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CHFP025

COMPANIES FORM No. 155(6)b

**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

[] [] [] [] [] [] [] []

237511

Name of company

* Arcadia Group Limited

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

* insert full name
of company

~~We~~ Philip Green, Ian Allkins, John Readman and Paul Coakley
together with
Lord Anthony Grabiner QC and Ian Grabiner each of whom are making on
the date of this declaration a declaration in the same form as his
declaration)

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

(See Attachment A for addresses)

† delete as
appropriate

~~XXXXXXXXXXXX~~ [all the directors]† of the above company (hereinafter called 'this company') do
solemnly and sincerely declare that:

§ delete whichever
is inappropriate

The business of this company is:

- (a) ~~the business of a person authorised under section 1 of the Insurance Companies Act 1979§~~
(b) ~~that of a person authorised under section 1 of the Insurance Companies Act 1979 to carry on~~
~~insurance business in the United Kingdom§~~
(c) something other than the above§

This company is ~~not~~ [a] holding company of† Redcastle Property Mortgage Limited
[Registered Number 3974980] which is
proposing to give financial assistance in connection with the acquisition of shares
in [this company] []

~~XX~~
~~This holding company of this company~~

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

Allen & Overy
One New Change
London
EC4M 9QQ

For official Use
General Section



A11 *ATDX4J88* 0748
COMPANIES HOUSE 03/04/03
A3D *AMEKQJJK* 0428
COMPANIES HOUSE 25/03/03

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

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

The number and class of the shares acquired or to be acquired is: 210,204,416 ordinary shares

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

Taveta Investments Limited [Registered Number 04464926]
129-137 Marylebone Road, London NW1 5QD

The assistance will take the form of:

See Attachment B

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

Taveta Investments Limited [Registered Number: 04464926]

† delete as appropriate

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

See Attachment C

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 £ See Attachment D

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

Please do not
write in this
margin

The date on which the assistance is to be given is

within 8 weeks of the date hereof

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

☒ 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)

(a) ☒ 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)

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

(b) ~~I/we have formed the opinion that this company will be unable to pay its debts as they fall due during the year immediately following that date, and I/we have formed the opinion that this company will be unable to pay its debts as they fall due during the year immediately following that date.]~~ (note 3)

And ☒ 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

Colegrave House, 70 Berners St.

Declarants to sign below

on

Day	Month	Year
13	03	2003

before me ALSTAIR VERE MILLS
A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

[Signatures]

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
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

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

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

For official use

Company number

237511

Name of company

* Arcadia Group Limited

XWe Ian Grabiner together with Philip Green, Ian Allkins, John Readman, Paul Coakley and Lord Anthony Grabiner QC each of whom are making on the date of this declaration a declaration in the same form as his declaration)

(See Attachment A for addresses).

~~XXXXXXXXXXXX~~ [all the directors]† of the above company (hereinafter called 'this company') do solemnly and sincerely declare that:

The business of this company is:

[illegible]

(b) ~~that of a person authorized under section 3 of the Industrial Companies Act 1982 to carry on~~

~~involves business information that is not publicly available~~

(c) something other than the above\$

This company is ~~not~~ [a] holding company of* Redcastle Property Mortgage Limited

[Registered Number 3974980] which is

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

in [this company] [

[illegible]

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

Allen & Overy
One New Change
London
EC4M 900

For official
General Sec

The assistance is for the purpose of ~~that acquisition~~ [reducing or discharging a liability incurred for the purpose of that acquisition].† (note 1)

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The assistance will take the form of:

See Attachment B

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† delete as appropriate

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See Attachment C

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The amount of cash to be transferred to the person assisted is £ See Attachment B

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

Please do not write in this margin

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

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

☒ 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)

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

- (a) ☒ 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)
- (b) ~~We have formed the opinion that this company will be unable to pay its debts as they fall due during the year immediately following that date.]~~ (note 3)

And ☒ 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 LONDON HEATHROW

Declarants to sign below

on

Day	Month	Year
13	03	2003

before me [Signature]

[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

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Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

XXX
Xthe following information of this confidentialX

Dx 44
BK:1042958

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

Please complete
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† delete as
appropriate

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See Attachment C

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(a) ☒ 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)

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

(b) ~~I/we have formed the opinion that this company will be unable to pay its debts as they fall due during the year immediately following that date, and I/we have formed the opinion that this company will be unable to pay its debts as they fall due during the year immediately following that date.]~~* (note 3)

And ☒ 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 1 ESSEX COURT

Declarants to sign below

LONDON EC4

Day Month Year
on

1	3	0	3	2	0	0	3
---	---	---	---	---	---	---	---

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]

