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Please do not
write in this
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COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares.

155(6)a

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

For official use

Company number

--	--	--	--

3015265

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

Name of company

* A & P Chatham Limited (the "Company")

*Insert full name
of company

X/Wet See Appendix A attached

†Insert 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 (recognised bank) (licensed institution)§ within the meaning of the Banking Act 1979‡~~(b) ~~that of a person authorised under section 8 or 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] the company's holding company A & P Holdings

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: See Appendix A attached.

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

Dickson Minto W.S.
Royal London House
22/25 Finsbury Square
London
EC2A 1DS
(atlanti5.1fd)

For official use

General Section

Post room



The assistance is to be given to: (note 2) A&P Group Holdings Limited, Royal London House
22/25 Finsbury Square, London EC2A 1DS

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 Appendix C attached.

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

A&P Group Holdings Limited, Royal London House, 22/25 Finsbury Square,
London EC2A 1DS

*Delete as
appropriate

The principal terms on which assistance will be given are:

See Appendix D attached.

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

The date on which the assistance is to be given is See Appendix E attached.

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

~~1/~~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) ~~1/~~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 1/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 ~~1/~~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 200 ALDERSGATE LONDON

Declarants to sign below

the 22nd day of DECEMBER

One thousand nine hundred and NINETY SEVEN

before me Russell Smith

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

[Handwritten signatures of declarants]

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.

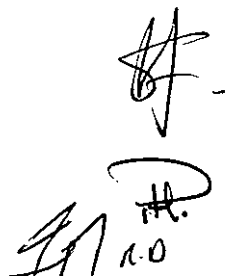
[Handwritten signatures and initials]

A & P Chatham Limited

APPENDICES TO FORM 155(6)A

APPENDIX A

4,000,000	"A" Preference Shares of £1 each
2,000,000	"B" Preference Shares of £1 each
50,000	"A" Ordinary Shares of 1p each
40,000,000	"B" Ordinary Shares of 0.0001p each
35,000,000	"C" Ordinary Shares of 0.0001p each
25,000,000	"D" Ordinary Shares of 0.0001p each
10,000	"E" Shares of 1p each
14,659,562	Deferred Shares of 1p each



Handwritten signature and initials, possibly "H. D." or similar, located in the bottom right corner of the page.

A & P Chatham Limited

APPENDIX B

Steven Jervis

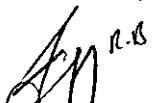
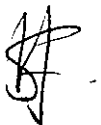
Earlsmere House, Wariner Green Road,
Hockley Heath, Solihull, B9 6BS

Frank Nugent

Stonecroft Church Lane, Toddington,
Gloucestershire, G54 5DQ

Paul Huseman

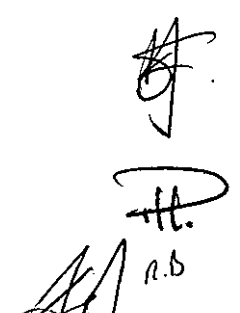
Out of the Way, 6B Salisbury Avenue
Rainham, Gillingham, Kent ME8 0BH



A & P Chatham Limited**APPENDIX C**

The assistance will take the form of:

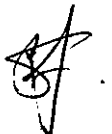
- (a) a guarantee and debenture (the **"Guarantee and Debenture"**) under which the Company grants fixed and floating charges, mortgages and assignments over all of its assets and undertaking in favour of the Security Trustee (as agent and trustee for the Secured Parties) as security for its obligations under the Secured Documents; and guarantees and indemnifies the Security Trustee (as agent and trustee for the Secured Parties) in relation to all monies owing by any Group Company (other than itself), under the Secured Documents; and
- (b) the intercompany funding agreement (the **"Intercompany Funding Agreement"**) under which the Company agrees, subject to the satisfaction of certain conditions, to lend funds to A&P Group Holdings Limited ("Newco") to discharge its obligations under the Facility Agreements.

Handwritten signatures and initials at the bottom right of the page. There are three distinct marks: a large stylized signature, a smaller signature with the initials 'H.' below it, and another signature with the initials 'R.B.' below it.

A & P Chatham Limited**APPENDIX D**

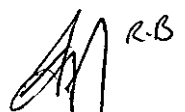

The principal terms on which the assistance will be given are:

1. Under the terms of the Guarantee and Debenture:
 - 1.1 the Company guarantees to pay to the Security Trustee in the currency in which the same falls due for payment, all moneys which at the date of the Guarantee and Debenture or at any time thereafter shall have become due or owing by any Group Company (other than itself) from time to time to any or all of the Secured Parties pursuant to the terms of all or any of the Secured Documents;
 - 1.2 the Company agrees to indemnify the Security Trustee, the Secured Parties and any Receiver (including any substitute delegate attorney) against all losses, actions, claims, costs, charges, expenses and liabilities occasioned by any breach by the Company of any of its covenants or obligations under the Guarantee and Debenture and the Company shall pay interest on all sums demanded at the rate per annum of 1.0 per cent. above the Security Trustee's Rate from time to time from the date on which the same were demanded by the Security Trustee, any Secured Party or any Receiver, as the case may be, and any sum so demanded together with any interest, shall be a charge upon the Charged Property in addition to the moneys thereby secured;
 - 1.3 the Company covenants with the Security Trustee that it shall, to the extent that the same have fallen due and have not been paid pursuant to the terms of the Facility Agreements, on demand pay to the Security Trustee all costs and expenses incurred by the Security Trustee in relation to the Guarantee and Debenture and the protection or enforcement of the Security Trustee's rights thereunder;
 - 1.4 the Company acknowledges and agrees that the Guarantee and Debenture is and at all times shall be a continuing security and shall not be considered as satisfied or discharged by any intermediate payment or settlement of the whole or any part of the Secured Obligations and shall be binding until all the Secured Obligations have been discharged in full to the satisfaction of the Security Trustee and all of the Secured Parties have ceased to have any obligation whether actual or contingent to make any credit or accommodation available to any Group Company;



1.5 the Company acknowledges and agrees that none of its liabilities under the Guarantee and Debenture shall be reduced, discharged or otherwise adversely affected by:

- (a) failure on the part of the Security Trustee to exercise, or delay on its part in exercising, any of its respective rights, powers and remedies provided by the Guarantee and Debenture or by law (collectively the "Rights"), nor shall any single or partial waiver of any of the Rights preclude any further or other exercise of that one of the Rights concerned or the exercise of any other of the Rights;
- (b) any amendments or variations from time to time of the Secured Documents (all references to the Secured Documents in the Guarantee and Debenture shall be taken as referring to the Secured Documents as amended or varied from time to time (including, without limitation, any increase in the amount of the Secured Obligations));
- (c) any liquidation or other incapacity or any change in the constitution of any Group Company or in the name and style of any of them or any settlement of account or other matter whatsoever;
- (d) any purported obligation or liability of any Group Company to any of the Secured Parties ceasing to be valid or enforceable against any Group Company on any ground whatsoever whether or not known to the Secured Parties including but not limited to any defect in or want of powers of any Group Company or irregular exercise thereof or lack of authority by any person purporting to act on behalf of any Group Company or any legal or other limitation (whether under the Limitation Acts or otherwise), disability, incapacity or any change in the constitution of or any amalgamation, reconstruction or liquidation of any Group Company and the Company agrees to keep the Secured Parties fully indemnified against all damages, loss, costs, and expenses arising from any failure of any Group Company to carry out any such purported obligation or liability;
- (e) any present or future bill, note, guarantee, indemnity, mortgage, charge, pledge, lien or other security or right or remedy held by or available to the Secured Parties becoming wholly or in part void, voidable or

 R.B.

unenforceable on any ground whatsoever or by the Secured Parties from time to time dealing with, exchanging, varying, realising or failing to perfect or enforce any of the same;

- (f) the Secured Parties compounding with, discharging, releasing or varying the liability of or granting any time, indulgence or concession to any Group Company or any other person or renewing, determining, varying or increasing any bill, promissory note or other negotiable instrument, accommodation, facility or transaction in any manner whatsoever or concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from any Group Company or any other person; or
 - (g) any act or omission which would have discharged or affected the liability of the Company had it been principal debtor instead of guarantor or by anything done or omitted which but for the provisions of the Guarantee and Debenture might operate to exonerate the Company;
- 1.6 the liabilities expressed to be undertaken by the Company under the Guarantee and Debenture are those of primary obligor and not merely as a surety; and
- 1.7 the Company acknowledges and agrees that any money received in connection with the Guarantee and Debenture may be placed to the credit of a suspense account with a view to preserving the right of each of the Secured Parties to prove for the whole of its claim against any Group Company or any other person liable or may be applied by the Secured Parties in or towards satisfaction of such of the moneys, obligations or liabilities of the Company under the Guarantee and Debenture as the Security Trustee may from time to time conclusively determine.
2. Under the terms of the Guarantee and Debenture the Company, with full title guarantee, as continuing security for the payment of the Secured Obligations charges in favour of the Security Trustee (as agent and trustee for the Secured Parties):
- (a) by way of legal mortgage all estates or interest in the freehold, leasehold and other immovable property described in Schedule 1 thereto and all buildings and trade and other fixtures on any

such property belonging to or charged to the Company and the proceeds of sale thereof (the "Legally Mortgaged Property").

- (b) by way of fixed charge all estates or interests in any freehold, leasehold and other immovable property at the date of the Guarantee and Debenture or at any time during the continuance of the security belonging to the Company (other than the Legally Mortgaged Property) and the proceeds of sale thereof and all buildings and trade and other fixtures from time to time on any such property belonging to or charged to the Company.
- (c) by way of fixed charge all plant, machinery, vehicles, computers and office and other equipment owned by the Company both present and future;
- (d) by way of fixed charge all book debts and other debts at the date of the Guarantee and Debenture and from time to time due or owing to the Company and (subject to the provisions of Clause 6.2 thereof) all moneys which the Company receives in respect thereof;
- (e) by way of fixed charge (but subject to the provisions of Clause 6.2 thereof) all balances standing to the credit of any current, deposit or other account of the Company with the Secured parties (including, inter alia, any account designated a realisations account for the proceeds of disposals of any of the assets of the Company or with other bankers, financial institutions or similar third parties);
- (f) by way of fixed charge all stocks, shares, debentures, bonds, notes, loan capital of:
 - (i) any Subsidiary of the Company; and
 - (ii) any other body corporate;

and all rights to subscribe for, redeem, convert other securities into or otherwise acquire any of the same which may at the date of the Guarantee and Debenture or thereafter belong to the Company, together with all dividends, interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the foregoing;
- (g) by way of fixed charge the goodwill of the Company and its uncalled capital at the date of the Guarantee and Debenture or at any time thereafter in existence;
- (h) by way of fixed charge all copyrights, patents, patent applications, licences, trade marks, tradenames, know-how and

inventions or other rights of every kind deriving therefrom at the date of the Guarantee and Debenture or at any time thereafter belonging to the Company and all fees, royalties and other rights of every kind deriving from such copyrights, patents, trade marks, tradenames, know-how and inventions; and

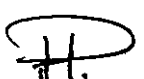
- (i) by way of floating charge the whole of the Company's undertaking and all its property, assets and rights, whatsoever and wheresoever, present and future other than any property or assets from time to time or for the time being effectively mortgaged or charged to the Security Trustee by way of fixed charge by Clause 3.1 of the Guarantee and Debenture or any other Secured Document.
3. The security constituted by or pursuant to the Guarantee and Debenture shall be in addition to and shall be independent of every bill, note guarantee, mortgage, pledge or other security which the Security Trustee or any other Secured Party may at any time hold in respect of any of the Secured Obligations and no prior security held by the Security Trustee or any other Secured Party over the Charged Property or any part thereof shall merge in the security created thereby or pursuant thereto.
 4. The Intercompany Funding Agreement, inter alia, provides loan funds to Newco by the Company for the use by Newco to discharge obligations under the Facility Agreements.

Definitions

References to Clauses are to be construed as references to the Clauses of the Guarantee and Debenture. Words and expressions shall have the same meanings as is attributed to them under the Senior Credit Agreement dated the same date as the Guarantee and Debenture and made between (1) A&P Group Holdings Limited ("Newco"), (2) certain banks, (3) The Governor and Company of the Bank of Scotland as Facility Agent; (4) The Governor and Company of the Bank of Scotland as Overdraft Bank; and (5) The Governor and Company of the Bank of Scotland as Issuing Bank (the "Senior Credit Agreement"). In addition, the following words and expressions shall have the respective meanings ascribed to them:

"Charged Property" means the property, assets and income of the Company mortgaged or charged to the Security Trustee (whether by way of legal mortgage, fixed or floating charge) by or pursuant to the Guarantee and Debenture and each and every part thereof.

