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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

For official use

Company number

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3025097

Name of company

* SRC LIMITED

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

* insert full name
of company

I/We ~~ø~~ NORMAN LEE of 13 Orchard Road, Compstall, Cheshire.

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

MARCUS ALAN CHADWICK of The Old Stables, Foxwist Green,
Whitegate, Nr Northwich, Cheshire CW8 2BJ.

† delete as
appropriate

P.2 ~~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

P.2 ~~(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§

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

P.2 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: 88,000 Ordinary Shares
of £1 and 12,000 'B' Ordinary Shares of £1

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JORDAN & SONS LIMITED
JORDAN HOUSE
BRUNSWICK PLACE
LONDON N1 6EE
TELEPHONE 01 253 3030
TELEX 261010



Presenter's name address and
reference (if any):
Elliott & Company
Centurion House
Deansgate
Manchester M3 3WT
Ref: KMM/61666

For official Use
General Section

Post room



The assistance is to be given to: (note 2)

Registered Office: The Pool Works, Woodville, Burton-on-Trent,

Staffordshire DE11 8EU

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in black type, or
bold block lettering

The assistance will take the form of:

Ensor Holdings Plc (the Purchaser) has acquired the whole of the issued share capital of the Company. The consideration amounted to £580,000 payable as to £560,000 in cash and £20,000 worth of shares in the capital of the Purchaser and payment of up to £125,000 deferred cash consideration to be calculated with reference to the profits of the Company in 1997, 1998 and 1999 as provided in an agreement of even date herewith between The Sterling Varnish Company and Norman Lee (1) the Purchaser (2) and Sterling Technology Limited (3).

The consideration has been provided as to:

- (a) £560,000 by way of medium term loan and overdraft facilities from Midland Bank Plc to the Purchaser; and
- (b) the allotment of 86457 Ordinary Shares of 10p each in the capital of the Purchaser

The loan and overdraft facility referred to in item (a) will be secured by a fixed and floating charge on the assets and undertaking of the Company executed by the Company in favour of Midland Bank Plc, by a legal mortgage over the freehold land and buildings of the Company executed by the Company in favour of Midland Bank Plc and by a secured collateral guarantee by the Company in favour of Midland Bank Plc.

The net assets of the Company will not be reduced by reason of the assistance proposed to be given.

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

ENSOR HOLDINGS PLC

† delete as
appropriate

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

The legal mortgage over the freehold land and buildings situate to the north west of Buckingham Road, Errwood Park, Stockport, Greater Manchester registered at HM Land Registry under Title Number CM371279 secures all monies due to the Bank from time to time by the Company.

The secured collateral guarantee by the Company in favour of Midland Bank Plc guarantees the payment of all monies due by the Purchaser to the Bank.

Fixed and floating charge over the whole of the undertaking and assets of the Company in favour of the Bank secures all monies due to the Bank from time to time by the Company.

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

N/A

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

The date on which the assistance is to be given is 18th December 1996

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

I/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)[I/We have formed the opinion that the company will be able to pay it's 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/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)~~

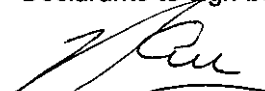
And I/we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at St. James's Court, Brown
St. Manchester

the 18 day of December
one thousand nine hundred and 96

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

Declarants to sign below



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.

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

We have examined the attached statutory declaration of the directors dated 18 December 1996 in connection with the proposal that the company should give financial assistance for the purchase of all of the company's issued 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.



Robson Rhodes
Chartered Accountants and Registered Auditor

Manchester
18 December 1996

Colwyn Chambers, 19 York Street, Manchester M2 3BA, Telephone 0161-236 3777, Fax 0161-455 3444

Offices at:
Birmingham, Bristol,
Cambridge, Crawley,
Dublin, Hemel Hempstead,
Leeds, Leicester

Principal Office:
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London EC1V 2NU,
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