

CHFP025

Declaration in relation to assistance for the acquisition of shares

155(6)a

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

00641365

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

Name of company

* BEACONSFIELD FOOTWEAR LIMITED

* insert full name
of company

XWe 9 The persons described in Appendix 1

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

† delete as appropriate

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

The business of the company is

§ delete whichever
is inappropriate

[illegible][illegible]

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX \$

(c) something other than the above §

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

[company] XXXXXXXXXXXXXXXXXXXXXXX

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 42,000 Ordinary Shares of £1 each in the capital of the Company

Presenter's name address and
reference (if any)
Cobbetts LLP
58 Mosley Street
Manchester
M2 3HZ

DX 14374 Manchester 1
Doc No PAB/BZB

For official use only
General

SATURDAY



A05

*AF1115

15/12/2007

15/12/2007
COMPANIES HOUSE

35c

The assistance is to be given to (note 2) As set out in Appendix 2

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

The assistance will take the form of

As set out in Appendix 3

The person who [has acquired] ~~XXXXXX~~ † the shares is

† delete as
appropriate

Hotter Limited (company number 06073997)

The principal terms on which the assistance will be given are

As set out in Appendix 4

The amount of cash to be transferred to the person assisted is £ As set out in Appendix 5

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 from today's date

(Registered number: 00641365)

Beaconsfield Footwear Limited

(the "Company")

Appendices to statutory declaration in form 155(6)(a)

The following additional abbreviations are used throughout these appendices

Investors	Gresham 4A and Gresham 4B and Barrington House Nominees Limited
Lender	HSBC Bank plc
Group	Each of the following companies The Company The Purchaser Cobco 858 Limited Cobco 859 Limited Hotter Limited
Group Company	A company within the Group
Purchaser	Cobco 860 Limited
Vendor	Stewart John Houlgrave

Appendix 1

Names and addresses of directors

Name	Address
Stuart John Houlgrave	Dwerry House, Coopers Lane, Heskin, Chorley PR7 5PU
Trevor Colin Barnes	15 Rosemary Lane, Liverpool, L37 3HA

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Appendix 2

Person(s) to whom the assistance is to be given

Company name	Registered number	Address
Cobco 860 Limited	06430124	58 Mosley Street, Manchester, M2 3HZ
HSBC Bank plc	00014259	8 Canada Square, London, E14 5HQ
Gresham Fund 4A	LP 11407	One South Place, London, EC2M 2GT
Gresham Fund 4B	LP 11408	One South Place, London, EC2M 2GT
Barrington House Nominees Limited	02293764	One South Place, London, EC2M 2GT
Stewart John Houlgrave		Dwerry House, Coopers Lane, Heskin, Chorley PR7 5PU

APPENDIX 3

Form of assistance

- 1 The execution, delivery and performance by the Company of the following documents (as the same may be amended varied supplemented or substituted from time to time)
 - 1 1 A composite guarantee to be entered into in favour of the Lender, by each Group Company under which each Group Company guarantees to the Lender the liabilities and obligations of each other Group Company to the Lender (the "**Lender Composite Guarantee**"),
 - 1 2 A Debenture to be entered into by the Company in favour of the Lender under which the Company charges its present and future assets and undertaking to the Lender as security for the liabilities and obligations thereby agreed to be paid, including its liabilities and obligations under the Lender Composite Guarantee,
 - 1 3 A composite guarantee and debenture under which each Group Company guarantees to Barrington House Nominees Limited (the "**Investor Security Trustee**") as security trustee for the Investors, the liabilities and obligations of each other Group Company to the Investors from time to time, and under which each Group Company charges its present and future assets and undertaking to the Investor Security Trustee as security for the liabilities and obligations thereby agreed to be paid (the "**Investor Guarantee and Debenture**"),
 - 1 4 A composite guarantee and debenture under which each Group Company guarantees to Stuart Houlgrave (the "**Vendor Security Trustee**") as security trustee for Stuart Houlgrave (the "**Initial Vendor**") and any permitted transferees, ((the Vendor Security Trustee and the Vendor and the Initial Vendor being collectively referred to as the "**Vendor Noteholders**" the liabilities and obligations of each other Group Company to the Vendor Noteholders from time to time, and under which each Group Company charges its present and future assets and undertaking to the Vendor Security Trustee as security for the liabilities and obligations thereby agreed to be paid (the "**Vendor Guarantee and Debenture**"),
 - 1 5 An intercreditor deed to be entered into between the Group Companies, the Investors, the Initial Vendor, the Lender, HSBC Asset Finance (UK) Limited and HSBC Equipment Finance Limited (the "**AB Lenders**") the Investor Security Trustee and the Vendor Security Trustee regulating the priority of the respective debts due from each Group Company, to the Lender, the AB Lenders, the Investors and to the Vendor Noteholders from time to time, and the respective security interests to be held over the assets of each Group Company,
 - 1 6 A pari passu deed to be entered into between, inter alia, the Group Companies, the Investor Security Trustee and the Vendor Security Trustee regulating the priority of the respective debts due from each Group Company to the Investors and to the Vendor Noteholders from time to time, and the respective security interests to be held over the assets of each Group Company,
 - 1 7 An intra-group funding agreement to be entered into between the Group Companies under which each Group Company agreed, subject to certain conditions, to lend sums of money (up to a maximum aggregate amount of £100,000,000)to, and to borrow sums of money from, each other Group Company from time to time (the "**Intra-Group Funding Agreement**"),
 - 1 8 A facilities agreement to be entered into between the Lender, the Parent, the Purchaser Cobco 859 Limited and the Company under which the Lender agrees, subject to its terms, to make available
 - (a) to the Purchaser, a £7,000,000 term loan facility,

- (b) to the Purchaser, a £7,000,000 term loan facility,
- (c) to the Purchaser and the Company (and other companies in the same group as the Company) £3,000,000 term loan facility,
- (d) to the Purchaser and the Company (and other companies in the same group as the Company) a £2,000,000 revolving credit facility,

(the "Facility Agreement")

- 1 9 The security trust deed to be entered into between the Investors, Investor Security Trustee, the Group Companies under which the Investors appoint Investor Security Trustee as security trustee for the Investors' security under the Investor Guarantee and Debenture (the "**Security Trust Deed**")
- 1 10 A security trust deed to be entered into between the Vendor and the Vendor Security Trustee which the Vendor appoints the Vendor Security Trustee as security trustee for the Vendor's security under the Vendor Guarantee and Debenture (the "**Vendor Security Trust Deed**")



Appendix 4

Principal terms on which the assistance will be given

1 The Lender Guarantee

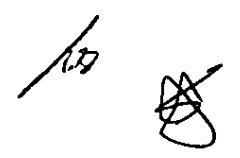
- 1 1 Under the Lender Guarantee the Company guarantees the due performance of the liabilities and obligations of each Group Company to the Lender from time to time, and indemnifies the Lender against the failure of any Group Company to meet those liabilities and obligations as they fall due
- 1 2 The guarantee and indemnity obligations operate on the Company as if it were principal obligor, and are effective notwithstanding any invalidity of the principal obligations or any other matter which would otherwise reduce or discharge guarantee obligations, and any unenforceability of, such liabilities and obligations
- 1 3 The Lender Guarantee contains a right for the Lender to set-off any money due to any Group Company (including the Company) against any liability of any obligor under the Lender Guarantee to the Lender

2 The Debenture

- 2 1 Under the Debenture the Company creates fixed and floating charges over all its assets (including freehold and leasehold property, buildings, fixtures, plant and machinery, book and other debts, rights and claims, securities, the goodwill and uncalled capital of Company, by way of security for all money, liabilities and obligations of the Company to the Lender from time to time
- 2 2 The Debenture contains restrictions on Company dealing with, and undertakings by the Company for the preservation of, the charged assets
- 2 3 The Debenture gives the Lender the power to appoint an administrator and a receiver

3 The Investor Guarantee and Debenture

- 3 1 Under the Investor Guarantee and Debenture the Company creates fixed and floating charges over all the assets of the Company (including freehold and leasehold property, buildings, fixtures, plant and machinery, book and other debts, rights and claims, securities, the goodwill and uncalled capital of the Company, by way of security for all money, liabilities and obligations of the Company to the Investors from time to time
- 3 2 The Investor Guarantee and Debenture contains restrictions on the Company's dealings with, and undertakings by the Company for the preservation of, the charged assets
- 3 3 Under the Investor Guarantee and Debenture the Company guarantees the due performance of the liabilities and obligations of each Group Company to the Lender from time to time, and indemnifies the Lender against the failure of any Group Company to meet those liabilities and obligations as they fall due
- 3 4 The guarantee and indemnity obligations under the Investor Guarantee and Debenture operate on the Company as if it were principal obligor, and are effective notwithstanding any invalidity of the principal obligations or any other matter which would otherwise reduce or discharge guarantee obligations, and any unenforceability of, such liabilities and obligations

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- 3 5 The Investor Guarantee and Debenture contains a right for the Investors to set-off any money due to any Group Company (including the Company) against any liability of any obligor under the Investor Guarantee and Debenture to the Investors
- 3 6 Under the Investor Guarantee and Debenture the Company creates fixed and floating charges over all the assets of the Company (including freehold and leasehold property, buildings, fixtures, plant and machinery, book and other debts, rights and claims, securities, the goodwill and uncalled capital of the Company, by way of security for all money, liabilities and obligations of the Company to the Investors from time to time
- 3 7 The Investor Guarantee and Debenture contains restrictions on the Company's dealings with, and undertakings by the Company for the preservation of, the charged assets
- 3 8 The Investor Guarantee and Debenture gives the Investors the power to appoint an administrator and a receiver

