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CHA 116

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in black type, or
bold block lettering

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

*Insert full name
of company

†Insert name(s) and
address(es) of all
the directors

§Delete as
appropriate

‡Delete whichever
is inappropriate

COMPANIES FORM No. 155(6)a
**Declaration in relation to
assistance for the acquisition
of shares.**

G1556A3 LTD.
155(6)a

Pursuant to section 155(6) of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

[] [] [] []

2630920

Name of company

* CHURNGOLD (WASTE MANAGEMENT) LIMITED

Wet JAMES ROSS ANCELL

ANDREW JOHN GORDON CHATER

JAMES ROBIN HENDERSON

§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 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: SET OUT IN ATTACHMENT 1

Presenter's name, address and
reference (if any):
Bevan Ashford
35 Colston Avenue
Bristol
BS1 4TT

JT.JB

For official use
General Section



The assistance is to be given to: (note 2) NEWSKIP LIMITED ("NSL") OF

35 COLSTON AVENUE BRISTOL BS1 4TT

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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:

SEE ATTACHMENT 2

The person who ~~has acquired~~ *will acquire* the shares is:

NSL

*Delete as
appropriate

The principal terms on which assistance will be given are:

SEE ATTACHMENT 3

The amount of cash to be transferred to the person assisted is £ N/A

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 See Attachment 4

~~4~~/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) ~~2~~ 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/A/s 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 ~~if~~ 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 35 COLSTON
AVENUE BRISTOL
BS1 4TT
the 27TH day of NOVEMBER
One thousand nine hundred and 96
before me UKP

Declarants to sign below

Eden Chat
J. H. C. C.
J. H. C. C.

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.

ATTACHMENT 1

Shares of Churngold (Waste Management) Limited

Class of Shares	Number
Deferred Shares of £1 each	1,430
A Ordinary Shares of FFr 1 each	1,000
B Ordinary Shares of FFr 1 each	287

12
JW 204 DE
1

ATTACHMENT 2

Particulars of Assistance

- 1 An unlimited Guarantee to be entered into by the Company in respect of the indebtedness of NSL to Lloyds Bank Plc ("the Bank") in favour of the Bank (the "Guarantee").
- 2 A Debenture to be entered into by the Company in favour of the Bank creating fixed and floating charges over the undertaking, property and assets of the Company both present and future (the "Debenture").
- 3 A Term Loan Facility Letter to be entered into between NSL and the Bank (the "Facility Letter").
- 4 An Overdraft Letter to be entered into between, inter alia, NSL, the Company and the Bank (the "Overdraft Letter").
- 5 Payment of fees and other expenses incurred by the Company in connection with the acquisition of the Company by NSL including the buy-back of shares in the Company from J R Henderson for £264,705.
- 6 A legal charge in favour of the Bank over property at Northways, Filton.

ATTACHMENT 3

Principal terms on which assistance will be given

- 1 The approval and execution by the Company of the Guarantee pursuant to the terms of which the Company will guarantee in favour of the Bank to pay on demand all moneys and discharge all liabilities now or hereafter due, owing or incurred to the Bank by NSL (NSL having agreed to execute an unlimited guarantee in respect of the liabilities of each of the Company, Churngold Group Limited, Mor-Mac Holdings Limited and Mor-Mac Limited (the "Group Companies"), including, but not limited to, obligations under or in connection with the Facility Letter pursuant to which the Bank will make available to NSL term facilities of up to £2,900,000 and the Overdraft Letter pursuant to which the Bank will make available to NSL and the Group Companies excluding Mor-Mac (Holdings) Limited overdraft facilities of up to £900,000.
- 2 The approval and execution by the Company of the Debenture pursuant to the terms of which the Company will, inter alia, give a fixed and/or floating charge over all its assets revenue and undertaking in each case in favour of the Bank as continuing security for the payment of all monies and liabilities from time to time due owing or incurred from or by the Company to the Bank.

The Debenture contains a clause requiring the Company to grant the Bank such further assurance as it may reasonably require for the benefit of the Bank.

- 3 The Company will sign the Overdraft Letter.
- 4 The payment of all fees and other expenses incurred by the Company in connection with the acquisition of the Company by NSL.

NE
Jill [signature] PE
3

ATTACHMENT 4

The date on which the assistance is to be given is:-

- 1 within eight weeks in respect of the payment of fees and expenses by the Company.
- 2 27th November 1996 in respect of all other assistance.

NK
for JCA PL
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**Auditors' report to the directors of Churngold Waste Management Limited
pursuant to section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors of Churngold Waste Management Limited ('the Company') dated 27 November 1996 in connection with the proposal that the Company should give financial assistance for the purchase of the entire issued share capital of the Company.

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.



Chartered Accountants
Churchill House
Churchill Way
Cardiff
CF1 4XQ
27 November 1996