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CHFP025

COMPANIES FORM No. 155(6)b

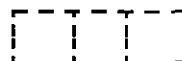
**Declaration by the directors
of a holding company in
relation to assistance for the
acquisition of shares****155(6)b**Please do not
write in this
margin

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



2769705

Name of company

* BALS ENGINEERING GROUP LIMITED

Note
Please read the notes
on page 3 before
completing this form.* insert full name
of companyx/We ~~o~~ Michael John Kelly of Threeway, Tranwell Wood, Morpeth, Northumberland, NE61 6AQ.

Stephen Jackson of 39 Highside Drive, Humbledon Hill, Sunderland, SR3 1UL.

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

Derek Arthur Scholey of 228 Oakland Lane, Leeds, Yorkshire, LS8 2LP.

Robert Davis Powell of Derrynane House, Stockhill, Bolton, Doncaster, South

Yorkshire, DN9 1PE.

John Austin Gibson of 72 Heron Drive, Sandal Wakefield, West Yorkshire, WF2 6SP

† delete as
appropriate[~~the sole director~~] [all the directors]† of the above company (hereinafter called 'this company') do
solemnly and sincerely declare that:§ delete whichever
is inappropriate

The business of this 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§

This company is [the] ~~a~~ holding company of* BALS ELECTRICAL ENGINEERING LIMITED

[the "Subsidiary")] which is

proposing to give financial assistance in connection with the acquisition of shares

in [this company] [

the holding company of this company.]†

Presenter's name address and
reference (if any) :Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX
DX: 61265 Newcastle
BAL030.2 (MAH)For official Use
General Section

Post room

A41
COMPANIES HOUSE

A6FH1028

0328
21/03/00

The assistance is for the purpose of ~~that acquisition~~ [reducing or discharging a liability incurred for the purpose of that acquisition].† (note 1)

Please do not write in this margin

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

The number and class of the shares acquired or to be acquired is: 53,345 cumulative convertible preferred ordinary shares of £1 each and 395,592 ordinary shares of ten pence each

The assistance is to be given to: (note 2) BALS ENGINEERING LIMITED, a company whose registered office is at Jubilee Industrial Estate, Ashington, Northumberland, NE63 8UG

The assistance will take the form of:

the Subsidiary entering into a deed of guarantee (the "BoS Guarantee") to be executed between (1) the Subsidiary; (2) Bals Engineering Limited ("Bals Engineering"); (3) Bals Property Limited ("BPL"); and (4) Bank of Scotland ("BoS") and by the Subsidiary continuing to secure the Secured Liabilities below referred to under security previously executed in favour of BoS.

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

† delete as appropriate

BALS ENGINEERING LIMITED

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

Under the BoS Guarantee the Subsidiary guarantees in the terms contained therein, the Secured Liabilities as defined therein, to include all or any monies and liabilities which shall be for the time being (and whether at any time on or after demand) be due, owing or incurred in whatsoever manner by the Principal (as defined therein) to BoS whether actually or contingently and whether incurred solely, severally or jointly and whether as principal or surety including interest, discount, commmission and other lawful charges and expenses as more particularly provided in the BoS Guarantee.

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it is Nil

The amount of cash to be transferred to the person assisted is £ Nil

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

Please do not
write in this
margin

The date on which the assistance is to be given is 13 March 2000

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

~~X~~/We have formed the opinion, as regards this 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 this 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 this company within 12 months of that date, and X we have formed the opinion that this 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 Ward Hadaway

Declarants to sign below



on

Day	Month	Year
13	03	2000

before me J. H. Hadaway

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

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

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COMPANIES FORM No. 155(6)b

**Declaration by the directors
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Pursuant to section 155(6) of the Companies Act 1985

**Please complete
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(Address overleaf - Note 5)

For official use

Company number

[] [] [] [] [] []

2769705

Name of company

* BALS ENGINEERING GROUP LIMITED

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on page 3 before
completing this form.* insert full name
of company† insert name(s) and
address(es) of all
the directors†/We ~~o~~ Michael John Kelly of Threeway, Tranwell Wood, Morpeth, Northumberland, NE61 6AQ.

Stephen Jackson of 39 Highside Drive, Humbleton Hill, Sunderland, SR3 1UL.

Derek Arthur Scholey of 228 Oakland Lane, Leeds, Yorkshire, LS8 2LP.

Robert Davis Powell of Derrynane House, Stockhill, Bolton, Doncaster, South

Yorkshire, DN9 1PE.

John Austin Gibson of 72 Heron Drive, Sandal Wakefield, West Yorkshire, WF2 6SP

† delete as
appropriate[the sole director] [all the directors]† of the above company (hereinafter called 'this company') do
solemnly and sincerely declare that:§ delete whichever
is inappropriate

The business of this 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§

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(the "Subsidiary") which is

proposing to give financial assistance in connection with the acquisition of shares

in [this company] []

the holding company of this company.†

Presentor's name address and
reference (if any):Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX
DX: 61265 Newcastle
BAL030.2 (MAH)For official Use
General SectionA41
COMPANIES HOUSE

21/03/00

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

† delete as appropriate

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

Under the BoS Guarantee the Subsidiary guarantees in the terms contained therein, the Secured Liabilities as defined therein, to include all or any monies and liabilities which shall be for the time being (and whether at any time on or after demand) be due, owing or incurred in whatsoever manner by the Principal (as defined therein) to BoS whether actually or contingently and whether incurred solely, severally or jointly and whether as principal or surety including interest, discount, commmission and other lawful charges and expenses as more particularly provided in the BoS Guarantee.

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The amount of cash to be transferred to the person assisted is £ Nil

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

Please do not
write in this
margin

The date on which the assistance is to be given is 13 March 2000

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

*We have formed the opinion, as regards this 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) ~~It~~We have formed the opinion that this 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 this company within 12 months of that date, and we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding-up.]* (note 3)~~

And ~~it~~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 WALFORD, WILTSHIRE

Declarants to sign below

Day Month Year
on

1	3	0	3	2	0	0	0
---	---	---	---	---	---	---	---

before me *[Signature]*

A ~~Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor~~ having the powers conferred on a Commissioner for Oaths.

[Signature]
[Signature]
[Signature]

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.
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CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

PricewaterhouseCoopers
89 Sandyford Road
Newcastle upon Tyne NE99 1PL
Telephone +44 (0) 191 232 8493
Facsimile +44 (0) 191 261 9490

The Directors
Bals Engineering Group Limited
Jubilee Industrial Estate
Ashington
Northumberland
NE63 8UG

13 March 2000

Dear Sirs

Auditors' report to the directors of Bals Engineering Group Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Bals Engineering Group Limited ('the Company') dated 13 March 2000 in connection with the proposal that the Company's subsidiary undertaking, Bals Electrical Engineering Limited, should give financial assistance for the purchase of 53,345 cumulative convertible preferred ordinary shares of £1 each and 395,592 ordinary shares of ten pence each of the ordinary shares 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.

Yours faithfully



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

A41
COMPANIES HOUSE

21/03/00