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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
marginPlease 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

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

To the Registrar of Companies

For official use

Company number



290792

Name of company

* PEACOCK'S STORES LIMITED ("the Company")

I/We† RICHARD KIRK of Faddiley Hall, Faddiley, Nantwich CW5 8JW, MICHAEL
BULLAS of Wayside Farm, Weylode Lane, Mynydd, Bach, Shire-Newton,
Monmouthshire NP6 6BU and ANTON WOODHOUSE of 4 Briar Meadow Drive,
Thornhill, Cardiff CF4 9EG.

~~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:

- (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†

This company is [the] [a] holding company of* MJB PROPERTIES (REDBOURN) LIMITED
("the Subsidiary") _____ which is
proposing to give financial assistance in connection with the acquisition of shares
in [this company] [_____

_____ ~~the holding company of this company~~‡Presenter's name, address and
reference (if any):

Macfarlanes
10 Norwich Street
London
EC4A 1BD

For official use

General Section

Post room



KLO *KBS1QUKS* 451
COMPANIES HOUSE 04/04/97

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

The number and class of the shares acquired or to be acquired is: 3,542,550 Ord Shares of £0.99,
759,924 Deferred Shares of £0.01 and 811,470 A Ord Shares of £1.00 - each in the Company.

The assistance is to be given to: (note 2) PEACOCK GROUP LIMITED

The assistance will take the form of:

SEE ANNEXURE 1.

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

†Delete as
appropriate

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

SEE ANNEXURE 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 N/A

The amount of cash to be transferred to the person assisted is £ N/A

The value of any asset to be transferred to the person assisted is £ N/A

Please do not
write in this
margin

The date on which the assistance is to be given is today or 8 weeks from today 19

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

I/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) [I/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) [~~It is intended to commence the winding-up of this company within 12 months of that date, and I/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 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 5 Norwich Street,
London, EC4A

the 3rd day of APRIL

One thousand nine hundred and NINETY-SEVEN

before me

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

NINA L. BELL

Declarants to sign below

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.

ANNEXURE 1 - FORM 155(6)(b)

(Certain terms used in this Form have the meanings given to them in Annexure 2 to this Form.)

The financial assistance will take the form of the execution and delivery by the Subsidiary of a guarantee and indemnity (the "Guarantee") and a group debenture (the "Debenture"), each in favour of The Governor and Company of the Bank of Scotland as Security Trustee for the Secured Parties. Pursuant to the Guarantee, the Subsidiary guarantees payment to the Secured Parties of the Indebtedness. Pursuant to the Debenture the Subsidiary covenants to pay and discharge the Indebtedness on the due date and creates fixed and floating charges over substantially all its assets and undertaking by way of security for the Indebtedness. The Indebtedness includes (without limitation) certain facilities made available to Peacock Group Limited for the purpose of enabling it to acquire the issued share capital of the Company.

The Guarantee and the Debenture are to be executed and delivered pursuant to:

- 1 the Credit Agreement, pursuant to which the Banks will make available (a) a senior term loan facility of £20,360,000 and a subordinated senior term loan facility of £4,100,000 to Peacock Group Limited to be used by it towards financing the purchase price payable by it for the issued share capital of the Company, (b) a revolving credit facility in the maximum aggregate principal amount of £15,000,000 to Peacock Group Limited and certain of its subsidiaries for the general working capital purposes of Peacock Group Limited and its subsidiaries and (c) a capital expenditure facility in the maximum aggregate principal amount of £9,000,000 to Peacock Group Limited for the capital expenditure purposes of Peacock Group Limited and (to the extent agreed) certain of its subsidiaries; and
- 2 a working capital facility letter to be entered into between The Governor and Company of the Bank of Scotland and Peacock Group Limited and certain of its subsidiaries providing working capital facilities in the maximum principal amount of £6,000,000.

ANNEXURE 2 - FORM 155(6)(b)

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

1 Definitions

In this Form the following terms have the following meanings:

"the Acquisition Documents"	as defined in the Credit Agreement;
"the Banks"	the banks and financial institutions which from time to time are parties to the Credit Agreement as "Banks";
"the Credit Agreement"	the credit agreement dated on or around the date of this Form and made between (1) the Parent and certain of its subsidiaries, (2) The Governor and Company of the Bank of Scotland and certain other Banks, and (3) The Governor and Company of the Bank of Scotland as Facility Agent and Security Trustee;
"Distribution Rights"	all dividends, distributions and other income paid or payable on the relevant Investment or Subsidiary Share (as the case may be) together with all shares or other property derived from the relevant Investment or Subsidiary Share (as the case may be) together also with all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Subsidiary Share (whether by way of conversion, redemption, bonus, preference, option or otherwise);
"Facility Agent"	The Governor and Company of the Bank of Scotland as Facility Agent for the Banks;
"Financing Documents"	as defined in the Credit Agreement;
"Group"	the Security Companies and all their respective subsidiaries from time to time;
"Indebtedness"	all money and liabilities at any time due, owing or incurred to the Secured Parties (or any of them) by each Security Company under any of the Financing Documents and under the Debenture in whatsoever manner in any currency or currencies whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred in

connection therewith;

“Intellectual Property”

all patents and patent applications, trade and/or service marks and trade and/or service mark applications (and all goodwill associated with such applications), all brand and trade names, all copyrights and rights in the nature of copyright, all registered designs and applications for registered designs, design rights, computer programmes, all trade secrets, know-how and all other intellectual property rights now or in the future owned by each Security Company throughout the world or in which each Security Company shall have an interest together with the benefit of all present and future licences and agreements entered into or the benefit of which is enjoyed by each Security Company and ancillary and connected rights relating to the use or exploitation of any of the aforementioned rights;

“Investment”

any negotiable instrument, certificate of deposit, debenture, share or other investment (as defined in Part I of Schedule 1 to the Financial Services Act 1986 as at the date hereof including without limitation and save where the context otherwise requires, the Subsidiary Shares);

“the Parent”

Peacock Group Limited;

“Premises”

all freehold and leasehold property from time to time owned by each Security Company or in which such Security Company is otherwise interested, including without limitation, the property, if any, specified in Schedule 2 of the Debenture;

“the Principal Debtors”

the Parent and each of the companies in the Group;

“the Secured Parties”

the Security Trustee, the Facility Agent and the Banks;

“the Security Companies”

the Parent, Peacock's Stores Limited, Milletts (Camping and Countrywear) Limited, John Jones (Ago Wear) Limited, Dorsman Estates Co. Limited and MJB Properties (Redbourn) Limited;

“Security Period”

as defined in the Credit Agreement;

“Security Trustee”

The Governor and Company of the Bank of Scotland as security trustee for the Banks;

“subsidiary”	has the meaning given to it in Section 736 of the Companies Act 1985; and
“Subsidiary Shares”	means all shares owned by each Security Company in its subsidiaries.

2 **The Guarantee**

Under the terms of the Guarantee:-

- 2.1 the Subsidiary irrevocably and unconditionally guarantees that it will pay to each of the Secured Parties on demand by the Security Trustee when the same have become due and payable, and in the currency in which the same falls due for payment, all monies and liabilities which are at the date of the Guarantee or at any time thereafter due, owing or incurred by any of the Principal Debtors to any of the Secured Parties under or in connection with any of the Financing Documents;
- 2.2 the Subsidiary, as a principal obligor and as a separate and independent obligation and liability from its liabilities referred to in paragraph 2.1, irrevocably and unconditionally agrees to indemnify each of the Secured Parties in full on demand against all losses, costs and expenses suffered or incurred by any of the Secured Parties arising from or in connection with any of the obligations of any of the Principal Debtors under any of the Financing Documents being void or unenforceable for any reason;
- 2.3 the Guarantee is and at all times shall be a continuing security and shall extend to cover the ultimate balance due at any time from any of the Principal Debtors under or in connection with any of the Financing Documents;
- 2.4 the Subsidiary undertakes it shall not at any time during the Security Period exercise or take any security from or against any of the Principal Debtors and any other person in connection with any of its liabilities or payments under or in connection with the Guarantee;
- 2.5 the Subsidiary acknowledges and agrees that none of its liabilities under the Guarantee shall be reduced, discharged or otherwise adversely affected by:
 - 2.5.1 any variation, extension, compromise, discharge, release, dealing with, exchange or renewal of any right or remedy which any of the Secured Parties may now or hereafter have against any of the Principal Debtors and any other person in respect of any of the liabilities of any of the Principal Debtors and any other person under or in connection with any of the Financing Documents;
 - 2.5.2 any act or omission by any of the Secured Parties and any other person in taking up, perfecting or enforcing any security, guarantee or indemnity from against any of the Principal Debtors and any other person;
 - 2.5.3 any termination, amendment, variation, novation or supplement of or to any of the Financing Documents;
 - 2.5.4 any grant of time, indulgence, waiver or concession to any of the Principal Debtors and any other person;

- 2.5.5 any of the insolvency, bankruptcy, liquidation, administration, winding-up or similar proceedings, incapacity, limitation, disability, the discharge by operation of law and any change in the constitution, name and style of any of the Principal Debtors and any other person;
- 2.5.6 any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported liability of any of the Principal Debtors and any other person under or in connection with any of the Financing Documents;
- 2.5.7 any claim or enforcement of payment from any of the Principal Debtors and any other person;
- 2.5.8 the failure of any Security Company to execute the Guarantee; or
- 2.5.9 any act or omission which would have discharged or affected any of the liabilities of the Subsidiary had it been a principal debtor instead of a guarantor or indemnitor or by anything done or omitted by any person which but for this provision might operate to exonerate or discharge the Subsidiary or otherwise reduce or extinguish any of its liabilities under the Guarantee.
- 2.6 The liabilities expressed to be undertaken by the Subsidiary under the Guarantee are those of primary obligor and not merely as a surety.
- 2.7 The obligations of the Subsidiary and the other Security Companies under the Guarantee are joint and several.
- 2.8 Each of the Security Trustee and the other Secured Parties may, without notice to the Subsidiary, apply any credit balance which is at any time held by any office or branch of the Security Trustee or such other Secured Parties for the account of the Subsidiary in or towards satisfaction of any sum then due and payable but unpaid by the Subsidiary under the Guarantee.

