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CHFP025

COMPANIES FORM No. 155(6)b

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

155(6)b

Please do not
write in this
margin

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

Note

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

* insert full name
of company

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

† delete as
appropriate

§ delete whichever
is inappropriate

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

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

For official use

Company number

02512315

Name of company

* Asquith Court Holdings Limited (the "Company")

x/We § Ronald Arthur Ring of 7 Georgian Close, Gloucester GL4 5DG and Peter
William Aughterson of Farley Hill House, Church Lane, Farley Hill,
Berkshire, RG7 1UP and Jean Cross of The Cottage, Old Manor Court,
High Street South Stewkley, Buckinghamshire LU7 0HR.

~~the sole director~~ [all the directors]† of the above company (hereinafter called 'this company') do
solemnly and sincerely declare that:

The business of this company is:

~~(a) that of a recognised bank (licensed institution) within the meaning of the Banking Act 1979~~§

~~(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§

This company is [the] [x] holding company of* Gatehouse Nursery Services (Surrey)
Limited which is

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

in [this company] [

~~the holding company of this company.]†~~

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

Clifford Chance LLP
200 Aldersgate Street
London
EC1A 4JJ

For official Use
General Section

Post room



LD2
COMPANIES HOUSE

LP6X2000

0343
15/05/01

The assistance is for the purpose of [that acquisition] ~~[reducing or discharging a liability incurred for the purpose of that acquisition]~~† (note 1)

Please do not
write in this
margin

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

The number and class of the shares acquired or to be acquired is: 1,261,100 Ordinary Shares
at £0.01 each.

The assistance is to be given to: (note 2) Acorndrive Limited (No.04167362) the registered
address of which is 200 Aldersgate Street, London, EC1A 4JJ

The assistance will take the form of:

See Schedule 1.

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

† delete as
appropriate

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

See Schedule 2.

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

The date on which the assistance is to be given is within 8 weeks of the date her eof.

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)

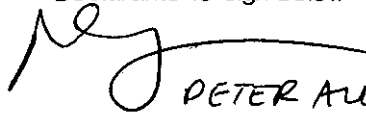
* delete either (a) or
(b) as appropriate

(b) ~~It is intended to commence the winding up of this company within 12 months of that date and I/we have formed the opinion that this 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.

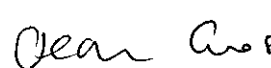
Declared at 200 Mdersgate Street
London
EC1A 4JJ

Declarants to sign below

 PETER AUGHERSON

Day Month Year
on

0	9	0	5	2	0	0	1
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 JEAN CROSS

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

 RONALD RING

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

ASQUITH COURT HOLDINGS LIMITED

(Company No. 02512315)

Financial Assistance Declaration (s155(6)(b))

This is the document referred to in the Statutory Declaration dated 7 May 2001

SCHEDULE 1

1. DEFINITIONS

- 1.1 The following terms shall have the following meanings and when used in this Schedule 1 and in Schedule 2 unless specified otherwise:

"Assigned Agreements" means the Acquisition Documents, the Hedging Agreements, the Insurances, the Material Contracts and the Key Person Policies (each as defined in the Debenture).

"Book Debts" means all book and other debts and monetary claims.

"Cash Collateral Accounts" means the Cash Collateral Accounts as defined in the Senior Credit Agreement and the Mezzanine Loan Agreement.

"Charged Property" means the assets mortgaged, charged or assigned to the Security Agent (as defined in the Debenture) by the Debenture.

"Charging Company" means Chestnutbay Limited, certain of its subsidiaries and each company which grants security over its assets in favour of the Security Agent by executing a Security Accession Deed (as defined in the Debenture).

"Credit Agreements" means the Mezzanine Loan Agreement and the Senior Credit Agreement.

"Debenture" means a debenture dated on or about the date hereof between, inter alia the Newco Group as Charging Companies (as defined therein) and Dresdner Bank AG, London Branch as Security Agent (as defined therein) which was required pursuant to the terms of the Credit Agreements.

"Distribution Rights" means all dividends, distributions and other income paid or payable on an Investment or Subsidiary Share, together with all shares or other property derived from that Investment or Subsidiary Share and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Investment or Subsidiary Share (whether by way of conversion, redemption, bonus, preference, option or otherwise).

"Existing Documents" means the Senior Credit Agreement, the Mezzanine Loan Agreement, the Debenture and the Intercreditor Deed.

"Indebtedness" means all money or liabilities due, owing or incurred to any Secured Party by any Charging Company or any other Obligor at present or in the future, in

any manner whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing thereon and including all liabilities in connection with any notes, bills or other instruments accepted by any Secured Party for or at the request of an Obligor and all losses incurred by any Secured Party in connection therewith except for any money or liability which, if it were so included, would cause the infringement of section 151 of the Companies Act 1985.

"Intellectual Property Rights" means all patents and patent applications, trade and service marks and trade and service mark applications (and all goodwill associated with any such registrations and applications), all brand and trade names, all copyrights and rights in the nature of copyright, all design rights, all registered designs and applications for registered designs, all inventions, all trade secrets, all know-how and all other intellectual property rights throughout the world.

"Intercreditor Deed" means an intercreditor deed dated on or about the date hereof between, *inter alia*, Dresdner Bank AG, London Branch as Facility Agent, Mezzanine Agent, Original Senior Lender, Original Mezzanine Lender and Security Agent, the Investors and the Managers (each as defined therein), the Newco Group as Borrowers and/or Guarantors and/or Intra-Group Creditors (as defined therein).

"Investments" means any negotiable instrument, certificate of deposit, debenture, share or other investment (as defined in part 1 of schedule 1 to the Financial Services Act 1986 as at the date of the Debenture) owned by each Charging Company (including, unless the context otherwise requires, the Subsidiary Shares).

"Mezzanine Loan Agreement" means a loan facilities agreement dated on or about the date hereof made between Acorndrive Limited as Borrower and Guarantor, Chestnutbay and Acorndrift as Guarantors, Dresdner Kleinwort Wasserstein as Arranger, Dresdner Bank AG, London Branch as Underwriter, Facility Agent and Security Agent and the Lenders (each as defined therein) under which the Lenders have provided a £7,000,000 term loan facility for the purpose of funding the purchase price of the Acquisition and associated fees, costs and expenses.

"Obligors" means Obligors as defined in the Senior Credit Agreement and the Mezzanine Loan Agreement.

"Security Agent" means Dresdner Bank AG London Branch.

"Secured Parties" means the Senior Finance Parties and the Mezzanine Finance Parties (as defined in the Debenture).

"Security Interest" means any mortgage, charge (fixed or floating), pledge, lien, hypothecation, right of set-off, security trust, assignment by way of security, reservation of title, any other security interest or any other agreement or arrangement (including a sale and repurchase agreement) having the commercial effect of conferring security.

"Senior Credit Agreement" means a credit facilities agreement dated on or about the date hereof made between Acorndrive Limited (**"Acorndrive"**), Chestnutbay Limited (**"Chestnutbay"**) and Acorndrift Limited (together the **"Newco Group"**) as Borrowers and Guarantors, Dresdner Kleinwort Wasserstein as Arranger and Dresdner Bank AG London Branch as Facility Agent, Security Agent and Underwriter and the Lenders (each as defined therein) under which:

- (a) the Lenders will provide:
 - (i) loan facilities in an aggregate amount of up to £28,000,000 to Acorndrive for the purpose of *inter alia*, funding the purchase price for the acquisition by Acorndrive of the entire issued share capital of the Company (the **"Acquisition"**), discharging existing indebtedness of the Company and certain of its subsidiaries (as defined by sections 736 and 258 of the Companies Act 1985) including a £18,000,000 term loan facility and a £3,005,000 working capital facility with The Governor and Company of the Bank of Scotland plc (the **"Existing Facilities"**) and paying the costs of the Acquisition;
- (b) the Subsidiary together with the other Guarantors will guarantee to and indemnify the Finance Parties in respect of the obligations of each Obligor (as defined therein which includes the Newco Group) under the Senior Finance Documents including *inter alia*, the Senior Credit Agreement, the Mezzanine Loan Agreement, the Intercreditor Deed and the Debenture.

"Subsidiary" means the Company's subsidiary Gatehouse Nursery Services (Surrey) Limited.

"Subsidiary Shares" means all shares owned by a Charging Company and its subsidiaries.

2. FORM OF FINANCIAL ASSISTANCE

- 2.1 The financial assistance will take the form of the execution, delivery and performance by the Subsidiary of the following documents, as the same shall be amended, novated and/or replaced from time to time (together the **"Documents"**):

- 2.1.1 a guarantor accession agreement (the **"Senior Guarantor Accession Deed"**) to the Senior Credit Agreement made between the Subsidiary as a new Obligor and Dresdner Bank AG, London Branch as Facility Agent and Chestnutbay as agent on behalf of the existing Guarantors under the Senior Credit Agreement, as required by and pursuant to which the Subsidiary would:

- (a) accede to the Senior Credit Agreement as a Guarantor (as such term is defined in and pursuant to the Senior Credit Agreement); and

- (b) accede to the Intercreditor Deed as Obligor (as such term is defined in and pursuant to the Intercreditor Deed).
- 2.1.2 a guarantor accession agreement ("**Mezzanine Guarantor Accession Deed**") to the Mezzanine Loan Agreement made between the Subsidiary as a new Obligor and Dresdner Bank AG, London Branch as Facility Agent and Chestnutbay as agent on behalf of the existing Guarantors under the Senior Credit Agreement, pursuant to which the Subsidiary would:
 - (a) accede to the Mezzanine Loan Agreement as a Guarantor (as such term is defined in and pursuant to the Mezzanine Loan Agreement); and
 - (b) accede to the Intercreditor Deed as Obligor (as such term is defined in and pursuant to the Intercreditor Deed).
- 2.1.3 a deed of accession (the "**Debenture Accession Deed**") pursuant to which the Subsidiary would accede to the Debenture and give security for Indebtedness by creating fixed and floating charges over all its assets and undertakings present and future;
- 2.1.4 an intercompany loan agreement dated on or about the date hereof (the "**Intra-Group Loan Agreement**") made between, *inter alia*, the Subsidiary, the Newco Group and certain of its subsidiaries pursuant to which the Subsidiary and the other Lenders (as defined therein and including the Subsidiary) have agreed to make advances including upstream advances to the Borrowers (as defined therein and including the Subsidiary) at their request for the purposes of, *inter alia*, meeting their payment obligations under the Credit Agreements; and

and by the performance of any other acts or the execution of any other documents ancillary or otherwise relating to the Documents.

- 2.2 The financial assistance will also take the form of the Subsidiary's taking of steps detailed or contemplated in the tax structure memorandum produced by PricewaterhouseCoopers in relation to the acquisitions in relation to which the Documents relate (the "**Structure Memorandum**") to be taken by it (the "**Structure Steps**") including, without limitation, the execution of all the documentation (and the performance of obligations thereunder) and the taking of any other action in each case necessary or desirable in order to implement such steps.

ASQUITH COURT HOLDINGS LIMITED

(Company No. 02512315)

Financial Assistance Declaration (s155(6)(b))

This is the document referred to in the Statutory Declaration dated 7 May 2001.

SCHEDULE 2

(A) PRINCIPLE TERMS

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

1. By executing the Senior Guarantor Accession Deed, the Subsidiary will accede to the Senior Credit Agreement, will give various representations and warranties, undertakings and covenants and indemnities to the Senior Finance Parties (as defined under the Senior Credit Agreement) and under which the Subsidiary irrevocably and unconditionally, jointly and severally:
 - 1.1 will guarantee to each Finance Party (as defined therein) punctual performance by each Obligor of all that Obligor's obligations under the Senior Finance Documents (as defined therein);
 - 1.2 will undertake with each Finance Party (as defined therein) that whenever an Obligor does not pay any amount when due under or in connection with any Senior Finance Document (as defined therein), the Subsidiary shall immediately on demand pay that amount as if it were the principal obligor;
 - 1.3 will indemnify each Finance Party (as defined therein) immediately on demand against any cost, loss or liability suffered by that Finance Party (as defined therein) if the guarantee given by the Subsidiary under the Senior Credit Agreement or any obligation guaranteed by it is or becomes unenforceable, invalid or illegal; and
 - 1.4 will indemnify each Issuing Lender (as defined therein) on demand against all losses which may be suffered or incurred by that Issuing Lender (as defined therein) under or in connection with any Bank Guarantee (as defined therein),

and the guarantee created by clause 17 of the Senior Credit Agreement shall be a continuing guarantee and will extend to the ultimate balance of all amounts payable by each Obligor under any Senior Finance Document, regardless of any intermediate payment or discharge in whole or in part.
2. By executing the Mezzanine Guarantor Accession Deed, the Subsidiary will accede to the Mezzanine Loan Agreement, will give various representations and warranties, undertakings, covenants and indemnities to the Finance Parties (as defined in the Mezzanine Loan Agreement) and under which the Subsidiary irrevocably and unconditionally, jointly and severally:

- 2.1 guarantees to each Finance Party (as defined therein) punctual performance by each Obligor of all that Obligor's obligations under the Mezzanine Finance Documents (as defined therein);
- 2.2 undertakes with each Finance Party (as defined therein) that whenever an Obligor does not pay any amount when due under or in connection with any Mezzanine Finance Document, the Subsidiary shall immediately on demand pay that amount as if it were the principal obligor;
- 2.3 will indemnify each Finance Party (as defined therein) immediately on demand against any cost, loss or liability suffered by that Finance Party if the guarantee referred to above or any obligation guaranteed by it is or becomes unenforceable, invalid or illegal; and

and the guarantee created by clause 15 of the Mezzanine Loan Agreement shall be a continuing guarantee and will extend to the ultimate balance of all amounts payable by each Obligor under any Senior Finance Document, regardless of any intermediate payment or discharge in whole or in part.

3. By executing the Debenture Accession Deed, the Subsidiary will accede to the Debenture under which the Subsidiary:
 - 3.1 covenants as primary obligor with the Security Agent (for the benefit of itself and the other Secured Parties (as defined therein)) that it will on demand pay the Indebtedness when it falls due for payment;
 - 3.2 charges in favour of the Security Agent with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest:-

3.2.1 by way of first legal mortgage:-

- (i) all freehold and leasehold property together with all buildings and fixtures (including trade fixtures) on that property; and
- (ii) all the Subsidiary Shares and Investments and all corresponding Distribution Rights;

3.2.2 by way of first fixed charge:-

- (i) all other interests (not charged by way of first legal mortgage under the Debenture) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) on that property, all proceeds of sale derived therefrom and the benefit of all warranties and covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;
- (ii) all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating thereto;

- (iii) all book debts and all rights and claims against third parties and against any security in respect of book debts and other book debts monetary claims;
 - (iv) all monies standing to the credit of its accounts (including certain cash collateral accounts) with any bank, financial institution or other person;
 - (v) all its intellectual property rights;
 - (vi) the benefit of all consents and agreements held by it in connection with the use of any of its assets;
 - (vii) its goodwill and uncalled capital;
 - (viii) if not effectively assigned by clause 3.4 below, all its rights and interests in (and claims under) the Assigned Agreements;
- 3.3 will charge with full title guarantee in favour of the Security Agent (for the benefit of itself and the other Secured Parties as defined in the Debenture) by way of first floating charge all its present and future assets not effectively charged by way of first fixed charge under clause 3.2.2 above or assigned under clause 3.4 below;
- 3.4 will assign absolutely to the Security Agent all its rights, title and interest in the Assigned Agreements, provided that on payment or discharge in full of all the Indebtedness the Security Agent will at the request and cost of the Subsidiary re-assign the Assigned Agreements to the Subsidiary (or as it shall direct); and
- 3.5 will covenant that it will not:
- 3.5.1 create or agree to create or permit to subsist any security interest over all or any part of the Charged Property;
 - 3.5.2 sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or
 - 3.5.3 dispose of the equity of redemption in respect of all or any part of the Charged Property,
- except as permitted by the Senior Credit Agreement and the Mezzanine Loan Agreement or with the prior consent of the Security Agent.
4. The Debenture contains a covenant for further assurance under which the Subsidiary will undertake to, at its own expense, execute and do all such assurances, acts and things as the Security Agent may reasonable require for perfecting or protecting the security intended to be created by the Debenture over the assets secured thereby. The Security created by the Debenture shall be continuing security notwithstanding any intermediate payment or settlement of all or part of the Indebtedness or any matter or thing.

5. By acceding to the Debenture, the Subsidiary may not:-

- (a) create or agree to create or permit to subsist any security interest over all or any part of the Charged Property;
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property (other than floating charge assets on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any of the Charged Property,

except as permitted by the Senior Credit Agreement and the Mezzanine Loan Agreement or with the prior consent of the Security Agent.

6. By acceding to the Debenture, the Subsidiary permits any Secured Party (without notice) to:-

- (a) set-off or otherwise apply sums standing to the credit of any of the Subsidiary's accounts with that Secured Party (irrespective of the terms applicable to those accounts and whether or not those sums are then due for repayment to that Secured Party); and
- (b) set-off any other obligations (whether or not then due for performance) owed by that Secured Party to the Subsidiary,

against any liability of the Subsidiary to the relevant Secured Party under the Finance Documents.

7. By executing the Intra-Group Loan Agreement made between, *inter alia*, the Subsidiary together with the Newco Group and certain of its subsidiaries will agree to make loan facilities available to the Borrowers (as defined therein and including the Newco Group and certain of its subsidiaries) including upstream advances at their request for the purposes of, *inter alia*, meeting their payment obligations under the Credit Agreements or any arrangements entered into in substitution or in addition to the Credit Agreements.

8. By executing the Mezzanine Guarantor Accession Deed and the Senior Guarantor Accession Deed, the Subsidiary will accede to the Intercreditor Agreement under which the Subsidiary will agree to:

- 8.1 subordinate its right to repayment of monies due from Acorndrive to it pursuant to the Intra-Group Loan Agreement in certain circumstances and to the ranking of priority between certain creditors of Acorndrive and its subsidiaries; and
- 8.2 to indemnify the Lenders (as defined therein) and Security Agent for certain costs, claims, expenses and liabilities under the Intercreditor Agreement.

9. The Subsidiary may also incur costs, claims, losses, expense, liabilities and taxed under, *inter alia*, the Senior Credit Agreement, the Mezzanine Loan Agreement, the Inter creditor Deed, the Debenture, the Intra-Group Loan Agreement or any ancillary agreement.
10. The Subsidiary's obligations as described above continue in relation to the Finance Documents as they may be amended, modified, varied or restated from time to time.
11. The share transfers and funds flows and any other Structure Steps contemplated to be undertaken by the Subsidiary under or pursuant to the reorganisation documents to be executed in order to complete the reorganisation contemplated by the Structure Paper.

The Directors
Asquith Court Holdings Limited
Orbital House
Park View Road
Berkhamsted
Hertfordshire HP4 3EY

PricewaterhouseCoopers
1 Embankment Place
London WC2N 6RH
Telephone +44 (0) 20 7583 5000
+44 (0) 20 7939 3000
Facsimile +44 (0) 20 7822 4652
Direct Phone 020 7212 4114
Direct Fax 020 7804 4907

9 May 2001

Our ref: h:\leonard\Gill FA\dl-05

Dear Sirs

Auditors' report to the directors of Asquith Court Holdings Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Asquith Court Holdings Limited ('the Company') dated 9 May 2001 in connection with the proposal that the Company's subsidiary undertaking, Gatehouse Nursery Services (Surrey) Limited, should give financial assistance for the purchase of the entire share capital of the Company.

Basis of opinion

We have enquired into the state of the Company's affairs 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.

Yours faithfully



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors