

Declaration in relation to assistance for the acquisition of shares

155(6)a

CHFP025

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
(Address overleaf - Note 5)

For official use

Company number

[] [] [] []

03936134

Name of company

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

* Cabot Financial Debt Recovery Services Limited

* insert full name
of company

~~XXXXXX~~ We Glen Paul Crawford of Appleberry Farm, Redbrook Street, Woodchurch,
Ashford, Kent, TN25 3QS

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

and Kenneth Maynard of The Garden House, Priory Estate, Nun Monkton,
York, YO26 8ES

† delete as
appropriate

~~XXXXXXXXXXXX~~ [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 31 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] Cabot Financial Holdings Limited

~~XXXXXX~~

The assistance is for the purpose of [that acquisition] ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

~~XXXXXXXXXXXXXXXXXXXX~~

The number and class of the shares acquired or to be acquired is: 19,814,190 ordinary
shares of £1 each

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

Addleshaw Goddard
150 Aldersgate Street
London
EC1A 4EJ
Ref: SARJZ/106643.74
DX 47 London

For official Use
General Section



LD4
COMPANIES HOUSE

0416
05/02/04

COMPANIES HOUSE

29/01/04

134032

The assistance is to be given to: (note 2) Cabot Financial Holdings Group Limited
(the "Purchaser") a company incorporated in England and Wales under number
4934534 whose registered office is at 10 Kings Hill Avenue, Kings Hill, West
Malling, Maidstone, Kent, ME19 4LT

Please do not
write in this
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Please complete
legibly, preferably
in black type, or
bold block
lettering

The assistance will take the form of:

PLEASE SEE ATTACHED SCHEDULE 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 ATTACHED SCHEDULE 2

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 WITHIN 8 WEEKS OF THE DATE HEREOF

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

☒ 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) [If/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 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 150 Aldersgate Street
London EC1A 4ET

Declarants to sign below

Day Month Year
on

2	2	0	1	2	0	0	4
---	---	---	---	---	---	---	---

before me [Signature]
Michael Foster, Cms (American)
A Commissioner for Oaths or Notary Public or Justice of
the Peace or a Solicitor having the powers conferred on
a Commissioner for Oaths.

[Signature]
[Signature]

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

MT

SCHEDULE 1 TO THE FORM 155(6)(a) STATUTORY DECLARATION
dated 22 January 2004 in respect of
CABOT FINANCIAL DEBT RECOVERY SERVICES LIMITED (the "Company")

Form of Assistance

The execution, delivery and performance by the Company of its obligations under:

- 1(a) an amendment and restatement agreement (**Amendment Agreement**) (to be entered into within eight weeks of the date hereof) amending and restating a facility agreement dated 14 December 2001 between Barclays Bank PLC (**Barclays**) as Agent, Security Agent and Arranger, Kings Hill (No.1) Limited (**KH1**) as Borrower, Cabot Financial (Europe) Limited (**CF(E)L**), Cabot Financial Holdings Limited (**CFH**), KH1, the Company and Cabot Financial Holdings Group Limited (**CFHG**) as Guarantors (together the **Guarantors**), Morley Limited (**Morley**) and Barclays as Original Lender pursuant to which the lenders have agreed to make available to the Borrower a secured revolving credit facility of up to £60,000,000 upon the terms and conditions set out in the amended and restated facility agreement (**Facility Agreement**) which shall be used inter alia to on-lend to CFHG to assist it with funding the acquisition of the entire issued share capital of CFH (the **Acquisition**) and the Guarantors agree to guarantee the obligations of the Borrower to each Finance Party (as defined in the Facility Agreement) under the Finance Documents (as defined in the Facility Agreement) (the **Guarantee**);
 - (b) a fixed and floating charge (**New Debenture**) (to be entered into within eight weeks of the date hereof) between KH1, CF(E)L, CFH, the Company, CFHG and Barclays as Security Agent (as defined therein);
 - (c) an inter-company loan agreement (**Inter-company Loan Agreement**) (to be entered into within eight weeks of the date hereof) between Morley, the Company, KH1, CFH, CFHG and CF(E)L as Borrowers and the Company, Morley, KH1, CFH, CFHG and CF(E)L as Lenders (as defined therein);
 - (d) an intercreditor deed (**Intercreditor Deed**) (to be entered into within eight weeks of the date hereof) between CFHG as Parent and an Investor, KH1, the Investors, the Obligors, Barclays Private Equity PVLP Limited Partnership amongst others as the Investor Loan Noteholders, the Hedging Banks, and Barclays as Agent, Security Agent and Lenders (as each term is defined in the Intercreditor Deed); and
 - (e) an existing guarantee (**CFDRS Guarantee**) dated 14 December 2001 between the Company as Guarantor and Barclays as Lender under which the Company guarantees KH1's payment obligations under the Facility Agreement and also any sums payable under an existing guarantee (**CF(E)L Guarantee**) dated 14 December 2001 between CF(E)L as Guarantor and Barclays as Lender.
- 2 In addition to the obligations referred to above the Company will also, from time to time, pay and discharge costs and expenses associated with the Acquisition including, but not limited to, legal, accountancy and other professional fees (**Associated Costs**).

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SCHEDULE 2 TO THE SECTION 155(6)(a) STATUTORY DECLARATION
dated 22 January 2004

in respect of
CABOT FINANCIAL DEBT RECOVERY SERVICES LIMITED
(the "Company")

Principal Terms of the Assistance

Save as otherwise expressly provided below, terms defined in Schedule 1 shall have the same meaning when used in this Schedule 2.

- 1 By executing the Amendment Agreement and by entering into the amendment and restatement of the Facility Agreement as a guarantor and by giving the Guarantee the Company will inter alia:
 - (a) jointly and severally guarantee to each Finance Party punctual performance by each Borrower of all that Borrower's obligations under the Finance Documents;
 - (b) undertake with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, the Company shall immediately on demand pay that amount as if it was the principal obligor; and
 - (c) indemnify each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover if the guaranteed obligation had been enforceable, valid and legal; and
 - (d) undertake to comply with certain general undertakings including an undertaking not to create or permit to subsist any security over any of the Company's assets and not to dispose of any of its assets (in each case subject to certain exceptions).
- 2 By executing the New Debenture, the Company will inter alia:
 - (a) covenant to the Security Agent to pay all Liabilities when due in accordance with its terms or, if they do not specify a time for payment, immediately on demand by the Security Agent.
 - (b) with full title guarantee and as security for the payment of all Liabilities charge in favour of the Security Agent (as trustee for the Finance Parties):
 - (i) by way of first legal mortgage, all Real Property in England and Wales now belonging to the Company;
 - (ii) by way of first equitable charge, all other Real Property now belonging to the Company and all Real Property acquired by the Company in the future; and
 - (iii) by way of first fixed charge, all the Company's present and future right, title and benefit in:
 - (A) Book Debts;
 - (B) Accounts (together with all interest accruing from time to time on them and the debts represented by them);
 - (C) any Causes of Action to which the Company is a party;
 - (D) the Contractual Rights of any Chargor;
 - (E) Investments;

- (F) uncalled capital and goodwill;
 - (G) Intellectual Property;
 - (H) beneficial interest in any pension fund;
 - (I) plant and machinery (except that mortgaged or charged as described in paragraph 2(b)(i) or (ii));
 - (J) the Company's interest in the Insurances including all sums insured by them and all monies payable or to become payable under them and subject to any obligations under relevant leases the full benefit of any insurance policies and the benefit of all powers and provisions contained in or conferred by the Insurances and all related proceeds, claims of any kinds and return of premiums or other benefits (but, in the case of Kings Hill (No.1) Limited, only to the extent that the same relate to the Portfolio Accounts);
 - (K) the Dividends;
 - (L) the Receivables;
 - (M) the Account Purchase Agreements; and
 - (N) the Portfolio Accounts, including, without limitation:
 - 1) the right to demand, sue for, recover, receive and give receipts for all principal payable or to become payable in respect of the Portfolio Accounts or the unpaid part thereof and the interest thereon and any rights or remedies of the Company against the Originators in respect thereof;
 - 2) the benefit of the Obligor Documentation, the right to sue on all covenants given by the Obligors in each Credit Agreement, the right to exercise all the Company's powers in relation to each Credit Agreement. Each Account Purchase Agreement or otherwise in connection with the Portfolio Accounts and any rights or remedies of the Company against the Obligors in respect thereof.
 - (iv) charge by way of first floating charge the Company's undertaking and all its assets, both present and future (including assets expressed to be charged as described in paragraph 2(b)(i) to (iii) inclusive).
 - (c) undertake to do all such acts or execute as the Security Agent requires to:
 - (i) perfect or protect the charges or the priority of the charges; or
 - (ii) facilitate the realisation of the Charged Assets or the exercise of any rights vested in the Security Agent or any Receiver.
 - (d) Undertake not to create or permit to subsist any security over any part of the Charged Asset, nor enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any Charged Asset except as permitted by Clause 21.7 (*Negative Pledge*) and Clause 21.8 (*Disposals*) of the Facility Agreement.
 - (e) The New Debenture contains a covenant for further assurances and shall remain in full force and effect unless and until discharged by the Security Agent.
- 3 By executing the Inter-company Loan Agreement the Company will *inter alia* agree to make advances to the any of the Guarantors, Morley Limited or CFHGL from time to time and at

any of such borrower's request in order, amongst other things, to assist such borrower in discharging and reducing its liabilities in connection with the Acquisition and including repayment of the borrowings under the Facility Agreement and the Investor Loan Notes therein mentioned.

