

## Declaration in relation to assistance for the acquisition of shares

# 155(6)a

CHFP025

Please do not  
write in this  
margin

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

03480229

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

Name of company

\* David Halsall International Holdings Limited (the "Company")

\* insert full name  
of company

Xweo See Appendix 1

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

† delete as appropriate

~~XXXXXXXXXXXX~~ [all the directors]† of the above company do solemnly and sincerely declare tha

The business of the company is:

§ delete whichever  
is inappropriate

is that of a recognised bank licensed institution within the meaning of the Banking Act 1939

[illegible]

insurance business in the United Kingdom

(c) something other than the above§

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

[company] [XXXXXXXXXXXXXXXXXXXXXXXXXXXXX]

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

XXXXXXXXXXXXXXXXXXXX

The number and class of the shares acquired or to be acquired is: See Appendix 2

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

Halliwells LLP  
St James's Court  
Brown Street  
Manchester  
M2 2JF

14317 Manchester 1  
/ nk/Ced r- I L-155(6)

For official Use  
General Section

Post room



**A05** **\*AMD**  
**COMPANIES HOUSE**

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02/09/2006

The assistance is to be given to: (note 2) Hallco 1327 Limited (Company Number: 5816714)  
whose registered office is at Eastham House, Copse Road, Fleetwood FY7 7NY (the  
"Purchaser")

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legibly, preferably  
in black type, or  
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The assistance will take the form of:

See Appendix 3

The person who ~~has acquired~~ <sup>XXXXXXXXXX</sup> will acquire† the shares is:

† delete as  
appropriate

The Purchaser

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

See Appendix 4

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

The date on which the assistance is to be given is within 8 weeks of the date hereof

~~X~~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) ~~X~~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)

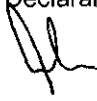
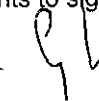
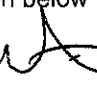


(b) [It is intended to commence the winding up of the company within 12 months of that date, and the directors have formed the opinion that the company will be able to pay its debts in full within 12 months of its commencement of the winding up.]\* (note 3)

Declared at

St James's Church,  
Brown St, Manchester

Declarants to sign below

Declarants to sign below

Day Month Year  
on 2 | 1 0 | 8 2 | 0 | 0 | 6

before me.

Nicholas Foulkes (NICHOLAS FOULKES  
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.

- 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  
37 Castle Terrace  
Edinburgh  
EH1 2EB

**DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED**

**APPENDICES TO FORM 155(6)a**

**APPENDIX 1**

Name: John Robert Hutt  
Address: Windsor Lodge, 3 Windsor Road, Lytham St Anns, Lancashire FY8 1ET

Name: Andrew Coplestone  
Address: The Heymill, Blackpool Old Road, Great Eccleston, Lancashire PR3 0YQ

Name: Graham Wilson Halsall  
Address: 30A East Beach, Lytham St Annes, Lancashire FY8 5EX

Name: Philip Ackroyd  
Address: Cromblehome Fold Farm, Cromblehome Fold, Goosnargh, Preston  
Lancashire PR3 2ES

Name: William John Lockwood  
Address: 80 Kilworth Drive, Lostock, Bolton, Lancashire BL6 4RL

Name: John Robert Wrenn  
Address: Barton Mill, Barton Lane, Barton Preston Lancashire PR3 5AU

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**DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED**

**APPENDICES TO FORM 155(6)a**

**APPENDIX 2**

The number and class of the shares being acquired is:

- (a) 26,861 'C' ordinary shares of £1 each; and
  - (b) 32,830 'D' ordinary shares of £1 each,
- in the capital of the Company.

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**DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED**

**APPENDICES TO FORM 155(6)a**

**APPENDIX 3**

All capitalised terms in this appendix 3 shall have the meanings given to them in appendix 6.

**Form of assistance**

The assistance will take the form of the execution by the Company of the following documents (as the same may be amended, varied, supplemented or substituted from time to time), the making of the following payments and the Company complying with and fulfilling its obligations thereunder:

- 1 the Facility Agreement;
- 2 the Burdale Debenture;
- 3 the United Insurance Debenture;
- 4 the United Insurance Guarantee;
- 5 the GWH Guarantee and Debenture; and
- 6 the Intra Group Loan Agreement.

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**DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED**

**APPENDICES TO FORM 155(6)a**

**APPENDIX 4**

All capitalised terms in this appendix 4 shall have the meanings given to them in appendix 6.

**Terms on which assistance given**

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

- 1 pursuant to clause 19.1 of the Facility Agreement (the "**Burdale Guarantee Provisions**"), the Company (together with the other Guarantors, as defined therein) irrevocably and unconditionally jointly and severally:
  - 1.1 guarantees to the Lender punctual performance by each Borrower (as defined therein) of all that Borrower's obligations under the Finance Documents (as defined therein);
  - 1.2 undertakes with the Lender that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, that the Company shall immediately on demand pay that amount as if it was the principal obligor; and
  - 1.3 undertakes to indemnify the Lender immediately on demand against any cost, loss or liability suffered by the Lender if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which the Lender would otherwise have been entitled to recover.
- 2 pursuant to the terms of the Burdale Debenture, and as continuing security for the payment and discharge of all obligations and liabilities at the date of the Burdale Debenture or at any time thereafter, whether actual or contingent and whether owed jointly or severally, as principal or surety, or in any other capacity whatsoever by the Company, and any other Guarantor (as defined in the Facility Agreement) ("**Secured Liabilities**") the Company will charge in favour of the Lender with full title guarantee the following assets, both present and where from time to time owned by it or in which it has an interest:
  - 2.1 by way of a first legal mortgage all the property (if any) at the date of the Burdale Debenture belonging to it and specified in Schedule 2 of the Burdale Debenture and all other interests in any freehold or leasehold property at the date of the Burdale Debenture or at any time thereafter belonging to it; and
  - 2.2 by way of a first fixed charge:
    - (i) (to the extent that they are not within Clause 2.1 of the Burdale Debenture) all interests in any freehold or leasehold property at the date of the Burdale Debenture or at any time thereafter belonging to it;
    - (ii) all Equipment (other than any Specified Equipment effectively

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mortgaged to the Lender by way of a first legal mortgage pursuant to Clause 2.5 of the Burdale Debenture) at the date of the Burdale Debenture or at any time thereafter belonging to it and its interest in any such Equipment in its possession at the date of the Burdale Debenture or at any time thereafter;

- (iii) all of its benefits, claims and returns of premiums in respect of the Insurances;
- (iv) all of its right, title, interest and benefit (if any) in and to the Blocked Accounts and all monies standing to the credit of any of the Blocked Accounts and the debts represented by them;
- (v) its goodwill and its rights in relation to uncalled capital at the date of the Burdale Debenture or at any time thereafter;
- (vi) its Book Debts, both uncollected and collected, the proceeds of the same and all monies otherwise due and owing to the Company (but excluding (a) to the extent effectively charged to the Lender pursuant to sub-clause (iv) above, the Blocked Accounts and any amounts standing to the credit thereof and (b) the Other Accounts and any amounts standing to the credit thereof;
- (vii) the benefit of all rights, securities and guarantees of whatsoever nature enjoyed or held by it in relation to anything in sub-paragraph 2.1(b)(vi) of the Burdale Debenture;
- (viii) its rights under any hedging arrangements;
- (ix) any of its beneficial interest, claim or entitlement in any pension fund;
- (x) the benefit of all permissions of whatsoever nature and whether statutory or otherwise, held in connection with its business or the use of any Security Asset and the right to recover and receive all compensation which may be payable to it;
- (xi) its Intellectual Property at the date of the Burdale Debenture or at any time thereafter subject to any necessary (as at the date of this Deed) third party's consent to such charge being obtained. To the extent that such Intellectual Property is not capable of being charged (whether by reason of lack of any such consent or otherwise) the charge purported to be effected by Clause 1.1.1(a)(xi) of the Burdale Debenture shall operate as an assignment of any and all damages, compensation, remuneration, profit, rent or income which the Company may derive from such Intellectual Property or be awarded or entitled to in respect of such Intellectual Property as continuing security for the payment, discharge and performance of the Secured Liabilities

2.3 by way of first mortgage all Group Shares held at the date of the Burdale Debenture or at any time thereafter by it and/or any nominee on its behalf; and

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- 2.4 by way of first mortgage all the Related Rights accruing to all or any of the Group Shares held at the date of the Burdale Debenture or at any time thereafter by it and/or any nominee on its behalf.

**PROVIDED THAT:**

(xii) whilst no Event of Default is continuing, all dividends and other distributions paid or payable as referred to in paragraph 2(b) of the Burdale Debenture may be paid directly to the Company (in which case the Lender or its nominee shall execute any necessary dividend mandate) and, if paid directly to the Lender shall be paid promptly by it to the Company; and

(xiii) subject to Clause 6.4(b) of the Burdale Debenture whilst no Event of Default is continuing, all voting rights attaching to the relevant Group Shares may be exercised by the Company or, where the shares have been registered in the name of the Lender or its nominee, as the Company may direct in writing, and the Lender and any nominee of the Lender in whose name such Group Shares are registered shall execute any form of proxy or other document reasonably required in order for the Company to do so.

- 2.5 by way of first mortgage all of its right, title and interest in and to:

(xiv) the Specified Equipment;

(xv) all spare parts and replacements for and all modifications and additions to the Specified Equipment.

- 3 In addition, by becoming a party to the Burdale Debenture the Company (amongst other things):

- 3.1 Will, at its own expense, promptly following request by the Lender execute such deeds and other agreements and otherwise take whatever action the Lender may reasonably require:

(xvi) to perfect and/or protect the security created (or intended to be created) by the Burdale Debenture;

(xvii) to facilitate the realisation or enforcement of such security;

(xviii) to facilitate the exercise of any of the Lender's rights, powers or discretions under the Burdale Debenture; and/or

(xix) to confer on the Lender security over any assets of the Company (in whatever jurisdiction situated) equivalent or similar to the security intended to be conferred by the Burdale Debenture;

including the conversion of charges to assignments, assignments, equitable security to legal security, the execution of any transfer, conveyance, assignment or assurance whatsoever and the giving of all notices, orders, instructions and directions whatsoever;

- 3.2 As Obligor covenants with the Lender that it will on demand pay the Indebtedness when it falls due for payment; and

Handwritten signatures and initials: *NR*, *HR*, *AW*, *ZM*, *PA*, *S.H.*, *J.C.*

3.3 Permits the Lender to at any time (without notice to the Company):

(xx) set off or otherwise apply sums standing to the credit of any of the Company's accounts with the Lender (irrespective of the terms applicable to those accounts and whether or not those sums are then due for repayment to the Lender); and

(xxi) set off any other obligations (whether or not then due for performance) owed by the Lender to the Company,

against any matured liability (or after an Event of Default (as defined in the Debenture) has occurred and is continuing, against any liability of the Company to the Lender under the Finance Documents (as defined in the Facility Agreement).;

4 pursuant to the terms of the United Insurance Debenture, the Company grants to the Lender fixed and floating charges over all the property, assets and undertaking of the Company as security for all the liabilities and obligations of the Company to the Lender (including, without limitation, the United Insurance Guarantee Liabilities), it being noted that the Facilities are to be utilised in connection with the Acquisition;

5 pursuant to the terms of the United Insurance Guarantee, the Company and the Subsidiaries guarantee the liabilities and obligations from time to time of the Purchaser to the Lender under, or as contemplated by, the Deed of Counter Indemnity;

6 pursuant to the GWH Guarantee and Debenture, the Company:

6.1 covenants that it will pay on demand to the GWH Trustees all moneys and discharge all obligations and liabilities at the date of the GWH Guarantee and Debenture or at any time thereafter due, owing or incurred by it to the GWH Trustees whether express or implied, present, future or contingent, joint or several, incurred as principal or surety determined in whatever currency or incurred on any banking account under or pursuant to the Loan Notes and/or the GWH Guarantee and Debenture when the same become due for payment or discharge and interest (as well after as before judgment) to date of payment at such rates and upon terms as may from time to time be payable and all commission, fees, expenses and other charges and all legal and other costs when the same became due for payment or discharge (the "**Secured Obligations**"); and

6.2 irrevocably and unconditionally:

(i) guarantees the due performance by the Purchaser of all its obligations under or pursuant to the Loan Note Instrument and the Loan Notes and by each other Group Company of all its obligations under the GWH Guarantee and Debenture; and

(ii) guarantees the payment of all moneys at the date of the GWH Guarantee and Debenture or at any time thereafter due, owing or incurred to the GWH Trustees under or pursuant to the Loan Notes and/or the GWH Guarantee and Debenture by each other Group Company and by any other subsidiary of any Group Company at the date of the GWH Guarantee and

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Debenture or at any time thereafter (except any obligations or liabilities of such other Group Company or subsidiary as guarantor for the Group Company concerned); and

- (iii) undertakes that, if for any reason any Group Company fails to discharge any such obligation or to pay any such moneys, it shall immediately on demand by the GWH Trustees discharge such obligation or, as the case may be, pay such moneys to the GWH Trustees;

7 Additionally, the Company, with full title guarantee, charges to the GWH Trustees as a continuing security for the payment and discharge of its Secured Obligations:

- 7.1 by way of first legal mortgage, the Properties (if any) specified in Schedule 2 (Properties) to the GWH Guarantee and Debenture;
- 7.2 by way of first legal mortgage, all Properties (other than any property specified in Schedule 2 (Properties) to the GWH Guarantee and Debenture) owned by the Company at the date of the GWH Guarantee and Debenture or at any time thereafter or in which the Company has an interest;
- 7.3 by way of first fixed charge (to the extent not the subject of a legal mortgage by virtue of clauses 3.1(a) or 3.1(b) of the GWH Guarantee and Debenture) all Properties at the date of the GWH Guarantee and Debenture or at any time thereafter owned by the Company or in which the Company may have an interest;
- 7.4 by way of first fixed charge, the Equipment (if any) specified in Schedule 3 (Equipment) of the GWH Guarantee and Debenture and the benefit of all contracts and warranties relating to the same;
- 7.5 by way of first fixed charge, all Equipment (other than any property specified in Schedule 3 (Equipment) of the GWH Guarantee and Debenture) at the date of the GWH Guarantee and Debenture or at any time thereafter owned by such Company or in which the Company has an interest and the benefit of all contracts and warranties relating to the same;
- 7.6 by way of first fixed charge, all Securities specified in Schedule 4 (Securities) of the GWH Guarantee and Debenture;
- 7.7 by way of first fixed charge, all Securities (other than any property specified in Schedule 4 (Securities) of the GWH Guarantee and Debenture) at the date of the GWH Guarantee and Debenture or at any time thereafter owned by such Company or in which the Company has an interest;
- 7.8 by way of first fixed charge, all Debts at the date of the GWH Guarantee and Debenture or at any time thereafter owned by the Company or in which the Company has an interest (whether originally owing to the Company or purchased or otherwise acquired by it);
- 7.9 by way of first fixed charge, the proceeds of collection of all Debts and all moneys standing to the credit of the Receivables Account;

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- 7.10 by way of first fixed charge, any and all amounts from time to time standing to the credit of all accounts of the Company with any bank, financial institution or other person at the date of the GWH Guarantee and Debenture or at any time thereafter including, without limitation, the Accounts;
- 7.11 by way of first fixed charge, all moneys from time to time payable to the Company under or pursuant to the Insurances including without limitation the right to the refund of any premiums;
- 7.12 by way of first fixed charge, the proceeds of all other sums of money received by the Company, other than those specified in clauses 3.1(h), 3.1(i), 3.1(j) or 3.1(k) of the GWH Guarantee and Debenture;
- 7.13 by way of first fixed charge, the goodwill and uncalled capital of the Company;
- 7.14 by way of first fixed charge, the Intellectual Property (if any) specified in Schedule 5 (Intellectual Property) of the GWH Guarantee and Debenture;
- 7.15 by way of first fixed charge, all Intellectual Property (other than any Intellectual Property specified in Schedule 5 (Intellectual Property) of the GWH Guarantee and Debenture), at the date of the GWH Guarantee and Debenture or at any time thereafter owned by the Company or in which the Company may have an interest;
- 7.16 by way of first fixed charge, all its rights and interests in (and claims under) all contracts, agreements, deeds, undertakings, guarantees, warranties, indemnities, other documents, concessions and franchises at the date of the GWH Guarantee and Debenture or at any time thereafter entered into by or granted to, or vested in, or novated or assigned to, the Company (including any contract for sale of or other dealing with any of the Charged Assets).
- 8 pursuant to the terms of the Intra Group Loan Agreement, the Company and the Subsidiaries agree, inter alia, to provide funds to the Purchaser to enable it to fund the Acquisition, to meet its obligations to the Lender under, or as contemplated by, the Facility Agreement and also for any purpose in connection with the Acquisition.

In entering into the various documents and undertaking the payments referred to above, the Company is entering into obligations and assuming liabilities and giving security in connection with the Acquisition and may in the future be called upon pursuant to any of the documents referred to in this statutory declaration to discharge obligations and/or liabilities arising in connection with the Acquisition.

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**DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED**

**APPENDICES TO FORM 155(6)a**

**APPENDIX 5**

All capitalised terms in this appendix 5 shall have the meanings given to them in appendix 6.

**The amount of cash to be transferred to the person assisted**

Up to £25,000,000, being the maximum amount available under the Intra Group Loan Agreement

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**DAVID HALSALL INTERNATIONAL HOLDINGS LIMITED**

**APPENDICES TO FORM 155(6)a**

**APPENDIX 6**

In this Form 155(6)a, and all its appendices, the following terms shall have the following meanings:

**"Accounts"** means each account other than the Receivables Account from time to time opened or maintained by the Company at such branch of the Account Bank, or any other bank or financial institution, in each case, as the GWH Trustees may approve and all rights, benefits and proceeds in respect of such account;

**"Account Bank"** means any bank with which the Company maintains a Receivables Account or one or more Accounts;

**"Acquisition"** means the acquisition of the entire issued share capital of the Company by the Purchaser pursuant to the terms of the Share Purchase Agreement;

**"Blocked Accounts"** means , in relation to the Company:

- (a) the bank accounts of the Company specified in Part I of Schedule 6 to the Burdale Debenture;
- (b) the bank accounts of the Company specified in Part V of any Deed of Accession; and

such other bank accounts of the Company as the Lender may designate or approve by notice in writing to the Company;

**"Book Debts"** means" means:

- (c) all book and other debts in existence from time to time (including, without limitation, any sums whatsoever owed by banks or similar institutions) at the date of the Burdale Debenture or at any time thereafter, actual or contingent, due, owing to or which may become due, owing to or purchased or otherwise acquired by the Company; and
- (d) the benefit of all rights whatsoever relating to the debts referred to above including, without limitation, any related agreements, documents, rights and remedies (including, without limitation, negotiable or non-negotiable instruments, guarantees, indemnities, legal and equitable charges, reservation of proprietary rights, rights of tracing, unpaid vendor's liens and all similar connected or related rights and assets);

**"Burdale Debenture"** means the debenture to be executed by, among others, the Company in favour of the Lender;

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**"Burdale Guarantee"** means the guarantee to be executed by, among others, the Company in favour of the Lender;

**"Burdale Guarantee Liabilities"** means the liabilities and obligations of the Company under, or pursuant to, the Burdale Guarantee Provisions;

**"Charged Assets"** means in relation to the Company, all assets of the Company described in clauses 3.1 (Fixed Charges) and 3.2 (Floating Charges) of the GWH Guarantee and Debenture;

**"Collateral Instruments"** means notes, bills of exchange, certificates of deposit and other negotiable and non-negotiable instruments, guarantees and any other documents or instruments which contain or evidence an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for, any liabilities of any person and includes any document or instrument creating or evidencing an Encumbrance.

**"Company"** has the meaning given to it on page 1 of this Form 155(6)a;

**"Debts"** means book and other debts, revenues and claims, whether actual or contingent, whether arising under contracts or in any other manner whatsoever and all things in action which may give rise to any debt, revenue or claim, together with the full benefit of any Encumbrances, Collateral Instruments and any other rights relating thereto (whether as creditor or beneficiary) including, without limitation, reservations of proprietary rights, rights of tracing and unpaid vendor's liens and associated rights, but excluding any assets the subject of clauses 7.9 or 7.10 of the GWH Guarantee and Debenture;

**"Deed of Accession"** means a deed of accession substantially in the form set out in Schedule 8 of the Burdale Debenture.

**"Deed of Counter Indemnity"** means a deed of counter indemnity to be executed by the Purchaser in favour of United Insurance;

**"Encumbrance"** means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, standard security, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind securing or preferring any obligation of any person or any other arrangement having the effect of conferring rights of retention or set-off or other disposal rights over an asset (including, without limitation, title transfer and/or retention arrangements having a similar effect) and includes any agreement to create any of the foregoing;

**"Equipment"** means:

- (a) in relation to the Burdale Debenture, (save to the extent that any such items form part of the Company's stock in trade) all plant, equipment, machinery, computers and computer hardware and software (whether owned or licensed), vehicles, tools, furniture and fixtures at the date of the Burdale Debenture or at any time thereafter and all attachments, accessories owned by the Company and property (other than Fixtures) at the date of the Burdale Debenture or at any time thereafter relating to it or used in connection with it and replacements and substitutions for it wherever located; and
- (b) in relation to the GWH Guarantee and Debenture, machinery,

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equipment, furniture, furnishings, fittings and fixtures and other tangible personal property (other than Inventory), including, without limitation, data processing hardware and software, motor vehicles, aircraft, dies, tools, jigs and office equipment, together with all additions thereto, replacements or upgrades thereof, components and auxiliary parts and supplies used or to be used in connection therewith and all substitutes for any of the foregoing, and all manuals, drawings, instructions, warranties and rights with respect thereto at the date of the GWH Guarantee and Debenture or at any time thereafter wherever any of the foregoing is located and any other asset which would be treated as a fixed asset under GAAP.

**"Facilities"** means the Property Loan Facility, the Receivables Finance Facility, the Revolving Credit Facility, the Cashflow Loan Facility and the Additional Seasonal Facility as each such term is defined in the Facility Agreement;

**"Facility Agreement"** means the facility agreement to be made between, among others, the Purchaser and the Lender;

**"Group Shares"** means in relation to the Company:

- (a) the shares specified as belonging to the Company in Schedule 3 of the Burdale Debenture;
- (b) the shares specified as belonging to the Company in Part II of the Schedule to any Deed of Accession; and
- (c) all other stocks, shares, debentures, bonds, warrants, coupons or other securities and investments now or in the future owned by the Company from time to time.

**"Group Company"** means any of the Purchaser, the Company and the Company's subsidiaries, David Halsall International Limited (registered number 514002), David Halsall (HK) Limited (a company registered in Hong Kong with registered number 459134), Halsall Worldwide Limited (a company registered in Hong Kong with registered number 829637) Time 4 Toys Limited (registered number 3668381), D Stansfield Limited (registered number 357825), and Clifton Constructions (Blackpool) Limited (registered number 404467);

**"GWH Trustees"** means Paul David Macintosh of 1 York Place, Leeds LS1 2DR and David Alan Halsall of Bowmore, Laurel Avenue, Lytham St Anne's, Lancashire FY8 4LQ as trustees of The G. W. Halsall 2000 Life Interest Settlement;

**"GWH Guarantee and Debenture"** means the composite guarantee and debenture to be executed by the Purchaser, the Company and each Group Company, in favour of the GWH Trustees;

**"Insurances"** means all contracts and policies of insurance taken out by or for the Company or in which the Company has an interest (to the extent of that interest);

**"Intellectual Property"** means:

- (a) in relation to the Burdale Debenture, any and all subsisting patents and subsisting rights of a similar nature held in any part of the world, applications for patents and such rights, divisions and continuations of such applications for patents, registered and unregistered trade marks (including all rights to sue on or in relation to unregistered

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marks in any jurisdiction under passing off, unfair competition or similar rules or otherwise, and all goodwill and other rights that would form the basis for any such claims), registered designs, utility models (in each case for their full period and all extensions and renewals of them), applications for any of them and the right to apply for any of them in any part of the world, inventions, confidential information, database rights, Know-how (and all rights in relation to it), business names, trade names, brand names, domain names (and the rights of a registrant therein) copyright and rights in the nature of copyright, design rights and get-up and any similar rights existing in any country; and the benefit (subject to the burden) of any and all agreements, arrangements and licences in connection with any of the foregoing including but not limited to the Specified Intellectual Property; and

- (b) in relation to the GWH Guarantee and Debenture, all patents (including applications for and rights to apply for patents), trade marks and service marks (whether registered or not) and applications for the same, trade names, registered designs, design rights, semiconductor topography rights, database rights, copyrights, computer programs, know-how and trade secrets and all other intellectual or intangible property or rights and all licences, agreements and ancillary and connected rights relating to intellectual and intangible property including any renewals, revivals or extensions thereof and wherever in the world subsisting;

**"Intra Group Loan Agreement"** means the intra group loan agreement to be entered into between the Purchaser, the Company and the Subsidiaries;

**"Know-how"** means all the body of knowledge, technical experience, expertise and skills, technical processes, secret processes, formulae and technical information held by the Company and relating to its business, which is not in the public domain;

