



Declaration in relation to assistance for the acquisition of shares

155(6)a

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

Company number

Figure 6

3892294

Name of company

* VSG(2) LIMITED

~~X~~We see Appendix 1

~~Do hereby declare~~ [all the directors] † of the above company do solemnly and sincerely declare that

[illegible]

~~XXXXXXXXXXXXXXXXXXXXX~~ S

(c) something other than the above §

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

~~XXXXXXXX~~ [company's holding company VSG Holdings Limited (Company no 5382414)]

The assistance is for the purpose of [that acquisition] XXXXXXXXXX

~~XXXXXXXXXXXXX~~ †

The number and class of the shares acquired or to be acquired is 4,600,000 preference shares
of £1.00 each and 10,000 ordinary shares of £1.00 each

SATURDAY



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08/09/2007
COMPANIES HOUSE

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The assistance is to be given to (note 2) Castlegate 471 Limited (Company no 06182445)
44 Castlegate Nottingham, Nottinghamshire NG1 7BJ

Please do not
write in this
margin

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

The assistance will take the form of

See Part 1 of Appendix 2

The person who ~~XXXXXXXXXX~~ [will acquire] † the shares is

† delete as
appropriate

Castlegate 471 Limited

The principal terms on which the assistance will be given are

See Part 2 of Appendix 2

The amount of cash to be transferred to the person assisted is £ See Part 3 of Appendix 2

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)

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

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

- (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)
- (b) ~~We are not expressing an opinion on the company's ability to pay its debts as they fall due, and we have formed the opinion that the company will be able to pay its debts as they fall due for the year immediately following that date]~~* (note 3)

VSG(2) LIMITED (the "Company")

Company Number 03892294
Form 155(6)a

Appendix 1

Names and addresses of all the directors

1. Leon Keith Lyford Barwell of Cleveland House, The Avenue, Dallington, Northampton, NN5 7AJ
2. Robert Keith Lindsay Francis of 2 White Sands Way, Northampton, Northamptonshire NN4 9QD
3. Robert John Jones of 39 Main Street, West Leake, Loughborough, Leicestershire, LE12 5RF
4. William Roy Muskin of Hillcroft, 29 Great Lane, Hackleton, Northamptonshire NN7 2AN




Appendix 2

Part 1

The form of the financial assistance to be given by the Company

The entering into by the Company of the documents listed and described below (or of documents referred to therein or relating thereto) as the same may be amended, increased, novated and/or replaced, varied, supplemented or substituted from time to time, which will be entered into, directly or indirectly, in connection with (i) the transfer of the whole of the issued share capital of the Company's holding company VSG Holdings Limited (in this declaration referred to as the "**Target**") by its present shareholders Messers Muskin, Barwell, Francis and Jones and others (together the "**Sellers**") to Castlegate 471 Limited (the "**Buyer**") pursuant to a sale and purchase agreement made between the Sellers and the Buyer (the "**Acquisition**")



The assistance will take the form of

- 1 A Senior Sterling Term and Revolving Facilities Agreement (the "**Facilities Agreement**") relating to (i) a Facility A Loan of £8,000,000 (ii) a Facility B Loan of £3,750,000 (iii) a Revolving Facility of £7,000,000 between (1) the Buyer (2) the Buyer, the Target, Castlegate 474 Limited and Vision Security Group Limited (as Original Borrowers) (3) Castlegate 474 Limited, the Buyer, Vision Security Group Limited, the Target, the Company and VSG (1) Limited (as Original Guarantors) (4) The Royal Bank of Scotland plc (as Arranger) (5) The Royal Bank of Scotland plc (as Original Lender) (6) The Royal Bank of Scotland plc (as Agent) and (7) The Royal Bank of Scotland plc (as Security Agent);
- 2 an intercreditor deed (the "**Intercreditor Deed**") between (1) Castlegate 474 Limited (2) the Buyer and others (as Obligors) (3) The Royal Bank of Scotland plc (as Security Trustee) (4) The Royal Bank of Scotland plc (as Senior Agent) (5) The Royal Bank of Scotland plc (as Senior Creditor) (6) The Royal Bank of Scotland plc (as Hedge Counterparty) (7) The Royal Bank of Scotland plc (as Ancillary Lender) (8) Lloyds TSB Development Capital Limited and others (as Subordinated Creditors);
- 3 a debenture (the "**Debenture**") between (1) Castlegate 474 Limited, the Buyer, the Target, Vision Security Group Limited, the Company and VSG (1) Limited and (2) The Royal Bank of Scotland plc (as Security Trustee);
- 4 an intra-group funding agreement (the "**Funding Agreement**") whereby Castlegate 474 Limited and its subsidiaries including the Company agreed to make funds available to Castlegate 474 Limited and its subsidiaries including the Company upon request from time to time,

