

G

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

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

2666866

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

Name of company

\* Avonside Group Limited

\*insert full name  
of company

†/We ☐ See Annexure 1

Ø insert names(s) and  
addresses(es) of all  
the directors

† delete as  
appropriate

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

§ delete whichever  
is inappropriate

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~~ a holding company of\* Avonside Timber Frame Limited  
(company number SC 61854) ("the Target Subsidiary") which is  
proposing to give financial assistance in connection with the acquisition of shares  
in {this company} { the holding company of this company. } §

Presenter's name address and  
reference (if any): 136No32/3q6

Kent Jones and Done  
Churchill House  
Regent Road  
Stoke on Trent  
ST1 3RQ

For official Use

General Section

Post Room



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

The number and class of the shares acquired or to be acquired is: 40,701,789

25 pence ordinary shares in the capital of Avonside Group Limited

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

This assistance is to be given to: (note 2) Novaside Limited (company number  
3717605) whose registered office is at 20 Bedfordbury, London, WC2N 4BL  
("the Purchaser")

The assistance will take the form of:

See Annexure 2

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

† delete as appropriate

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

See Annexure 3

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it NIL  
is \_\_\_\_\_

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

Please do not write in this margin

The date on which the assistance is to be given is within 8 weeks of the date hereof

19

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

I/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)

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

(a) I/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)

(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 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 Letch in the County  
of Greater Manchester

Declarant(s) to sign below

the 3rd day of August  
one thousand nine hundred ninety-  
and nine  
before me K. Baker

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

## 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

## Avonside Group Limited

annexures to Form 155(6)b

annexure 1

name: Richard Craig Alan Slater

address: Timbers  
The Spinney  
Springfield Lane  
Marford  
Clwyd  
LL12 8TG



Handwritten signature of Richard Craig Alan Slater, with the initials 'KB' written below it.

name: Ronald Luther Desmond Phillips

address: 3 Prescott Green  
Aughton  
Ormskirk  
Lancashire  
L38 4US



Handwritten signature of Ronald Luther Desmond Phillips, with the initials 'KB' written below it.

## **Avonside Group Limited**

annexures to Form 155(6)b

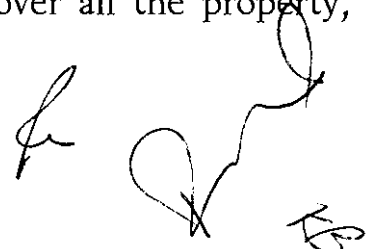
annexure 2

All capitalised items in this annexure 2 shall have the meanings given to them in annexure 4.

### **form of assistance**

The assistance will take the form of the execution by the Target Subsidiary of the following documentation (as the same may be amended, varied, supplemented or substituted from time to time) and the Target Subsidiary complying with and fulfilling its obligations thereunder:-

1. the SC Guarantee and Floating Charge, pursuant to which the Target Subsidiary:
  - 1.1 guarantees payment to the Bank on demand of all monies when and as such monies become due and payable from time to time of the Purchaser and each of the other Group Companies to the Bank, including, without limitation the liabilities and obligations of the Purchaser to the Bank under, or as contemplated by, the Credit Agreement;
  - 1.2 covenants to discharge when due and payable all of its moneys obligations and liabilities from time to time to the Bank and as continuing security for the discharge of such liabilities and obligations (including without limit, the Guarantee Liabilities) the Target Subsidiary grants to the Bank a floating charge over all the property, assets and undertaking of the Target Subsidiary;

A handwritten signature in black ink, appearing to be 'J. V. S.', is written over the bottom right portion of the list item 1.2.

