

G**COMPANIES FORM No. 173****Declaration in relation to
the redemption or purchase
of shares out of capital****173**

JHFP025

Please do not
write in this
margin

Pursuant to section 173 of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block letteringTo the Registrar of Companies
(Address overleaf - Note 4)

For official use

Company number

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3562487

Name of company

* VA TECH (UK) LIMITED

* insert full name
of company**Note**
Please read the notes
on page 2 before
completing this form* insert name(s) and
address(es) of all
the directors* /We NIGEL ANTHONY SELLAR of Low Leazes, Leazes Lane Hexham NorthumberlandNE46 3BA and CHARLES ANDREW OVERSTALL of Moorside CottageHollinsclough Buxton Derbyshire SK17 0RF† delete as
appropriate~~(the sole director)~~ [all the directors]† of the above company do solemnly and sincerely declare that:§ delete whichever
is inappropriate

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 1962 to carry on
insurance business in the United Kingdom~~

(c) that of something other than the above§

The company is proposing to make a payment out of capital for the redemption or purchase of its own
sharesThe amount of the permissible capital payment for the shares in question is £ 19,000,000.00
(note 1)

Continued overleaf

Presentor's name address and
reference (if any):
Watson Burton
20 Collingwood Street
Newcastle upon Tyne
NE99 1YQDX: 61009 NEWCASTLE
RJA(vatech01)

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General Section



*/We have made full enquiry into the affairs and prospects of the company, and */we have formed the opinion:

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write in this
margin

- (a) as regards its initial situation immediately following the date on which the payment out of capital is proposed to be made, that there will be no grounds on which the company could then be found unable to pay its debts (note 2), and
- (b) as regards its prospects for the year immediately following that date, that, having regard to ~~my~~/our intentions with respect to the management of the company's business during that year and to the amount and character of the financial resources which will in ~~my~~/our view be available during that year, the company will be able to continue to carry on business as a going concern (and will accordingly be able to pay its debts as they fall due) throughout that year. (note 2)

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

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 HEBBURN, TYNE AND WEAR,

Declarant(s) to sign below

on

Day	Month	Year
04	01	2001

N.A. Seller
C. A. O'neill

before me S. S. Pinner, Notary Public.

A Commissioner for Oaths, or Notary Public, or Justice of the Peace, or Solicitor having the powers conferred on a Commissioner for Oaths.

David Shaw Priestley
Notary Public
PO Box 53. Ponteland
Newcastle upon Tyne
NE18 0Y7 England

Notes

- 'Permissible capital payment' means an amount which, taken together with
 - any available profits of the company; and
 - the proceeds of any fresh issue of shares made for the purposes of the redemption or purchase;is equal to the price of redemption or purchase.
'Available profits' means the company's profits which are available for distribution (within the meaning of section 172 and 263 of the Companies Act 1985).
The question whether the company has any profits so available and the amount of any such profits is to be determined in accordance with section 172 of the Companies Act 1985.
- A copy of this declaration together with a copy of the auditors report required by section 173 of the Companies Act 1985, must be delivered to the Registrar of Companies not later than the day on which the company publishes the notice required by section 175(1) of the Companies Act 1985, or first publishes or gives the notice required by section 175(2), whichever is the earlier.
- 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

**REPORT OF THE AUDITORS TO THE DIRECTORS OF VA
TECH (UK) LIMITED PURSUANT TO SECTION 173(5) OF THE
COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors dated 4 January 2001 in connection with the company's proposed purchase of 19,000,000 ordinary shares by a payment out of capital.

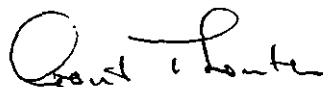
Basis of opinion

We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration.

Opinion

In our opinion the amount of £19,000,000 specified in the statutory declaration of the directors as the permissible capital payment for the shares to be purchased is properly determined in accordance with sections 171 and 172 of the Companies Act 1985.

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 173(3) of the Companies Act 1985 is unreasonable in all the circumstances.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

LEEDS
4 January 2001