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COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares.

155(6)a

CHA 116

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

[] [] [] []

2610871

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

Name of company

* Coupe Foundry Limited (the "Company")

*Insert full name of company

We† See Annexure 1

†Insert name(s) and address(es) of all the directors

§Delete as appropriate

RM

~~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

RM

- ~~(a) that of a [recognised bank] [licensed institution]§ within the meaning of the Banking Act 1979†~~
- ~~(b) that of a person authorised under section 2 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom†~~
- (c) something other than the above‡

RM

The company is proposing to give financial assistance in connection with the acquisition of shares in the [company] [company's holding company] _____ Limited‡

RM

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: See Annexure 2

Presenter's name, address and reference (if any):

Dibb Lupton Alsop
101 Barbirolli Square
Manchester
M2 3DL

For official use
General Section



JMA *J99CT4R1* 399
COMPANIES HOUSE 24/03/98

The assistance is to be given to: (note 2) Methodcheck Limited (Company No. 3505010) whose
registered office is situate at Steam Pacet House, 76 Cross Street, Manchester M2 4JU (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:

See Annexure 3

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

*Delete as
appropriate

The principal terms on which assistance will be given are:

See Annexure 4

The amount of cash to be transferred to the person assisted is £ 0.00 (see Annexure 5)

The value of any asset to be transferred to the person assisted is £ 0.00 (see Annexure 5)

The date on which the assistance is to be given is within 8 weeks of the date hereof 19 _____

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 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 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 Carmelite,
50 Victoria Embankment
London EC4

the 14 day of March

One thousand nine hundred and ninety-eight

before me [Signature]

Declarants to sign below

[Signature]
[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.

P. D. R. WEBB
Solicitor
Taylor Johnson Garrett
50 Victoria Embankment
London EC4

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.

COUPE FOUNDRY LIMITED
ANNEXURES TO FORM 155(6)a
ANNEXURE 1

Name: Stephen Robert Hall
Address: 1 Farnyhalgh Gardens
Fulwood
Preston

Name: Geoffrey Norman Harrison
Address: 80 Higher Bank Road
Fulwood
Preston

COUPE FOUNDRY LIMITED
ANNEXURES TO FORM 155(6)a
ANNEXURE 2

The number and class of the shares to be acquired is:-

- (i) 31,127 A shares;
- (ii) 31,127 B shares;
- (iii) 17,746 C shares;
- (iv) 53,351 D shares; and
- (v) 56,774 redeemable preference shares.

COUPE FOUNDRY LIMITED
ANNEXURES TO FORM 155(6)a
ANNEXURE 3

All capitalised items in this annexure 3 shall have the meanings given to them in annexure 6.

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 Term Composite Guarantee and Debenture, pursuant to the terms of which the Company:-

- (i) undertakes to discharge its own liabilities and obligations from time to time to the Bank and guarantees the liabilities and obligations from time to time of all other Group Companies to the Bank, including, without limitation:-
 - (a) the liabilities and obligations of the Purchaser to the Bank under, or as contemplated by, the Facilities Agreement; and
 - (b) the liabilities and obligations of the Purchaser and the Approved Companies to the Bank under, or as contemplated by, the Working Capital Facility Letter; and
- (ii) grants to the Bank, fixed and floating charges over all the property, assets and undertaking of the Company, as security for all liabilities and obligations of the Company to the Bank (including, without limitation, the Term Guarantee Liabilities),

it being noted that the Bank Facilities are made available for the purpose of, or may be utilised in respect of, the Acquisition;

2 the Mezzanine Composite Guarantee and Debenture, pursuant to the terms of which the Company:-

- (i) undertakes to discharge its own liabilities and obligations from time to time to the Mezzanine Lender and guarantees the liabilities and obligations from time to time of all other Group Companies to the Mezzanine Lender, including, without limitation the liabilities and obligations of the Purchaser to the Mezzanine Lender under, or as contemplated by, the Mezzanine Loan Agreement; and
- (ii) grants to the Mezzanine Lender, fixed and floating charges over all the property, assets and undertaking of the Company, as security for all liabilities and obligations of the Company to the Mezzanine Lender (including, without limitation, the Mezzanine Guarantee Liabilities),

it being noted that the Mezzanine Facility is made available for the purpose of, or may be utilised in respect of, the Acquisition;

- 3 (i) the Facilities Agreement;
- (ii) the Mezzanine Loan Agreement; and
- (iii) the Working Capital Facility Letter,

pursuant to the terms of which the Company undertakes certain liabilities and obligations and agrees to certain indemnities in respect of the Facilities, it being noted that the Facilities are made available for the purpose of, or may be utilised in respect of, the Acquisition;

- 4 the CAS Agreement;
- 5 the CAS Guarantee;
- 6 the Term Insurance Assignment;
- 7 the Mezzanine Insurance Assignment; and
- 8 the Intercreditor Deed.

COUPE FOUNDRY LIMITED
ANNEXURES TO FORM 155(6)a
ANNEXURE 4

All capitalised items in this annexure 4 shall have the meanings given to them in annexure 6.

Terms on which assistance given

The principal terms on which the assistance is given is as follows:-

The Term Composite Guarantee and Debenture

1. Pursuant to the terms of the Term Composite Guarantee and Debenture, the Company:-
 - (i) undertakes to discharge its own liabilities and obligations to the Bank and guarantees, and is primary obligor for, the liabilities and obligations of all other Group Companies to the Bank; and
 - (ii) grants to the Bank, fixed and floating charges over all the property, assets and undertaking of the Company as continuing security for all its liabilities and obligations to the Bank (including, without limitation, the Term Guarantee Liabilities);

The Mezzanine Composite Guarantee and Debenture

2. Pursuant to the terms of the Mezzanine Composite Guarantee and Debenture, the Company:-
 - (i) undertakes to discharge its own liabilities and obligations to the Mezzanine Lender and guarantees, and is primary obligor for, the liabilities and obligations of all other Group Companies to the Mezzanine Lender; and
 - (ii) grants to the Mezzanine Lender, fixed and floating charges over all the property, assets and undertaking of the Company as continuing security for all its liabilities and obligations to the Mezzanine Lender (including, without limitation, the Mezzanine Guarantee Liabilities);

The Facilities Agreement/The Mezzanine Loan Agreement/The Working Capital Facility Letter

3. Pursuant to the terms of:-
 - (i) the Facilities Agreement, the Bank provides to the Purchaser the Term Loan Facility;
 - (ii) the Mezzanine Loan Agreement, the Mezzanine Lender provides to the Purchaser the Mezzanine Facility; and
 - (iii) the Working Capital Facility Letter, the Bank provides to the Purchaser and any Approved Company the Working Capital Facility; and

The CAS Agreement/CAS Guarantee

4. Pursuant to the terms of the CAS Agreement and the CAS Guarantee:-
- (i) the Bank may apply or pay any monies standing to the credit of any Group Company to discharge the liabilities to the Bank of any other Group Company, including, without limitation, the liabilities of the Purchaser to the bank, which will include liabilities incurred in connection with the Acquisition; and
 - (ii) the Company guarantees in favour of the Bank the liabilities of each other Group Company, including under the CAS Agreement.

The Term Insurance Assignment

5. Pursuant to the terms of the Term Insurance Assignment, the Company assigns to the Bank all its rights, title and interest in and to the keyman insurance policies over the lives of Ivor Brothwood and Stephen Hall.

The Mezzanine Insurance Assignment

6. Pursuant to the terms of the Mezzanine Insurance Assignment, the Company assigns to the Mezzanine Lender all its rights, title and interest in and to the keyman insurance policies over the lives of Ivor Brothwood and Stephen Hall.

The Intercreditor Deed

7. Pursuant to the terms of the Intercreditor Deed, the Company agrees to the subordination of payments due, and, where applicable, the enforcement of security by the parties thereto.

COUPE FOUNDRY LIMITED
ANNEXURES TO FORM 155(6)a
ANNEXURE 5

All capitalised items in this annexure 5 shall have the meanings given to them in annexure 6.

Amount of Cash Transferred/Value of Asset Transferred

The directors of the Company, after having studied the terms of the Facilities Agreement, the Mezzanine Loan Agreement, the Working Capital Facility Letter, the Term Composite Guarantee and Debenture, the Mezzanine Composite Guarantee and Debenture, the CAS Agreement, the CAS Guarantee, the Term Insurance Assignment, the Mezzanine Insurance Assignment and the Intercreditor Deed are of the opinion that no provision needs to be made in the accounts of the Company in relation to the proposed financial assistance as set out in those documents.

COUPE FOUNDRY LIMITED
ANNEXURES TO FORM 155(6)a
ANNEXURE 6

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 pursuant to the terms and conditions of the Acquisition Agreement;

"Acquisition Agreement" means the acquisition agreement to be entered into between the Vendors (1) and the Purchaser (2);

"Approved Company" means the Company and any other Group Company (other than the Purchaser) which has from time to time been approved in writing by the Bank and which has executed and delivered to the Bank a deed of accession in the form of Schedule 7 to the Facilities Agreement (together the **"Approved Companies"**);

"Bank" means Barclays Bank PLC acting through its branch at P O Box 229, Navigation Way, Preston PR2 2XY;

"Bank Facilities" means the Term Loan Facility and the Working Capital Facility;

"CAS Agreement" means the composite accounting agreement to be entered into between the Bank (1), the Purchaser (2) and the Company (3);

"CAS Guarantee" means the guarantee to be given by each the Purchaser and the Target in favour of the Bank guaranteeing the liabilities of the other under the CAS Agreement;

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

"Facilities" means the Bank Facilities and the Mezzanine Facility;

"Facilities Agreement" means the facilities agreement to be entered into between the Purchaser (1), the Company (2) and the Bank (3);

"Group" means at any time the Purchaser and its Subsidiaries, including, without limitation, the Company, and **"Group Company"** means any of them;

"Intercreditor Deed" means the intercreditor deed to be entered into between the Bank (1), the Mezzanine Lender (2), Bank Boston N.A. (3), Stephen Hall and Geoffrey Harrison (4), the Purchaser (5) and the Company (6) (the **"Intercreditor Deed"**);

"Mezzanine Composite Guarantee and Debenture" means the composite guarantee and debenture to be executed by the Company and the other Group Companies in favour of the Mezzanine Lender;

"Mezzanine Facility" means the mezzanine facility in the maximum aggregate amount of £1,200,000 granted to the Purchaser by the Mezzanine Lender pursuant to the Mezzanine Loan Agreement;

"Mezzanine Guarantee Liabilities" means the liabilities and obligations of the Company to the Mezzanine Lender under, or pursuant to, the Mezzanine Composite Guarantee and Debenture;

"Mezzanine Insurance Assignment" means the assignment of life policies to be executed by the Company in favour of the Mezzanine Lender, in respect of the keyman insurance policies over the lives of Ivor Brothwood and Stephen Hall;

"Mezzanine Lender" means Industrial Mezzanine Fund L.P.;

"Mezzanine Loan Agreement" means the loan agreement to be entered into between the Mezzanine Lender (1), the Company (2) and the Bank (3);

"Purchaser" has the meaning ascribed thereto on page 2 of this Form 155(6)a;

"Subsidiary" means:-

- (i) a subsidiary as defined in Section 736 of the Companies Act 1985; and
- (ii) a subsidiary undertaking as defined in Section 258 and Schedule 10A of the Companies Act 1985; and

"Term Composite Guarantee and Debenture" means the composite guarantee and debenture to be executed by the Company and the other Group Companies in favour of the Bank;

"Term Guarantee Liabilities" means the liabilities and obligations of the Company to the Bank under, or pursuant to, the Term Composite Guarantee and Debenture;

"Term Insurance Assignment" means the assignment of life policies to be executed by the Company in favour of the Bank, in respect of the keyman insurance policies over the lives of Ivor Brothwood and Stephen Hall;

"Term Loan Facility" means the term loan facility in the maximum aggregate principal amount of £1,830,000 granted to the Purchaser by the Bank pursuant to the Facilities Agreement;

"Vendors" means Stephen Robert Hall and Geoffrey Norman Harrison;

"Working Capital Facility" means the working capital facility made available by the Bank to the Purchaser and any Approved Company, which, at the date hereof shall be up to an aggregate maximum principal amount of £500,000, as the same may be increased or reduced from time to time at the sole discretion of the Bank; and

"Working Capital Facility Letter" means any letter from time to time in force from the Bank to the Purchaser and any Approved Company for the time being, regulating the terms of the Working Capital Facility.

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

We have examined the attached statutory declaration of the directors dated ~~14~~ 4 March 1998 in connection with the proposal that Coupe Foundry Limited should give financial assistance for the purchase of the entire issued share capital of Coupe Foundry Limited. We have enquired into the state of Coupe Foundry Limited's affairs so far as necessary for us 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.

Deloitte & Touche.

Deloitte & Touche
Chartered Accountants and Registered Auditors