

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			
	03346341			

- * SKYMART HOLDINGS LIMITED (the "Company")
- **X**We σ James Softley of Persilands Farm, Persilands, Biggar, ML12 6LX;

Colin Gore of 15 Wyndcliffe Drive, Flixton Village, Manchester M41 6LD; and

Malcolm Knox of 61 Grappenhall Road, Stockton Heath, Warrington, Cheshire WA4 2AR.

† 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):

Beachcroft Wansbroughs St Ann's House St Ann Street Manchester M2 7LP

DX 14341 Manchester 427/684/d/1556B SkyHold For official Use General Section



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The assistance is for the purpose of [that acquisition] ************************************	Please do not write in this margin
TOOK OUT OF THE STATE OF THE ST	Please complete
The number and class of the shares acquired or to be acquired is: 95,000 A ordinary shares of	in black type, or bold block
fl each and 5,000 B ordinary shares of fl each	lettering
The assistance is to be given to: (note 2) Skymart Group Limited (No. 05453185) whose registered is at St Ann's House, St Ann Street, Manchester M2 7LP.	
The assistance will take the form of:	
Please see Annexure 1	
The person who KXXXXXXXXXXXXII [will acquire] the shares is: Skymart Group Limited (No. 05453185)	† delete as appropriate
The principal terms on which the assistance will be given are:	
The amount (if any) by which the net assets of the company which is giving the assistance will be reduced	
The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it isNil	
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 £	Page 2

Please d⊚ not ⊯rite in this margin The date on which the assistance is to be given is

within 8 weeks of the date hereof

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

XiWe 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/NA 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 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

S. Awas House MANCHESTER

	Day Month				<u> Үеаг</u>						
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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

- 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 Company Number: 03346341

SKYMART HOLDINGS LIMITED

COMPANIES FORM 155(6)b

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Annexure 1

The assistance will take the form of the entering into of the following documents to which Skymart Limited (the "**Subsidiary**") is to be a party in connection with the Acquisition:

- 1. A composite all assets guarantee and indemnity and debenture (the "Debenture") to be entered into between GE Commercial Finance Limited ("GE"), (2) Skymart (London) Limited (3) the Company, (4) Skymart Group Limited, (5) Skymart (Manchester) Limited and (6) the Subsidiary;
- 2. A business finance agreement (the "Business Finance Agreement") to be entered into by (1) GE, (2) the Subsidiary and (3) Skymart Limited;
- 3. An intra-group loan agreement (the "Intra-Group Loan Agreement") to be entered into between (1) the Subsidiary, (2) the Company, (3) Skymart Group Limited, (4) Skymart (Manchester) Limited and (5) Skymart (London) Limited;
- 4. A temporary and conditional release and priority agreement (the "**Priority Deed**") to be entered into between GE, National Westminster Bank Plc and the Subsidiary; and
- 5. a counter-indemnity (the "Counter-Indemnity") to be granted by the Subsidiary to Royal & Sun Alliance Insurance Plc ("R&S").

Annexure 2

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

- Under the terms of the Debenture, the Subsidiary is to mortgage, charge (by fixed and floating charges), guarantee, indemnify and grant security over all its undertaking, property, assets and rights, present and future, as further described therein in favour of GE securing and guaranteeing amongst other obligations, sums under the Debenture and the Business Finance Agreement;
- 2. Under the terms of the Business Finance Agreement, GE is to make available certain finance facilities to the Subsidiary and to Skymart (London) Limited, including a cashflow and an invoice finance facility;
- 3. Under the terms of the Intra-Group Loan Agreement, the Subsidiary is to lend to and borrow from the Company, Skymart Group Limited, Skymart (Manchester) Limited and Skymart (London) Limited, loan facilities as may be required from time to time to assist each of those companies in meeting their obligations in respect of the Acquisition and for the purposes of providing working capital;

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5. Under the terms of the Priority Deed, the Subsidiary releases to GE all purchased debts from a debenture dated 17 February 1994 between the Company and National Westminster Bank Plc, subject to the terms of the Priority Deed; and

6. Under the terms of the Counter-Indemnity, the Subsidiary agrees to indemnify R&S against any costs in the pursuit of recovery of and Bonds (as more particularly described in the Counter-Indemnity).

Our Ref:

JLVB/SC

Skymart Holdings Limited Griffin Court 201 Chapel Street Salford Manchester M3 5EQ



Chartered Accountants

Griffin Court. 201 Chapel Street, Manchester M3 5EQ

Telephone: 0161 832 6221 Fax: 0161 834 8479

e-mail: info@kayjohnsongee.com web site: www.kayjohnsongee.com

JULIAN BERESSI DIRECT LINE: 0161 212 8382

30 June 2005

Dear Sirs

AUDITORS' REPORT TO THE DIRECTORS OF SKYMART HOLDINGS LIMITED (THE "COMPANY") PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985 (THE "ACT")

We have examined the attached statutory declaration of the directors of the Company dated today in connection with the proposal that Skymart Limited should give financial assistance in connection with the purchase of shares in its holding Company, Skymart (Manchester) Limited.

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 statutory declaration as to any of the matters mentioned in section 156(2) of the Act is unreasonable in all the circumstances.

Yours faithfully,

KAY JOHNSON

Jonathan E Avery-Gee FCA FABRP Roger W Blaskey BSc(Hons) FCA Julian LV Beressi BSc(Hons) FCA MAE