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CHFP041

COMPANIES FORM No. 155(6)a

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

1049781

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

Name of company

* N & R CONTRACTORS LIMITED

*insert full name of company

ANDREW BROWN OF TOWNHEAD BARN, DOWNHAM ROAD
CHATBURN, CLITHEROE BB7 4AU

Ø 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 _____ 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: 5000 ORDINARY
SHARES OF £1 EACH

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

LOCKETT LOVEDAY McMAHON
DX 710275
MANCHESTER 3For official use
General SectionA24
COMPANIES HOUSE0473
29/10/03A39
COMPANIES HOUSE
A&O
COMPANIES HOUSE0202
14/10/03
U&U I
03/10/03

The assistance is to be given to: (note 2) N + R (HOLDINGS) LIMITED

COMPANY NUMBER 4773566

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 ATTACHED SCHEDULE 1

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

N + R (HOLDINGS) LIMITED

[†]delete as
appropriate

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

SEE ATTACHED SCHEDULE 2

The amount of cash to be transferred to the person assisted is £ 1,174,000

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 SEPTEMBER 2003

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

~~I~~**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) [~~I~~**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 ~~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 Davies Arnold
Waple, 60 Fountain
Street, Manchester

Declarants to sign below

A. Brown.

on Day Month Year

on

29	09	20	03
----	----	----	----

before me Baro Helle

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 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

N & R Contractors Limited

Schedule 1

Form of Financial Assistance

Words and phrases used in this Schedule 1 shall have the meanings given to them in Schedule 3.

Form of Assistance

The assistance will take the form of the execution and delivery by the Company of the following documents and the compliance and fulfilment of all its obligations thereunder:-

1. Consultancy Agreement
2. Inter Company Loan Agreement
3. Cross Guarantee
4. Debenture
5. Postponement Agreement
6. Chattel Mortgage
7. Legal Charge
8. Overdraft Facility Letter
9. Term Loan Facility 1
10. Term Loan Facility 2

The Company will also pay all of its professional costs arising from this transaction.

N & R Contractors Limited

Schedule 2

The principal terms in which the financial assistance will be given

Words and phrases used in this Schedule 2 shall have the meanings given to them in Schedule 3.

The principal terms on which the assistance is given is as follows:-

1. The Consultancy Agreement

Pursuant to the terms of the Consultancy Agreement Reuben Sutcliffe has agreed to provide consultancy services to the Company for a period of 6 months after completion of the Acquisition.

2. Inter-Company Loan

Pursuant to the terms of the Inter-Company Loan the Company will loan N & R (Holdings) Limited the sum of £1,174,000 for use only in assisting with the funding of the Acquisition

3. The Cross Guarantee

Pursuant to the terms of the Cross Guarantee the Company is to guarantee to the Bank all the obligations and liabilities of whatever nature from time to time of N&R (Holdings) Limited to the Bank including in relation to the Term Loan Facilities.

4. The Debenture

Pursuant to the terms of the Debenture the Company grants to the Bank fixed and floating charges over all the property assets and undertaking of the Company as security for all the liabilities and obligations of the Company to the Bank including, without limitation the liabilities of the Company contained in the Cross Guarantee.

5. Postponement Agreement

Pursuant to the terms of the Postponement Agreement the Bank and Andrew Brown agree to regulate their respective claims against the Company and N & R (Holdings) Limited

6. Legal Charge & Chattel Mortgage

Pursuant to the terms of the Legal Charge and the Chattel Mortgage the Company grants to the Bank a legal charge over the Company's land and buildings in respect of Term Loan Facility 1 and a chattel mortgage over the Company's plant and machinery in respect of Term Loan Facility 2.

7. **The Overdraft Facility Letter**

Pursuant to the terms of the Overdraft Facility Letter the Bank inter alia agrees to make available to the Company a £200,000 overdraft facility for which the Company will be liable under the Cross Guarantee.