**"Lender"** means Burdale Financial Limited acting through its office at 53 Queen Anne Street, London W1G 9HP

**"Loan Note Instrument"** means the loan note instrument to be executed by the Purchaser, pursuant to which the Purchaser will constitute the Loan Notes;

**"Loan Notes"** means the £1,250,000 interest free secured loan notes 2006 to be constituted by the Purchaser pursuant to the Loan Note Instrument;

**"Mortgaged Property"** means any freehold or leasehold property (including the Premises) the subject of the security created by the Burdale Debenture and includes, without limitation, the property listed in Schedule 2 of the Burdale Debenture and any property listed in Part 1 of the Schedule to any Deed of Accession.

**"Obligors"** is defined in the Facility Agreement;

**"Purchaser"** has the meaning given to it on page 2 of this Form 155(6)a;

**"Receivables Account"** means the account with any bank, financial institution or other person to which the proceeds of realisation of Debts are to be paid pursuant to clause 5.1(c) of the GWH Guarantee and Debenture;

**"Related Rights"** means in relation to the Group Shares, all dividends and other distributions paid or payable after today's date on all or any of the Group Shares

Handwritten signatures and initials at the bottom of the page: N, W.D., J.R.W., Z.R.U., P.A., G.H., A.C.

and all stocks, shares, securities (and the dividends or interest on them), rights, money or property accruing or offered at any time by way of redemption, bonus, preference, option rights or otherwise to or in respect of any of the Group Shares or in substitution or exchange for any of the Group Shares;

**"Securities"** means stocks, shares, bonds and securities of any kind whatsoever (including warrants and options to acquire or subscribe any of the same) whether marketable or otherwise and all interests (including but not limited to loan capital) in any person, including all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest, or otherwise in respect thereof;

**"Security Assets"** means all assets of the Company the subject of any security created by the Burdale Debenture (and includes the Mortgaged Property)

**"Share Purchase Agreement"** means the share purchase agreement to be made between the Vendors and the Purchaser;

**"Specified Equipment"** means the Equipment (if any) specified in Schedule 4 or in Part III of the Schedule to any Deed of Accession;

**"Subsidiaries"** means David Halsall International Limited (registered number 514002), Halsall Worldwide Limited (a company registered in Hong Kong with registered number 829657) David Halsall (HK) Limited (a company registered in Hong Kong with registered number 459134), Time 4 Toys Limited (registered number 3668381), D Stansfield Limited (registered number 357825), and Clifton Constructions (Blackpool) Limited (registered number 404467);

**"United Insurance"** means United Insurance Company Limited (a company registered in Barbados) whose registered office is at The Autodome, Warrens, St Michael, Barbados;

**"United Insurance Debenture"** means the debenture to be executed by, amongst others, the Company in favour of United Insurance;

**"United Insurance Guarantee"** means the composite guarantee to be executed by the Purchaser, the Company and the Subsidiaries in favour of United Insurance;

**"United Insurance Guarantee Liabilities"** means the liabilities and obligations of the Company under, or pursuant to, the United Insurance Guarantee;

**"Vendors"** means David Alan Halsall of Bowmore, Laurel Avenue, Lytham St Annes, Lancashire FY8 4LQ and Graham Wilson Halsall of Flat 9, Homestead, Homestead Road, The Peak, Hong Kong;

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**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF DAVID HALSALL  
INTERNATIONAL HOLDINGS LIMITED PURSUANT TO SECTION 156(4) OF THE  
COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors dated 21/8/2006, prepared in accordance with applicable United Kingdom law, in connection with the proposed financial assistance to be given by David Halsall International Holdings Limited ("the Company") for the purchase of the entire issued share capital of David Halsall International Holdings Limited.

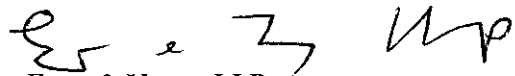
This report is made solely to the directors in accordance with Section 156(4) of the Companies Act 1985. Our work has been undertaken so that we might state to the directors those matters we are required to state to them in an auditors' report under section 156(4) and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors, for our audit work, for this report, or for the opinions we have formed.

**Basis of opinion**

We have enquired into the state of affairs of the Company so far as necessary 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.



Ernst & Young LLP  
Registered Auditor  
Manchester

Date 21 August 2006

KA WR RW JH, RA G.H. A.C.