4 The Vendor Guarantee and Debenture

- 3 1 Under the Vendor Guarantee and Debenture the Company creates fixed and floating charges over all the assets of the Company (including freehold and leasehold property, buildings, fixtures, plant and machinery, book and other debts, rights and claims, securities, the goodwill and uncalled capital of the Company, by way of security for all money, liabilities and obligations of the Company to the Vendors from time to time
- 3 2 The Vendor Guarantee and Debenture contains restrictions on the Company's dealings with, and undertakings by the Company for the preservation of, the charged assets
- 3 3 Under the Vendor Guarantee and Debenture the Company guarantees the due performance of the liabilities and obligations of each Group Company to the Lender from time to time, and indemnifies the Lender against the failure of any Group Company to meet those liabilities and obligations as they fall due
- 3 4 The guarantee and indemnity obligations under the Vendor Guarantee and Debenture operate on the Company as if it were principal obligor, and are effective notwithstanding any invalidity of the principal obligations or any other matter which would otherwise reduce or discharge guarantee obligations, and any unenforceability of, such liabilities and obligations
- 3 5 The Vendor Guarantee and Debenture contains a right for the Vendors to set-off any money due to any Group Company (including the Company) against any liability of any obligor under the Vendor Guarantee and Debenture to the Vendors
- 3 6 Under the Vendor Guarantee and Debenture the Company creates fixed and floating charges over all the assets of the Company (including freehold and leasehold property, buildings, fixtures, plant and machinery, book and other debts, rights and claims, securities, the goodwill and uncalled capital of the Company, by way of security for all money, liabilities and obligations of the Company to the Vendors from time to time
- 3 7 The Vendor Guarantee and Debenture contains restrictions on the Company's dealings with, and undertakings by the Company for the preservation of, the charged assets
- 3 8 The Vendor Guarantee and Debenture gives the Vendors the power to appoint an administrator and a receiver

5 **The Intra-Group Funding Agreement**

Under the Intra-Group Funding Agreement, each Group Company agrees to lend sums of money to, and may borrow from, each other Group Company from time to time. All loans bear interest at 2% above base rate and are repayable on insolvency of any borrowing Group Company or the earlier repayment of the sums due to the Investors.

6 **The Intercreditor Deed**

The Intercreditor Deed regulates the priority of the respective debt and security interests of the Lender, the Investors, the Vendors and each Group Company in respect of the Group, and the Company agrees not to do anything, including the repayment or recovery of monies, which would hinder the recovery of that debt or the realisation of those securities in accordance with the terms of that Deed.

7 **The Pari Passu Deed**

The Pari Passu Deed regulates the priority of the respective debt and security interests of the Investor and the Vendors in respect of the Group, and the Company agrees not to do anything, including the repayment or recovery of monies, which would hinder the recovery of that debt or the realisation of those securities in accordance with the terms of that Deed.

8 **The Facilities Agreement**

Under the Facility Agreement the Subsidiary is a borrower under the £3,000,000 term loan facility and under the £2,000,000 revolving credit facility.

The Facility Agreement the Subsidiary gives indemnities to the Lender which (which amongst other things) covers obligations owed by the Purchaser to the Lender.

The Facility Agreement contains a right for the Lender to set-off any money due from any Group Company against any liability of any other Group Company to the Lender.

9 **The Security Trust Deed**

Under the terms of the Security Trust Deed the Company agrees to observe the provisions contained within the Security Trust Deed and not in any way to prejudice or affect the enforcement of those provisions.

10 **The Vendor Security Trust Deed**

Under the terms of the Vendor Security Trust Deed the Company agrees to observe the provisions contained within the Vendor Security Trust Deed and not in any way to prejudice or affect the enforcement of those provisions.

ES
[Signature]

Appendix 5

The amount of cash to be transferred to the persons assisted is

Such amount under the Intra Group Funding Agreement not to exceed £100,000,000

**REPORT OF THE INDEPENDENT AUDITOR TO THE DIRECTORS OF
BEACONSFIELD FOOTWEAR LIMITED PURSUANT TO SECTION 156(4) OF THE
COMPANIES ACT 1985**

We report on the attached statutory declaration of the directors dated 7 December 2007, prepared pursuant to the Companies Act 1985, in connection with the proposal that Beaconsfield Footwear Limited (the "Company") should give financial assistance for the purpose of reducing or discharging a liability incurred in the purchase of shares in the Company

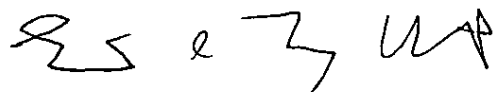
This report is made solely to the directors in accordance with Section 156(4) of the Companies Act 1985. Our work has been undertaken so that we might state to the directors those matters we are required to state to them in an auditors' report under section 156(4) and for no other purpose. To the fullest 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
Registered Auditor
Manchester