

155(6)a

CHFP021

Please do not write in this margin

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

Declaration in relation to assistance for the acquisition of shares

Please complete legibly, preferably in black type, or bold block lettering

To the Registrar of Companies

Company number

3096287

Name of company (in full)

Syncro Limited

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

We See Appendix 1

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

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

† delete as appropriate

The business of the company is:

~~(a) that of a banking company, insurance company or~~

§ delete whichever is inappropriate

(b) 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~~

~~XXXXXX~~†

The assistance is for the purpose of [that acquisition] ~~reducing or increasing the company's share capital or for the~~

~~purpose of that acquisition~~ †

The number and class of the shares acquired or to be acquired is: 10,700,000 ordinary shares

of £1 each (the Acquisition)

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

John Hardman & Co

Blackfriars House, Parsonage

Manchester M3 2JA

Tel 0161 832 5748

DX number 710300

DX exchange Manchester 3

When you have completed and signed the form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

for companies registered in England and Wales

or

Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB

DX 235 Edinburgh

for companies registered in Scotland

or LP - 4 Edinburgh 2



The assistance is to be given to: (note 2) Hardshelfco 138 Limited (Company number 5697376) (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 Appendix 2

25 The person who ~~has acquired~~ [will acquire]† the share is:

delete as appropriate

The Purchaser

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

See Appendix 3

The amount of cash to be transferred to the person assisted is £ See Appendix 4

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

~~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 ¹⁹⁷⁵ the year immediately following that date]* (note 3)
- (b) ~~X~~ ~~I 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) ²³

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 Blackburn
Parsonage, Manchester

Declarants to sign below

on

Day	Month	Year
22	02	2005

before me [Signature] CAVRE SWARICE
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.

Company number: 03096287

**SYNCRO LIMITED
APPENDICES TO FORM 155(6)a**

APPENDIX 1

Name: Douglas Alan Barrowman

Address: Willow Barn, Wellbank Lane, Over Peover, Knutsford, Cheshire, WA16
8UW

Name: Paul George Ruocco

Address: Ashleigh 56 The Avenue, Sale, Cheshire M33 4QA

SYNCRO LIMITED
APPENDICES TO FORM 155(6)a

APPENDIX 2

The assistance will take the form of the execution of the following documents by the Company (as the same may be amended, varied, supplemented or substituted from time to time) and the performance of all of its obligations thereunder:

1. a recourse invoice discounting agreement to be entered into on or about the date hereof between (1) the Company and (2) Bibby Invoice Discounting Limited ((together with its successors and assigns) '**Bibby**') ('**Facility Agreement**') for the provision of a receivables finance facility ('**Facility**')
2. a debenture to be entered into on or about the date hereof and made between (1) the Company and (2) the Bibby Financial Services Limited as security trustee (the '**Security Trustee**') ('**Debenture**');
3. a composite guarantee and debenture to be entered into on or about the date hereof and made between (1) the Company (2) the Purchaser and (3) Co-operative Group (CWS) Limited ('**Vendor**') ('**Vendor Security**');
4. an intercreditor deed to be entered into on or about the date hereof and made between (1) the Security Trustee (2) the Vendor and (3) the Company ('**Intercreditor Deed**');
an intra group loan agreement to be entered into on or about the date hereof and made between (1) the Company; and (2) the Purchaser ('**Intra Group Loan Agreement**');
5. a transfer of the property known as 63 Alexandra Road, Southampton, registered under title number HP617367 (the '**Southampton Property**') between the Company and the Purchaser ('**Southampton Transfer**')
6. a transfer of the property known as Land at the Mint, Moor View, Leeds, registered under title number WYK734756 (the '**Leeds Property**') between the Company and the Purchaser ('**Leeds Transfer**')

SYNCROLIMITED
APPENDICES TO FORM 155(6)a

APPENDIX 3

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

1. Facility Agreement

- 1.1 Subject to the terms of the Facility Agreement, Bibby makes available to the Company, a *receivables finance facility pursuant to which Bibby will from time to time purchase receivables from the Company.*
- 1.2 The Company will utilise the Facility Agreement for the purposes of assisting with and reducing costs and expenses incurred in connection with the Acquisition.

2. Debenture

Pursuant to the terms of the Debenture the Company and the Purchaser, as security for the payment and performance of the liabilities to the Security Trustee and in the manner specified in the Debenture charges the assets of the Company

3. Vendor Security

Pursuant to the Vendor Security (i) as security for payment of the liabilities due to the Vendor, the Company (with full title guarantee) charges to the Vendor by way of fixed and floating charges as the context allows all of the assets of the Company and the Purchaser (with full title guarantee) charges to the Vendor by way of fixed and floating charges as the context allows all of the assets of the Purchaser and (ii) the Company and the Purchaser would guarantee the payment and discharge by each other of their respective obligations and liabilities to the Vendor and would indemnify the Vendor against certain losses, costs and liabilities.

4. Intercreditor Deed

Under the terms of the Intercreditor Deed the competing interests of the Security Trustee and the Vendor under the Debenture and the Vendor Security shall be regulated

5. Intra Group Loan Agreement

Under the terms of the Intra Group Agreement the Company is able to make payments to the Purchaser for the purposes of the Acquisition or the Purchaser reducing or discharging a liability incurred for the purposes of the Acquisition.

6. Leeds Transfer and Southampton Transfer

Pursuant to the Leeds Transfer and the Southampton Transfer the Company will transfer to the Purchaser the relevant properties at for the sum of £1immediately following completion of the Acquisition

SYNCRO LIMITED
APPENDICES TO FORM 155(6)A

APPENDIX 4

Amounts under the Intra Group Loan Agreement up to a maximum of £1,000,000 together with interest, costs and expenses thereon with an initial advance sum of £300,000 to be provided in relation to initial consideration pursuant to the Acquisition of £250,000 plus £50,000 for professional fees and expenses.

Tenon *audit*

Private and Confidential

The Directors
Syncro Limited

Our ref JMP/KDM/JM

Your ref

Date

E-mail

Tel:

JMP/KDM/JM

22 - 2 February 2006

jon.pinder@tenongroup.com

+44(0) 1257 518000

Dear Sirs

**STATUTORY REPORT OF THE AUDITORS TO THE DIRECTORS OF SYNCRO LIMITED
("COMPANY") PURSUANT TO SECTION 156 (4) OF THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors of the Company dated *22 - 2 February 2006* in connection with the proposal that the Company should give financial assistance for the purchase of the entire issued share capital of the Company.

Basis of opinion

We have enquired into the state of affairs of the Company 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 of the Company in the attached statutory 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

Tenon Audit Limited

Tenon Audit Limited

Sumner House, St Thomas's Road, Chorley, Lancashire, PR7 1HP
Tel: +44 (0) 1257 518000 Fax: +44 (0) 1257 518001
www.tenongroup.com

Tenon Audit Limited. Registered Office Clifton House, Bunnien Place, Basingstoke, Hampshire RG21 7JE No 4045321

Tenon Audit Limited is a company registered to carry out audit work by the Institute of Chartered Accountants in England and Wales. Tenon Group PLC is a separate company that provides professional resources and certain services to Tenon Audit Limited under the terms of a formal agreement on an arms-length basis.

A list of directors is maintained for inspection at the Registered Office.