

CHFP025

Declaration in relation to assistance for the acquisition of shares

155(6)a

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

For official use

Company number

SC091771

Name of company

* MD (1995) Group Limited

X_W See Schedule 1

~~XXXXXXXXXX~~ [all the directors of the above company do solemnly and sincerely declare that:

The business of the company is:

Is there a person whom you know who is independent of the banking and finance system?

(c) something other than the above§

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

~~XXXXXX~~ [company's holding company] Focus Wickes

Limited]t

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

The number and class of the shares acquired or to be acquired is: 3,407,736 ORDINARY SHARES OF 1p EACH, 10,169,085 'A' ORDINARY SHARES OF 1p EACH, 788,596 'B' ORDINARY SHARES OF 1p EACH AND 201,722,136,500 DEFERRED SHARES OF 1p EACH.

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

Clifford Chance LLP
200 Aldersgate Street
London
EC1A 4JJ

For official Use
General Section

Post room



SCT SHWE
COMPANIES HOUSE

SHWETMOO

0459
18/07/03

29653

The assistance is to be given to: (note 2) Focus Wickes (Investments) Ltd whose
registered office is Gawsworth House, Westmere Drive, Crew, Cheshire, CW1 6XB

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 Schedule 2

The person who [has acquired] ~~[will acquire]~~ the shares is:

† delete as
appropriate

Focus Wickes (Investments) Ltd whose registered office is Gawsworth House,
Westmere Drive, Crew, Cheshire, CW1 6XB

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

See Schedule 3

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

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

Please do not
write in this
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Please complete
legibly, preferably
in black type, or
bold block lettering

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

~~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 we have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up.* (note 3)~~

And ~~X~~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

60 London Wall, London

Declarants to sign below

on

Day	Month	Year
14	07	2003

before me

ROMANO OBERIZZI

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

[Signature]
[Signature]
[Signature]
in the presence of
RO

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

MD (1995) GROUP LIMITED

(the "Company")

Financial Assistance Declaration s155(6)

SCHEDULE 1

Directors

We, Richard Sydney Bird of Wolsey Road, Northwood, Middlesex, HA6 2EH

Geoffrey Charles Wilson of Broadoaks, 237 Seabridge Lane, Newcastle under Lyme,
Staffordshire ST5 3TB

MD (1995) GROUP LIMITED

(the "Company")

Financial Assistance Declaration s155(6)

SCHEDULE 2

Form of Financial Assistance

The financial assistance will take the form of the execution, delivery and performance by the Company of the following documents, as the same shall be amended, supplemented, novated and/or replaced from time to time (together, the "**Documents**");

- (a) an indenture (the "**Indenture**") to be made between, *inter alia*, Focus Wickes (Finance) plc ("**Newco 5**"), the Company, the companies listed therein and the Bank of New York as the trustee (the "**Trustee**") to be dated on a date within 8 weeks of the date hereof;
- (b) a PIK agreement (the "**PIK Agreement**") to be made between, *inter alia*, Newco 5, the Company and the companies listed therein and the Trustee to be dated on a date within 8 weeks of the date hereof;
- (c) a debenture (the "**Mezzanine Notes and PIK Notes Debenture**") to be made between, *inter alia*, the Company, the companies listed therein and in favour of ING Bank N.V., London Branch, as security agent to be dated on a date within 8 weeks of the date hereof;
- (d) an amendment deed (the "**Intercreditor Amendment Deed**") to be made between Focus Wickes Group Ltd., the companies listed therein as borrowers and guarantors, ING Bank N.V., London Branch, in its capacity as facility agent and security agent, the companies listed in Schedule 1 thereto, the institutions named therein as Original DBB Noteholders and the institutions listed therein as Original Investors, amending and restating an intercreditor deed dated 29 November 2002 (as amended, varied, supplemented or restated from time to time) to be dated on a date within 8 weeks of the date hereof;
- (e) a floating charge (the "**Scottish Floating Charge**") to be made between, *inter alia*, the Company in favour of ING Bank N.V., London Branch, as security agent,

and by the performance of any other acts (including, without limitation, the payment of all fees (the "**Fees**") to professionals, third parties and others in connection with the Acquisition) or the execution of any other documents (as the same shall be amended, supplemented, novated and/or replaced from time to time, ancillary or otherwise) relating to the Documents.

In this Form 155(6) the following terms have the meanings given to them below:

"**Acquisition**" means the acquisition of the Target Shares in accordance with the acquisition documents;

"Finance Party" shall have the meaning ascribed to it in the Senior Credit Facilities Agreement;

"Mezzanine Notes" means the Mezzanine Notes to be issued under the Indenture in up to a maximum aggregate principal amount of £260,000,000 (or its equivalent in other currencies);

"PIK Notes" means the PIK Notes to be issued under the PIK Agreement in up to a maximum aggregate amount of £35,000,000 (or its equivalent in other currencies);

"Security Agent" means ING Bank N.V., London Branch;

"Senior Credit Facilities Agreement" means the senior term and revolving credit facilities agreement dated 29 November 2002, and made between, *inter alia*, De Facto 1007 as the Parent, Newco 6, Newco 5, ING Bank N.V., London Branch, The Governor and Company of the Bank of Scotland and Goldman Sachs International as the Joint Mandated Lead Arrangers, the Original Lenders named therein, ING Bank N.V., London Branch as the Facility Agent and the Security Agent (each capitalised term as defined therein);

"Senior Finance Documents" means the Senior Credit Facilities Agreement, each Security Document, the Intercreditor Deed, the Hedging Instruments, the Fee Letters, the Ancillary Documents, each Accession Document, each Transfer Certificate and any other document designated in writing as a Senior Finance Document by the Parent and the Facility Agent (each capitalised term as defined in the Senior Credit Facilities Agreement);

"Target" means Focus Wickes Limited;

"Target Group" means the Target and each of its subsidiaries from time to time;

"Target Shares" means the entire issued share capital of the Target.

SCHEDULE 3

The principal terms upon which the assistance will be given

1. By executing the Indenture, the PIK Agreement, the Mezzanine Notes and PIK Notes Debenture and the Scottish Floating Charge, the Company, each of the companies listed therein as a party to each of those agreements, and each additional company from time to time which accedes thereto:
 - 1.1 will guarantee to discharge on demand and indemnify the investors in respect of all the obligations of Newco 5 (the "**Issuer**") under the Mezzanine Notes, the PIK Notes and any other notes issued by the Issuer;
 - 1.2 will unconditionally guarantee to the Trustee the proper and punctual payment and performance of all moneys, obligations and liabilities which are from time to time due, owing or payable by or from the Issuer to the Trustee under or in connection with the Indenture and/or the PIK Notes Agreement (such liabilities in each case being the "**Guaranteed Liabilities**") and undertakes to pay to the Security Agent from time to time any of the Guaranteed Liabilities which are not paid by the Issuer when due; and
 - 1.3 will agree that any Finance Party may set off any obligation owed by it to that Finance Party against any obligation (whether or not due and payable) owed by that Finance Party to it;
 - 1.4 as continuing security for the payment of the Guaranteed Liabilities will charge in favour of the Security Agent with full title guarantee the following assets, both present and future, from time to time owned by it or in which it is from time to time interested including but not limited to:
 - 1.4.1 by way of second ranking legal mortgage:
 - (a) all the freehold and leasehold property specified in the Mezzanine Notes and PIK Notes Debenture together with all buildings and fixtures (including trade fixtures) at any time thereon; and
 - (b) all other freehold property and those leasehold properties held on long leases of a term over 21 years owned by it situated in England and Wales together with all buildings and fixtures (including trade fixtures) at any time thereon;
 - 1.4.2 by way of second ranking fixed charge:
 - (a) all other interests in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) at any time thereon, all proceeds of sale derived therefrom and the benefit of all covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;

- (b) all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating thereto;
- (c) all book and other debts arising in the ordinary course of trading ("**Book Debts**") and all rights and claims against third parties and against any security in respect of Book Debts;
- (d) all the shares owned by the Company in its subsidiaries (if any) (the "**Subsidiary Shares**"), any stock, share, debenture, loan stock, security, interest in any investment fund and any other comparable investment (an "**Investment**") (whether or not marketable) whether owned directly by or to the order of the Company or by any trustee, fiduciary or clearance system on its behalf (including, unless the context otherwise requires, the Subsidiary Shares) and all corresponding dividends, distributions and other income paid or payable on an Investment or a Subsidiary Share, together with all shares or other property derived from that Investment or a Subsidiary Share and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Investment or Subsidiary Share (whether by way of conversion, redemption, bonus, preference, option or otherwise);
- (e) all debts and monetary claims (other than Book Debts) and all rights against third parties in respect of such debts and claims;
- (f) all monies from time to time standing to the credit of any and all of its accounts (including without limitation accounts designated as "**Cash Collateral Accounts**", "**Nominated Accounts**" or "**Collection Accounts**") with any bank, financial institution or other person;
- (g) all its patents and patent applications, trade and service marks and trade and/or service mark applications (and all goodwill associated with any such applications), all brand and trade names, all copyrights and rights in the nature of copyright, all design rights, all registered designs and applications for registered designs, all trade secrets, know-how and all other intellectual property rights;
- (h) the benefit of all licences, consents, agreements and authorisations held or utilised by the Company in connection with its business or the use of any of its assets;
- (i) its goodwill and uncalled capital;

1.5 as further continuing security for the payment of the Guaranteed Liabilities, will charge with full title guarantee (but subject to any security interest permitted pursuant to the Senior Finance Documents) in favour of the Security Agent by way of second ranking floating charge all its present and future assets not effectively charged by way of second ranking fixed charge;

- 1.6 as further continuing security for the payment of the Guaranteed Liabilities, will assign (absolutely with full title guarantee) to the Security Agent all its rights, title and interest in the Assigned Agreements (as such term, or similar, is defined in the Mezzanine Notes and PIK Notes Debenture), **provided that** until the occurrence of a declared default (as such term, or similar, is defined in the Mezzanine Notes and PIK Notes Debenture), the Company shall be entitled to continue to deal with the counterparties to such Assigned Agreements and provided further that, on payment or discharge in full of the Guaranteed Liabilities, the Security Agent will at the request and cost of the Company re-assign the Assigned Agreements to the Company (or as the Company shall direct);
- 1.7 the guarantees contained within the Indenture and the PIK Agreement and the Mezzanine Notes and PIK Notes Debenture also contain negative pledges and covenants for further assurances.
2. Under the terms of the Intercreditor Amendment Deed the Company (amongst other things) will:
 - (a) covenant to pay the amounts owing under the Finance Documents, the Indenture and the PIK Notes Agreement; and
 - (b) agree that any sums owed to it by any other member of the Target Group will be subordinated to sums owed by such members of the Target Group to the Finance Parties.

Unless otherwise stated, capitalised terms in this form shall have the same meaning as ascribed thereto in the Senior Credit Facilities Agreement and the Mezzanine Notes and PIK Notes Debenture.



KPMG Audit Plc

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The Directors
MD (1995) Group Limited
Gawsworth House
Westmere Drive
Crewe
CW1 6XB

Our ref di/005

Contact David Irvine
0161 246 4166

14 Jul 2003

Dear Sirs

**Auditors' report to the directors of MD (1995) Group Limited ("the company")
pursuant to Section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors dated 14 Jul 2003 in connection with the proposal that the company should give financial assistance for the purchase of the entire ordinary share capital of Focus Wickes Limited.

This report is made solely to the company's directors as a body in accordance with section 156(4) of the Companies Act 1985. Our work has been undertaken so that we as the company's auditors might state to the company's directors those matters we are required to state to them in a report under section 156(4) of that Act 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 and the company's directors as a body for our work under section 156(4) of that Act or for this report.

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

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.

Yours faithfully

KPMG Audit Plc

KPMG Audit Plc
Registered Auditor



KPMG Audit Plc, a company
incorporated under the UK Companies
Acts, is a member of KPMG
International, a Swiss association

KPMG Audit Plc is
registered to carry on audit
work by the Institute of
Chartered Accountants in

England and Wales.
Registered in England
No 3110745

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