

CHFP025

COMPANIES FORM No. 155(6)b

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



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

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

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

Name of company

For official use

Company number

03338230

\* Christy Group Limited

**X**Weø See Appendix 1

t delete as appropriate

§ delete whichever is inappropriate

The business of this company is:

- (c) something other than the above §

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

Hammonds Trinity Court 16 John Dalton Street Manchester M60 8HS

14347 Manchester 1 Ref: BAR.963-2 For official Use General Section

WEDNESDAY

Post room



\*ADE0TM3J\*

A21 10/01/2007

COMPANIES HOUSE

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The assistance is for the purpose of [that acquisition] <b>KAXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX</b>	Please do not write in this margin
The number and class of the shares acquired or to be acquired is: See Appendix 2	Please complet legibly, preferal in black type, o bold block lettering
The assistance is to be given to: (note 2) Hamsard 3031 Limited (Company Number 05932964)	
whose registered office is at Rutland House, 148 Edmund Street, Birmingham, West Midlands, B3 2JR (the "Purchaser")	
The assistance will take the form of:	
See Appendix 3	
The person who XXXXXXXXXXXXXII [will acquire] † the shares is:  the Purchaser	† delete as appropriate
The principal terms on which the assistance will be given are:	
See Appendix 4	
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 £ See Appendix 5	
The value of any asset to be transferred to the person assisted is £ Nil	Page 2

Within 8 weeks of the date hereof

Please complete gibly, preferably black type, or sold 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)

delete either (a) or (b) as appropriate

- (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)

And X/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

Hammonds, John Datton Street, Mancheda

on 0|5 0|1 2|0|0|7

before me Mark Whitesida

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

- 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



#### CHRISTY GROUP LIMITED (the "Company")

Name of Director	Address
Andy Pybus	Green Hill Raper View Aberford West Yorkshire LS25 3AF
Anthony James Lewis	9 Meadow Road Middleton Manchester M24 1WH
Louis Jules Hydleman	Middle Spreadcombe Farm Braunton North Devon EX33 1JA
Gary Panons	15 Jenner Close Wantorough Wiltshire SN4 0FA



#### Appendix 2 to Form 155(6)b

#### **CHRISTY GROUP LIMITED (the "Company")**

(Company No. 03338230)

The number and class of shares acquired or to be acquired is:

19,200,101 ordinary shares of £0.05 each;

2,887,335 preferred ordinary shares of £0.05 each; and

3,000,000 ordinary shares of £1.00 each.

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#### Appendix 3 to Form 155(6)b

#### **CHRISTY GROUP LIMITED (the "Company")**

- The execution and delivery by C W Headdress Limited (Company Number 03165540) ("CWH") of an unlimited cross company guarantee (the "Guarantee") proposed to be entered into by the Company, the Purchaser, CWH and the other trading subsidiaries of the Company, being Christy & Co. Limited (Company Number 01468380) and Christys By Design Limited (Company Number 01118407) (the "Subsidiaries") in favour of The Royal Bank of Scotland plc acting as agent for National Westminster Bank Plc (the "Bank").
- The execution and delivery by CWH of an intercreditor agreement (the "Intercreditor Agreement") proposed to be entered into between, inter alia, the Purchaser, the Company, CWH, the Subsidiaries, the Bank, RBS Invoice Finance Limited ("RBSIF"), Barclays Unquoted Investments Limited (the "Investor") Baggy Nominees Limited (Company Number 03277636) ("Baggy Nominees") and Pinto Partners LP and others (the "Accrued Interest Creditors").
- The execution and delivery by CWH of an intra-group loan agreement (the "Intra-Group Loan Agreement") proposed to be entered into between the Purchaser, the Company, CWH and the Subsidiaries.
- The execution and delivery by CWH of a composite guarantee and debenture (the "BUIL Guarantee and Debenture") proposed to be entered into by the Purchaser, the Company, CWH and the Subsidiaries in favour of the Investor as security trustee (the "Investor Security Trustee") for the Beneficiaries (as defined therein) (the "Investor Beneficiaries").
- The execution and delivery by CWH of a composite guarantee and debenture (the "Vendor Guarantee and Debenture") proposed to be entered into by the Purchaser, the Company, CWH and the Subsidiaries in favour of Baggy Nominees as security trustee (the "Vendor Security Trustee") for the Beneficiaries (as defined therein) (the "Vendor Beneficiaries").