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.
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Cardiff
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

Page 1

Directors' names and addresses

Attachment A

ATTACHMENT A

Directors' names and addresses

(to statutory declaration Form 155(6)b – page 1)

Lord Anthony Grabiner, QC
1 Essex Court
Temple
London
EC4Y 9AR

Ian Mark Allkins
35 Brentham Way
London
W5 1BE

Paul Coackley
Garden House
1 Tudor Road
Beckenham
Kent
BR3 6QR

Philip Green
Le Formentour
1st Floor
27 Avenue Princess Grace
Monte Carlo MC 9800
Monaco

John Paul Readman
Jellystone Farm
Friezland Lane Greenfield
Oldham
Lancashire
OL1 7HB

Ian Grabiner
Daylesford
5 Methuen road
Glasgow G46 6TG

ATTACHMENT B

Form of Assistance

(to statutory declaration Form 155(6)a – Box 1 page 2)

The assistance will take the form of:

1. Redcastle Property Mortgage Limited (the "**Company**") incurring obligations as Borrower under an £80,000,000 facility agreement between, inter alia, Redcastle Limited and Arcadia Group Limited (as Property Obligors), Bradford & Bingley plc (in its capacity as Original Lender, Agent and Security Trustee) (the "**Facility Agreement**") secured by certain properties owned legally and/or beneficially by the Property Obligors, in order that the proceeds of such loan can be on-lent to Taveta Investments Limited ("**Taveta**") in accordance with paragraph 2 below.
2. the Company executing an intercompany loan agreement under which the Company will make available to Taveta a term loan facility of £80,000,000 for the purpose of repaying indebtedness incurred in connection with the acquisition by Taveta of the shares in Arcadia Group Limited (a holding company of the Company) (the "**Intercompany Loan Agreement**").
3. the Company enters into an assignment of its hedging arrangements under the Facility Agreement (the "**Hedging Assignment**").

ATTACHMENT C

Principal Terms of Assistance

(to statutory declaration Form 155(6)a – Box 2 page 2)

1. FACILITY AGREEMENT

By executing the Facility Agreement, the Company will:

- (a) agree to apply all amounts borrowed by it under the Facility Agreement (the "**Loan**") towards on lending to Taveta Investments Limited or for general corporate purposes;
- (b) agree to repay the Loan in equal instalments of £500,000 on the dates set out in the Facility Agreement together with interest thereon, with the outstanding balance of the Loan to be repaid in full on the tenth anniversary of the date of the Facility Agreement;
- (c) agree to pay such fees, costs and expenses as are referred to therein;
- (c) give certain representations and warranties to the Finance Parties (as defined thereunder); and
- (b) provide certain affirmative and negative covenants, including compliance with certain financial covenants relating to security cover and interest cover.

2. INTRA-GROUP LOAN AGREEMENT

By entering into the Intercompany Loan Agreement, the Company will agree to:

- (a) grant to Taveta a term loan facility of up to £80,000,000 to be applied towards repayment of an £880,000,000 facilities agreement for Taveta dated 10th September, 2002 (as amended) entered into in connection with the acquisition by Taveta of the shares in Arcadia Group Limited (the "**Acquisition Facility**") and repayment of up to £32,500,000 of a Subordinated Loan (as defined under the Acquisition Facility);
- (b) interest on the loan to be determined according to the then prevailing rate of interest under the Facility Agreement; and
- (c) repayment by Taveta to be made in accordance with the repayment schedule under the Facility Agreement.

3. HEDGING ASSIGNMENT

By entering into the Hedging Assignment the Company will agree to assign its rights under any hedging arrangements entered into by the Company under the Facility Agreement.

ATTACHMENT D

Amount of cash to be transferred
(to statutory declaration Form 155(6)a – page 2)

By means of an Intercompany Loan Agreement a maximum amount of £80,000,000

PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds LS1 4JP
Telephone +44 (0) 113 289 4000
Facsimile +44 (0) 113 289 4460

Private and confidential

The Directors
Arcadia Group Limited
Colegrave House
70 Berners Street
London
W1T 3NL

13 March 2003

Dear Sirs

Auditors' report to the directors of Arcadia Group Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Arcadia Group Limited ('the Company') dated 13 March 2003 in connection with the proposal that the Company's subsidiary undertaking, Redcastle Property Mortgage Limited, should give financial assistance for reducing or discharging a liability incurred in connection with the purchase of the ordinary shares of the Company.

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 LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors