G

CHFP004

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 02071158

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

* insert full name of company

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

Name of company

* Mainland Contractors Limited

We ϕ

Joseph John McQuade of 82 Rushton Road, Rothwell, Kettering, Northamptonshire, NN14 6HQ and Richard Glenn Martins of Rylands Farm House, Park Lane, Walton, Leicestershire, LE17 5RQ

† delete as appropriate

§ delete whichever is inappropriate

all the directors of the above company do solemnly and sincerely declare that:
The business of the company is:

~~(a) that a [recognised bank] [licenced 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~~ ---------- §

(c) something other than the above §

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

The assistance is for the purpose of that acquisition †

The number and class of the shares acquired or to be acquired is: 1,276 "A" Ordinary Shares of £1 each in the capital of the Company

Presentor's name address and reference (if any):
Howes Percival, Oxford House, Cliftonville, Northampton, NN1 5PN
Ref: GMC
DX 12413 Northampton

For official Use
General Section

Post room

AEMC4V8T
A18 0124
COMPANIES HOUSE 19/05/04

Peapod Solutions Ltd.

The assistance is to be given to: (Note 2) Mainland Holdings Limited ("**Holdings**") (Company Number 05085931) registered office: Oxford House, Cliftonville, Northampton, Northamptonshire, NN1 5PN

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 Rider 1

The person who will acquire the shares is: †

Holdings

† delete as appropriate

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

See Rider 2

The amount of cash to be transferred to the person assisted is £ 1,150,000.00

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 the same date as the date upon which this declaration is made or a date within 8 weeks of the date hereof

Please do not write in this margin

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

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) 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)

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

And 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 Oxford House
Cliftonville Northampton
NN1 5PN

Declarants to sign below

	Day	Month	Year
on	10	05	2004

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.

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
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB
DX: 235
Edinburgh

MAINLAND CONTRACTORS LIMITED (the "Company")

FORM 155(6)a

RIDER 1

This is the Rider 1 referred to in the Form 155(6)a declared by all the directors of the Company on 10 May 2004.

Financial assistance will be provided by the Company to Mainland Holdings Limited ("**Holdings**") for the purpose of the acquisition (the "**Acquisition**") by Holdings of 1,276 "A" Ordinary Shares of the Company. The financial assistance will take the form of the execution, delivery and performance of the following documents as the same may be amended, supplemented or substituted from time to time:

(a) a cross guarantee and indemnity made by Holdings (1) and the Company (2) in favour of the National Westminster Bank plc (the "**Bank**") (3) (the "**Guarantee Agreement**");

(b) a facility letter to be entered into between the Company (1) and the Bank (2) and Holdings (3) in relation to an overdraft facility of up to £800,000 and a loan agreement to be entered into between the Company (1) Holdings (2) and the Bank (3) for a development loan of £360,000 (the "**Facility**");

(c) an intercreditor deed to be entered into between the Company (1) Holdings (2) G M Couldrake & J Morris (3) B C Rogers & M C Hill (4) J J McQuade (5) R G Martins (6) and the Bank (7) (the "**Intercreditor Deed**");

(d) a loan agreement between the Company (1) and Holdings (2) (the "**Loan Agreement**") under which the Company will make a loan of £1,150,000;

(e) a loan agreement between the Bank (1) and Holdings (2) and the Company (3) under which the Bank loans Holdings £1,500,000 (the "**Holdings Loan**").

The Company has previously granted the security detailed below to the Bank (the "**Security**"). By entering into the Guarantee Agreement the Company's contingent liabilities under the Security will increase and therefore the performance of the Company's obligations

under the Security will constitute financial assistance:

(f) *a mortgage debenture granted by the Company (1) in favour of the Bank (2) over* all material assets dated 21 April 1989 (the "**Mortgage Debenture**");

(g) *a legal charge granted by the Company (1) in favour of the Bank (2) over* freehold land at Site B Kettering Venture Park dated 20 June 2002 and a legal charge granted by the Company (1) in favour of the Bank (2) over freehold land at Unit D Site C Kettering Venture Park dated 1 May 2003 and a legal mortgage granted by the Company (1) in favour of the Bank (2) over Plot 46A Telford Way, dated 22 December 1989 and a legal charge granted by the Company (1) in favour of the Bank (2) over freehold land at Site C Kettering Venture Park, dated April 2004 (the "**Legal Mortgages**");

(h) a chattel mortgage granted by the Company (1) in favour of the Bank (2) over items therein mentioned dated 24 June 1998 (the "**Chattel Mortgage**").

MAINLAND CONTRACTORS LIMITED ("the Company")

FORM 155(6)a

RIDER 2

This is the Rider 2 referred to in the Form 155(6)a declared by the directors of the Company on 10 May 2004.

All capitalised terms in this Rider 2 shall, unless the contrary intention appears, have the meanings given to them in Rider 1.

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

1. under the terms of the Guarantee Agreement the Company, inter-alia, guarantees to the Bank payment of all monies and liabilities of any kind whether actual or contingent which are or at any time may be due, owing or incurred from or by Holdings to the Bank, which would include (without limitation) the borrowings of Holdings from the Bank to help fund the Acquisition;

2. under the terms of the Facility the Bank, inter alia, makes available to the Company an overdraft facility of up to £800,000 repayable by the Company on demand and a development loan of £360,000 repayable by the Company on sales from developments made by the Company pursuant to the development loan. These sums could assist finance the loan set out at 3 below;

3. under the terms of the Holdings Loan the Company enters into representations and warranties and other obligations with the Bank for the purposes of assisting Holdings to borrow £1,500,000 for the purposes of the acquisition;

4. under the terms of the Loan Agreement the Company agrees to make a loan of £1,150,000 to Holdings for the purpose of, inter alia, funding the Acquisition and the fees and expenses incurred by Holdings, repayable in instalments and at an interest rate of 2% per annum above the bases rate of the Bank from time to time;

5. under the terms of the Intercreditor Deed the Company agrees to regulate the

payment by it of sums owed by it to the other parties and in particular to give priority to sums owed to the Bank (including sums owed to the Bank for the purposes of funding the Acquisition).

Grant Thornton

Chartered Accountants
UK Member of
Grant Thornton International

The Directors
Mainland Contractors Limited
Telford House
Telford Way
KETTERING
Northants
NN16 8UN

Dear Sirs

AUDITORS' REPORT TO THE DIRECTORS OF MAINLAND CONTRACTORS LIMITED (THE COMPANY) PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985

We have examined the attached statutory declaration of the directors dated 10 May 2004 in connection with the proposal that the Company should give financial assistance for the purchase of 1,276 of the Company's ordinary shares.

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.

GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

KETTERING
10 May 2004

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