2. the LNF Guarantee and Floating Charge, pursuant to which the Target Subsidiary:
  - 2.1 guarantees payment to Lombard Factors on demand of all monies when and as such monies become due and payable from time to time of the Purchaser and each of the other Group Companies to Lombard Factors, including, without limitation the liabilities and obligations of Westco Building Components Limited to Lombard Factors under, or as contemplated by, the Factoring Agreement;
  - 2.2 covenants to discharge when due and payable all of its moneys obligations and liabilities from time to time to Lombard Factors and as continuing security for the discharge of such liabilities and obligations (including without limit, the LNF Guarantee Liabilities) the Target Subsidiary grants to Lombard Factors a floating charge over all the property, assets and undertaking of the Target Subsidiary;
3. the LND Guarantee and Floating Charge, pursuant to which the Target Subsidiary:
  - 3.1 guarantees payment to Lombard Discounting on demand of all monies when and as such monies become due and payable from time to time of the Purchaser and each of the other Group Companies to Lombard Discounting, including, without limitation the liabilities and obligations of Westco Building Components Limited and Clydesdale Roofing Supplies (Leyland) Limited to Lombard Discounting under, or as contemplated by, the Invoice Discounting Agreements;
  - 3.2 covenants to discharge when due and payable all of its moneys obligations and liabilities from time to time to Lombard Discounting and as continuing security for the discharge of such liabilities and obligations

(including without limit, the LND Guarantee Liabilities) the Target Subsidiary grants to Lombard Discounting a floating charge over all the property, assets and undertaking of the Target Subsidiary;

it being noted that the Facilities and the Lombard Facilities are made available for the purpose of, or may be or have been utilised in respect of, the Acquisition.

## **Avonside Group Limited**

annexures to Form 155(6)b

annexure 3

All capitalised items in this annexure 3 shall have the meanings given to them in annexure 4.

### **terms on which assistance given**

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

### **the SC Guarantee and Floating Charge**

1. under the terms of the SC Guarantee and Floating Charge:
  - 1.1 the Target Subsidiary guarantees to the Bank that it shall on demand pay to the Bank in the currency in which the same falls due for payment all monies which are now or at any time hereafter shall have become due and payable or owing to the Bank from or by all or any of the Purchaser or the Group Companies under or pursuant to the terms of the Financing Documents;
  - 1.2 the Target Subsidiary covenants with the Bank that it shall, to the extent that the same have fallen due pursuant to the terms of the Credit Agreement and have not been paid pursuant thereto, on demand pay to the Bank all costs and expenses incurred by the Bank in relation to the protection or enforcement of the bank's rights thereunder;
  - 1.3 the guarantee referred to in paragraph 1.1 above is in addition to and shall not merge with or otherwise prejudice or affect or be prejudiced by any other right, remedy, guarantee, indemnity or security and may be enforced without first having recourse to the same or any other bill,

note, mortgage, charge, pledge or lien now or hereafter held by or available to the Bank;

- 1.4 if any purported obligation or liability of the Purchaser or a Group Company to the Bank which if valid would have been the subject of this guarantee is not or ceases to be valid or enforceable against the Purchaser or such Group Company on any ground whatsoever whether or not known to the Bank including but not limited to any defect in or want of powers of the Purchaser or such Group Company or irregular exercise thereof or lack of authority by any person purporting to act on behalf of the Purchaser or such Group Company or any legal or other limitation (whether under the Limitation Acts or otherwise), disability, incapacity or any change in the constitution of or any amalgamation, reconstruction or liquidation of the Purchaser or such Group Company, the Target Subsidiary shall nevertheless be liable to the Bank in respect of that purported obligation or liability as if the same were fully valid and enforceable and the Target Subsidiary was the principal debtor in respect thereof. The Target Subsidiary agrees to keep the Bank fully indemnified against all damages, loss, costs and expenses arising from any failure of the Purchaser or a Group Company to carry out any such purported obligation or liability;
- 1.5 the liability of the Target Subsidiary shall not be affected nor shall the SC Guarantee and Floating Charge be discharged or diminished by reason of:
- 1.5:1 any present or future bill, note, guarantee, indemnity, mortgage, charge, pledge, lien or other security or right or remedy held by or available to the Bank becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by the Bank from time to time dealing with, exchanging, varying, realising, releasing or failing to perfect or enforce any of the same; or

- 1.5:2 the Bank compounding with, discharging, releasing or varying the liability of or granting any time, indulgence or concession to any Borrower or any other person or renewing, determining, varying or increasing any bill, promissory note or other negotiable instrument, accommodation, facility or transaction in any manner whatsoever or concurring in accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from the Purchaser or any Group Company and the Target Subsidiary or any other person; or
- 1.5:3 any act or omission which would have discharged or affected the liability of the Target Subsidiary had it been principal debtor instead of guarantor or by anything done or omitted which but for this provision might operate to exonerate the Target Subsidiary;
- 1.6 the Target Subsidiary agrees to pay interest to the Bank on all sums demanded under the SC Guarantee and Floating Charge from the date of demand until actual payment (as well after as before any judgement) calculated on a day to day basis. Such interest shall be compounded monthly in accordance with the usual practice of the Bank but without prejudice to the right of the Bank to require payment of such interest;
- 1.7 the Target Subsidiary as beneficial owner and as a continuing security for the payment of its obligations arising under the SC Guarantee and Floating Charge in favour of the Bank by way of a floating charge over the whole of the Target Subsidiary's undertaking and all its property, assets and rights whatsoever and wheresoever, present and future;
- 1.8 the charge referred to in paragraph 1.7 above shall, subject to Section 464(2) of the Companies Act 1985, rank in priority to any fixed security which shall be created by the Target Subsidiary after the date of the SC Guarantee and Floating Charge (other than a fixed security in

favour of the Bank) and to any other floating charge created by the Target Subsidiary;

- 1.9 the security constituted by or pursuant to the SC Guarantee and Floating Charge shall be in addition to and shall be independent of every bill, note, guarantee, mortgage, pledge or other security which the Bank may at any time hold in respect of any of the Target Subsidiary's obligations arising under the SC Guarantee and Floating Charge and it is declared that no prior security held by the Bank over the Target Subsidiary's undertaking and all its property, assets and rights whatsoever and wheresoever, present and future, or any part thereof shall merge in the security created by the SC Guarantee and Floating Charge;

### **the LNF Guarantee and Floating Charge**

2. under the terms of the LNF Guarantee and Floating Charge:
- 2.1 the Target Subsidiary guarantees to Lombard Factors that it shall on demand pay to Lombard Factors in the currency in which the same falls due for payment all monies which are now or at any time hereafter shall have become due and payable or owing to Lombard Factors from or by all or any of the Purchaser or the Group Companies under or pursuant to the terms of the Factoring Agreement;
- 2.2 the Target Subsidiary covenants with Lombard Factors that it shall, to the extent that the same have fallen due pursuant to the terms of the Factoring Agreement and have not been paid pursuant thereto, on demand pay to Lombard Factors all costs and expenses incurred by Lombard Factors in relation to the protection or enforcement of Lombard Factors' rights thereunder;

- 2.3 the guarantee referred to in paragraph 2.1 above is in addition to and shall not merge with or otherwise prejudice or affect or be prejudiced by any other right, remedy, guarantee, indemnity or security and may be enforced without first having recourse to the same or any other bill, note, mortgage, charge, pledge or lien now or hereafter held by or available to Lombard Factors;
- 2.4 if any purported obligation or liability of the Purchaser or a Group Company to Lombard Factors which if valid would have been the subject of this guarantee is not or ceases to be valid or enforceable against the Purchaser or such Group Company on any ground whatsoever whether or not known to Lombard Factors including but not limited to any defect in or want of powers of the Purchaser or such Group Company or irregular exercise thereof or lack of authority by any person purporting to act on behalf of the Purchaser or such Group Company or any legal or other limitation (whether under the Limitation Acts or otherwise), disability, incapacity or any change in the constitution of or any amalgamation, reconstruction or liquidation of the Purchaser or such Group Company, the Target Subsidiary shall nevertheless be liable to Lombard Factors in respect of that purported obligation or liability as if the same were fully valid and enforceable and the Target Subsidiary was the principal debtor in respect thereof. The Target Subsidiary agrees to keep Lombard Factors fully indemnified against all damages, loss, costs and expenses arising from any failure of the Purchaser or a Group Company to carry out any such purported obligation or liability;
- 2.5 the liability of the Target Subsidiary shall not be affected nor shall the LNF Guarantee and Floating Charge be discharged or diminished by reason of:

- 2.5:1 any present or future bill, note, guarantee, indemnity, mortgage, charge, pledge, lien or other security or right or remedy held by or available to Lombard Factors becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by Lombard Factors from time to time dealing with, exchanging, varying, realising, releasing or failing to perfect or enforce any of the same; or
- 2.5:2 Lombard Factors compounding with, discharging, releasing or varying the liability of or granting any time, indulgence or concession to the Purchaser or Group Company any Borrower or any other person or renewing, determining, varying or increasing any bill, promissory note or other negotiable instrument, accommodation, facility or transaction in any manner whatsoever or concurring in accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from the Purchaser or any Group Company and the Target Subsidiary or any other person; or
- 2.5:3 any act or omission which would have discharged or affected the liability of the Target Subsidiary had it been principal debtor instead of guarantor or by anything done or omitted which but for this provision might operate to exonerate the Target Subsidiary;
- 2.6 the Target Subsidiary agrees to pay interest to Lombard Factors on all sums demanded under the LNF Guarantee and Floating Charge from the date of demand until actual payment (as well after as before any judgement) calculated on a day to day basis. Such interest shall be compounded monthly in accordance with the usual practice of Lombard Factors but without prejudice to the right of Lombard Factors to require payment of such interest;
- 2.7 the Target Subsidiary as beneficial owner and as a continuing security for the payment of its obligations arising under the LNF Guarantee and Floating Charge in favour of Lombard Factors by way of a floating

charge over the whole of the Target Subsidiary's undertaking and all its property, assets and rights whatsoever and wheresoever, present and future;

2.8 the charge referred to in paragraph 2.7 above shall, subject to Section 464(2) of the Companies Act 1985, rank in priority to any fixed security which shall be created by the Target Subsidiary after the date of the LNF Guarantee and Floating Charge (other than a fixed security) in favour of Lombard Factors and to any other floating charge created by the Target Subsidiary;

2.9 the security constituted by or pursuant to the LNF Guarantee and Floating Charge shall be in addition to and shall be independent of every bill, note, guarantee, mortgage, pledge or other security which Lombard Factors may at any time hold in respect of any of the Target Subsidiary's obligations arising under the LNF Guarantee and Floating Charge and it is declared that no prior security held by Lombard Factors over the Target Subsidiary's undertaking and all its property, assets and rights whatsoever and wheresoever, present and future, or any part thereof shall merge in the security created by the LNF Guarantee and Floating Charge;

### **the LND Guarantee and Floating Charge**

3. under the terms of the LND Guarantee and Floating Charge:

3.1 the Target Subsidiary guarantees to Lombard Discounting that it shall on demand pay to Lombard Discounting in the currency in which the same falls due for payment all monies which are now or at any time hereafter shall have become due and payable or owing to Lombard Discounting from or by all or any of the Purchaser or the Group

Companies under or pursuant to the terms of the Invoice Discounting Agreements;

- 3.2 the Target Subsidiary covenants with Lombard Discounting that it shall, to the extent that the same have fallen due pursuant to the terms of the Invoice Discounting Agreements and have not been paid pursuant thereto, on demand pay to Lombard Discounting all costs and expenses incurred by Lombard Discounting in relation to the protection or enforcement of Lombard Discounting's rights thereunder;
- 3.3 the guarantee referred to in paragraph 3.1 above is in addition to and shall not merge with or otherwise prejudice or affect or be prejudiced by any other right, remedy, guarantee, indemnity or security and may be enforced without first having recourse to the same or any other bill, note, mortgage, charge, pledge or lien now or hereafter held by or available to Lombard Discounting;
- 3.4 if any purported obligation or liability of the Purchaser or a Group Company to Lombard Discounting which if valid would have been the subject of this guarantee is not or ceases to be valid or enforceable against the Purchaser or such Group Company on any ground whatsoever whether or not known to Lombard Discounting including but not limited to any defect in or want of powers of the Purchaser or such Group Company or irregular exercise thereof or lack of authority by any person purporting to act on behalf of the Purchaser or such Group Company or any legal or other limitation (whether under the Limitation Acts or otherwise), disability, incapacity or any change in the constitution of or any amalgamation, reconstruction or liquidation of the Purchaser or such Group Company, the Target Subsidiary shall nevertheless be liable to Lombard Discounting in respect of that purported obligation or liability as if the same were fully valid and

enforceable and the Target Subsidiary was the principal debtor in respect thereof. The Target Subsidiary agrees to keep Lombard Discounting fully indemnified against all damages, loss, costs and expenses arising from any failure of the Purchaser or a Group Company to carry out any such purported obligation or liability;

3.5 the liability of the Target Subsidiary shall not be affected nor shall the LND Guarantee and Floating Charge be discharged or diminished by reason of:

3.5:1 any present or future bill, note, guarantee, indemnity, mortgage, charge, pledge, lien or other security or right or remedy held by or available to Lombard Discounting becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by Lombard Discounting from time to time dealing with, exchanging, varying, realising, releasing or failing to perfect or enforce any of the same; or

3.5:2 Lombard Discounting compounding with, discharging, releasing or varying the liability of or granting any time, indulgence or concession to any Borrower or any other person or renewing, determining, varying or increasing any bill, promissory note or other negotiable instrument, accommodation, facility or transaction in any manner whatsoever or concurring in accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from the Purchaser or any Group Company and the Target Subsidiary or any other person; or

3.5:3 any act or omission which would have discharged or affected the liability of the Target Subsidiary had it been principal debtor instead of guarantor or by anything done or omitted which but for this provision might operate to exonerate the Target Subsidiary;

3.6 the Target Subsidiary agrees to pay interest to Lombard Discounting on all sums demanded under the LND Guarantee and Floating Charge

from the date of demand until actual payment (as well after as before any judgement) calculated on a day to day basis. Such interest shall be compounded monthly in accordance with the usual practice of Lombard Discounting but without prejudice to the right of Lombard Discounting to require payment of such interest;

- 3.7 the Target Subsidiary as beneficial owner and as a continuing security for the payment of its obligations arising under the LND Guarantee and Floating Charge in favour of Lombard Discounting by way of a floating charge over the whole of the Target Subsidiary's undertaking and all its property, assets and rights whatsoever and wheresoever, present and future;
- 3.8 the charge referred to in paragraph 3.7 above shall, subject to Section 464(2) of the Companies Act 1985, rank in priority to any fixed security which shall be created by the Target Subsidiary after the date of the LND Guarantee and Floating Charge (other than a fixed security) in favour of Lombard Discounting and to any other floating charge created by the Target Subsidiary;
- 3.9 the security constituted by or pursuant to the LND Guarantee and Floating Charge shall be in addition to and shall be independent of every bill, note, guarantee, mortgage, pledge or other security which Lombard Discounting may at any time hold in respect of any of the Target Subsidiary's obligations arising under the LND Guarantee and Floating Charge and it is declared that no prior security held by Lombard Discounting over the Target Subsidiary's undertaking and all its property, assets and rights whatsoever and wheresoever, present and future, or any part thereof shall merge in the security created by the LND Guarantee and Floating Charge.

## Avonside Group Limited

annexures to Form 155(6)b

annexure 4

All capitalised items in Annexure 4 shall have the meanings given to them in this annexure 4.

In this Form 155(6)b, and all its Annexures, the following terms shall have the following meanings:

"Acquisition"	the acquisition, inter alia, of the whole of the issued share capital of the Company by the Purchaser pursuant to the terms and conditions of the Offer Document and the Mandatory Offer Document
"Bank"	National Westminster Bank Plc
"Company"	Avonside Group Limited company registered number 2666866
"the Debtor Financing Agreements"	means together the Factoring Agreement and the Invoice Discounting Agreements
"Facilities"	<ul style="list-style-type: none"><li>– the Bridging Loan Facility</li><li>– the Term Loan Facility</li></ul> (as such terms are defined in the Credit Agreement)
"Factoring Agreement"	means the agreement in agreed form to be entered into by Lombard NatWest Factors Limited and Westco Building Components Limited for the provision of book debts factoring facilities to be

	made available to Westco Building Components Limited
"Financing Documents"	<ul style="list-style-type: none"> <li>– the Credit Agreement</li> <li>– the Interest Rate Protection Agreements (as such term is defined in the Credit Agreement)</li> <li>– the Security Documents (as such term is defined in the Credit Agreement)</li> </ul>
"Credit Agreement"	the credit agreement dated 8 April 1999 and entered into by the Purchaser (1) and the Bank (2)
"Group Companies"	<ul style="list-style-type: none"> <li>– the Company</li> <li>– the Target Subsidiary</li> <li>– Avonside Holdings Limited</li> <li>– Avonside Window Systems Limited</li> <li>– Westco Building Components Limited</li> <li>– Lee Roofing Services Limited</li> <li>– Lee Roofing Services (Wales) Limited</li> <li>– Lee Roofing Services (Leigh) Limited</li> <li>– Clydesdale Roofing Supplies (Leyland) Limited</li> <li>– B.S. Heating Limited</li> <li>– Kingston Walker (Plumbing &amp; Heating) Limited</li> <li>– Kingston Walker (Plumbing &amp; Heating) Teeside Limited</li> <li>– Joshua &amp; Tom Taylor Limited</li> <li>– Avonside Services Limited</li> </ul>

