

CHFP025

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
margin

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

The assistance is to be given to: (note 2) Bray Leino Holdings Limited (No.05407113) whose
registered office is situated at The Old Rectory, Filleigh, Barnstaple, EX32 0RX (the "Purchaser")

See Appendix 1

† delete as appropriate

See Appendix 2

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

Please do not
write in this
margin

The date on which the assistance is to be given is within 8 weeks of today's date

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

☒ 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)

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

(b) ~~We are intended to commence the winding up of this company within 12 months of this date, and 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 ☒ 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

Narrow Quay, Bristol

Day Month Year
on

0	4	0	5	2	0	0	5
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before me

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

Richard Norwood
57 Victoria St
Bristol

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

Appendix 1 – Form 155(6)b

BRAY LEINO GROUP LIMITED

A term loan facility agreement to be entered into between Bray Leino Holdings Limited, The Royal Bank of Scotland plc and National Westminster Bank plc relating to the provision by National Westminster Bank plc (the "**Bank**") to Bray Leino Holdings Limited of a revolving credit and term loan facility in an aggregate sum of £6.75 million (the "**Credit Agreement**");

A facility letter from The Royal Bank of Scotland plc (as agent for the Bank) to be entered into by Bray Leino Limited relating to the provision of working capital facilities of up to £2,000,000 by the Bank to Bray Leino Limited (the "**Working Capital Facility**");

The assistance will take the form of:

1. A composite guarantee to be entered into by the Subsidiary (the "**Company**"), Bray Leino Holdings Limited and the subsidiaries of Bray Leino Holdings Limited set out in the schedule to the composite guarantee (all those companies together to be referred to as the "**Group**") in favour of the Bank to guarantee repayment, inter alia, of all amounts owed by the Purchaser to the Bank including all amounts advanced under the Credit Agreement and the Working Capital Facility (the "**Guarantee**");
2. A debenture to be entered into by the Company in favour of the Bank constituting a first fixed charge over the assets identified in it and a first floating charge over the rest of the Company's undertaking as security for the Company's obligations under the Guarantee (the "**Debenture**");
3. An inter-creditor agreement to be entered into by the Bank, the Subordinated Creditors (as defined therein), and the Company [and the other members of the Group] whereby the parties agree their respective rights in respect of the ranking of the liabilities owed, or to be owed, to the Bank and the Subordinated Creditors (the "**Inter-Creditor Agreement**");
4. An intra-group loan agreement entered into by the Company, Bray Leino Holdings Limited and the other members of the Group pursuant to which the Company and the other members of the Group agree to make loans to Bray Leino Holdings Limited on the terms therein for the purposes of, inter alia, repayment of amounts advanced to Bray Leino Holdings Limited under the Credit Agreement (the "**Intra-Group Loan Agreement**");

Appendix 2 – Form 155(6)b

BRAY LEINO GROUP LIMITED

1. The execution of the Guarantee by the Company pursuant to the terms of which the Company will, inter alia, guarantee in favour of the Bank to pay all monies and discharge all liabilities now or hereafter due, owing or incurred to the Bank by Bray Leino Holdings Limited and/or any of its subsidiaries (including the Company) from time to time (the "**Secured Obligations**") including, but not limited to, obligations under or in connection with the Facility Agreement and the Working Capital Facility;
2. The execution of the Debenture by the Company in favour of the Bank pursuant to which the Company will grant a first fixed charge over the assets identified in it and a first floating charge over the rest of the Company's undertaking as security for the payment of the Secured Obligations.
- 2.1 Pursuant to the Debenture the Company covenants to discharge on demand the Company's Obligations (as defined therein) and as a continuing security for such discharge and with full title guarantee charges to the Bank:-
 - (a) by way of legal mortgage all the freehold and leasehold property now vested in or charged to the Company including any Registered Land (as defined therein)
 - (b) by way of fixed charge all estates or interests in any freehold and leasehold property now and in the future vested in or charged to the Company except the property charged by Clause 1.1 of the Debenture
 - (c) by way of fixed charge all the plant machinery and fixtures and fittings of the Company present and future
 - (d) by way of fixed charge all furniture furnishings equipment tools and other chattels of the Company present and future not regularly disposed of in the ordinary course of business
 - (e) by way of fixed charge all the goodwill and uncalled capital of the Company present and future
 - (f) by way of fixed charge all stocks shares and other securities of the Company present and future
 - (g) by way of fixed charge all intellectual property rights choses in action and claims of the Company present and future and the proceeds of any insurance from time to time affecting the Property (as defined therein)
 - (h) by way of fixed charge the benefit of any currency or interest rate swap cap or collar or other hedging agreement or any futures transaction or treasury instrument made with the Bank or any third party
 - (i) by way of fixed charge all book debts and other debts of the Company present and future and the proceeds of payment or realisation of each of them until the receipt of the proceeds from time to time into an account in accordance with Clause 4.2 of the Debenture
 - (j) by way of fixed charge all funds standing to the credit of the Company from time to time on any account with the Bank or any other bank or financial institution or organisation all receipts from time to time paid into an account in accordance with Clause 4.2 of the Debenture
 - (k) by way of floating charge all the undertaking and all property assets and rights of the Company present and future not subject to a fixed charge under the Debenture
- 2.2 Further under the Debenture the Company will not without the previous written consent of the Bank:-
 - (a) Create or permit to arise any mortgage charge or lien on the Property (as defined therein)
 - (b) Dispose of the Property (as defined therein) charged by Clauses 1.1 to 1.10 inclusive of the Debenture

- (c) Deal with the Company's book debts and other debts otherwise than by collecting them in the ordinary course of the Company's business and in particular the Company will not realise its book debts and other debts by means of block discounting factoring or the like
 - (d) Dispose of the Property charged by Clause 1.11 of the Debenture other than in the ordinary course of business
 - (e) Grant or accept a surrender of any lease or licence of or part with or share possession or occupation of its freehold and leasehold property or any part of it
- 2.3 Further under the Debenture the Company will at its own cost at the Bank's request execute any deed or documentation and take any action required by the Bank to perfect this security or further to secure on the Property (as defined therein) the Company's Obligations (as defined therein);
- 3 The execution of the Inter-Creditor Agreement by the Company whereby the Company will agree to the respective rights of the parties thereto and the respective ranking of the liabilities owed, or to be owed, to the Bank and the Subordinated Creditors (as defined therein);
- 4 The execution of the Intra-Group Loan Agreement by the Company, pursuant to which the Company will lend money to Bray Leino Holdings Limited to enable it to meet its obligations to the Subordinated Creditors (as defined in the Inter-Creditor Agreement) and the Bank, and certain other obligations in connection with the acquisition of the Company by Bray Leino Holdings Limited;



Francis Clark

CHARTERED ACCOUNTANTS

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The Directors
Bray Leino Group Limited
Filleigh
Devon
EX32 0RX

Our reference

Your reference

4 May 2005

Dear Sirs

**REPORT OF THE AUDITORS TO THE DIRECTORS OF BRAY LEINO GROUP LIMITED
("the Company") UNDER s156(4) OF THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors of the Company dated 4 May 2005 in connection with the proposal that the Company's subsidiary, Bray Leino Training For Change Limited should give financial assistance for the purchase of 907,250 Ordinary £1 shares, 116,364 A Preference shares and 463,856 B Preference shares in the Company.

Basis of Opinion

We have enquired into the state of the Company's affairs so far as necessary for us 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 matters mentioned in section 156(2) of the Companies Act 1985 is unreasonable in all circumstances.

FRANCIS CLARK

Registered auditors

Dated this 4th day of May 2005