

155(6)b

0591
20/07/05
07/07/05

Please do not
write in this
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**Please complete
legibly, preferably
in black type, or
bold block
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.

Please see Annexure 1

† delete as appropriate

Please see Annexure 2

The value of any asset to be transferred to the person assisted is £ Nil

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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

~~X~~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) ~~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 ~~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

Declarants to sign below

St Annus House Manchester

on

Day	Month	Year
30	06	2005

before me THOMAS CRESSEY B. CRESSEY

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

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

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:

1. 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

**KAY
JOHNSON
GEE**

Chartered Accountants

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

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 GEE

Partners:

Jonathan E Avery-Gee FCA FABRP
Roger W Blaskey BSc(Hons) FCA
Julian LV Beressi BSc(Hons) FCA MAE
Robert E Ward BA(Econ)
David J Cower FCCA