3 The Debenture

Under the terms of the Debenture:

- 3.1 the Subsidiary covenants that it will pay to the Security Trustee for the benefit of the Secured Parties all Indebtedness as and when the same falls due for payment and as continuing security for the payment of the Indebtedness charges to the Security Trustee with full title guarantee the following assets both present and future, from time to time owned by it or in which it is interested:
- 3.1.1 by way of first legal mortgage the Premises together with all buildings and fixtures (including trade fixtures) at any time thereon;
- 3.1.2 by way of first fixed charge all other interests (not being charged by the charge referred to in paragraph 3.1.1 above) 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;

- 3.1.3 by way of first fixed charge all plant and machinery and other equipment and all benefit of all contracts, licences and warranties and other assurances relating to the same;
- 3.1.4 by way of first fixed charge all the Subsidiary Shares together with all Distribution Rights from time to time accruing thereto;
- 3.1.5 by way of first fixed charge all Investments together with all Distribution Rights from time to time accruing thereto;
- 3.1.6 by way of first fixed charge all of its rights and interests in and claims under all policies of insurance and all proceeds thereof either at the date of the Debenture or in the future held by, or written in favour of, the Subsidiary or in which the Subsidiary is otherwise interested;
- 3.1.7 by way of first fixed charge all the Subsidiary's book and other debts, revenues and monetary claims of and all its rights and claims against third parties and against any security in respect of such debts, revenues or claims;
- 3.1.8 by way of first fixed charge all monies from time to time standing to the credit of any and all accounts with any bank, financial institution, or other person;
- 3.1.9 by way of first fixed charge all Intellectual Property;
- 3.1.10 by way of first fixed charge the benefit of all licences, consents, agreements and authorisations held or utilised by it in connection with its business or use of any of its assets;
- 3.1.11 by way of first fixed charge the Acquisition Documents;
- 3.1.12 by way of first fixed charge all its goodwill and uncalled capital; and
- 3.1.13 by way of first floating charge all its assets and undertaking whatsoever and wheresoever both present and future not effectively charged by way of fixed charge pursuant to the charges referred to above.
- 3.2 The security constituted by the Debenture shall be in addition to and without prejudice to any other security or securities which the Security Trustee and/or the Secured Parties may at any time hold for the Indebtedness or any part thereof and the security constituted by the Debenture may be enforced against each Security Company without first having recourse to any other rights of the Security Trustee and/or the Secured Parties (as the case may be).
- 3.3 The Subsidiary agrees at its own expense to execute such deeds, assurances, agreements, instruments and otherwise do such acts and things as the Security Trustee may reasonably require for perfecting and protecting the security created (or intended to be created) by the Debenture or facilitating the realisation thereof or otherwise for enforcing the same or exercising any of the Security Trustee's rights under the Debenture.

- 3.4 Each Secured Party may at any time after a Default (as defined in the Credit Agreement) has occurred and while it is continuing (without notice to the Subsidiary):
- 3.4.1 set off or otherwise apply sums standing to the credit of the Subsidiary's accounts with that Secured Party (irrespective of the terms applicable to such accounts and whether or not such sums are then due for repayment to that Secured Party); and
- 3.4.2 set off any other obligations (whether or not then due for performance) owed by that Secured Party to the Subsidiary,
- in or towards satisfaction of the Indebtedness.

24 - 03 - 97



**CERTIFICATE OF INCORPORATION
ON RE-REGISTRATION OF A PUBLIC COMPANY
AS A PRIVATE COMPANY**

No.290792

I hereby certify that

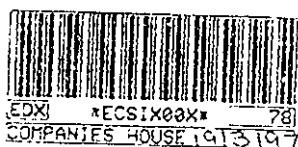
PEACOCK'S STORES LIMITED

formerly registered as a public company has this day been re-registered
under the Companies Act 1985 as a private company, and that the
Company is limited

Given under my hand at Companies House, Cardiff the 19th March 1997

F. A. Joseph

MR. F. A. JOSEPH
An Authorised Officer



your reference

our reference

PC 224 PN01SB11

The Directors
Peacock's Stores Limited
Atlantic House
Tyndall Street
Cardiff CF1 5BE

3 April 1997

Dear Sirs

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

We have examined the attached ^{3 April} statutory declaration of the directors of Peacock's Stores Limited ('the Company') dated ^{3 April} 31 April 1997 in connection with the proposal that the Company's subsidiary undertaking, MJB Properties (Redbourn) Limited, should give financial assistance for the purchase of the entire share capital 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.

Chartered Accountants
London
3 April 1997

Coopers & Lybrand