

Declaration in relation to assistance for the acquisition of shares.

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

[] [] [] [] [] [] [] [] [] []

2101564

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

Name of company

* MIDLAND SHEETMETAL LIMITED

*Insert full name of company

~~We~~ HARRY ROBERT DALBY of 101 Gartree Road, Oadby, Leicester, LE2 2FF, STEPHEN DAVID ILES of The Hawthorns, Lychgate Close, Burbage, Hinckley, Leicestershire, LE10 2ES, PHILIP ANDREW JAMES SHAW of 162 Braunstone Lane, Leicester, LE3 2RW and NEIL TREVOR SMITH of 59 Cromford Way, Broughton Astley, Leicestershire, LE9 6UT

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

§ Delete as appropriate

~~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

~~(a) that of a recognised bank (licensed institution) within the meaning of the Banking Act 1979~~ ‡

~~(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] ~~[company's holding company]~~ §

‡

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:

30001 Ordinary Shares of £1.00 (the "Shares")

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

Nelsons
Provincial House
37 New Walk LE1 6TU
DX 141220 LEICESTER 19

For official use

General Section

Post room



A20
COMPANIES HOUSE

0117
14/05/04

The assistance is to be given to: (note 2)

DALBY HOLDINGS LIMITED

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 Rider 1 of attached Schedule

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

*Delete as
appropriate

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

See Rider 2 of attached Schedule

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 5/5/04

NEWM

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) [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)~~

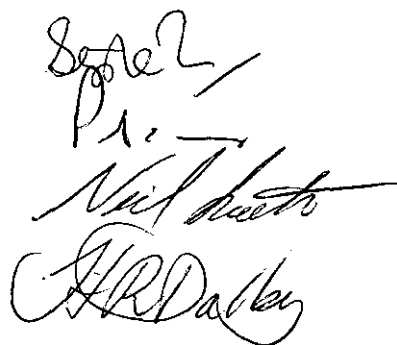
And ~~†~~/we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at Provincial House
37 New Walk, Leicester

Declarants to sign below

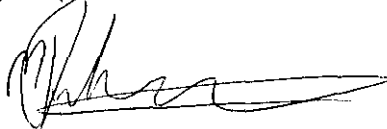
on

Day	Month	Year
01	40	52014



before me Matthew Deekworth

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 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

MIDLAND SHEETMETAL LIMITED (the "Company")

Schedule to form 155 (6) a

Rider 1

- (a) the execution, delivery and performance by the Company of its obligations under a debenture (the "Debenture") to be given by the Company in favour of The Governor and Company of the Bank of Scotland (the "Bank") pursuant to which the Company will give security for the liabilities of the Company to the Bank.
- (b) the execution, delivery and performance by the Company of its obligations under a guarantee (the "Guarantee") to be given by the Company in favour of the Bank guaranteeing, among other things, all the obligations of Dalby Holdings Limited and its subsidiaries.
- (c) the execution, delivery and performance by the Company of its obligations under a Legal Charge (the "Legal Charge") to be given by the Company in favour of the Bank.
- (d) the performance by the Company of its obligations under a confidential invoice discounting facility (the "Discounting Facility") made between the Company (1) and the Bank of Scotland Cashflow Finance) ("BoS Cashflow") (2).
- (e) the payment of invoices totalling £25,000 in respect of services provided to the members of the Company.
- (f) a loan to be made from the Company to the Purchaser in the sum of £1,420,000.
- (g) dividends in specie made to Steven Smith in the form of a motor car and computer equipment together valued at £12,960.

Rider 2

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

- 1. under the Debenture the Company will grant to the Bank as a continuing security and with full title guarantee:
 - 1.1 by way of legal mortgage all the freehold and leasehold property now vested in it whether or not the title to the property is registered at H.M Land Registry, together with all present and future buildings, fixtures (including trade and tenant's fixtures) and plant and machinery which are at any time on the property;
 - 1.2 by way of fixed charge: -
 - 1.2.1 all future freehold and leasehold property belonging to the Company, together with all buildings, fixtures (including trade and tenant's fixtures) and plant and machinery which are at any time on the property;
 - 1.2.2 all present and future interests of the Company in or over land or the proceeds of sale of it and all present and future licences of the Company to enter upon or use land and the benefit of all other agreements relating to land

to which it is or may become party or otherwise entitled and all fixtures (including trade and tenant's fixtures) and plant and machinery which are at any time on the property charged under the Debenture;

- 1.2.3 all present and future plant and machinery not otherwise charged by the Debenture and all other present and future chattels of the Company (excluding any of the same for the time being forming part of the Company's stock in trade or work in progress);
 - 1.2.4 all present and future stocks, shares and other securities owned (at law or in equity) by the Company and all rights and interests accruing or offered at any time in relation to them;
 - 1.2.5 all rights and interests in, and claims under, all policies of insurance and assurance held, or to be held by, or inuring to the benefit of, the Company and the benefit of all rights and claims to which the Company is now, or may be, entitled under any contracts;
 - 1.2.6 all patents, patent applications, trade marks, trade mark applications, trading names, brand names, service marks, copyrights, rights in the nature of copyright, moral rights, inventions, design rights, registered designs, all trade secrets and know-how, computer rights, programmes, systems, tapes, disks, software, all applications for registration of any of them and other intellectual property rights held, or to be held, by the Company, or in which it may have an interest and the benefit of all present and future agreements relating to the use of or licensing or exploitation of any such rights (owned by the Company or others) and all present and future fees, royalties or similar income derived from or incidental to any of the foregoing in any part of the world;
 - 1.2.7 all the Company's goodwill and uncalled capital for the time being;
 - 1.2.8 all present and future book and other debts and monetary claims of the Company, whether payable now or in the future and the benefit of all present and future rights and claims of the Company against third parties relating to them and capable of being satisfied by the payment of money (save those charges described under sub-clause 1.2.5 above); and
 - 1.2.9 all present and future bank accounts, cash at bank and credit balances of the Company with any bank or other person whatsoever and all rights relating or attaching to them (including the right to interest);
- 1.3 By way of floating charge all the Assets not effectively and enforceable otherwise charged by the Debenture (including without limitation, any immovable property of the Company in Scotland and any Assets in Scotland falling within any of the types mentioned in sub-clause 1.2.
- 1.4 The Company undertakes that it will not without the Bank's previous written consent:
- 1.4.1 create or attempt to create or permit to subsist any mortgage, charge, lien (other than a lien arising in the ordinary course of business by operation of law) or encumbrance on all or any of your Assets;
 - 1.4.2 sell, transfer, assign, factor, lease or otherwise dispose of or part with possession in any way of all or any of the Assets (other than those Assets the subject of a floating charge (but not any fixed charge or mortgage) on arms length terms in the ordinary course of trading)

- 1.5 The Company grants an indemnity to the bank in respect of certain costs, liabilities, expenses and losses incurred.
2. The Guarantee contains a guarantee and indemnity from the Company to the Bank of, among other things, all obligations of Dalby Holdings Limited and all its subsidiaries pursuant to the terms of facilities agreement entered into between the Bank and Dalby Holdings Limited which obligations include, but are not limited to, obligations incurred in respect of and for the purposes of the acquisition of shares in the Company.
3. Pursuant to the Legal Charge the Company grants fixed charges over the property referred to therein to secure all liabilities and obligations from time to time of the Company to the Bank including under the Guarantee.
4. The Discounting Facility contains various rights in favour of BoS Cashflow including the benefit of indemnities in favour of BoS Cashflow and rights of set-off.

Val Photo
AD Dalby

Sent 2,
11

Matthew

Matthew Dockworth

04/05/04



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

We are the auditors of Midland Sheetmetal Limited ("the Company") and we have examined the attached statutory declaration of the directors dated 4 May 2004 in connection with the proposal that the Company should give financial assistance for the purpose of the purchase of the entire issued share capital of the Company.

Basis of opinion

We have enquired into the state of the Company's affairs in order for us 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.

A handwritten signature in black ink, appearing to be 'P. C. F.' with a horizontal line underneath.

PKF

REGISTERED AUDITORS

4 May 2004