

**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

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

For official use

04139040

\*Insert full name  
of company

Name of company

\* ESS STEELS GROUP LIMITED

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

†Insert name(s) and  
address(es) of all  
the directors

PR We† STEVEN HORNE OF 207 COMPTALL ROAD, ROMILEY, STOCKPORT, CHESHIRE SK6 4JB, ALEXANDER MILLER OF 5 KENDAL DRIVE, DRONFIELD WOODHOUSE, DRONFIELD, DERBYSHIRE S18 5NA AND PAUL JAMES NICHOLSON OF 46 THE MEADOWS, ASHGATE PARK, CHESTERFIELD, DERBYSHIRE S42 7JY

§Delete as  
appropriate

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

The business of this company is:

†Delete whichever  
is inappropriate

PR (a) that of a recognised bank, licensed institution or 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 †

PR This company is [the] [a] holding company of\* ANCON SPECIAL ALLOY STEELS LIMITED ("ASAS") which is

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

PR in this company [HLW 227 LIMITED ("HOLDING COMPANY")]

the holding company of this company.]§

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

hlw  
Princess House  
122 Queen Street S1 2DW  
DX 10643 Sheffield 1

For official use  
General Section

Post room



A36  
COMPANIES HOUSE

\*A0F53Y2U\*

0385  
01/10/04

*PH*  
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

The number and class of the shares acquired or to be acquired is: 72,914 ORDINARY  
SHARES OF £1.00 EACH.

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

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

HLW 235 LIMITED WHOSE REGISTERED OFFICE IS SITUATE AT VICTORIA WORKS 31 CATLEY  
ROAD, DARNALL, SHEFFIELD, SOUTH YORKSHIRE S9 5JF.

The assistance will take the form of:

SEE APPENDIX 1

*PH*  
The person who ~~has acquired~~ [will acquire]\* the shares is: HLW 235 LIMITED

\*Delete as  
appropriate

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

SEE APPENDIX 2

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

The amount of cash to be transferred to the person assisted is £ NIL

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

Please do not write in this margin

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

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

The date on which the assistance is to be given is WITHIN 8 WEEKS FROM THE DATE HEREOF

*PK*  
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)

*PK*  
(a) ~~It~~ 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)

*PK*  
(b) ~~It is intended to commence the winding-up of this company within 12 months of that 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~~ 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 VICTORIA WORKS, 31 CATLEY ROAD  
DARNALL, SHEFFIELD, S9 5TF

Declarants to sign below

Day Month Year  
on 27 09 2004

before me

*Paul H. [Signature]*  
A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

### 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  
37 Castle Terrace  
Edinburgh  
EH1 2EB

**Appendix 1 for Form 155(6)b**  
**ESS Steels Group Limited**  
**Company Number 04139040**

The assistance will take the form of:-

- (a) a facility letter ("Facility Letter") addressed to HLW 235 Limited from the National Westminster Bank PLC ("the Bank") for the provision of an account management facility to HLW 235 Limited, the Holding Company, and certain of the Holding Company's subsidiaries, including ASAS, with a gross limit of £1,750,000;
- (b) an unlimited inter company composite guarantee ("Bank Guarantee") to be given by ASAS in favour of the Bank whereby ASAS guarantees to the Bank all liabilities due and owing or incurred, without limitation, under the Facility Letter and otherwise;
- (c) an offer letter ("Offer Letter 1") addressed to Engineering Special Steels Limited ("ESS") and ASAS from Royal Bank of Scotland Commercial Services Limited ("RBSCS") for the provision of an invoice discounting domestic and export recourse facility in the amount of £1,500,000;
- (d) an offer letter ("Offer Letter 2") addressed to ASAS from RBSCS for the provision of a further invoice domestic and export recourse facility in the amount of £1,000,000;
- (e) a debenture ("RBSCS Debenture") to be granted by ASAS to RBSCS creating fixed and floating charges over all ASAS's assets securing sums due to RBSCS under the Offer Letter 1 and the Offer Letter 2 and otherwise; and
- (f) a cross guarantee ("RBSCS Guarantee") to be entered into by ESS and ASAS in favour of RBSCS whereby ASAS and ESS guarantees to RBSCS all liabilities of each other due and owing or incurred under the Offer Letter 1 and the Offer Letter 2 and otherwise.

**Appendix 2 for Form 155(6)b**  
**ESS Steels Group Limited**  
**Company Number 04139040**

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

1. On the terms of the Facility Letter, ASAS agrees to pay sums to the Bank which may include sums in respect of the costs associated with the arrangements.
2. On the terms of the Bank Guarantee whereby ASAS guarantees payment to the Bank on demand of all liabilities to the Bank of any kind by the companies named in the Bank Guarantee whether actual or contingent and whether incurred solely or jointly with another together with all costs and expenses and interest charged by the Bank from time to time. The Bank Guarantee will constitute 'on demand' and continuing security to the Bank
3. On the terms of the Offer Letter 1 and the Offer Letter 2 ASAS will enter into invoice discounting arrangements with RBSCS the liabilities under which will be secured by the RBSCS Debenture and the RBSCS Guarantee referred to below.
4. On the terms of the RBSCS Debenture ASAS charges to RBSCS by way of fixed and floating charge all its assets in order to secure the payment and discharge of all monies which now or at any time hereafter may become due and owing to RBSCS.
5. On the terms of the RBSCS Guarantee ASAS guarantees payment to RBSCS on demand of all amounts owing or which may become owing or payable by ESS including all costs and expenses incurred. The RBSCS Guarantee will constitute 'on demand' and continuing security to RBSCS.

**Auditors' report to the directors of ESS Steels Group Limited**

**Pursuant to Section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors dated 27 September 2004 in connection with the proposal that the company's subsidiary, Ancon Special Alloy Steels Limited should give financial assistance for the purchase of the entire issued share capital of HLW 227 Limited.

**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 declaration as to any of the matters mentioned in section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Hart Shaw

Dated: 27/2/04