

155(6)a

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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05/01/2006

The assistance is to be given to: (note 2) the Company

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:

See Appendix 1

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

† delete as
appropriate

the Company

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

See Appendix 2

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 of this resolutuion

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

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

~~X~~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) ~~X~~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) ~~Whereas the Board of Directors of the Washington, D.C. Company, which is a subsidiary of the~~
~~have refused the offer that the Company, which is a subsidiary of the Washington, D.C. Company,~~
~~and the Board of Directors of the Washington, D.C. Company, which is a subsidiary of the~~ (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 9-12 EAST PARADE
SHEFFZELD 512 ET.

Declarants to sign below

Day Month Year
on 1 5 1 2 2 0 0 5

before me

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

Signed
 J. B. Smith

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

J.F. De...

COMPANY NO: 02543555

CLYTHA HOLDINGS LIMITED

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APPENDIX 1

The Company entering into and complying with the terms and conditions of:-

- (a) a Chattels Mortgage ("**the Chattels Mortgage**") to be granted by the Company to HSBC Asset Finance (UK) Limited and HSBC Equipment Finance (UK) Limited ("**HAF**") granting to HAF charges over certain items of plant detailed in the Chattels Mortgage securing repayment of the Liabilities incurred by the Company to HAF including the sums due under the HAF Guarantee and otherwise.
- (b) an inter company guarantee ("**the HAF Guarantee**") to be given by the Company in favour of HAF whereby the Company guarantees all liabilities due and owing or incurred to HAF by the Company and/or SAS.
- (c) A debenture ("**the HAF Debenture**") to be granted by the Company to HAF granting to HAF fixed and floating charges over all the Company's assets security repayment of the liabilities incurred by the Company to the Bank including sums due under the HAF Guarantee.
- (d) a debenture ("**the SYIF Debenture**") to be granted by the Company to South Yorkshire Investment Development Fund Limited Partnership ("**SYIF**") granting to SYIF fixed and floating charges over all the Company's assets securing repayment of the liabilities incurred by the Company to SYIF including the sums due under the SYIF Guarantee and otherwise;
- (e) an intercompany guarantee ("**the SYIF Guarantee**") to be given by the Company in favour of SYIF whereby the Company guarantees all liabilities due and arising or incurred to SYIF by the Company and/or SAS;
- (f) an inter creditor deed ("**Intercreditor Agreement**") to be entered into by the Company, the Bank, HAF and SYIF under which, inter alia, the parties agree to regulate the respective priorities of the Bank, HAF, and SYIF (together the "**Creditors**") and the Creditors' rights of recourse to the Company and SAS (together the "**Group**") in satisfaction of the liabilities of the Group to the Creditors; and
- (g) a loan facility with HAF and a loan facility with SYIF pursuant to which the Company will borrow monies to fund the purchase of the shares, (together "**the Loan Facilities**").

COMPANY NO: 02543555

CLYTHA HOLDINGS LIMITED

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APPENDIX 2

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

- 1 Under the terms of the Chattels Mortgage, the Company will create charges over the assets specified in the Chattels Mortgage in order to secure the payment and discharge of all monies, liabilities and obligations at any time owing by it to HAF.
- 2 Under the terms of the HAF Guarantee, the Company, inter alia, unconditionally guarantees the payment or discharge of all or any monies and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner by SAS to HAF. The HAF Guarantee will constitute 'on demand' and continuing security to HAF.
- 3 Under the terms of the HAF Debenture, the Company will grant fixed and floating charges over all of its present and future assets and undertaking in order to secure the payment and discharge of all monies, liabilities and obligations at any time owing by it to HAF.
- 4 Under the terms of the SYIF Debenture, the Company will create fixed and floating charges over all of its present and future assets and undertaking in order to secure the payment and discharge of all monies liabilities and obligations at any time owing by it to SYIF).
- 5 Under the terms of the SYIF Guarantee, the Company, inter alia, unconditionally guarantees the payment or discharge of all or any monies and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner by the Company to SYIF. The SYIF Guarantee will constitute 'on demand' and continuing security to SYIF.
- 6 Under the terms of the Intercreditor Agreement, the Company, inter alia, acknowledges that all realisations in respect of security and guarantees for the time being held by HSBC Bank plc, HAF and SYIF and given by the Company as security for the payment and/or discharge of all or any monies and liabilities which shall for the time being (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Bank, HAF and SYIF by the Company shall rank be applied as set out in the Intercreditor Agreement.
- 7 Under the terms of the Loan Facilities the Company will borrow monies in order to fund the purchase of the shares referred to in this declaration.



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Private and Confidential

The Board of Directors
Clytha Holdings Limited
Eland Road
Denaby Main
Doncaster
DN12 4HA

Our ref Im

Contact Lee Marshall
Tel 0113 231 3000
Ext 3238

15 December 2005

Dear Sirs

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

We have examined the attached statutory declaration of the directors dated 15 December 2005 in connection with the proposal that the company should give financial assistance for the purchase of 6,000 A shares, 3,500 B shares, 140,000 B preference shares and 750 D preference shares of the company's shares.

This report is made solely to the company's directors as a body in accordance with section 156(4) of the Companies Act 1985. Our work has been undertaken so that we as the company's auditors might state to the company's directors those matters we are required to state to them in a report under section 156(4) of that Act and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body for our work under section 156(4) of that Act or for this report.

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 LLP

KPMG LLP

Registered Auditor

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Jf. Dan

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