

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

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* S.B. WHEELER & SONS LIMITED



A31
COMPANIES HOUSE

0376
08/09/05

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: _____

10,000 (ten thousand) Ordinary Shares of £1 each

The assistance is to be given to: (note 2) EASCO LIMITED (Company No. 01857625)

The assistance will take the form of:

Please see attached Appendix 1.

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

EASCO LIMITED (Company No. 01857625)

† delete as appropriate

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

Please see attached Appendix 2.

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 £ up to max aggregate of £3mil

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 within 8 weeks of the date hereof

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) ☒ 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 the company within 12 months of that date, and 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 ☒ 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

Norwich

Declarants to sign below

on

Day	Month	Year
06	09	2005

before me

Raymond Brown

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

APPENDIX 1

The assistance will take the form of:

The execution, delivery and compliance with the terms of the documents listed and described below (or of documents referred to therein or relating thereto) by the Company's direct subsidiary, WHEELERS EXPORT LIMITED (Company No. 04899473) (the "Subsidiary"), as the same may be amended, increased, novated and/or replaced, varied, supplemented or substituted from time to time, which will be entered into, directly or indirectly, in connection with the transfer of the whole of the issued share capital of the Company by its present shareholders Fred Edwards, Douglas Edwards and James Edwards (together the "**Vendor**") to EASCO LIMITED (Company No. 01857625) (the "**Purchaser**") pursuant to an Acquisition Agreement dated the date hereof and made between the Vendor, the Purchaser and SPC Holdings Limited (the "**Acquisition**");

- a) a banking facilities letter dated 30 August 2005 from HSBC Bank plc (the "**Bank**") pursuant to which the Bank will make available to (inter alia) the Purchaser, the Company and the Subsidiary a £4,500,000 multi-currency overdraft facility and other facilities, security for which is to be given by (inter alia) the Purchaser and the Company (the "**Overdraft Facility**");
- b) a Guarantee ("the **Guarantee**") by (inter alia) the Subsidiary and the Company in favour of the Bank, pursuant to which the Subsidiary will guarantee the obligations of, inter alia, the Purchaser under an acquisition facility agreement and a 364 day term loan facility agreement made between the Purchaser and the Bank (the "**Purchaser's Facilities**") and the Overdraft Facility;
- c) a Debenture (the "**Debenture**") by the Subsidiary in favour of the Bank pursuant to which the Subsidiary will grant a fixed first charge over the assets identified in it and a floating charge over the remainder of the Subsidiary's undertaking by way of security and consideration for (inter alia) the Purchaser's and the Subsidiary's obligations (where appropriate) under the Purchaser's Facilities, the Overdraft Facility and the Guarantee; and

- d) the execution, delivery and compliance with the terms of an intra-group loan agreement (the **"Intra-Group Loan Agreement"**) between the Company, the Subsidiary and the Purchaser under which the Company and the Subsidiary agree to make available to the Purchaser loan facilities in a maximum aggregate amount of £3,000,000 with interest at the same rate as set out in the Purchaser's Facilities (the **"Intra-Group Loan"**). The Intra-Group Loan may be used by the Purchaser to pay to the Seller part of the consideration that is due to the Seller by the Purchaser in respect of, *inter alia*, the Acquisition under the Acquisition Agreement and for general working capital purposes.

APPENDIX 2

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

- (a) The Overdraft Facility will provide that the Bank may require the Subsidiary to pay all sums due under the Overdraft Facility and the other finance and security documents referred to therein (the "**Security Documents**") and to apply any sums received or recovered from the Subsidiary under any of the Security Documents for application as the Bank may direct;
- (b) the Guarantee will provide that (inter alia) the Subsidiary guarantees, inter alia, the obligations of the Purchaser under the Purchaser's Facilities and the Overdraft Facility. The facilities to be provided by the Bank pursuant to the Purchaser's Facilities and the Overdraft Facility will be used by the Purchaser to fund directly and indirectly, inter alia, the Acquisition;
- (c) the Debenture will provide that the Subsidiary creates a fixed first charge over the assets identified in it and a floating charge over the remainder of the Subsidiary's undertaking by way of security and consideration for the Purchaser's and the Subsidiary's obligations (where appropriate) under the Purchaser's Facilities, the Overdraft Facility and the Guarantee; and
- (d) the Intra-Group Loan Agreement will provide that the Company and the Subsidiary agree to make available to the Purchaser loan facilities in a maximum aggregate amount of £3,000,000 which may be used by the Purchaser to fund directly and indirectly, inter alia, the Acquisition and for general working capital purposes. The Intra-Group Loan will be unsecured and repayable on demand with interest at the same rate as set out in the Purchaser's Facilities

**AUDITORS' REPORT TO THE DIRECTORS OF
S B WHEELER & SONS LIMITED ("THE COMPANY")
PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985**

We have examined the attached statutory declarations of the directors dated 6 September 2005 in connection with the proposal that the Company's subsidiary, Wheelers Export Limited ("the Subsidiary"), should give financial assistance for the purchase of the Company's entire issued share capital by EASCO Limited.

Basis of opinion

We have enquired into the state of the Subsidiary's affairs in order to review the bases for the statutory declaration and we have examined the accounting records of the Subsidiary and made such further enquiries to the extent that we consider necessary for the purpose of this report. We have not carried out an audit and accordingly express no opinion in this report on the state of the Subsidiary's affairs.

At the date of this report, the aggregate of the Subsidiary's assets, after allowing for the impact of various adjustments which are dependent upon the purchase of the Company proceeding, exceeds the aggregate of its liabilities as similarly stated.

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.

102 Prince of Wales Road
Norwich
Norfolk
NR1 1NY



Lovewell Blake
Chartered Accountants
and Registered Auditors

6th September 2005

*Lovewell
Blake*

CHARTERED ACCOUNTANTS