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#### Appendix 4 to Form 155(6)b

#### CHRISTY GROUP LIMITED (the "Company")

- Pursuant to the Guarantee, CWH would (i) guarantee the payment and discharge by the Purchaser, the Company and the Subsidiaries of all their obligations and liabilities to the Bank, including under a facility agreement pursuant to which the Bank would make available to the Company a term loan facility of up to £4,200,000 (four million two hundred thousand pounds sterling) (the "Facility Agreement") and a multi-currency overdraft facility letter pursuant to which the Bank would make available to the Purchaser, the Company, CWH and the Subsidiaries a multi-currency overdraft facility with a net limit of up to £10,000,000 (ten million pounds sterling) (the "Overdraft Facility Letter") and (ii) further indemnify the Bank in respect of such liabilities.
- Pursuant to the Intercreditor Agreement, CWH would acknowledge the priorities of security and ranking of payments and other contractual arrangements made between, inter alia, the Bank, RBSIF, the Investor, Baggy Nominees and the Accrued Interest Creditors.
- Pursuant to the Intra-Group Loan Agreement, any loans made by CWH to the Purchaser could, inter alia, be used by the Purchaser to repay its obligations to Baggy Nominees under the Vendor Loan Notes (as defined therein) and/or the Accrued Interest Creditors under the Accrued Interest Credit Agreements (as defined therein) and/or the Investor under the BUIL Loan Notes (as defined therein).
- Pursuant to the BUIL Guarantee and Debenture, CWH would, inter alia (i) guarantee the payment and discharge by the Purchaser of all the Purchaser's obligations and liabilities to the Investor Beneficiaries under the BUIL Loan Notes (as defined therein) and further indemnify the Investor Beneficiaries in respect of such liabilities and (ii) create fixed and floating charges over all its property assets and undertaking, both present and future, in favour of the Investor Security Trustee by way of security for the payment of all obligations and liabilities of CWH to the Investor Beneficiaries under the aforementioned guarantee and indemnity. The BUIL Guarantee and Debenture contains a further assurance clause which would entitle the Investor Security Trustee to call for additional security documents to be entered into at the Investor Security Trustee's request to, amongst other things, perfect by way of legal charge a charge which as created in the BUIL Guarantee and Debenture was merely equitable.
- Pursuant to the Vendor Guarantee and Debenture, CWH would, inter alia (i) guarantee the payment and discharge by the Purchaser of all the Purchaser's obligations and liabilities to the Vendor Beneficiaries under the Vendor Loan Notes and/or the Accrued Interest Agreements (as each term is defined therein) and further indemnify the Vendor Beneficiaries in respect of such liabilities and (ii) create fixed and floating charges over all its property assets and undertaking, both present and future, in favour of the Vendor Security Trustee by way of security for payment of all obligations and liabilities of CWH to the Vendor Beneficiaries under the aforementioned guarantee and indemnity. The Vendor Guarantee and Debenture contains a further assurance clause which would entitle the Vendor Security Trustee to call for additional security documents to be entered into at the Vendor Security Trustee's request to, amongst other things, perfect by way of legal charge a charge which as created in the Vendor Guarantee and Debenture was merely equitable.

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In entering into the various documents referred to above, CWH is entering into obligations and assuming liabilities and giving security in connection with the acquisition of the entire issued share capital of the Company by the Purchaser (the "Acquisition") and the subscription for 3,000,000 ordinary shares in the Company by the Purchaser (the "Subscription") and may in the future be called upon pursuant to any of the documents referred to in this declaration to discharge obligations and/or liabilities arising in connection with the Acquisition or the Subscription.



#### **CHRISTY GROUP LIMITED (the "Company")**

(Company No. 03338230)

The amount of any loans made from time to time by CWH to the Purchaser under the terms of the Intra-Group Loan Agreement.

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KPMG LLP Audit 1 The Embankment Neville Street Leeds LS1 4DW United Kingdom Tel +44 (0) 113 231 3740 Fax +44 (0) 113 231 3655 DX 724440 Leeds

The Directors
Christy Group Limited
Wood Street
Barnsley
South Yorkshire
S70 1NB

Our ref ch/la/239/009

5 January 2007

Dear Sirs

## Auditors' report to the directors of Christy Group Limited (the "Company") pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 5 January 2007 in connection with the proposal that the Company's subsidiary, CW Headdress Limited, should give financial assistance for the purpose of the acquisition of the entire share capital in the Company by Hamsard 3031 Limited on 5 January 2007.

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 sincerely

KPMG LLP

Registered Auditor

KAMG-LLP



COMPANIES FORM No. 155(6)b

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



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

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

To the Registrar of Companies	For official use	Company number	
(Address overleaf - Note 5)		03338230	
Name of company			
* Christy Group Limited			
XWeø See Appendix 1			

t delete as appropriate

§ delete whichever is inappropriate

The business of this company is:

- (c) something other than the above §

	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
in [this company] [	
proposing to give financial assistance in connection	ction with the acquisition of shares
03165540)	which is
This company is [the] [**) holding company of*	CW Headdress Limited (Company Number

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

Hammonds Trinity Court 16 John Dalton Street Manchester M60 8HS

14347 Manchester 1 Ref: BAR.963-2 For official Use General Section

Post room

Page 1

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<b>t</b>	Cent
The assistance is for the purpose of [that acquisition] <b>KAADOXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX</b>	Please do no write in this margin
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The number and class of the shares acquired or to be acquired is: See Appendix 2	legibly, prefi in black type bold block lettering
The assistance is to be given to: (note 2) Hamsard 3031 Limited (Company Number 05932964)	
whose registered office is at Rutland House, 148 Edmund Street, Birmingham, West Midlands, B3 2JR (the "Purchaser")	
The assistance will take the form of:	
See Appendix 3	
ļ.	
<b>]</b>	
The person who [XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	† delete as appropriate
the Purchaser	appropriate
The principal terms on which the assistance will be given are:	
See Appendix 4	
The amount (if any) by which the net assets of the company which is giving the assistance will be reduced	
by giving it isNil	
o) Alatina icio Tillia	
The appropriate and to be transferred to the appropriate discovery of the Control	
The amount of cash to be transferred to the person assisted is £ See Appendix 5	
he amount of cash to be transferred to the person assisted is £  See Appendix 5  he value of any asset to be transferred to the person assisted is £  Nil	Page

The date on which the assistance is to be given is

Within 8 weeks of the date hereof

ail

Please complete gibly, preferably black type, or pold 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

And X/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 Room 1201, 12/F, Far East Consortium Building, No.121 Des Voeux Road Central, Hong Kong Special Administrative Region by Gary Charles Panons:-

Declarants to sign below

 Day
 Month
 Year

 on
 0 | 5 | 0 | 1 | 2 | 0 | 0 | 7

 before me
 Alaio
 Ia.

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths. Elaine Chi Ling Tam
Notary Public, Hong Kong SAR
Room 1201, 12th Floor,
Far East Consortium Building,
No. 121 Des Voeux Road Central,
Hong Kong SAR
(I assume no responsibility for the contents of this document)

#### **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.
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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

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#### Appendix 1 to Form 155(6)b

#### CHRISTY GROUP LIMITED (the "Company")

Name of Director	Address
Andy Pybus	Green Hill Raper View Aberford West Yorkshire LS25 3AF
Anthony James Lewis	9 Meadow Road Middleton Manchester M24 1WH
Louis Jules Hydleman	Middle Spreadcombe Farm Braunton North Devon EX33 1JA
Gary Panons	15 Jenner Close Wantorough Wiltshire SN4 0FA

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#### Appendix 2 to Form 155(6)b

#### CHRISTY GROUP LIMITED (the "Company")

(Company No. 03338230)

The number and class of shares acquired or to be acquired is:

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2,887,335 preferred ordinary shares of £0.05 each; and

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#### Appendix 3 to Form 155(6)b

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#### Appendix 4 to Form 155(6)b