- 5 a counter indemnity (the "**Counter Indemnity**") in connection with the interbank indemnities to be granted by The Royal Bank of Scotland plc to Lloyds TSB Bank plc and Lloyds TSB Corporate Finance, and
- 6 the Company may pay certain costs associated with the Acquisition

Part 2

The principal terms on which the assistance will be given

1. By executing the Facilities Agreement the Company will
 - 1.1 agree that the Agent may require it to pay all sums due under the Facilities Agreement and the other finance and security documents referred to therein (the "Finance Documents") and the Agent to apply any sums received or recovered from it under any of the Finance Documents for application as the Security Agent may direct (including sums due from the Buyer in connection with the Acquisition),
 - 1.2 guarantee as principal obligor and not merely as surety the prompt performance by each relevant obligor of all obligations to the Original Lender under the Finance Documents and the payment of all sums payable under or in connection with the Finance Documents as and when the same shall become due (including sums due from the Buyer in connection with the Acquisition),
 - 1.3 undertake that it will on demand upon a default in the payment of any sum due under or in connection with the Finance Documents pay such sum, as if it was expressed to be the primary obligor, together with interest payable thereon, and
 - 1.4 give an indemnity to the Original Lender against any loss or liability suffered by it under the Finance Documents as a result of any obligation guaranteed by it being or becoming unenforceable, invalid or illegal,

(the "Guaranteed Obligations") and such Guaranteed Obligations are incurred for the purpose of or in connection with the Acquisition
2. By executing the Debenture the Company will:
 - 2.1 as primary obligor and not merely as surety, covenant with the Security Agent that it will pay or discharge the Guaranteed Obligations of each relevant obligor to the Original Lender under the Finance Documents in each case together with all costs, charges and expenses incurred by the Original Lender in connection with the protection, preservation or enforcement of its respective rights thereunder or any other document evidencing or securing any such liabilities (including, for the avoidance of doubt, sums due from the Buyer in connection with the Acquisition), (the "Secured Liabilities") and the Secured Liabilities are incurred for the purpose of or in connection with the Acquisition; and

- RTJ
ATC
- 2 2 as beneficial owner, as security for the payment, discharge and performance of the same, charge in favour of the Security Agent substantially all its assets and undertaking by way of fixed and floating charges by way of security for the same
- 3 By executing the Funding Agreement the Company will make available to each other member of the Group a loan facility of up to £45,000,000 in aggregate to be used by any holding or subsidiary company of the Company to, inter alia, make payments when due under the Finance Documents in connection with obligations incurred for the purpose of this Acquisition together with costs and expenses incurred by the Buyer in connection with the Acquisition
- 4 By executing the Inter-creditor Deed the Company will grant indemnities in respect of the liabilities of the Buyer under the Finance Documents and agree to make payments in a certain order of priority, such payments to be made to meet obligations incurred for the purpose of or in connection with the Acquisition
- 5 By executing the Counter Indemnity the Company will indemnify the Original Lender in respect of the Original Lender's indemnities granted to Lloyds TSB Bank plc and Lloyds TSB Corporate Finance which will be made to meet obligations incurred for the purpose or in connection with the Acquisition

Part 3

Amount of cash to be transferred to persons assisted

The amount of any advances, up to a maximum of £45,000,000, made from time to time under the terms of the Funding Agreement (as defined in Part 1)

REPORT OF THE INDEPENDENT AUDITOR TO THE DIRECTORS OF VSG (2) LIMITED ("THE COMPANY") PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985

We report on the attached statutory declaration of the directors dated 3 September 2007, prepared pursuant to the Companies Act 1985, in connection with the proposal that the Company should give financial assistance for the purchase of 10,000 (ten thousand) of VSG Holdings Limited's ordinary shares and 4,600,000 (four million six hundred thousand) of VSG Holdings Limited's preference shares

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

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

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 Companies Act 1985 is unreasonable in all the circumstances

Deloitte & Touche LLP,

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
3 September 2007

Birmingham