

G

CHA 116

Please do not
write in this
margin

COMPANIES FORM No. 155(6)a**Declaration in relation to
assistance for the acquisition
of shares**

155(6)a

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



1986430

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

Name of company

* Wainhomes Limited ("the Company")

* insert full name
of company

*/We * John Cassidy, 5 Oakwood Grove, Prestbury, Macclesfield, Cheshire,

SK10 4HE

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

Stephen John Owen, 1 Woodstock Gardens, Warrington, Cheshire, WA5 4HN

† 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~~

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: 54,763,906 Ordinary

Shares of 10p each

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

Maclay Murray & Spens
3 Glenfinlas Street
Edinburgh
EH3 6AQ

DX: ED137 Edinburgh
MAKP/GECS/HAR.131.2

For official Use
General Section

Post room



The assistance is to be given to: (note 2) Harrock plc, a company incorporated in England
and Wales (registered number 3621554) with its registered office situated at The
Beeches, Plas Newton Lane, Chester, Cheshire, CH2 1PE ("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:

The execution of a guarantee and debenture (the "Debenture") by the Company in favour of The Governor and Company of the Bank of Scotland in its capacity as security trustee ("the Security Trustee") for itself and for each of the Banks on account of the obligations of the Obligors creating fixed and floating charges over all the property, assets and undertaking of the Company.

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

[†] delete as
appropriate

The Parent

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

Under the Debenture the Company guarantees the payment, observance and performance of the Secured Liabilities when and as the same shall become due, and creates fixed and floating charges over the Company's property, assets and undertaking and the Company, as principal and not merely as surety, covenants with the Security Trustee on behalf of itself and the Banks that it will pay or discharge the Secured Liabilities when the same become due for payment in the manner provided in the relevant Financing Documents.

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 date hereof 19 _____

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

*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) ~~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)
- (a) ~~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 ~~it~~ we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

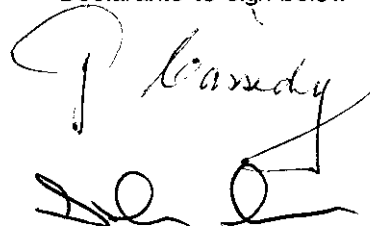
Declared at Chester

the 31 day of August
one thousand nine hundred and ninety nine

before me Ian G Lumsden Notary Public

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

Declarants to sign below



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
CF4 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

G

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

Continuation sheet 1

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

1986430

Name of company

Wainhomes Limited (the "Company")

In this form 155(6)(a):

"Agent" means The Governor and Company of the Bank of Scotland and its successors and assignees under the Facility Agreement in its capacity as an agent;

"Banks" means the Junior Banks, the Hedging Banks and each of the following:-

- (i) the Governor and Company of the Bank of Scotland in its capacity as a Bank;
- (ii) each person to which rights and/or obligations under the Financing Documents are assigned or transferred by a Bank pursuant to Clause 43 of the Facility Agreement;
- (iii) any successor or successors in title to any of the persons mentioned in (i) or (ii) above; and
- (iv) the Issuing Bank and the Clearing Bank (as defined in the Facility Agreement);

"Borrowers" means the Parent and any other subsidiary of the Parent which becomes a Borrower under Clause 7 of the Facility Agreement.

"Facility Agreement" means the facility agreement dated 2 March 1999 (as amended, varied, supplemented, or replaced from time to time) between inter alia the Parent (1), the banks named therein (2), The Governor and Company of the Bank of Scotland as Agent, Arranger, Issuing Bank and Clearing Bank (3) to make available to the Borrowers certain term loan, revolving credit and guarantee facilities;

"Financing Documents" means the Facility Agreement, the Junior Loan Agreement, the Security Documents, the Hedging Documents, the Inter Creditor Agreement, the Debenture and any other document which the Security Trustee and the Parent agree shall be designated as a Financing Document;

"Group" means the Parent and any of its subsidiaries from time to time and "member of the Group" shall be construed accordingly;

"Hedging Banks" means The Governor and Company of the Bank of Scotland and any other bank or financial institution which becomes a Hedging Bank under Clause 18 or Clause 28 of the Inter Creditor Agreement in each case in its capacity as a provider of interest rate or other hedging facilities to one or more Obligors and includes any person to whom any Hedging Liabilities may be owing or payable (whether or not matured) from time to time and "Hedging Bank" means any one of them;

G

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

Continuation sheet 2

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

1986430

Name of company

Wainhomes Limited (the “Company”)

“Hedging Documents” means any agreements entered into from time to time between any member of the Group and any person in relation to the Group’s exposure to floating interest rates or foreign currency exchange rates (and any agreements, confirmations or other documents in any way related to such agreements);

“Hedging Liabilities” means all present and future obligations and liabilities (whether actual or contingent and whether owned jointly or severally or as principal debtor, guarantor, surety or otherwise or as the equivalent obligor under the laws of any other jurisdiction) of each Obligor to the Hedging Banks in respect of the Hedging Documents together with:-

- (a) all costs, charges and expenses incurred by the Hedging Banks or any of them in connection with the protection, preservation or enforcement of their rights under the Hedging Documents;
- (b) any refinancing, novation, refunding, deferral or extension of or increase in any of those obligations or liabilities;
- (c) any claim for damages or restitution in the event of a rescission of any of those liabilities or otherwise in connection with the Hedging Documents;
- (d) any claim against any Obligor flowing from any recovery by any Obligor of a payment or discharge in respect of any of those obligations or liabilities on grounds of preference or otherwise;
- (e) any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings;

“Inter Creditor Agreement” means the intercreditor deed dated 6 May 1999 between inter alios the Company, the Obligors and the Banks;

“Junior Banks” means the Banks as defined in the Junior Loan Agreement;

“Junior Loan Agreement” means the loan agreement dated 2 March 1999 (as amended, varied, supplemented, novated or replaced from time to time) between the Parent and The Governor and Company of the Bank of Scotland as Agent for and on behalf of the Junior Banks in relation to a junior loan of £7,800,000;

“Obligor” means any member of the Group which has or which will have any liability (actual or contingent) and whether alone or jointly with any other person and whether as principal debtor, guarantor, surety or otherwise (or as the equivalent obligor under the laws of any other jurisdiction) to the Security Trustee and/or all or any of the Banks for the payment or repayment of any amounts outstanding or capable of becoming outstanding under the Financing Documents;

G

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

Continuation sheet 3

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

1986430

Name of company

Wainhomes Limited (the "Company")

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or as principal debtor, guarantor, surety or otherwise or as the equivalent obligor under the laws of any other jurisdiction) of each Obligor to the Security Trustee and/or all or any of the Banks under all or any of the Financing Documents together with:-

- (a) all costs, charges and expenses incurred by the Security Trustee and/or all or any of the Banks in connection with the protection, preservation or enforcement of their rights under the Financing Documents;
- (b) any refinancing, novation, refunding, deferral or extension of or increase in any of those obligations or liabilities;
- (c) any further advances which may be made by any of the Banks to any Obligor under any agreement expressed to be supplemental to any of the Financing Documents and all interest, fees and costs properly incurred in connection therewith;
- (d) any claim for damages or restitution in the event of rescission of any of those obligations or liabilities or otherwise in connection with the Financing Documents;
- (e) any claim against any Obligor flowing from the recovery by an Obligor of a payment or discharge in respect of any of those obligations or liabilities on grounds of preference or otherwise; and
- (f) any amounts which would be included in any of the foregoing but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings;

"Security Documents" means the security documents entered into from time to time by any member of the Group in favour of the Security Trustee securing all or any of the Secured Liabilities.



KPMG Audit Plc

St James' Square
Manchester M2 6DS
United Kingdom

Tel +44 (0) 161 838 4000
Fax +44 (0) 161 838 4040
Telex 668265 PMMMAN G
DX 718187 Manchester 3

Wainhomes ~~plc~~ Ltd
The Beeches
Chester
CH2 1PE

Our ref jjc/vb/mj/let11

31 August 1999

Dear Sirs

Auditor's report to the directors of Wainhomes Limited ('the company') pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 31 August 1999 in connection with the proposal that the company should give financial assistance for the purchase of the company's shares. We have enquired into the state of the company's affairs in order 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 1985 is unreasonable in all the circumstances.

Yours faithfully

KPMG Audit Plc

KPMG Audit Plc



Member firm of
KPMG International

KPMG Audit Plc is
registered to carry on audit
work by the Institute of
Chartered Accountants
in England and Wales.

Registered in England
Number 3110745
Registered office
8 Salisbury Square,
London EC4Y 8BB

