

Declaration in relation to assistance for the acquisition of shares

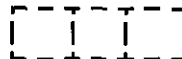
155(6)a

Pursuant to section 155(6) of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number



03282255

Name of company

* AWS ELECTRONICS LIMITED (the "Company")

☒ We ☐ We are Paul Deehan of Rose Cottage, Droitwich Road, Hanbury, Worcestershire B60 4DD;
AND
Christopher Bowman of 7 Primrose Grove, Newcastle under Lyme, Staffordshire, ST5 0SF;
AND
Michael Allen of 2 Furnace Lane, Madeley, Crewe, Cheshire CW3 9EU;
AND
Christopher Ellis of 37 Riverdale Drive, Stoke on Trent, Staffordshire, ST6 6XS;

[The sole director] [all the directors] of the above company do solemnly and sincerely declare that:

The business of the company is:

(a) that of a recognised bank, licensed institution, within the meaning of the Banking Act 1978

(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 the

[company's holding company] Cresswell Holdings Limited

The assistance is for the purpose of [that acquisition] [providing or discharging a liability incurred by the

[company's holding company]

The number and class of the shares acquired or to be acquired is: 50,000 ordinary shares of
£1.00 each

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

Cobbetts LLP
Trafalgar House
29 Park Place
Leeds
LS1 2SP
DX 14085 Leeds Park
DE264.1/LFM.Corp.2052736

For official Use
General Section

Post room

A61
COMPANIES HOUSE82
23/12/2005

The assistance is to be given to: (note 2) Cobco 721 Limited (CRN: 05626347) whose
registered office is at Ship Canal House, King Street, Manchester M2 4WB (the
"Purchaser")

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:

Please see Appendix 1.

The person who ~~has acquired~~ ^{XXXXXXXXXX} (will acquire)† the shares is:

† delete as
appropriate

the Purchaser

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

Please see Appendix 2.

The amount of cash to be transferred to the person assisted is £ Please see Appendix 3.

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 within 8 weeks of the date hereof

Page

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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) ~~X~~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)

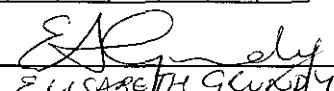
(b) ~~[It is intended to commence the winding up of the company within 12 months of that date, and ~~X~~ have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up.]~~* (note 3)

And ~~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.

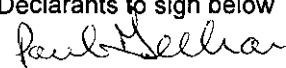

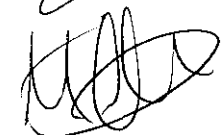
Declared at Cobbetts LLP
One Colmore Square
Birmingham
B4 6AJ

Day Month Year
on

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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.

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.
- 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

RD
C. B. [Signature]
CRS
8/7

APPENDICES TO FORM 155(6)a

APPENDIX 1

All capitalised items in this Appendix 1 shall have the meanings given to them in Appendix 4.

Form of Assistance

The assistance will take the form of the execution and entering into by the Company of the following documentation (as the same may be amended, increased, novated and/or replaced, varied, supplemented or substituted from time to time) and the Company complying with and fulfilling its obligations thereunder, and of the Company effecting payment of the obligations referred to below, all of which will be entered into and/or performed directly or indirectly, in connection with the transfer of the entire issued share capital of the Parent, by the Vendors to the Purchaser pursuant to a Sale and Purchase Agreement dated today and made between the Vendors and the Purchaser:

1. the Debenture, pursuant to the terms of which the Company grants to the Bank fixed and floating charges over all the assets and undertaking of the Company, as security for all monies and liabilities due from time to time by the Company to the Bank;
2. the Guarantee, pursuant to the terms of which, inter alia, the Company guarantees the liabilities and obligations from time to time of the Group to the Bank, including without limitation the liabilities and obligations of the Group to the Bank under, or as contemplated by, the Facilities;

(together documents 1-2 inclusive above are referred to as the "Bank Documents");

3. the Loan Agreement pursuant to the terms of which the Company makes available to the Parent and the Purchaser a loan facility to (inter alia) enable them to make payments in connection with the Acquisition;
4. the Vendor Guarantee pursuant to the terms of which the Company is to guarantee payments due from the Purchaser to Derek Fulluck under the Secured Loan Notes;
5. the Vendor Debenture pursuant to the terms of which the Company grants to Derek Fulluck fixed and floating charges over all the assets and undertaking of the Company, as security for all monies and liabilities due from time to time by the Company to Derek Fulluck under the Vendor Guarantee;
6. the Intercreditor and Priority Deed pursuant to which the parties thereto acknowledge and agree (inter alia) (a) the terms upon which the securities in favour of each of the Bank, RBSCS and Derek Fulluck are to be prioritised, and (b) the terms upon which the Purchaser may effect payments to Derek Fulluck under the Secured Loan Notes and under the Earn-Out Notes (to the extent that the Purchaser is unable to procure the issue by the Bank of a guarantee of principal due under the Earn-Out Notes);
7. the Amendment Agreement pursuant to the terms of which the Company agrees to the increase of its ID Facilities with RBSCS;

AWS ELECTRONICS LIMITED (the "Company")

Registered Number: 3282255

8. the payment by the Company of invoices in favour of Hacking Ashton Solicitors totalling £6,368.41,

(together the documents at 1 – 7 inclusive above are referred to as the "Finance Documents" and the payment referred to at 8 above will be referred to as the "Relevant Costs").

RD
C. B. [Signature]
CRE
[Signature]

APPENDICES TO FORM 155(6)a

APPENDIX 2

1. The principal terms on which the financial assistance will be given are:
 - 1.1. the terms of the Debenture whereby the Company charges to the Bank all its assets and undertaking as security for all liabilities of the Company to the Bank whether present or future and pursuant to which the Company :
 - 1.1.1. as primary obligor and not merely as surety, covenants with the Bank that it will pay or discharge the Bank Obligations (as defined below) (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each relevant obligor to the Bank including, but not limited to, those under the Bank Documents in each case together with all costs, charges and expenses incurred by the Bank in connection with the protection, preservation or enforcement of its respective rights thereunder or any other document evidencing or securing any such liabilities; and
 - 1.1.2. as beneficial owner, as security for the payment, discharge and performance of the same, charge in favour of the Bank substantially all its assets and undertaking by way of fixed and floating charges by way of security for the same;
 - 1.2. the terms of the Guarantee whereby the Company:
 - 1.2.1. guarantees to the Bank as principal obligor and not merely as surety the prompt performance by each relevant obligor of all obligations to the Bank including, but not limited to, those under the Bank Documents and the other documents referred to therein and all liabilities present and future of any Group Company pursuant to, under, or in connection with the Bank Documents as and when the same shall become due; and
 - 1.2.2. undertakes that it will on demand upon a default in the payment of any sum due under or in connection with the Bank Documents pay such sum, as if it was expressed to be the primary obligor, together with interest payable thereon (the "Bank Obligations").
 - 1.3. the terms of the Loan Agreement whereby the Company makes available a loan facility to the Purchaser and the Parent of up to £5,000,000 to be used by the Purchaser and the Parent to, inter alia, make payments when due under the Finance Documents and the other documents referred to therein, the costs associated with the Acquisition (including the costs of procuring the Bank's guarantee of the Loan Notes) and (in the case of the Parent) to enable the Parent to effect payment of certain invoices addressed to it directly from Hacking Ashton Solicitors provided that the Company shall only be obliged to make advances if, inter alia, the aggregate of all monies standing to the credit of its bank accounts exceeds the amount of the proposed advance and the Company is solvent;

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- 1.4. the terms of the Intercreditor and Priority Deed, whereby the Company is required (inter alia) to acknowledge and agree (a) the terms upon which the securities in favour of each of the Bank, RBSCS and Derek Fulluck are to be prioritised, and (b) the terms upon which the Purchaser may effect payments to Derek Fulluck under the Secured Loan Notes and under the Earn-Out Notes (to the extent that the Purchaser is unable to procure the issue by the Bank of a guarantee of principal due under the Earn-Out Notes);
- 1.5. the terms of the Vendor Guarantee, whereby the Company:
 - 1.5.1. guarantees to Derek Fulluck as principal obligor and not merely as surety the prompt performance by the Purchaser of all obligations to Derek Fulluck pursuant to the Secured Loan Notes as and when the same shall become due; and
 - 1.6.2 undertakes that it will on demand upon a default in the payment of any sum due under or in connection with the Secured Loan Notes pay such sum, as if it was expressed to be the primary obligor, together with interest payable thereon (the "Vendor Obligations");
- 1.6. the terms of the Vendor Debenture whereby the Company charges to Derek Fulluck all its assets and undertaking as security for all liabilities of the Company to Derek Fulluck whether present or future and pursuant to which the Company -
 - 1.6.1. as primary obligor and not merely as surety, covenants with Derek Fulluck that it will pay or discharge the Vendor Obligations (as defined above) (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Purchaser to Derek Fulluck under the Secured Loan Notes in each case together with all costs, charges and expenses incurred by Derek Fulluck in connection with the protection, preservation or enforcement of its respective rights thereunder or any other document evidencing or securing any such liabilities; and
 - 1.7.2 as beneficial owner, as security for the payment, discharge and performance of the same, charge in favour of Derek Fulluck substantially all its assets and undertaking by way of fixed and floating charges by way of security for the same;
- 1.8 the terms of the Amendment Agreement, under which the Company is required to agree to the terms upon which RBSCS is to offer increased invoice discounting facilities to the Company;
- 1.9 the Company effecting payment of the Relevant Costs to facilitate the arrangements associated with the Acquisition.

AWS ELECTRONICS LIMITED (the "Company")

Registered Number: 3282255

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APPENDICES TO FORM 155(6)a

APPENDIX 3

1. The amount of any advances made from time to time by the Company to the Parent and the Purchaser under the terms of the Loan Agreement, such advances not to exceed £5,000,000.
2. The amount of the Relevant Costs, being £6,368.41.

AWS ELECTRONICS LIMITED (the "Company")

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APPENDICES TO FORM 155(6)a

APPENDIX 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 whole of the issued share capital of the Company by the Purchaser from the Vendors;

"Amendment Agreement" means the agreement to be entered into between the Company and RBSCS to amend the terms of the Company's existing ID Facilities;

"Bank" means National Westminster Bank PLC;

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

"Debenture" means the debenture to be executed by the Company in favour of the Bank;

"Derek Fulluck" means Mr Derek Fulluck of 41 Leicester Avenue, Alsager, Stoke on Trent, Staffordshire ST7 2BS;

"Earn-Out Notes" means the unsecured loan notes to be constituted and issued by the Purchaser in favour of Derek Fulluck pursuant to Schedule 6 of the Sale and Purchase Agreement, in an amount (not exceeding £374,000) and on the date as determined by reference to that schedule;

"Facilities" means the facilities made available by the Bank to the Purchaser, comprising the term loan of £2,000,000 to provide working capital and cash cover for a loan note guarantee in respect of the Loan Notes to assist in making payments to the Vendors pursuant to the Sale and Purchase Agreement and to discharge certain costs and expenses in connection with the Acquisition and a loan note guarantee facility of £1,721,250 in respect of the issue of a loan note guarantee by the Bank on behalf of the Purchaser in respect of the Loan Notes pursuant to the Loan Note Instrument to assist in making payments to the Vendors in connection with the Sale and Purchase Agreement;

"Group" means at any time the Purchaser and the Company and the Parent and any of their respective subsidiaries from time to time, and **"Group Company"** means any of them;

"Guarantee" means an unlimited inter company composite guarantee to be executed by the Purchaser and the Company and the Parent in favour of the Bank;

"ID Facilities" means the Company's invoice discounting facilities with RBSCS from time to time;

"Intercreditor and Priority Deed" means the subordination agreement to be entered into between the Bank, RBSCS, Derek Fulluck and each Group Company;

"Loan Agreement" means the inter-company loan agreement to be entered into between the Company, the Parent and the Purchaser;

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"Loan Notes" means the £1,721,250 unsecured guaranteed loan notes 2005 of £1 each, constituted by the Loan Note Instrument and to be issued to the Vendors on completion in the proportions specified in the Sale and Purchase Agreement;

"Loan Note Instrument" means the instrument to be entered into on completion by the Purchaser in the agreed form, constituting the Loan Notes;

"Parent" means Cresswell Holdings Limited (Co. No. 5179277);

"Purchaser" means Cobco 721 Limited (Co. No. 5626347);

"RBSCS" means The Royal Bank of Scotland Commercial Services Limited;

"Sale and Purchase Agreement" means the sale and purchase agreement dated on or about the date of this declaration and entered into between the Purchaser (1) and the Vendors (2);

"Secured Loan Notes" means the £614,688 secured non-guaranteed loan notes 2005 of £1 each, constituted by the Secured Loan Note Instrument and to be issued to Derek Fulluck on completion;

"Secured Loan Note Instrument" means the instrument to be entered into on completion by the Purchaser in the agreed form, constituting the Secured Loan Notes;

"Vendors" means the Parent's existing shareholders being Derek Fulluck, Michael Allen, Christopher Bowman and Christopher Ellis.