- Parry Homes Limited
- Finchwold Limited
- Lee Roofing Services (West Midlands) Limited
- J.E. Parry (Rossett) Limited
- B.S. Glazing Limited
- Sandford Glazing Limited
- Worthingway Limited
- Avonside Houses Limited
- Avonside Homes Limited

"the Invoice Discounting Agreements"

means the agreements in agreed form to be entered into by Lombard NatWest Discounting Limited, Westco Building Components Limited and Clydesdale Roofing Supplies (Leyland) Limited for the provision of invoice discounting facilities to be made available to Westco Building Components Limited and Clydesdale Roofing Supplies (Leyland) Limited respectively

"LND Guarantee and Floating Charge"

the guarantee and floating charge to be executed by the Purchaser and the Group Companies in favour of Lombard Discounting

"LND Guarantee Liabilities"

the liabilities and obligations of the Target Subsidiary to Lombard Discounting under or pursuant to the LND Guarantee and Floating Charge

"LNF Guarantee and Floating Charge"

the guarantee and floating charge to be executed by the Purchaser and the

	Group Companies in favour of Lombard Factors
"LNF Guarantee Liabilities"	the liabilities and obligations of the Target Subsidiary to Lombard Factors under or pursuant to the LNF Guarantee and Floating Charge
"Lombard Discounting"	means Lombard NatWest Discounting Limited
"Lombard Facilities"	means the debtor financing facilities made available to Westco Building Components Limited and Clydesdale Roofing Supplies (Leyland) Limited under the terms of the Debtor Financing Agreements by Lombard NatWest Factors Limited and Lombard NatWest Discounting Limited
"Lombard Factors"	means Lombard NatWest Factors Limited
"SC Guarantee and Floating Charge"	the guarantee and floating charge to be executed by the Purchaser and the Group Companies in favour of the Bank
"Guarantee Liabilities"	the liabilities and obligations of the Target Subsidiary to the Bank under, or pursuant to, the SC Guarantee and Floating Charge
"Mandatory Offer"	the mandatory cash offer made by the Purchaser in accordance with the terms of the Mandatory Offer Document
"Mandatory Offer Document"	the document which was despatched to the shareholders of Avonside Group

	Limited (formerly Avonside Group PLC) on 20 April 1999 in connection with the Mandatory Offer
"Offer"	the recommended cash offer made by the Purchaser in accordance with the terms of the Offer Document
"Offer Document"	the document which was despatched on 9 April 1999 to the shareholders of the Company in connection with the Offer
"Purchaser"	has the meaning ascribed thereto on page 2 of this Form 155(6)b
"Subsidiary"	<ul style="list-style-type: none"> <li>– a subsidiary as defined in Section 736 of the Companies Act 1985, and</li> <li>– a subsidiary undertaking as defined in Section 258 and Schedule 10A of the Companies Act 1985</li> </ul>
"Target Subsidiary"	has the meaning ascribed thereto on page 1 of this Form 155(6)b

Our ref: GDW/RS/LJT/1.9

RR 4<sup>th</sup> August 1999

Directors of Avonside Group Limited  
(Company Number 266686)  
Unit 5  
Holden Road Trading Estate  
Holden Road  
Leigh WN7 1EX

Dear Sirs

**AUDITORS' REPORT TO THE DIRECTORS OF AVONSIDE GROUP LIMITED ("THE COMPANY") PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985**

RR We have examined the attached statutory declaration of the directors dated 4<sup>th</sup> August 1999 in connection with the proposal that the Company's subsidiary, Avonside Window Systems Limited, should give financial assistance for the purchase of the entire issued shares in the Company.

**Basis of opinion**

We have enquired into the state of the Company's affairs in order to review the bases of 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.

*Robson Rhodes*

**ROBSON RHODES**

Colwyn Chambers, 19 York Street, Manchester M2 3BA, Telephone 0161-236 3777, Fax 0161-455 3444