4 By executing the Intercreditor Deed, the Company will *inter alia* agree to:

- (a) subordinate the Company's right to payment of monies pursuant to the Finance Documents in certain circumstances and to the ranking of priority between certain creditors of CFH and its subsidiaries and
- (b) provide an indemnity for certain costs, claims, expenses and liabilities under the Intercreditor Deed.

5 By executing the CFDRS Guarantee, the Company, *inter alia*:

- (a) unconditionally and irrevocably guaranteed to Barclays that:
 - (i) if for any reason KH1 does not pay any sum payable by it under the Facility Agreement by the time, on the date and otherwise in the manner specified or required pursuant to the Facility Agreement (whether on the normal due date, on acceleration or otherwise), the Company will pay that sum on demand by Barclays; and
 - (ii) if for any reason CF(E)L does not pay any sum payable by it under the CF(E)L Guarantee by the time, on the date and otherwise in the manner specified or required pursuant to the CF(E)L Guarantee (whether on the normal due date, on acceleration or otherwise), the Company will pay that sum on demand by Barclays.
- (b) agreed that so long as any sum remains to be lent or remains payable under any Finance Document any amount received or recovered by the Company (a) as result of any exercise of any such right or (b) in the winding-up of KH1 or, as the case may be, CF(E)L shall be held in trust for Barclays and immediately paid to Barclays.
- (c) agreed that the Company shall on demand indemnify Barclays against any funding or other cost, loss, expense or liability (including loss of Margin) sustained or incurred by Barclays as a result of it being required for any reason (including any bankruptcy, insolvency, winding up or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by KH1 or CF(E)L under any Finance Document and shall in any event pay to Barclays on demand the amount so refunded by it.
- (d) As separate, independent and alternative stipulations, the Company unconditionally and irrevocably agreed:
 - (i) that any sum which, although expressed to be payable by KH1 or CF(E)L under any Finance Document, is for any reason (whether or not now existing and whether or not now known or becoming known to any party to any Finance Document) not recoverable from the Company on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to Barclays on demand; and
 - (ii) as a primary obligation to indemnify Barclays against any loss suffered by it as a result of any sum expressed to be payable by KH1 or CF(E)L under any Finance Document not being paid by the time, on the date and otherwise in the manner specified in any Finance Document or any payment obligation of KH1 or CF(E)L under any Finance Document being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to any party to any Finance Document), the amount of that loss being the amount expressed to be

payable by KH1 or, as the case may be, CF(E)L in respect of the relevant sum.

- 6 In addition to the obligations referred to above, the Company will also, from time to time, pay and discharge costs and expenses associated with the Acquisition including but not limited to, legal, accountancy and other professional fees.

7 **Definitions**

Save as otherwise expressly provided:

Agent; Borrower; Finance Document; Finance Party; Group; New Portfolios; Obligor; Security Agent and Security Documents shall have the meanings ascribed to them in the Facility Agreement;

Accounts; Account Purchase Agreements; Book Debts; Causes of Action; Charged Asset; Chargor; Contractual Rights; Credit Agreement; Dividends; Insurances; Insurance Policies; Intellectual Property; Investments; Liabilities; Obligor Documentation; Originators; Portfolio Accounts; Real Property; Receiver; Receivables; Security Agent; Unapplied Sums shall have the meanings ascribed to them in the New Debenture (as applicable);



Canary Wharf (8th Floor)
1 Canada Square
London E14 5AG
United Kingdom

Tel +44 (0) 207 311 5850
Fax +44 (0) 207 311 5841
DX 38050 Blackfriars

Private & confidential

The Directors
Cabot Financial Debt Recovery Services
Limited
10 Kings Hill Avenue
Kings Hill
West Malling
KENT
ME19 4LT

Your ref

Our ref kvf/sm/537/Form A -
CFDRS for CFH (6.1)

Contact Keith Ford
0207 311 5850

22 January 2004

Dear Sir

**Auditors' report to the directors of Cabot Financial Debt Recovery Services Limited
pursuant to Section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors dated 22 January 2004 in connection with the proposal that the company should give financial assistance for the purchase of all of the company's holding company's ordinary shares.

This report is made solely to the company's directors as a body in accordance with section 156(4) of the Companies Act 1985. Our work has been undertaken so that we as the company's auditors might state to the company's directors those matters we are required to state to them in a report under section 156(4) of that Act and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body for our work under section 156(4) of that Act or for this report.

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

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.

Yours faithfully

KPMG LLP

KPMG LLP
Registered Auditor

Enclosures: Statutory declaration of the directors dated 22 January 2004



KPMG LLP
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is a member of KPMG International,
a Swiss non operating association

Registered in England No OC301540
Registered office:
8 Salisbury Square,
London EC4Y 8BB