

G

CHFP025

Please do not
write in this
margin

COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares

155(6)a

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

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

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

* insert full name
of company

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

† delete as
appropriate

§ delete whichever
is inappropriate

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

--	--	--	--

59738

Name of company

* TEACRATE RENTALS LIMITED (the "Company")

†/We Peter James Cohen of 36 Adventurer's Quay, Cardiff, CF10 4NP and
Keith Bland of 44 Cog Road, Sully, Penarth, Vale of Glamorgan CF64
5HT

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

The business of the company is:

~~(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]~~

Limited†

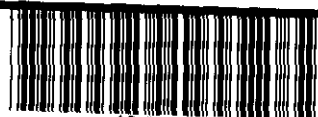
The assistance is for the purpose of ~~that acquisition~~ [reducing or discharging a liability incurred for the
purpose of that acquisition].†

The number and class of the shares acquired or to be acquired is: 5,700,000 Ordinary Shares
of 10 pence each

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

Morgan Cole
PO Box 45, Princess House,
Princess Way, Swansea, SA1 3LJ

For c
Gener



A01
COMPANIES HOUSE

0566
23/04/02

COMPANIES HOUSE

12/04/02

The assistance is to be given to: (note 2) PHS Group Plc and PHS Rentals Plc

Western Industrial Estate

Caerphilly CF83 1XH

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 Attachment 2

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

† delete as
appropriate

PHS Rentals Plc, Western Industrial Estate, Caerphilly CF83 1XH

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

See Attachment 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 _____ 2002

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

*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) ~~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)
- (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 I/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 167 FLEET STREET LONDON

Declarants to sign below

Day Month Year
on

0	8	0	4	2	0	0	2
---	---	---	---	---	---	---	---

before me Surya Mithugam

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

ATTACHMENT 2

NOTE RE: FORM OF FINANCIAL ASSISTANCE

Under a facilities agreement dated 7th June 2001 made between PHS Group Plc (the "**Parent**") and The Governor and Company of the Bank of Scotland (in various capacities) (the "**Bank**") there is provision for £100,000,000 refinancing and acquisition facilities and (subject also to the terms of a separate letter dated 7th June 2001 (the "**Working Capital Letter**") a £7,000,000 working capital facility (the "**Facilities Agreement**"). One of the facilities available under the Facilities Agreement is an auxiliary facility of up to £25,000,000 (the "**Auxiliary Facility**"). The Parent will use the Auxiliary Facility to assist in the acquisition of the entire issued share capital of the Company by PHS Rentals Plc, the Parent's subsidiary (the "**Acquisition**"). The Acquisition will be secured by the Company's execution of the Guarantee and Debenture (as defined below). The Company also proposes to enter into the Deed (as defined below). In entering into these documents, the Company will be giving financial assistance for the purpose of reducing or discharging the liability incurred by the Parent in connection with the Acquisition. This financial assistance shall take the form of:

- (a) a guarantee and debenture ("the Guarantee and Debenture") in favour of the Bank :
 - (i) for all or any monies or liabilities which shall for the time being be due, owing or incurred by the Company or the Parent and any other Group Company (as defined in the Facilities Agreement) and whether actual or contingent under or pursuant to the Finance Documents (as defined therein); and
 - (ii) incorporating fixed and floating charges in favour of the Bank to secure all monies and liabilities at any time due, owing or incurred by the Company and any other Group Company (as defined in the Facilities Agreement) to the Bank under of pursuant to the Finance Documents (as defined therein)
- (b) a deed of accession ("the Deed") in favour of the Bank under which the Company will become an additional borrower by acceding to the Facilities Agreement and the Working Capital Letter. As a borrower under each of those agreements, the Company will be assuming joint and several liability under those agreements and giving certain representations and warranties, covenants and indemnities to the Finance Parties (as defined therein).

ATTACHMENT 3

NOTE RE: PRINCIPAL TERMS OF FINANCIAL ASSISTANCE

(NB: any word or expression defined in the Guarantee and Debenture or the Deed shall save as otherwise defined or as the context may otherwise require have the same meaning herein)

1. The terms of the Guarantee and Debenture to be given to the Bank are as follows:

The Company covenants and guarantees that it will on demand in writing made to it by the Security Trustee pay or discharge to the Security Trustee all money and liabilities now or in the future due, owing or incurred to each Beneficiary it and by each other Company (except as a Guarantor for the Company) under or pursuant to the Finance Documents.

To secure its obligations to the Bank the Company will with full title guarantee charge to the Security Trustee with the payment or discharge of all Secured Sums:

- (a) by way of first legal mortgage, all freehold and leasehold Land in England and Wales now vested in the Company and registered at HM Land Registry, including any Land so listed in the Third Schedule of the Debenture;
- (b) by way of first legal mortgage, all other freehold and leasehold Land in England and Wales now vested in the Company and not registered at HM Land Registry, including the land so listed in the Third Schedule of the Debenture;
- (c) by way of first fixed charge, all Land in the future becoming the property of the Company;
- (d) by way of first fixed charge, all interests in Land or the proceeds of sale of Land now or in the future belonging to the Company which have not already been charged under the terms of the Debenture and all licences now or in the future held by the Company to enter upon, use or exploit Land and the benefit of all options, easements, agreements for lease and other agreements relating to the acquisition, use, exploitation or disposal of Land to which the Company is or may in the future become entitled;
- (e) by way of first fixed charge, all plant and machinery of the Company now or in the future attached to any Land which, or an interest in which, is charged under the preceding provisions of this paragraph 1 and all rights and interests of the Company under all present and future agreements for the purchase, maintenance or use of plant and machinery so attached;

- (f) by way of first fixed charge, all rental and other income and all debts and claims now or in the future due or owing to the Company under or in connection with any lease, agreement or licence relating to Land;
- (g) by way of first fixed charge, all Securities belonging to the Company;
- (h) by way of first fixed charge, all contracts and policies of insurance and assurance now or in the future held by or otherwise benefiting the Company and all rights and interests of the Company in every such contract and policy (including the benefit of all claims arising and all money payable under such contracts and policies);
- (i) by way of first fixed charge, all the goodwill and uncalled capital for the time being of the Company;
- (j) by way of first fixed charge, all Intellectual Property Rights of the Company, excluding (but only to the extent that and for so long as it is not capable of being validly charged by way of fixed charge) the benefit of any present or future agreement or licence relating to such rights;
- (k) by way of first fixed charge, all book and other debts now or in the future owing to the Company and all rights and claims of the Company against third parties, present and future, capable of being satisfied by the payment of money (except rights and claims effectively charged under the above paragraphs), the proceeds of which shall, for the avoidance of doubt, on payment into the Designated Account in accordance with the provisions of Clause 5.1 of the Debenture cease to be subject to the Fixed Charges contained in this paragraph and shall instead be subject to the Fixed Charge contained in paragraphs (m) or (n), if applicable, or else the Floating Charge contained in paragraph (o);
- (l) by way of first fixed charge, the benefit of all negotiable instruments, guarantees, bonds, debentures, legal or equitable charges and all other security, reservation of proprietary rights, rights of tracing, unpaid vendor's liens and all other rights and remedies now or in the future available to the Company as security for any Receivable or for the performance by any third party of any obligation now or in the future owed to the Company;
- (m) by way of first fixed charge, all money at any time standing to the credit of any Realisation Account and/or Designated Account;
- (n) by way of first fixed charge, all money at any time standing to the credit of any other bank account relating to the Company which is blocked and is

expressed to be subject to a fixed or specific charge including, without limitation, any Cash Cover Security Account;

(o) by way of floating charge:

- (i) all Assets now or in the future owned by the Company except to the extent that such Assets are for the time being effectively charged by any fixed charge contained in the preceding paragraphs, including any Assets comprised within a charge which is reconverted under clause 3.6 of the Debenture; and
- (ii) without exception, all Assets insofar as they are for the time being situated in Scotland,

but in each case so that the Company shall not save if and to the extent permitted by the Facilities Agreement create any mortgage or any fixed or floating charge or other security over any Floating Charge Asset (whether having priority over, or ranking *pari passu* with or subject to, this floating charge) or take any other step referred to in clause 6.1(a) of the Debenture with respect to any Floating Charge Asset and the Company shall not, without the prior written consent of the Security Trustee, sell, transfer, part with or dispose of any Floating Charge Asset except by way of sale in the ordinary course of its business.

The Company will with full title guarantee assigns (insofar as they are capable of being assigned by way of security) in favour of the Security Trustee but subject to the right of the Company to redeem such assignment upon the full payment or discharge of all Secured Sums (which, in the case of contingent liabilities, shall not be until a release in respect of those liabilities is provided to the Security Trustee on terms satisfactory to it (acting reasonably)):

- (a) all claims of the Company against all persons who are now or in the future the lessees, sub-lessees or licensees of its Land and all guarantors and sureties for the obligations of such persons;
- (b) the benefit of all guarantees, warranties and representations given or made to the Company by, and any rights or remedies against, all or any of the manufacturers, suppliers or installers of any fixtures now or in the future attached to such Land;
- (c) the benefit of all rights and claims to which the Company is now or in the future entitled under any agreements for lease, agreements for sale, contracts, options or undertakings relating to any estate, right or interest in or over such Land;

- (d) all rights and claims to which the Company is now or in the future entitled against any builder, contractor or professional adviser engaged in relation to such Land or property development or works, including, without limitation, under any collateral warranty or similar agreement;
- (e) the benefit of all rights and claims to which the Company is now or in the future entitled under or in respect of any joint venture, partnership or similar arrangement or agreement;
- (f) the right to require the repayment of the amount standing to the credit of each Cash Cover Security Account, save, in respect of an amount of cash cover, where the Loan Note Guarantee to which that amount of cash cover relates has expired and no Event of Default has occurred and is Continuing,

provided that until the security created becomes enforceable in accordance with the terms of the Debenture the Company is entitled to exercise all rights assigned under the preceding clauses, other than those assigned under paragraph (f) above, subject to the terms of the Finance Documents and the Security Trustee will reassign any such rights to the extent necessary to enable it to do so.

The Company shall on demand by the Security Trustee in writing execute and deliver to the Security Trustee at the cost of the Company and in such form as the Security Trustee may require (provided that, prior to the occurrence of an Event of Default, the Security Trustee, shall act reasonably in settling the form of, and in the frequency with which it makes requests for, any such instrument):

- (a) a valid legal mortgage, standard security or other hypothecation (as appropriate) of any Land now or in the future belonging to the Company;
- (b) a valid fixed charge over any interest, not capable of being charged by way of legal mortgage, in any Land now or in the future belonging to the Company;
- (c) a legal assignment or other fixed security over all or any of its Intellectual Property Rights or Receivables subject to any third party consents being obtained;
- (d) a legal charge over all or any of its Securities;
- (e) a chattel mortgage over such chattels, plant, machinery, computers and/or other equipment of the Company as the Security Trustee may specify;
- (f) a fixed charge or other fixed security over any of its Floating Charge Assets;

- (g) where any of its Assets are situated outside England and Wales, such fixed security under the law of the place where the Asset is situated as the Security Trustee may require;
- (h) a notice to any third party of any of the charges or assignments contained in this Debenture; and
- (i) such other documents as the Security Trustee may in its discretion think fit further to secure the payment of the Secured Sums, or to perfect this Debenture, or to vest title to any Asset in itself or its nominee or any purchaser.

The Company shall on demand by the Security Trustee in writing at the cost of the Company procure that such resolutions are passed and any other necessary action is taken to remove any lien on shares, any restriction on the free transfer of shares or any other restriction in the constitutional documents of any Teacrate Dormant Company to the extent that such provisions impede, restrict or fetter the security constituted by this Debenture or its enforcement.

2. The terms of the Deed to be granted in favour of the Bank are:

The Deed is supplemental to a Facilities Agreement dated 7th June 2001 ("the Facilities Agreement") made between PHS Group Plc and the Bank (as Arranger, Underwriter, Agent, Security Trustee, Working Capital Bank and LNG Bank (as such expressions are defined in the Facilities Agreement)).

In consideration of the Lenders (as defined in the Facilities Agreement) through the Agent agreeing to the Company becoming an additional borrower under clause 3 (Additional Borrowers) of the Facilities Agreement, and by the execution of the Deed, the Company agrees to be bound by the terms of the Facilities Agreement and the Working Capital Letter (referred to in the Facilities Agreement) as if it had been an original party to those documents as a Borrower (as defined in the Facilities Agreement).

The Company will give various representations and warranties, undertakings, covenants and indemnities to the Finance Parties (as defined in the Facilities Agreement)

Copy

PricewaterhouseCoopers
One Kingsway
Cardiff CF10 3PW
Telephone +44 (0) 29 2023 7000
Facsimile +44 (0) 29 2080 2400
Direct Phone 02920 802688
Direct Fax 02920 802252

Private and Confidential

The Directors
Teacrate Rentals Limited (formerly Teacrate plc)
Western Industrial Estate
Caerphilly
CF83 1XH

8 April 2002

Dear Sirs

**Certified to be a true
copy of the original
Date: 22.4.02
Morgan Cole**

Auditors' report to the directors of Teacrate Rentals Limited (formerly Teacrate plc) pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Teacrate Rentals Limited (formerly Teacrate plc) ('the Company') dated 8 April 2002 in connection with the proposal that the Company should give financial assistance for the purchase of 5,700,000 of the 10p ordinary shares of the Company.

The assistance will take the form of the execution by the Company of:

- i. A guarantee in favour of the Governor and Company of the Bank of Scotland ("the Bank") for all or any monies or liabilities which shall for the time being be due, owing or incurred by the Company or PHS Group plc and whether actual or contingent ("the Guarantee");
- ii. A debenture in favour of the Bank as security for all monies and liabilities at any time due, owing or incurred by the Company to the Bank ("the Debenture"); and
- iii. A Deed of Accession pursuant to which the Company is to become an Additional Borrower for the purposes of and pursuant to a facilities agreement dated 7 June 2001 between (1) PHS Group plc and (2) The Governor and Company of the Bank of Scotland (in its various capacities as Agent, the Arranger, the Underwriter, the Working Capital Bank, LNG Bank and as the Security Trustee) PHS Group plc's group borrowing facilities with the Bank.

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.

Yours faithfully



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors