

CHFP025

155(6)a

The assistance is to be given to (note 2) Stewart G H Limited of
Stewart House, Purley Way, Croydon, Surrey, CR9 4HS

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 Annexure 1

The person who ~~XXXXXX~~ [will acquire] † the shares is

† delete as
appropriate

Stewart G H Limited

The principal terms on which the assistance will be given are

Please see Annexure 2

The amount of cash to be transferred to the person assisted is £ up to a maximum of £3 million

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 herof

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

delete either (a) or
(b) as appropriate

I/~~XX~~ 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/~~XX~~ 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) ~~XXXXXX have formed the opinion that the company will be unable to pay its debts as they fall due during the year immediately following that date]* (note 3)~~

And I/~~XX~~ 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

Stevensdrake

Solicitors

117/119 High Street

Crawley

West Sussex RH10 1DD

Day Month Year

on 25 04 2008

before me

R.N. [Signature]

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

Declarant to sign below

[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

RNB

Annexure One

1 An existing facility between Stewart Plastics Limited ("SPL") and GMAC Commercial Finance plc ("GMAC") the terms of which are set out in a facility agreement and an invoice discounting facility agreement (and all subsequent variation letters) between SPL and GMAC, both of which are dated 14 March 2003

2 Existing security in the form of a Composite Guarantee and Debenture between [1] GMAC [2] Oval [1794] Limited, [3] SPL, [4] Lotus Water Gardens Products Limited, [5] Hortus Group Limited, [6] Hortus Plastics Limited [7] Lotus Lake Limited and [8] Stewart Group Holdings Limited dated 14 March 2003

3 A variation letter between GMAC and SPL setting out revised terms of the existing facilities

4 An inter-company loan agreement between SPL and Stewart G H Limited ("SGHL") to assist in the funding of the purchase of one share in Purple Patch Investments Limited ("PPIL") by SGHL (the "Acquisition") including payment of the purchase price of the share and all professional costs involved with the sale of the share, the facility with GMAC, preparation of all documents and compliance with ss 151 to 158 of the Companies Act 1985

5 An inter-company cross guarantee between (1) GMAC, (2) PPIL, (3) Oval (1794) Limited (4) Stewart Group Holdings Limited, (5) Stewart Plastics Limited and (6) SGHL

6 Debentures from each of PPIL and SGHL in favour of GMAC securing all obligations arising under the cross guarantee

7 SPL will be providing a guarantee in the Share Purchase Agreement between [1] John Carlo Lanni, [2] SGHL and [3] SPL in respect of deferred consideration payable on the Acquisition

Annexure Two

1 The variation letter varies the existing facilities from GMAC to SPL and provides for the provision of an overadvance facility of £150k (increasing to £250k upon meeting conditions subsequent), an increase to the discount and interest rates to 1 75%, an extension of the term of the agreement to 30 June 2010 and a new headroom (availability) covenant and amendments to the EBITDA covenant

2 The inter-company loan agreement provides a loan facility between SPL and SGHL to assist the funding of the Acquisition

3 The inter-company cross guarantee between between (1) GMAC, (2) PPIL, (3) Oval (1794) Limited (4) Stewart Group Holdings Limited, (5) Stewart Plastics Limited and (6) SGHL provides security for all obligations of SPL to GMAC arising under the terms of the variation letter and otherwise

4. The debentures in favour of GMAC by each of PPIL and SGHL provide security for such obligations of PPIL by way of first legal mortgage over its freehold and/or leasehold properties, first fixed charge over any freehold or leasehold properties, present or future, first fixed charge over all book debts, first fixed charge over any monetary debts or claims, first fixed charge over all stocks, shares and other interests, first fixed charge over all policies of insurance, know-how, patents, trademarks, goodwill and uncalled

capital and first floating charge over the undertaking, property and assets of PPIL

5 The Share Purchase Agreement relates to the purchase of one share in PPIL by SGHL and SPL provides a Guarantee (as defined therein) for payment of deferred consideration by SGHL



**REPORT OF THE INDEPENDENT AUDITOR TO THE DIRECTORS OF PURPLE
PATCH INVESTMENTS LIMITED PURSUANT TO SECTION 156(4) OF THE
COMPANIES ACT 1985**

It is our responsibility to make a report to the directors of the company in accordance with Section 156(4) of The Companies Act 1985. Our work has been undertaken so that we might state to the directors of the company those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone for any other purpose for our work, for this report or for the opinions we have formed.

We have examined the attached statutory declaration of the directors dated 25 April 2008 in connection with the proposal that the company should give financial assistance for the purchase of 50% of its issued share capital.

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.

BAKER TILLY UK AUDIT LLP

Registered Auditor
Chartered Accountants
12 Gleneagles Court
Brighton Road, Crawley
RH10 6AD

25 April 2008