#### CHRISTY GROUP LIMITED (the "Company")

- Pursuant to the Guarantee, CWH would (i) guarantee the payment and discharge by the Purchaser, the Company and the Subsidiaries of all their obligations and liabilities to the Bank, including under a facility agreement pursuant to which the Bank would make available to the Company a term loan facility of up to £4,200,000 (four million two hundred thousand pounds sterling) (the "Facility Agreement") and a multi-currency overdraft facility letter pursuant to which the Bank would make available to the Purchaser, the Company, CWH and the Subsidiaries a multi-currency overdraft facility with a net limit of up to £10,000,000 (ten million pounds sterling) (the "Overdraft Facility Letter") and (ii) further indemnify the Bank in respect of such liabilities.
- Pursuant to the Intercreditor Agreement, CWH would acknowledge the priorities of security and ranking of payments and other contractual arrangements made between, inter alia, the Bank, RBSIF, the Investor, Baggy Nominees and the Accrued Interest Creditors.
- Pursuant to the Intra-Group Loan Agreement, any loans made by CWH to the Purchaser could, inter alia, be used by the Purchaser to repay its obligations to Baggy Nominees under the Vendor Loan Notes (as defined therein) and/or the Accrued Interest Creditors under the Accrued Interest Credit Agreements (as defined therein) and/or the Investor under the BUIL Loan Notes (as defined therein).
- Pursuant to the BUIL Guarantee and Debenture, CWH would, inter alia (i) guarantee the payment and discharge by the Purchaser of all the Purchaser's obligations and liabilities to the Investor Beneficiaries under the BUIL Loan Notes (as defined therein) and further indemnify the Investor Beneficiaries in respect of such liabilities and (ii) create fixed and floating charges over all its property assets and undertaking, both present and future, in favour of the Investor Security Trustee by way of security for the payment of all obligations and liabilities of CWH to the Investor Beneficiaries under the aforementioned guarantee and indemnity. The BUIL Guarantee and Debenture contains a further assurance clause which would entitle the Investor Security Trustee to call for additional security documents to be entered into at the Investor Security Trustee's request to, amongst other things, perfect by way of legal charge a charge which as created in the BUIL Guarantee and Debenture was merely equitable.
- Pursuant to the Vendor Guarantee and Debenture, CWH would, inter alia (i) guarantee the payment and discharge by the Purchaser of all the Purchaser's obligations and liabilities to the Vendor Beneficiaries under the Vendor Loan Notes and/or the Accrued Interest Agreements (as each term is defined therein) and further indemnify the Vendor Beneficiaries in respect of such liabilities and (ii) create fixed and floating charges over all its property assets and undertaking, both present and future, in favour of the Vendor Security Trustee by way of security for payment of all obligations and liabilities of CWH to the Vendor Beneficiaries under the aforementioned guarantee and indemnity. The Vendor Guarantee and Debenture contains a further assurance clause which would entitle the Vendor Security Trustee to call for additional security documents to be entered into at the Vendor Security Trustee's request to, amongst other things, perfect by way of legal charge a charge which as created in the Vendor Guarantee and Debenture was merely equitable.

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In entering into the various documents referred to above, CWH is entering into obligations and assuming liabilities and giving security in connection with the acquisition of the entire issued share capital of the Company by the Purchaser (the "Acquisition") and the subscription for 3,000,000 ordinary shares in the Company by the Purchaser (the "Subscription") and may in the future be called upon pursuant to any of the documents referred to in this declaration to discharge obligations and/or liabilities arising in connection with the Acquisition or the Subscription.

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#### Appendix 5 to Form 155(6)b

#### CHRISTY GROUP LIMITED (the "Company")

(Company No. 03338230)

The amount of any loans made from time to time by CWH to the Purchaser under the terms of the Intra-Group Loan Agreement.



KPMG LLP Audit 1 The Embankment Neville Street Leeds LS1 4DW United Kingdom Tel +44 (0) 113 231 3740 Fax +44 (0) 113 231 3655 DX 724440 Leeds

The Directors
Christy Group Limited
Wood Street
Barnsley
South Yorkshire
S70 1NB

Our ref ch/la/239/009

5 January 2007

Dear Sirs

## Auditors' report to the directors of Christy Group Limited (the "Company") pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 5 January 2007 in connection with the proposal that the Company's subsidiary, CW Headdress Limited, should give financial assistance for the purpose of the acquisition of the entire share capital in the Company by Hamsard 3031 Limited on 5 January 2007.

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 sincerely

KPMG LLP

Registered Auditor

KPMG- LLP