"Company"	means A & P Chatham Limited, Registered Number 3015265.
"Facility Agent"	means The Governor and Company of the Bank of Scotland and each successor Facility Agent appointed under the Senior Credit Agreement.
"Facility Agreements"	means the Senior Credit Agreement and the Mezzanine Loan Agreement.
"Fees Letter"	means the letter dated the same date as the Senior Credit Agreement from the Facility Agent to Newco relating to certain fees payable to the Facility Agent and the Security Trustee by Newco in relation to the Facility Agreements.
"Group Company"	means any of A&P Group Holdings Limited, A & P Holdings Limited, A & P Ship Repairers Limited, A & P Falmouth Limited, A & P Tyne Limited, A & P Chatham Limited, A & P Southampton Limited, A & P Chatham Limited, A & P International Limited, A & P Group Limited, A & PA Property Limited, Falmouth Docks Oil Exploration Base Limited, Smiths Ship Repairers North Shields Limited, The Falmouth Towage Company Limited and A & P Dormants Limited.
"Intercreditor Deed"	means the intercreditor agreement (the "Intercreditor Agreement") made or to be made between A&P Group Holdings Limited, the Senior Banks, the Mezzanine Lenders, the Investors and The Governor and Company of the Bank of Scotland as Overdraft Bank, Facility Agent, Issuing Bank, Mezzanine Agent and Security Trustee.
"Mezzanine Agent"	means The Governor and Company of the Bank of Scotland in its capacity as facility agent for the Mezzanine Lenders pursuant to the terms of the Mezzanine Loan Agreement and each successor Mezzanine Agent appointed thereunder.


- "Mezzanine Lenders"** means each of the "Lenders" as defined in the Mezzanine Loan Agreement; and **"Mezzanine Lender"** shall be construed accordingly.
- "Mezzanine Loan Agreement"** means the mezzanine loan agreement made or to be made between Newco, certain banks and financial institutions and The Governor and Company of the Bank of Scotland as agent.
- "Secured Documents"** means all and each of the Senior Credit Agreement, the Mezzanine Loan Agreement, the Interest Rate Protection Agreements, the Fees Letter, and the Security Documents, including the Guarantee and Debenture.
- "Secured Obligations"** means the actual, contingent, present and/or future obligations and liabilities of the Company to any of the Secured Parties under, or pursuant to, all or any of the Secured Documents.
- "Secured Parties"** means all and each of the Security Trustee, the Senior Banks, the Mezzanine Lenders, the Facility Agent and the Mezzanine Agent.
- "Security Trustee"** means The Governor and Company of the Bank of Scotland and each successor Security Trustee appointed under the Intercreditor Agreement.
- "Senior Banks"** means all and each of the Banks and the Overdraft Bank and the Issuing Bank and shall be deemed to include a Bank in its capacity as a party to any Interest Rate Protection Agreement; and **"Senior Banks"** shall be construed accordingly.



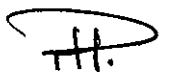
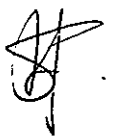

R.D



A & P Chatham Limited

APPENDIX E

on *22nd November* 1997 (or such date as the Security Trustee may agree in writing provided that such later date shall not be more than 8 weeks form the date of this statutory declaration.)



R.B.

Price Waterhouse



22 December 1997

PRIVATE AND CONFIDENTIAL

The Directors
A&P Chatham Limited
Imperial House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Dear Sirs,

AUDITORS' REPORT TO THE DIRECTORS OF A&P CHATHAM LIMITED PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985

We have examined the attached statutory declaration of the directors dated 22 December 1997 in connection with the proposal that the company should give financial assistance for the purchase of the company's ultimate parent company's entire issued share capital.

Basis of Report

We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration.

Report

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.

Price Waterhouse

Price Waterhouse
Chartered Accountants
and Registered Auditors