

CHFP004

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

2693859

Note

Name of company

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

* HIGHWAY (BURNLEY) LIMITED

~~I/We~~ MICHAEL ANTHONY STRATFORD
of 10 Anne Hathaway Drive, Churchdown, Gloucester GL3 3PX

and

ALLYSON KAY

of 12 Folks Wood Way, Stone Street, Lympne, Hythe, Kent CT21 4EW

† 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 a [recognised bank] [licensed institution]~~ [†] within the meaning of the Banking Act 1979 [§] ~~xxxxxxx~~
(b) ~~that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on~~ ~~xxxx~~
~~insurance business in the United Kingdom~~ ~~xx~~ [§]

(c) something other than the above §

[illegible]

The assistance is for the purpose of [that acquisition] ~~reducing or discharging liability incurred for the purpose of the acquisition~~†

The number and class of the shares acquired or to be acquired is: as per appendix 1 attached

Presentor's name address and
reference (if any):
Simon Bishop and Partners
Solicitors
DX 19923
Droitwich

Ref: SJB GD

For official Use
General Section

Post room



A42
COMPANIES HOUSE

0103
25/10/03

The assistance is to be given to: (Note 2) Craegmoor Group Limited (Craegmoor)
whose registered office is at "Hillcairn" St Andrews Road Droitwich WR9 8DJ

† 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:

PLEASE REFER TO RIDER 'A'

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

† delete as
appropriate

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

See Appendices 1 and 2 attached

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 _____

Please do not
write in this
margin

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

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

~~1/~~ 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) ~~1/~~ 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) ~~1/~~ It is intended to commence the winding up of the company within 12 months of that date and ~~1/~~ 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. ~~1/~~ (note 3)

And ~~1/~~ 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 DARWINSON WRIGHT SOLICITORS
64 FRANK STREET,
DROITWICH SPA, WORCS.

Declarants to sign below

M.A. Ant

Car 7

Day Month Year

on

1	7	1	0	2	0	0	3
---	---	---	---	---	---	---	---

before me

STEPHEN A. HOGAN

~~1/~~ A Commissioner for Oaths or Notary Public or Justice of the Peace or a 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.

5 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ
DX: 33050
Cardiff

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB
DX: 235
Edinburgh

HIGHWAY (BURNLEY) LIMITED
Company number 2693859
(the Company)

1. The execution and delivery by the Company of a Guarantor Accession Agreement in favour of Barclays Bank (PLC) ("the Security Agent") as agent and trustee for the Banks pursuant to a Warehouse Facility Agreement ("the Warehouse Facility Agreement") dated the 16 October 2003 as varied from time to time and made between the parties more particularly defined therein to secure, inter alia, the obligations of Craegmoor to the Banks (as defined in the Warehouse Facility Agreement).
2. The execution and delivery by the Company of a Debenture in favour of Barclays Bank PLC ("the Security Agent") as agent and trustee for the Banks pursuant to the Warehouse Facility Agreement to secure inter alia the obligations of Craegmoor to the Banks (the "Warehouse Facility Debenture").
3. The execution and delivery by the Company of a Guarantor Accession Agreement in favour of Barclays Bank (PLC) ("the Security Agent") as agent and trustee for the Banks pursuant to a Development Facility Agreement ("the Development Facility Agreement") dated the 16 October 2003 as varied from time to time and made between the parties more particularly defined therein to secure, inter alia, the obligations of Craegmoor to the Banks (as defined in the Development Facility Agreement).
4. The execution and delivery by the Company of a Debenture in favour of Barclays Bank PLC ("the Security Agent") as agent and trustee for the Banks pursuant to the Development Facility Agreement to secure inter alia the obligations of Craegmoor to the Banks (the "Development Facility Debenture").
5. The execution and delivery by the Company of a Guarantee in favour of Barclays Bank PLC pursuant to the Overdraft Facility Agreement (the "Overdraft Facility Agreement") dated the 16 October 2003 and made between the parties more particularly defined therein to secure, inter alia, the obligations of Craegmoor Homes Limited to the Bank (as defined in the Overdraft Facility Agreement).
6. The execution and delivery by the Company of a Debenture in favour of Barclays Bank PLC pursuant to the Overdraft Facility Agreement to secure, inter alia, the obligations of Craegmoor Homes Limited to the Bank (the "Overdraft Facility Debenture").

Appendix 1 to Form 155(6)(a)

HIGHWAY (BURNLEY) LIMITED

Company number 2693859

Number and class of the shares acquired in or to be acquired in Cranley Limited are as follows:

- 19 ordinary 'C' shares of £1 each
- 19 ordinary 'D' shares of £1 each
- 24 ordinary 'B' shares of £1 each
- 38 ordinary 'A' shares of £1 each

HIGHWAY (BURNLEY) PROPERTIES LIMITED

**Company Number 2693859
(the Company)**

1. Under the terms of the Guarantor Accession Agreement pursuant to the Warehouse Facility Agreement the Company agrees to become a guarantor under the Warehouse Facility Agreement and agrees to be bound in such capacity by the terms of the Warehouse Facility Agreement and undertakes accordingly to perform its obligations as a guarantor thereunder.
2. Under the terms of the Guarantor Accession Agreement pursuant to the Development Facility Agreement the Company agrees to become a guarantor under the Development Facility Agreement and agrees to be bound in such capacity by the terms of the Development Facility Agreement and undertakes accordingly to perform its obligations as a guarantor thereunder.
- 3(i) Under the Warehouse Facility Debenture pursuant to the Warehouse Facility Agreement the Company as primary obligor and not merely as surety covenants with the Security Agent (as Agent and Trustee for the parties to the Warehouse Facility Agreement) that it will on demand in writing made to the Company pay or discharge to the Security Agent the Secured Liabilities (as defined in the Warehouse Facility Debenture) on the due date therefore in the manner provided in the relevant Finance Document (as defined in Warehouse Facility Agreement);
- 3(ii) The Company further with full title guarantee charges with the payment or discharge of all moneys and liabilities covenanted to be paid or discharged pursuant to 3(i) hereof:
 - (a) by way of legal mortgage all the freehold and leasehold property of the Company the title to which is registered at HM Land Registry and which, if any, is described in Schedule 1 of the Warehouse Facility Debenture together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
 - (b) by way of legal mortgage all other freehold and leasehold property of the Company now vested in it (whether or not registered at HM Land Registry) together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
 - (c) by way of first fixed charge all future freehold and leasehold property of the Company together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and all the goodwill and uncalled capital for the time being of the Company;
 - (d) by way of first fixed charge all book debts and other debts now and from time to time due or owing to the Company;
 - (e) by way of first fixed charge the benefit of all present and future licences, permissions, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any of the freehold or leasehold property specified in

Sub-Clause (a) above and the right to recover and receive all compensation which may at any time become payable to it in respect thereof; and

- (f) by way of first fixed charge all stocks, shares, debentures, bonds, warrants, coupons or other securities and investments now or in the future owned by the Company from time to time.
- 3(iii) The Company with full title guarantee hereby charges with the payment or discharge of all moneys and liabilities covenanted to be paid or discharged pursuant to clause 3(i) hereof by way of a first floating charge the undertaking and all other assets of the Company whatsoever and wheresoever both present and future
- 3(iv) The Company with full title guarantee hereby charges for the payment or discharge of all moneys and liabilities covenanted to be paid or discharged pursuant to clause 3(i) hereof by way of assignment to the Security Agent by way of security all its right title and interest (if any) in and the Servicing Agreement
- 4(i) Under the Development Facility Debenture pursuant to the Development Facility Agreement the Company as primary obligor and not merely as surety covenants with the Bank that it will on demand in writing made to the Company pay or discharge to the Bank the Secured Liabilities (as defined in the Development Facility Debenture) on the due date therefor in the manner provided in the Development Facility Agreement.
- 4(ii) The Company further with full title guarantee charges with the payment or discharge of all moneys and liabilities covenanted to be paid or discharged pursuant to 4(i) hereof:
- (a) by way of first legal mortgage all the freehold and leasehold property of the Company the title to which is registered at HM Land Registry and which, if any, is described in Schedule 1 of the Development Facility Debenture together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
 - (b) by way of first legal mortgage all other freehold and leasehold property of the Company now vested in it (whether or not registered at HM Land Registry) together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
 - (c) by way of first fixed charge all future freehold and leasehold property of the Company together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and all the goodwill and uncalled capital for the time being of the Company;
 - (d) by way of first fixed charge all book debts and other debts now and from time to time due or owing to the Company;
 - (e) by way of first fixed charge the benefit of all present and future licences, permissions, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any of the freehold or leasehold property specified in Sub-Clause (a) above and the right to recover and receive all compensation which may at any time become payable to it in respect thereof; and
 - (f) by way of first fixed charge all stocks, shares, debentures, bonds, warrants, coupons or other securities and investments now or in the future owned by the Company from time to time.

- 4(iii) The Company with full title guarantee hereby charges with the payment or discharge of all moneys and liabilities covenanted to be paid or discharged pursuant to clause 4(i) hereof by way of a first floating charge the undertaking and all other assets of the Company whatsoever and wheresoever both present and future
- 5(i) Under the terms of the Guarantee pursuant to the Overdraft Facility Agreement the Company guarantees to the Bank the prompt performance by Craegmoor Homes Limited of all its payment obligations under the Overdraft Facility Agreement and any other agreement executed pursuant to the Overdraft Facility Agreement (the "Financing Documents"), (the "Guaranteed Amounts") and as principal debtor and not merely as surety undertakes to the Bank that if and each time that Craegmoor Homes Limited does not make payment when due from it of any amount of the Guaranteed Amounts in accordance with the Financing Documents the Company shall pay to the Bank amounts not so paid upon first written demand by the Bank.
- 5(ii) The Company also as a separate additional continuing and primary obligation unconditionally and irrevocably undertakes with the Bank that should the Guaranteed Amounts not be recoverable from Craegmoor Homes Limited for any reason then the Company shall upon first written demand by the Bank make payment of the Guaranteed Amounts due for payment at that time by way of a full indemnity in the manner provided for in the Financing Documents and shall indemnify the Bank against all losses, claims, costs, charges and expenses to which it may be subject or which it may incur under or in connection with any Financing Documents or the Guarantee.
- 6(i) Under the Overdraft Facility Debenture pursuant to the Overdraft Facility Agreement the Company as primary obligor and not merely as surety covenants with the Bank that it will on demand in writing made to the Company pay or discharge to the Bank the Secured Liabilities (as defined in the Overdraft Facility Agreement) on the due date therefore in the manner provided in the Overdraft Facility Agreement.
- 6(ii) The Company further with full title guarantee charges with the payment or discharge of all moneys and liabilities covenanted to be paid or discharged pursuant to 6(i) hereof:
- (a) by way of first legal mortgage all the freehold and leasehold property of the Company the title to which is registered at HM Land Registry and which, if any, is described in Schedule 1 of the Overdraft Facility Debenture together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
 - (b) by way of first legal mortgage all other freehold and leasehold property of the Company now vested in it (whether or not registered at HM Land Registry) together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon;
 - (c) by way of first fixed charge all future freehold and leasehold property of the Company together with all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and all the goodwill and uncalled capital for the time being of the Company;
 - (d) by way of first fixed charge all book debts and other debts now and from time to time due or owing to the Company;
 - (e) by way of first fixed charge the benefit of all present and future licences, permissions, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any of the freehold or leasehold property specified in

Sub-Clause (a) above and the right to recover and receive all compensation which may at any time become payable to it in respect thereof; and

- (f) by way of first fixed charge all stocks, shares, debentures, bonds, warrants, coupons or other securities and investments now or in the future owned by the Company from time to time.
- 6(iii) The Company with full title guarantee hereby charges with the payment or discharge of all moneys and liabilities covenanted to be paid pursuant to clause 6(i) hereof by way of a first floating charge the undertaking and all other assets of the Company whatsoever and wheresoever both present and future.

AUDITORS' REPORT TO THE DIRECTORS OF HIGHWAY (BURNLEY) LIMITED (the "COMPANY") PURSUANT TO SECTION 156 (4) OF THE COMPANIES ACT 1985 (the "Act")

We refer to the statutory declaration (Form 155(6)(a)) made by the company and dated the same date as this report to which this report is annexed.

We have examined the attached statutory declaration of the directors of Highway (Burnley) Limited dated 17 OCTOBER 2003 in connection with the proposal the Company should give financial assistance for the purchase of 100 per cent of the Ordinary Shares in the Company.

Basis of opinion

We have enquired into the state of the Company's affairs in order to review the basis 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 Act is unreasonable in all the circumstances.


Hazelwoods

17 OCTOBER 2003

Partners
Harvey Grove
FCA FCCA
Gordon Bearman
FCA FCCA
Andrew Brookes
FCA
Jon Cartwright
FCCA AT, TEP
Nick Dee
ACA
Tony Flambard
FCCA
Philip Gorman
MBA, MABRP
David Granger
FCA FCCA
Jonathan Harvie
FCA
David Main
FCCA
Christopher Mouton
FCCA
David Porce
FCA FCCA
Adrian Randle
FCA FCCA TEP
Graham Rew
FCA
Philip Swar
FCA AT, TEP
Norman Webber
FCCA
David Williams
ACA

