

CHFP025

COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares

155(6)a

lease do not rite in this argin	Pursuant to section 155(6) of the Co	ompanies Act 1985			
lease complete	To the Registrar of Companies		For official use	Company number	
egibly, preferably n black type, or old block lettering	(Address overleaf - Note 5)			3097495	
ote	Name of company				
lease read the notes n page 3 before ompleting this form.	* TRUTEX LIMITED (the "C	Company")			
insert full name of company insert name(s) and	XWe ø David Ian Storey of Pound Cottage, 10 Pinfold Lane, Mirfield, West Yorkshire WF14 9HZ				
address(es) of all the directors	Louis Jules Hydleman of Middle Spreacombe Farm, Spreacombe, North Devon EX33 1JA				
delete whichever is inappropriate	KONTONIA TO COOR CONTONIA CONT				
	The company is proposing to give financial assistance in connection with the acquisition of shares in the [company] [XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX				
	The assistance is for the purpose of [that acquisition] ************************************				
	The number and class of the shares acquired or to be acquired is: See Annexure 1				
	Presentor's name address and reference (if any): Lee & Priestley 10-12 East Parade Leeds	For official Use General Section	!	et room	

Page 1

DX: 14074 Leeds Park Square EGD/Trutex

LS1 2AJ

COMPANIES HOUSE

29/10/2005

of Taylor Street, Clitheroe, Lancashire BB7 1NL ("THL")	Please do not write in this margin	
	Please complete legibly, prefetab in black type, or bold block lettering	
The assistance will take the form of:		
See Annexure 2		
The person who XXXXXXXXXXXX [will acquire] † the shares is:	† delete as appropriate	
THL		
The principal terms on which the assistance will be given are:		
See Annexure 3		
The amount of cash to be transferred to the person assisted is £ 1,862,400		
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 <u>within 8 weeks of today's date</u>

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Please complete egibly, preferably n black type, or hold block lettering

delete either (a) or (b) as appropriate

X/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) 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)

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

10-12 (AST MARADE

Declarants to sign below

before me

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 37 Castle Terrace Edinburgh EH1 2EB

ANNEXURES TO FORM 155(6)a

ANNEXURE 1

- 1. 164,962 ordinary shares of £1.00 each;
- 2. 85,038 deferred ordinary shares of £1.00 each;
- 3. 464,000 'A' ordinary shares of £1.00 each; and
- 4. 3,661,000 'A' preference shares of £1.00 each.

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ANNEXURES TO FORM 155(6)a

ANNEXURE 2

All capitalised items in this annexure 2 shall have the meanings given to them in annexure 4.

Form of assistance

The assistance will take the form of the execution by the Company of the following documentation (as the same may be amended, varied, supplemented or substituted from time to time) and the Company complying with and fulfilling its obligations thereunder:

- 1. the Loan Agreement to be entered into between the Company and THL pursuant to which the Company agrees to lend to THL the sum of £250,000 for the purposes of funding the Acquisition;
- 2. the sale and purchase contract and the related transfer of the Property to Stirling in consideration of which the Company agrees to the assignment of the benefit of a debt owed by THL to Stirling;
- 3. the Lease to be entered into between Stirling and the Company in relation to the Property;
 - 4. the Assignment to be entered into between Stirling, THL and the Company, assigning the benefit of the debt of £1,512,400 owed by THL to Stirling, to the Company;
- 5. the Funding Agreement to be entered into between the Company and THL pursuant to which the Company will make available to THL a revolving intragroup funding facility;
- 6. the Facility Letter to be entered into between the Company, THL and the Bank pursuant to which the Bank agrees to make a term loan of up to £400,000 available to the Company for the purpose of, amongst others, funding the Acquisition and its ongoing capital expenditure requirements;
- 7. the Working Capital and Ancillary Facility Letter to be entered into between the Company and the Bank pursuant to which the Bank agrees to provide a working capital facility and ancillary facilities of up to an overall limit of £4,750,000 to the Company for the purpose of funding the Acquisition and for its on-going working capital needs;
- 8. the Debenture to be given by the Company to the Bank, pursuant to which the Company would create fixed and floating charges over all its property assets and undertaking, both present and future, in favour of the Bank, as security for the payment and discharge of all liabilities and obligations of the Company to the Bank;

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- 9. the Mortgages of Life Policies in respect of the keyman life policies of each of Graham Firth, Jules Hydleman, Rob Mullins, Clare Rix and David Storey to be entered into between the Company and the Bank, pursuant to which the Company would provide security to the Bank for all present and future obligations and liabilities to the Bank;
- 10. the General Pledge to be entered into between the Company and the Bank pursuant to which the Company would provide security:-
 - (a) in the form of a pledge with full title guarantee to the Bank in respect of, inter alia, its documents of title, transportation documents, insurance policies and other instruments relating to goods and/or produce and the goods to which the documents relate; and
 - (b) in the form of an assignment with full title guarantee to the Bank of all rights and claims in relation to the proceeds of any policy of insurance issued with respect to the goods;

for the discharge of all present and future obligations and liabilities of the Company to the Bank;

11. a form of guarantee and indemnity to be given by the Company and THL in favour of HSBC IF.

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ANNEXURES TO FORM 155(6)a

ANNEXURE 3

- 1. The principal terms on which the financial assistance will be given are:
- 1.1 the Loan Agreement contained the terms and conditions upon which the Company was prepared to make a loan in the sum of £250,000 available to THL for the purpose of funding the Acquisition;
- 1.2 the sale and purchase contract and related transfer contained the terms upon which the Company was prepared to transfer the Property to Stirling in consideration of the assignment of the benefit of the debt which had arisen as a result of a loan made available by Stirling to THL for the purpose of funding the Acquisition;
- the Lease contained the terms upon which the Company was prepared to enter into a lease of the Property from Stirling following the Transfer;
- 1.4 the Assignment contained the terms upon which the Company was prepared to take an assignment of the benefit of the Debt due from THL to Stirling in the sum of £1,512,400 from Stirling;
- the Funding Agreement contained the terms upon which the Company was prepared to make available to THL a revolving intragroup funding facility;
- the Facility Letter contained the terms and conditions upon which the Bank was prepared to make a term loan of up to £400,000 available to the Company for the purpose of, amongst others, funding the Acquisition and its on-going capital expenditure requirements;
- 1.7 the Working Capital Facility Letter contained the terms upon which the Bank was prepared to provide a working capital facility and ancillary facilities of up to an overall limit of £4,750,000 to the Company for the purpose of funding the Acquisition and for its on-going working capital needs;
- 1.8 the Debenture contained terms and conditions pursuant to which the Company would create fixed and floating charges over all its property assets and undertaking, both present and future, in favour of the Bank, as security for the payment and discharge of all liabilities and obligations of the Company to the Bank;
- 1.9 the Mortgages of Life Policies contained the terms upon which the Company would provide security to the Bank for all present and future obligations and liabilities to the Bank;
- the General Pledge contained the terms and conditions upon which the would provide security: -

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- (a) in the form of a pledge with full title guarantee to the Bank in respect of, inter alia, its documents of title, transportation documents, insurance policies and other instruments relating to goods and/or produce and the goods to which the documents relate; and
- (b) in the form of an assignment with full title guarantee to the Bank of all rights and claims in relation to the proceeds of any policy of insurance issued with respect to the goods;

for the discharge of all present and future obligations and liabilities of the Company to the Bank;

1.11 the HSBC IF Security contained terms and conditions pursuant to which the Company and THL would guarantee and indemnify the present and future liabilities and obligations of the Company and THL to HSBC IF

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ANNEXURES TO FORM 155(6)a

ANNEXURE 4

In this Form 155(6)a, and all its annexures, the following terms shall have the following meanings:

"Acquisition" means the acquisition of the entire issued share capital of the Company by THL;

"Assignment" means the assignment to be entered into between the Company and Stirling in relation to the benefit of the debt owed by THL to Stirling;

"Bank" means HSBC Bank plc;

"Company" has the meaning ascribed thereto on page 1 of this Form 155(6)a;

"Debenture" means the debenture to be given by the Company to the Bank

"Facility Letter" means the facility letter to be entered into between the Company and the Bank;

"Funding Agreement" means the revolving intragroup funding agreement to be made available by the Company to THL;

"General Pledge" means the general pledge to be entered into between the Company and the Bank over the Company's documents and goods;

"HSBC IF" means HSBC Invoice Finance (UK) Limited (Company No. 759657);

"HSBC IF Security" means the guarantee and indemnity to be entered into by the Company and THL (1) and HSBC IF (2);

"Lease" means the lease to be entered into by the Company and Stirling in respect of the Property; "Loan Agreement" means the inter-company loan agreement to be entered into between the Company and THL;

"Mortgages of Life Policies" means the mortgages to be entered into between the Company and the Bank in relation to the keyman life policies of each of Graham Firth, Jules Hydleman, Rob Mullins, Clare Rix and David Storey.

"Property" means Jubilee Mill, Taylor Street, Clitheroe BB7 1NL;

"Stirling" means Stirling Properties (Leeds No.1) LLP (Registered No. OC310597);

"THL" means Trutex Holdings Limited (Company No. 5333114);

"Transfer" means the transfer of the Property to Stirling;

"Working Capital Facility Letter" means the working capital and ancillary facility letter to be entered into between the Company and the Bank.

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