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COMPANIES FORM No. 155(6)b

**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
marginPlease complete
legibly, preferably
in black type, or
bold block letteringNote
Please read the notes
on page 3 before
completing this form*Insert full name
of company†Insert name(s) and
address(es) of all
the directors§Delete as
appropriate‡Delete whichever
is inappropriate

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

To the Registrar of Companies

For official use

Company number



3453732

Name of company

* ONEBUILD LIMITED

†/We† See Appendix A

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

The business of the 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* SNUGGLEDOWN OF NORWAY (UK) LIMITED(Company No: 987104) which is

proposing to give financial assistance in connection with the acquisition of shares

in [this company] [

the holding company of this company.]‡

Presentor's name, address and
reference (if any):Pinsent Curtis
1 Park Row
LEEDS
LS1 5AB

MJS.5730563

For official use

General Section

HLE
COMPANIES HOUSE0157
03/05/00

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

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

The number and class of the shares acquired or to be acquired is: See Appendix B

The assistance is to be given to: (note 2) _____

See Appendix C

The assistance will take the form of:

See Appendix D

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

JOHN COTTON GROUP LIMITED (Company No: 273492)

†Delete as appropriate

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

See Appendix E

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it is See Appendix F

The amount of cash to be transferred to the person assisted is £ See Appendix G

The value of any asset to be transferred to the person assisted is £ See Appendix H

Please do not
write in this
margin

The date on which the assistance is to be given is See Appendix I 19

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

☒ 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) ☒ 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)

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

(b) [It is intended to commence the winding-up of the company within 12 months of that date, and I/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.]* (note 3)

And ☒ 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 Musfield

the 10th day of April

~~One thousand nine hundred and~~ TWO THOUSAND

before me William D. McNamee Solicitor

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

[Handwritten signatures]
M. A. G.

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.

APPENDIX A

Name	Address
Stephen Hedley Ward	6 Portland Place, Horwich, Bolton, Lancashire
David Michael Mein	12 Hastings Way, Collingham, Wetherby, West Yorkshire, LS22 5LH
Mark Adrian Cotton	5 Sovereign House, Sovereign Park, Harrogate, North Yorkshire, HG1 2SF

APPENDIX C

John Cotton Group Limited (Company No: 00273492) whose registered office is at 1 Park Row, Leeds, LS1 5AB ("**John Cotton**"); and

Northern Feather (Home Furnishings) Limited (Company No: 02589899) whose registered office is at Lockett Road, South Lancashire Industrial Estate, Ashton-in-Makerfield, Wigan, WN4 8DJ ("**Northern Feather**")

APPENDIX D

The assistance will take the form of:-

1. The execution and delivery by Snuggledown of an unlimited composite guarantee ("Guarantee Deed") in favour of National Westminster Bank PLC ("NatWest") guaranteeing, inter alia, the NatWest Liabilities.
2. The execution and delivery by Snuggledown of an unlimited composite joint and several guarantee ("HSBC Guarantee Deed") in favour of HSBC Bank plc ("HSBC") guaranteeing, inter alia, the HSBC Liabilities.
3. The execution and delivery by Snuggledown to HSBC of a letter of negative pledge (the "Negative Pledge")

Note:

"Acquisition"

means the acquisition of the entire issued share capital of this Company by John Cotton on 17 April 2000;

"NatWest Facility Agreement"

means the Advice of Borrowing Terms dated 11 April 2000 and accepted 17 April 2000 incorporating the on demand and forward exchange facilities made available to John Cotton by NatWest for the provision, inter alia, of a loan of up to £2,775,000 made in favour of John Cotton of which £1,875,000 was used for the purpose of the Acquisition;

"NatWest Liabilities"

means the liabilities of John Cotton to NatWest under the NatWest Facility Agreement;

"HSBC Facilities"

means the facilities available to John Cotton and its group companies (including, without limitation, Northern Feather) from HSBC from time to time;

"HSBC Liabilities"

means the liabilities of this Company, John Cotton, Northern Feather and Snuggledown to HSBC under the HSBC Facilities;

"Snuggledown"

means this Company's subsidiary Snuggledown Of Norway (UK) Limited.

APPENDIX E

The principal terms on which assistance will be given are:

1. Under the terms of the Guarantee Deed:
 - 1.1 Snuggledown will guarantee payment to NatWest of all monies and liabilities for the time being due, owing or incurred from or by John Cotton, Northern Feather, this Company and Snuggledown (the "**Debtors**") to NatWest (whether actually or contingently and whether incurred solely, severally or jointly and whether as principal or surety), which monies and liabilities will include sums borrowed by John Cotton from NatWest under the NatWest Facility Agreement in connection with the Acquisition; and
 - 1.2 Snuggledown will undertake liability as principal debtor to NatWest in respect of the monies and liabilities referred to in 1 above, which are not recoverable from Snuggledown as guarantor;
 - 1.3 Snuggledown will grant rights of set-off to NatWest entitling NatWest to set-off any sum standing to the credit of Snuggledown's account with NatWest against any sum owed by Snuggledown to NatWest;
 - 1.4 Snuggledown will agree that the Guarantee shall be continuing security and shall remain in force notwithstanding any disability of Snuggledown until determined by three months' notice in writing from Snuggledown but notwithstanding the determination Snuggledown shall remain liable as guarantor for all the liabilities of the Debtors outstanding (whether or not due and payable) at the date of the expiration of the notice; and
 - 1.5 Snuggledown will agree that any monies received by NatWest in connection with the Guarantee may be placed to the credit of a suspense account and upon receipt shall not affect the right of NatWest to claim or prove against the Debtors for the entire amount of the liabilities of the Debtors. Such monies or any part may at NatWest's option be applied in or towards discharge of such liabilities of the Debtors as NatWest may in its absolute discretion determine;

upon the terms more particularly set out in the Guarantee.

2. Under the terms of the HSBC Guarantee Deed;
 - 2.1 Snuggledown will guarantee (jointly and severally with John Cotton and this Company) (the "**Principals**") that it will pay and satisfy to HSBC on demand all and every sum and sums of money which are now or shall at any time be owing to HSBC anywhere on any account whatsoever whether from each of the Principals or from any of them jointly with any other person or persons or from any firm in which the Principals may be a partner including the amount of notes or bills discounted or paid and of loans, credits or advances made to or for accommodation or at the request either of the Principals solely or jointly or of any such firm as aforesaid and all monies for which the Principals may be liable as surety (otherwise than as surety under the HSBC Guarantee Deed) or in any way whatsoever together with in all the cases aforesaid all interest, commission, discount and other bankers' charges together with interest thereon from the date of demand by HSBC upon the Principals for payment as well after as before any judgment).

- 2.2 Snuggledown will agree that the HSBC Guarantee Deed shall be a continuing security until the expiration of three calendar months after all the Principals shall have given (whether same or different times) notice to HSBC in writing to discontinue and determine the HSBC Guarantee Deed;
- 2.3 Snuggledown will agree that the HSBC Guarantee Deed shall be a security for all monies owing or contingently owing which may become owing in respect of any transaction purposely entered into or taken by HSBC and HSBC shall be at liberty to open and operate a fresh account or accounts and/or to continue any existing accounts and no moneys paid from time to time at any such account or accounts shall on satisfaction of any claim in respect of this HSBC Guarantee Deed be appropriated to or have effect of payment of any part of the monies owing or contingently owing when this HSBC Guarantee Deed ceased to be binding unless the person or persons paying such amount shall at the time of writing direct HSBC specifically to appropriate the same to that purpose;
- 2.4 Snuggledown will agree that HSBC shall be at liberty without affecting its rights against the Principals or any of the Principals at any time to determine enlarge or vary any credit to the Principals to vary exchange abstain from perfecting or release any other securities held or to be held by HSBC for or on account of the monies intended to be hereby secured or any part thereof to renew bills or promissory notes in any manner. HSBC will also be at liberty at any time to release or discharge any of the Principals from the obligations of the HSBC Guarantee Deed;
- 2.5 Snuggledown will agree with HSBC not to take from any of the Principals either directly or indirectly without the consent of HSBC any promissory note, bill of exchange, mortgage charge or other counter-security whether merely personnel or involving a mortgage or charge on any property whatsoever of the Principals;
- 2.6 Snuggledown will agree with HSBC that in addition to all rights of set-off conferred by law and appropriation to any lien any monies now hereafter standing to the credit of any of the Principals solely or of any or all of the Principals jointly with HSBC whether on current or other account shall be at the discretion of HSBC be liable to be set-off against the Principals liabilities under the HSBC Guarantee Deed.
3. Under the terms of the Negative Pledge Snuggledown will agree with HSBC not to charge in any way any of its property or assets without obtaining HSBC's prior written consent.
4. The monies, obligations and liabilities of John Cotton to NatWest and HSBC (and of Snuggledown to NatWest and HSBC pursuant to security granted to NatWest and HSBC by way of upstream guarantee) include monies borrowed in connection with and as an integral part of the Acquisition.

APPENDIX I

On the date hereof and/or any date or dates falling within the period of eight weeks immediately following the date of this statutory declaration.

PricewaterhouseCoopers
Benson House
33 Wellington Street
Leeds LS1 4JP
Telephone +44 (0) 113 289 4000
Facsimile +44 (0) 113 289 4460

Private and Confidential

The Directors
Onebuild Limited
39 Burners Lane
Kiln Farm
Milton Keynes
MK11 3HJ

20 April 2000

Dear Sirs

Auditors' report to the directors of Onebuild Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Onebuild Limited ('the Company') dated 20 April 2000 in connection with the proposal that the Company's subsidiary undertaking, Snuggledown of Norway (UK) Limited ('Snuggledown'), should give financial assistance for the purchase of all of the ordinary shares of the Company.


Basis of opinion

We have enquired into the state of Snuggledown's affairs in order to review the bases 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 Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors