

Declaration in relation to assistance for the acquisition of shares

155(6)a

CHFP025

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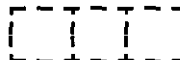
Pursuant to section 155(6) of the Companies Act 1985

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



00273919

Name of company

* A.B.F. LIMITED

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

* insert full name
of company

* / We See Appendix 1

* insert name(s) and
address(es) of all
the directors

† delete as
appropriate

~~[the sole director]~~ [all the directors]† of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever
is inappropriate

~~(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 1982 to carry on insurance business in the United Kingdom~~

(c) something other than the above§

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

~~[company]~~ [company's holding company] SILENTNIGHT GROUP

Limited]†

The assistance is for the purpose of ~~that 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: _____

22,911,361 Ordinary Shares of 10p each

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

Hammonds
2 Park Lane
Leeds
LS3 1ES

DX 26441 LEEDS
HAM.295-5/Misc/1556a05

For official Use

General Section

Post room



A10
COMPANIES HOUSE

0405
07/02/04

The assistance is to be given to: (note 2) Soundersleep Limited Company Number: 4436972

registered office: 4th Floor Ashworth House Manchester Road Burnley
Lancashire BB11 1TT ("Soundersleep")

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 Appendix 2

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

† delete as
appropriate

SOUNDERSLEEP

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

See Appendix 3

The amount of cash to be transferred to the person assisted is £ See Appendix 4

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
margin

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 I/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

Leeds

Declarants to sign below

on

Day	Month	Year
29	01	2004

before me

[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.

[Signature]
C. Bell
M. Scott
A. Allgar

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

A.B.F. LIMITED
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APPENDIX 1

We:

	Name of Director	Address
1.	Antonino Allenza	The Rookery Cracoe Skipton North Yorkshire BD23 6LB
2.	Catherine Baxandall	Bordley Easby Drive Ilkley West Yorkshire LS29 9BE
3.	Joanne Iddon	Springwood Farm Gorse Lane Tarleton Preston Lancashire PR4 6LJ
4.	Michelle Scott	The Rookery Cracoe Skipton North Yorkshire BD23 6LB

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APPENDIX 2

The assistance will take the form of:

- 1 a deed of accession to a facilities agreement dated 11 September 2003 between Yorkshire Bank PLC (the "**Bank**") and Soundersleep Limited (the "**Facility Agreement**") for the provision of £40,000,000 term facilities between among others the Company and the Bank (the "**Deed of Accession**");
- 2 a debenture by the Company, in favour of the Bank (the "**Debenture**");
- 3 an intercreditor deed between among others the Company, the Bank and Soundersleep Limited (the "**Intercreditor Deed**");
- 4 an intra-group loan agreement to be entered into by Soundersleep Limited (1) and the Company and certain members of the Company's group (the "**Obligors**") (2) (each as borrower and as lender) (the "**Intra-Group Loan Agreement**").

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APPENDIX 3

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

1. Pursuant to the Deed of Accession the Company will become party to the Facility Agreement as guarantor.

The Facility Agreement contains the terms and conditions upon which:

- 1.1 the Bank was prepared, for the periods referred to therein, to make facilities available to Soundersleep Limited ("**the Ultimate Parent**") for the purposes recorded therein. It was a condition of the facilities being made available by the Bank pursuant to the Facility Agreement that following the acquisition by the Ultimate Parent of the entire issued share capital of the Company's parent company Silentnight Group Limited (the "**Parent**") not already owned by the Ultimate Parent (the "**Acquisition**") that the Parent, the Company and certain subsidiary companies of the Parent enter into the Facility Agreement as guarantors (the "**Additional Guarantors**", together with the Original Guarantors the "**Guarantors**" and each a "**Guarantor**", and the Ultimate Parent and the Guarantors together the "**Group**").
- 1.2 the Company was required to guarantee all obligations of the Group (as defined therein) to the Bank under the Facility Agreement;
- 1.3 the Company will grant rights of set-off to the Bank entitling the Bank to set-off any obligation (whether or not matured) owed to the Company by the Bank against any sum owed by the Company, the Parent, the Ultimate Parent, or any other member of the Group to the Bank under the Facility Agreement.
- 2.1 pursuant to the Debenture, the Company would create fixed and floating charges over all its property assets and undertaking, both present and future, in favour of the Security Trustee as defined in the Facility Agreement (for the Finance Parties as defined in the Facility Agreement) by way of security for payment and discharge of all obligations and liabilities of the Group to the Finance Parties (including under the Deed of Accession and the Ancillary Document (as defined below)). The Debenture contains a further assurance clause which would entitle the Security Trustee to call for additional security documents to be entered into at the Security Trustee's request to, amongst other things, perfect by way of legal charge a charge which as created in the Debenture was merely equitable;
- 2.2 the "**Ancillary Documents**" consist of the following documents dated 22 October 2003:
 - (a) invoice discounting facility agreement between A.B.F. Limited and Yorkshire Bank PLC (the "**Bank**") (the "**ID Facility**");
 - (b) ancillary facilities agreement between Silentnight Group Limited and the Bank (the "**AF Agreement**"); and

(c) an inter-company cross guarantee between the Company and each of the members of the Target Group whereby each member of the Target Group guarantees the obligations of each other member of the Target Group to the Bank including Ancillary Facilities (the "**Ancillary Guarantee**")

3. pursuant to the Intercreditor Deed, the Company would acknowledge the priorities of security and ranking of payments and other contractual arrangements made between among others, the Finance Parties and the Company;
4. pursuant to the Intra-Group Loan Agreement, any loans made by the Company to the Ultimate Parent could be used by the Ultimate Parent to fund its obligations to the Finance Parties under the Facility Agreement and the Ultimate Parent would be able to make available loans to the Company for general corporate purposes.

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APPENDIX 4

The amount of any advances made from time to time by the Company to the Ultimate Parent pursuant to the terms of the Intra-Group Loan Agreement.

**Auditors' report to the directors of ABF Limited pursuant to section 156(4)
of the Companies Act 1985**

We have examined the attached statutory declaration of the directors of ABF Limited ("the Company") dated 29 January 2004, prepared in accordance with applicable United Kingdom Law, in connection with the proposal that the Company should give financial assistance for the purpose of reducing and discharging obligations and liabilities incurred by Soundersleep Limited (now the Company's ultimate parent) in purchasing 22,911,361 ordinary shares in Silentnight Group Limited.

This report is made solely to the directors in accordance with Section 156(4) of the Companies Act 1985. Our audit work has been undertaken so that we might state to the directors those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors, for our audit work, for this report, or for the opinions 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 declaration as to any of the matters mentioned in section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Leeds

29 January 2004.