sums due in respect of the Daylight Facility (the "Bank Account Security");
6. an intra group funding agreement to be made between the Parent (as borrower), the Company and each of the other Original Charging Companies (as defined below) (as lenders) (the "Intra Group Funding Agreement");
7. an investor deed regulating certain rights and obligations as between the Agent, PJ Kennedy Investments Limited as investor (the "Investor"), the Parent, the Company and each of the other Original Charging Companies (as defined below) and to which the Beneficiaries are also to be a party (the "Investor Deed");
8. a deed of apportionment regulating the respective apportionments between the Security Trustee, the Beneficiaries, the Investor, the Parent and the Managers (as defined therein) in respect of claims under the reports referred to therein (the "Deed of Apportionment");
9. deed of instruction to be entered into by the Parent, PJ Kennedy Investments Limited as vendor (the "Vendor"), the Company certain of the other Original Charging Companies, the Agent and The Royal Bank of Scotland International Limited in respect of the movement of monies held in certain bank accounts with the Agent and The Royal Bank of Scotland International Limited (the "Bank Instruction Letter");
10. a disclosure letter addressed by the directors of the Parent to the Bank (the "Disclosure Letter");
11. the forms of mandates to be executed by each of the Original Charging Companies in respect of each of the Agent, The Royal Bank of Scotland International Limited and The Royal Bank of Scotland plc Treasury and Capital Markets (the "Bank Mandates");
12. prior to and in connection with the acquisition of shares in Bertrem by the Parent (the "Acquisition") the Company and certain of the other Original Charging Companies would pay in aggregate the sum of £16,000,000 into the Accounts which sum would be equal to the amount of the Daylight Facility (plus interest) (the sum of £8,000,000 paid into the Accounts by the Company being the "Payment").

KENNEDY CONSTRUCTION GROUP LIMITED
APPENDICES TO FORM 155(6) a
APPENDIX 3

1. Under the terms of the Debenture the Company, inter alia, guarantees to the Security Trustee as trustee for the Beneficiaries the performance of the obligations of the Parent and any of its subsidiaries from time to time owing at any time to the Security Trustee, the Agent, the Lenders and the Overdraft Bank. The obligations include the obligations of the Parent and any of its subsidiaries from time to time under the following:
 - 1.1 the Facilities Agreement;
 - 1.2 the Standard Security;
 - 1.3 the Bond and Floating Charge;
 - 1.4 the Bank Account Security;
 - 1.5 the Hedging Agreement.
2. Under the terms of the Facilities Agreement and the Debenture the Agent has the right to combine and consolidate all or any sums standing to the credit of the account of the Original Charging Companies with the Beneficiaries with the liabilities of the Parent (including liabilities incurred in connection with the Acquisition) and/or to set-off or transfer such sums standing to the credit of any one or more such accounts in or towards satisfaction of such liabilities.
3. Under the terms of the Debenture the Company further charges all of its assets and undertaking as security for the payment and discharge of all moneys, liabilities and obligations owing at any time to the Security Trustee as trustee for the Beneficiaries including the obligations in respect of the guarantee outlined in paragraph 1 above.
4. Under the terms of the Standard Security the Company further charges all of its assets and undertaking as security for the payment and discharge of all moneys, liabilities and obligations owing at any time to the Security Trustee as trustee for the Beneficiaries including the obligations in respect of the guarantee outlined in paragraph 1 above.
5. Under the terms of the Bank Account Security the Company further charges the monies held in its name in the Accounts as security for the payment and discharge of all moneys, liabilities and obligations owing at any time to the Security Trustee as trustee for the Beneficiaries in respect of the Daylight Facility.
6. Prior to and in connection with the Acquisition the Company together with certain of the other Original Charging Companies (as defined below) paid the aggregate sum of £16,000,000 into the Accounts and the Company made the Payment into the Accounts. Upon or shortly after completion of the Acquisition and in accordance with the terms of

the Bank Instruction Letter the Company and the other relevant Original Charging Companies (as defined below) are to transfer the monies held in the Account to the Parent by way of loan pursuant to the terms of the Intra Group Funding Agreement to enable the Parent to repay the Daylight Facility.

7. Under the terms of the Intra Group Funding Agreement, the Company and certain of the other Original Charging Companies (as defined below) agree, inter alia, to make of a loan of £16,000,000 in aggregate to the Parent upon the completion of the Acquisition to fund the repayment of the Daylight Facility by the Parent and to provide funds to the Parent from time to time to enable the Parent to meet its obligations under or in connection with the Facilities Agreement to the Agent, the Lenders and the Overdraft Bank.

In entering into the various documents and making the Payment referred to above the Company is entering into obligations and assuming liabilities and giving security in connection with the acquisition of shares in Bertrem and may in the future be called upon pursuant to any of the documents referred to in this declaration to discharge obligations and/or liabilities arising in connection with the acquisition of shares in Bertrem by the Parent.

Definitions

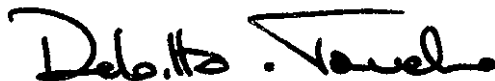
"Original Charging Companies" together Dream Offer Limited (the "Parent"), Bertrem Limited ("Bertrem"), Bertrem's wholly owned subsidiary company, Proby Limited ("Proby") including the wholly owned subsidiary of Proby, the Company and the Company's wholly owned subsidiaries, Kennedy Pipelining Services Limited ("Kennedy Pipelining"), Kennedy Asphalt Limited ("Kennedy Asphalt"), STH Plant Limited ("STH") and its wholly owned subsidiary Astley Self Drive ("Astley"), Joseph Kennedy & Co (Manchester) Limited ("Joseph Kennedy") (the Company and its wholly owned subsidiaries Kennedy Utility Services (Scotland) Limited ("Kennedy Utility") and Kendat Cabling Services Limited (Kendat Cabling").

**REPORT OF THE AUDITORS TO THE DIRECTORS OF KENNEDY
CONSTRUCTION GROUP LIMITED PURSUANT TO SECTION 156(4) OF THE
COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors of the Company dated 13 August 1997 in connection with the proposal that the Company should give financial assistance for the purchase of the entire issued share capital in the Company's holding company Bertrem Limited. We have enquired into the state of the Company's affairs so far as necessary for us 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 is unreasonable in all the circumstances.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Deloitte & Touche', written in a cursive style.

Deloitte & Touche
Chartered Accountants and Registered Auditors

Dated: 13 August 1997