8. **The Term Loan Facility Agreements**

Pursuant to the terms of the Term Loan Facility Agreements the Bank inter alia agrees to make available to the Company a loan facility for the sum of £60,000 ("**Term Loan Facility 1**") and a loan facility for the sum of £350,000 ("**Term Loan Facility 2**") for which the Company will be liable under the Cross Guarantee.

N & R Contractors Limited

Schedule 3

Definitions

"Acquisition"	the acquisition of the entire issued share capital of the N & R by the Purchaser from the Vendors;
"Bank"	the Governor and Company of the Bank of Scotland;
"Chattel Mortgage"	the chattel mortgage to be granted to the Bank by the Company to secure the Term Loan Facility 2;
"Company"	N & R Contractors Limited (company number 1049781);
"Consultancy Agreement"	the consultancy agreement to be entered into between the Company and Reuben Sutcliffe, being one of the Vendors.
"Cross Guarantee"	a cross guarantee in which the Company and N&R (Holdings) Limited are to guarantee to the Bank all the obligations and liabilities of whatever nature of each other including (without limitation) to provide security for the obligations of the Company and N&R (Holdings) Limited pursuant to the Overdraft Facility Letter and the Term Loan Facility Agreements;
"Debenture"	the debenture to be granted by the Company to the Bank pursuant to which the Company would grant certain fixed and floating charges over the undertaking property and assets of the Company in favour of the Bank in connection with all monies from time to time owing to the Bank by the Company including (without limitation) to provide security for the obligations of the Company pursuant to the Overdraft Facility Letter;

"Inter-Company Loan"

the loan to be entered into between the Company and N&R (Holdings) Limited whereby the Company will loan to N&R (Holdings) Limited the sum of £1,174,000;

"Legal Charge"

the legal charge to be granted to the Bank by the Company to secure the Term Loan Facility 1;

"Overdraft Facility Letter"

the agreement in respect of overdraft facilities to be entered into between the Company and the Bank pursuant to which the Bank would provide to the Company an overdraft facility of £200,000.

"Postponement Agreement"

the agreement entered into between Andrew Brown, the Bank, the Company and N & R (Holdings) Limited in which the Bank and Andrew Brown agree to regulate their claims against the Company and N & R (Holdings) Limited;

"Term Loan Facility Agreements"

the Term Loan Facility 1 and Term Loan Facility 2 to be entered into between the Company and the Bank;

"Vendors"

Reuben Sutcliffe and Pauline Sutcliffe of Heathfield, 35 Kensington Road, Halifax, West Yorkshire HX3 0HY and Brian Moreton of 3 Burton Royd Lane, Kirk Burton, Huddersfield HD8 0TU

Reply to:

Our ref:

Your ref:



**STATUTORY REPORT OF THE AUDITORS TO THE DIRECTORS OF
N & R CONTRACTORS LIMITED (the "Company")
PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the director of the Company dated 23rd 29th September 2003 in connection with the proposal that the Company should give financial assistance for the purchase of the entire share capital of the Company by N & R (Holdings) Limited.

Respective Responsibilities of Directors and Auditors

The Company's Director is responsible for the statutory declaration. It is our responsibility to form an independent opinion on that declaration, based on our enquiries into the state of the Company's affairs.

Basis of opinion

We have enquired into the state of affairs of the Company so far as necessary 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 Director in the attached statutory declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Moore & Smalley
.....
Chartered Accountants

29 September 2003
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Date:

Richard House, 9 Winckley Square, Preston, Lancashire PR1 3HP Telephone: 01772 821021 Facsimile: 01772 259441
www.moore-and-smalley.co.uk



Partners: R.E. Salter FCA D.K. Gill FCA J.S. Armitage FCA D.M. Ingram ACA D.S. Wood FCA C.A. Wilson ACA
P.R. Metcalf FCA R.A. Norman FCA M.J. Briggs ACA D.J. Walmsley ACA G.D. Gordon MSA T. Metcalf ACA
Associates: S.R. Adams ATII D. Greaves FCA
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