

Oyez

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

2000951

Note

Please read the
notes on page 3
before completing
this form

*Insert full name
of company

Name of company

* Precision Engineering Plastics Ltd

We ~~ø~~ PADRAIC DOHENY of 80 Albury Road, Pinner, Middlesex HA5 3RF and VINCE MARINO
of 123 St Margarets Road, Stanstead Abbots, Hertfordshire SG12 8ER

øInsert 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 person authorised under section 8 of the Companies Act 1982 to carry on
the business of the company 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 holding company~~

The assistance is for the purpose of [that acquisition] ~~the acquisition of shares in the company~~
~~for the purpose of the acquisition of shares in the company~~

The number and class of the shares acquired or to be acquired is: 91,000 ordinary shares of £1
each

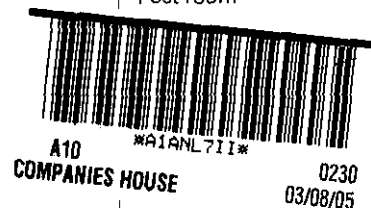
Presentor's name address and
reference (if any):

Matthew Arnold & Baldwin
21 Station Road
Watford
Hertfordshire WD17 1HT
DX 4508 - Watford
CAH/43666-1

For official Use (10/03)

General Section

Post room



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

Precision Engineering Plastics (Holdings) Limited (Company Number 5455025) (PEP Holdings)

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:

PEP Holdings intends to acquire 91,000 ordinary shares of £1 each in the capital of the Company from Contactum Limited (Acquisition).

The Company will enter into an Invoice Discounting Facility with SME Invoice Finance Ltd (SME) which shall be secured by an all assets Debenture executed by the Company.

A proportion of funds derived by the Company from the Invoice Discounting Facility (namely £250,000) and secured by the all assets Debenture shall be loaned by the Company to PEP Holdings by way of a Loan Agreement to part fund the Acquisition.

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

Precision Engineering Plastics (Holdings) Limited (Company number 5455025)

† Delete as
appropriate

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

PLEASE SEE SCHEDULE 1 ATTACHED.

The amount of cash to be transferred to the person assisted is £ 250,000

The value of any asset to be transferred to the person assisted is £ n/a

The date on which the assistance is to be given is 26 July 2005.

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

~~X~~/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) ~~X~~/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) ~~X~~It is intended to commence the winding up of the company within 12 months of that date, and ~~X~~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 ~~X~~we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

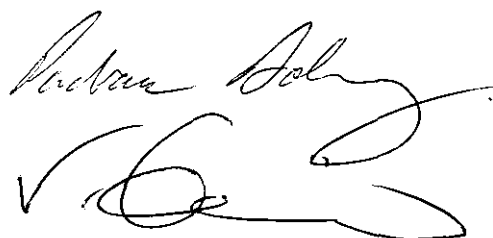
Declared at

Declarants to sign below

on Day Month Year
26 07 2005

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.



HANCOCK QUINS
22-26 STATION ROAD
WATFORD, HERTS
WD1 1ER

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 auditor's 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

SCHEDULE 1

PRECISION ENGINEERING PLASTICS LIMITED

(COMPANY NUMBER 2000951)

Richard Ashby
M. J. Seals
26/7/05

HANCOCK QUINS
22-26 STATION ROAD
WATFORD, HERTS
WD1 1ER

1. Invoice Discounting Facility
 - 1.1. Minimum Period 12 months
 - 1.2. Notice Period 6 months
 - 1.3. Maximum Credit Period 90 days
 - 1.4. Prepayment Percentage 60%
 - 1.5. Rate of Discount Charge 2% over Lloyds TSB base rate
 - 1.6. Minimum Annual Service Charge £5,700
 - 1.7. Maximum Funds in Use £300,000
 - 1.8. Concentration Limit 25%
 - 1.9. Rate of Service Charge 0.2%
2. Debenture
 - 2.1. The Company granting a fixed charge over: (i) all freehold and leasehold land and buildings of the Company both present and future and all trade fixtures and fittings and all plant and machinery from time to time in or on any such land or buildings; (ii) all goodwill and unpaid and/or uncalled capital of the Company; (iii) all stocks shares and securities and documents evidencing title to or the right to possession of any property at any time deposited with SME and the property mentioned in such documents; (iv) all intellectual property now owned or at any time hereafter to be owned by the Company; (v) any debt (purchased or purported to be purchased by SME pursuant to the Invoice Discount Facility), of which the ownership fails to vest absolutely and effectively in SME for any reason, together with the proceeds of such debt; (vi) all amounts now or hereafter owing or becoming due to the Company by SME including any amount retained by SME under any provision of the Invoice Discount Facility; (vii) all amounts of indebtedness now or at any time hereafter owing or becoming due to the Company on any account whatsoever and their proceeds together with the related rights pertaining to such amounts of indebtedness and their proceeds.
 - 2.2. The Company granting floating charge over all the undertaking and all the property rights and assets of the Company, whatsoever and wheresoever, both present and future, including the Company's stock in trade and its uncalled capital and the proceeds of such property rights and assets other than such of the property as shall for the time being be subject to the fixed charge referred to above.
 - 2.3. The charges referred to in paragraphs 2.1 and 2.2 secure all or any monetary liabilities and all obligations of the Company to SME.
3. The Loan Agreement provides for an aggregate loan of £250,000 to be repaid on the earlier of 30th July 2010 and an event of default. No interest is payable on the loan.



SIMMONS GAINSFORD LLP

Chartered Accountants & Management Consultants

Our Ref: AND/SFR/P1044

Your Ref:

Date: 26 July 2005

7/10 Chandos Street, Cavendish Square

London W1G 9DQ

Tel: 020 7447 9000 Fax: 020 7447 9001

E-mail: excellence@simmonsgainsford.co.uk

Web: www.simmonsgainsford.co.uk

The Directors
Precision Engineering Plastics Limited
Triumph Trading Estate
Tariff Road
London N17 0ED

Auditors' Report to the Directors of Precision Engineering Plastics Ltd (Company) pursuant to section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of the Company dated 26 July 2005 in connection with the proposal that the Company should give financial assistance for the purpose of the acquisition of shares in the Company.

We have enquired into the state of affairs of the Company in order to review the bases for the attached statutory declaration.

We are not aware of anything to indicate that the opinion expressed by the directors 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.

Simmons Gainsford LLP

For and on behalf of Simmons Gainsford LLP

Steven M Strauss Julian M Lewis Anup N Dalal Martyn S Pizer Stanley L F Bloom LLB Philip Austin Wilfred W P Sing

Jeffrey P Goldman H Ming Sze Darren L Hersey CTA* Abdultaiyab Pisavadi

Consultant: Anthony Simmonds

Associated Offices: Australia Denmark Eire France Germany Holland Hong Kong Israel Italy Portugal South Africa Spain Taiwan USA

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Institute of Chartered Accountants in England and Wales

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*Non Chartered Accountant