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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*

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

For official use

Company number

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01476443

Name of company

* PROTECTAHOME LIMITED ("THE COMPANY")

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

* insert full name
of company

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

~~We~~ ☒ We ☐ GARY JOSEPH BRISCOE OF 2 BEECH DRIVE, NAILSEA, NORTH SOMERSET, BS48 1QA
and

RACHEL LOUISE BRISCOE OF 2 BEECH DRIVE, NAILSEA, NORTH SOMERSET, BS48 1QA

† delete as
appropriate

§ delete whichever
is inappropriate

~~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] BETTERSTYLE 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: 301 ORDINARY SHARES OF £1.00 EACH

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

For official Use (02/06)
General Section

Post room

TUESDAY



A42

AE111M2F

09/01/2007

747

COMPANIES HOUSE

The assistance is to be given to: (note 2) BRISCOE ONE LIMITED (COMPANY NUMBER 05937822)

C/O SRBLEGAL LLP

Please do not
write in
this margin

SOMERTON HOUSE, HAZELL DRIVE

NEWPORT, NP10 8FY ("THE PURCHASER")

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

The assistance will take the form of:

SEE PART 1 OF THE ATTACHED "NARRATIVE TO THE STATUTORY DECLARATION"

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

† delete as
appropriate

THE PURCHASER

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

SEE PART 2 OF THE ATTACHED "NARRATIVE TO THE STATUTORY DECLARATION"

The amount of cash to be transferred to the person assisted is £ 475,000

The value of any asset to be transferred to the person assisted is £ 0.00

The date on which the assistance is to be given is WITHIN 8 WEEKS OF THIS DECLARATION

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

(a) ~~¶~~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)

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

(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 13 Elythe Park Road
Newport

Declarants to sign below

ReBrowne

on

Day	Month	Year
02	01	2007

before me David E. Cole
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
- DX 33050 Cardiff
- or, for companies registered in Scotland:-
- The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB
- DX 235 Edinburgh
- or LP-4 Edinburgh 2

NARRATIVE TO STATUTORY DECLARATION

PART 1

The assistance will take the form of:-

- 1 The execution by the Company of a guarantee and indemnity agreement ("**the Protectahome Guarantee Agreement**"), the terms of which provide that the Company shall guarantee repayment of all and any monies owing by the Purchaser to Finance Wales Investments (2) Ltd ("**FW**").
- 2 The execution by the Company of a debenture under which the Company would charge (by way of first, legal, fixed and floating charge) the whole of its physical and intellectual property, assets and undertaking to secure the liabilities of the Company to FW ("**the Protectahome Debenture**").
- 3 The execution by the Company of an intra-group loan agreement with the Purchaser (as the borrower) pursuant to which the Company (as the lender) would make advances to the Purchaser from time to time to assist, inter alia, the Purchaser in complying with its obligations under its term loan agreement with FW (in the sum of £475,000) which is being made for the purpose of the acquisition by the Purchaser ("**the Acquisition**") of the entire issued share capital of the Company's holding company, Betterstyle Limited ("**the Intra-Group Loan Agreement**").
- 4 The execution by the Company (as borrower) of a loan agreement with Luckylease Limited ("**Luckylease**") (as lender) pursuant to which it was agreed that a dividend payment in the sum of £110,000 which had been declared by the Company in respect of the period ended 31 December 2006 for the benefit of its sole shareholder at that date, Protectahome Property Limited, would be converted into a loan and the benefit of that loan assigned to Luckylease ("**the Luckylease Loan Agreement**").
- 5 The execution by the Company of a deed of priorities with Luckylease and FW, the terms of which provide for the ranking of security interests of FW and Luckylease (the "**Deed of Priorities**").
- 6 The execution by the Company of a debenture over all of its assets in favour of Luckylease ("**the Second Debenture**"), such Second Debenture to rank behind the Protectahome Debenture as set out in the Deed of Priorities.

PART 2

The principal terms on which the assistance will be given are as set out below:-

- 1 The Protectahome Guarantee Agreement will provide for (amongst other things):
 - 1.1 the Company guaranteeing repayment of all and any monies and liabilities owing by the Purchaser to FW at any time and from time to time including interest thereon and any, fees, legal and other costs, charges and expenses which the Purchaser owes to FW ("**Purchaser's Obligations**");
 - 1.2 if any of the Purchaser's Obligations cannot be recovered from the Company as a guarantor for any reason, the Company shall make payment to FW as though the Purchaser's Obligations were the Company's own obligations to FW;
 - 1.3 the Company to make payment as soon FW demands it even if FW has not first demanded payment from the Purchaser;
 - 1.4 the guarantee will be limited to £475,000 (four hundred and seventy-five thousand pounds) plus interest and all legal and other costs, charges and expenses which FW may incur in enforcing or trying to enforce payment under the Protectahome Guarantee Agreement.
- 2 Under the Protectahome Debenture, the Company covenants that it will on demand pay and discharge the Company's obligations when due to FW.

As security for the obligations referred to above, the Company charges with full title guarantee and as continuing security for the payment and discharge by the Company of the Company's obligations to FW:-

- 2.1 by way of legal mortgage the freehold and leasehold property referred to in the Schedule to the Protectahome Debenture together with all buildings, trade and other fixtures, fixed plant and machinery of the Company from time to time on such property;
- 2.2 by way of fixed charge:
 - (a) all other freehold and leasehold property now or in the future belonging to the Company together with all buildings, trade and other fixtures, fixed plant and machinery of the Company from time to time on such property;
 - (b) all plant, machinery, computers, office and other equipment now or in the future belonging to the Company (other than fixed plant and machinery) including all computer terminals, hard drives, keyboard, connecting leads and

networks now or in the future belonging to the Company, together with all additions, alterations, accessories, replacements and renewals from time to time for such equipment and any component parts of such equipment from time to time;

- (c) all stocks, shares and other securities now or in the future belonging to the Company together with all dividends and other rights deriving from such securities;
- (d) the goodwill of the Company and its uncalled capital for the time being; and
- (e) all patents, copyrights, marks, service marks, designs and other intellectual property rights (including without limitation business names, know-how, formulae, inventions, confidential information, trade secrets, computer software, programs and systems), claims and all fees, royalties and other rights of every kind deriving from such intellectual property now or in the future belonging to the Company; and

2.3 by way of floating charge all the undertaking, property and assets of the Company whatsoever and wheresoever present and future not subject to a legal mortgage or fixed charge by the Protectahome Debenture.

3 Under the Intra-Group Loan Agreement, any advances made to the Purchaser shall be made at such rates of interest per annum as may be agreed from time to time between the Company and the Purchaser and shall be unsecured and repayable upon demand.

4 Pursuant to the Luckylease Loan Agreement, the loan in the sum of £110,000 would:

4.1 accrue interest at the rate of 4% until full repayment has been made; and

4.2 be repayable by the Company in eight equal monthly instalments commencing on 1 July 2007.

5 Pursuant to the terms of the Deed of Priorities, the Company will enter into various covenants in favour of FW and Luckylease including acknowledging the ranking of security interests of FW and Luckylease.

6 Under the Second Debenture, the Company would charge (by way of legal, fixed and floating charge but subject to the terms of the Deed of Priorities), the whole of its physical and intellectual property, assets and undertaking to secure its liabilities to Luckylease, which liabilities include, but are not limited to, liabilities incurred for the purposes of the Acquisition).

**AUDITORS' REPORT TO THE DIRECTORS OF PROTECTAHOME LIMITED
PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors dated 2 January 2007 in connection with the proposal that the Company should give financial assistance for the purchase of 301 shares in the Company's holding company, Betterstyle Limited.

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.

BPA Limited

Chartered Accountants
Registered auditors

2 January 2007


Chartered
Accountants

Radnor House
Greenwood Close
Cardiff Gate Business Park
Cardiff CF23 8AA

Registered to carry on audit work
and regulated for a range of
investment business activities by
the Institute of Chartered
Accountants in England and Wales

BPA Chartered Accountants is a
trading name of BPA Ltd
Company Number 3723948
Registered in Wales

A list of directors is available from the
registered office above