

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

For official use

Company number

2456170

Name of company

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

* Doncaster Care Developments Limited

* insert full name
of company

XWe 0 (i) Mr Christopher Rutter of 15, The Dell, Bishop Auckland, County Durham, DL14 7HJ;

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

(ii) Mr Philip Henry Scott of Garden View, 5a Pelling Hill, Old Windsor, Berkshire, SL4 2LL; and

(iii) Mr David Greig Henderson of 20 Lydney Park, West Bridgford, Nottingham, NG2 7TJ

† delete as appropriate

~~the sole directors~~ all the directors of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever
is inappropriate

(a) xthnx xof xax xferocxissed x bawnd x hie x seck x institution x xwthnx x hie xmg xmg x xof x hie x Bank x xcx x 1979s

(b) I think of xx person authorised under section 8 xx of the Insurance Companies Act 1982 to vary 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] Southern Cross Healthcare Limited

(registered number 3078718)

limitedly

The assistance is for the purpose of [that acquisition] ~~[reducing or discharging a liability incurred for the~~

~~purpose of that acquisition is~~

The number and class of the shares acquired or to be acquired is: 4,238,265 ordinary
shares of £1 each and 247,817 A ordinary shares of £1 each.

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

ALLEN & OVERY
ONE NEW CHANGE
LONDON
EC4M 900

DX 73
Ref: AMB/961671

For official Use
General Section

Post room



The assistance is to be given to: (note 2) Southern Cross Loanco Limited

(no. 4379999) of Unit 2G, 1st Floor, Enterprise House, Valley Street North,
Darlington, County Durham, DL1 1GY

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:

See Appendix A attached

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

† delete as
appropriate

Southern Cross Loanco Limited (no. 4379999) of Unit 2G, 1st Floor,
Enterprise House, Valley Street North, Darlington, County Durham, DL1 1GY

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

See Appendix B attached

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 See Appendix C attached

Please do not write in this margin

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

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)

- * delete either (a) or (b) as appropriate
- (a) X/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) ~~[X/X/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)]~~

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 ALLEN CROFT
ONE NEW CHANGE
LONDON EC4M 9QQ

Declarants to sign below

on

Day	Month	Year
15	08	2002

before me [Signature] TIM FOST
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]
[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

9F

APPENDICES

Financial Assistance Declaration

Company: Doncaster Care Developments Limited (the "Company")

Section 151(1)

Appendix A to Form 155(6) a

Form of Financial Assistance

The execution and performance by the Company of the following documents, as the same shall be amended, supplemented, novated and/or replaced from time to time (together the "Documents"):

- (1) a senior facilities agreement ("Senior Facilities Agreement") to be entered into between (amongst others) Southern Cross Loanco Limited and Southern Cross Finance Limited as borrowers (together with the other Borrowers from time to time under such agreement the "Senior Borrowers"), Barclays Bank PLC and The Royal Bank of Scotland plc as lenders ("Senior Lenders"), and Southern Cross Healthcare Holdings Limited, Southern Cross Debtco Limited, Southern Cross Loanco Limited, Care (Wookey Hole) Limited, Churchfield Park (Nottingham) Limited, Doncaster Care Developments Limited, Stoneyford Park Limited, Christian Projects Limited, Southern Cross Finance Limited, Southern Cross Healthcare (Cheshire) Limited, Southern Cross Healthcare Facilities Limited, Southern Cross Healthcare (Kent) Limited, Southern Cross Healthcare Limited, Southern Cross Healthcare Properties Limited, Southern Cross Healthcare (South East) Limited, Southern Cross Healthcare (West) Limited, Southern Cross Management Limited, Trinity Care (Brookfield) Limited, Trinity Care (Hove) Limited, Trinity Care Limited, Trinity Care Management Limited, Trinity Care (Southampton) Limited, Trinity Care (Whitchurch) Limited and Woodleigh Christian Nursing Home Limited as guarantors ("Guarantors") in respect of term loan, loan note guarantee and revolving facilities of an aggregate amount of £48,000,000. The facilities will be utilised by the Senior Borrowers for (i) satisfying the consideration payable for the purchase of the shares in Southern Cross Healthcare Limited and the payment of agreed costs and expenses incurred in connection therewith, (ii) refinancing existing indebtedness (including, without limitation, debt incurred in connection with the acquisition of Trinity Care Limited by Southern Cross Finance Limited and the provision of the loan note guarantee facility under the Senior Facilities Agreement to Southern Cross Finance Limited to replace an existing loan note guarantee facility made available in respect of the loan notes issued by Southern Cross Finance Limited to certain vendors on the acquisition of Trinity Care Limited) and (iii) working capital requirements;
- (2) a mezzanine loan agreement ("Mezzanine Loan Agreement") to be entered into between (amongst others) Southern Cross Loanco Limited as borrower (together with the other Borrowers from time to time under such agreement the "Mezzanine Borrower"), Barclays Bank PLC as lender ("Mezzanine Lender") and the Guarantors in respect of loan facilities for an aggregate amount of £10,000,000. The facilities will be utilised by the Mezzanine Borrower for (i) satisfying the consideration payable for the purchase of the shares in Southern Cross Healthcare Limited and the payment of agreed costs and expenses incurred in connection therewith and (ii) refinancing existing indebtedness (including, without limitation, debt incurred in connection with the acquisition of Trinity Care Limited by Southern Cross Finance Limited);

- (3) an intercreditor deed ("Intercreditor Deed") to be entered into between (amongst others) Barclays Bank PLC as security agent and senior agent, the Senior Lenders, the banks, financial institutions, trusts, funds and other entities named in schedule 2 as hedging banks ("Hedging Banks"), Barclays Bank PLC as mezzanine agent, the Mezzanine Lender, the financial institutions, funds and other persons named in schedule 4 as investors ("Investors"), Southern Cross Loanco Limited and the Guarantors, including the Company. Execution by the Company of the Intercreditor Deed will subordinate all debt owing from time to time to the Company from Southern Cross Loanco Limited and any of the other Guarantors to all sums owing to the Senior Lenders, the Mezzanine Lender and the Hedging Banks under the Documents. By entering into the Intercreditor Deed the Company also guarantees to each Hedging Bank payment in full of the Hedging Debt (each term as defined in the Intercreditor Deed) owed to it by any other Guarantor;
- (4) a debenture ("Debenture") to be entered into by the Company (amongst others) in favour of Barclays Bank PLC as security agent pursuant to the Senior Facilities Agreement and the Mezzanine Loan Agreement. Execution by the Company of the Debenture will secure all present and future obligations and liabilities (whether jointly or severally or in any other capacity) of the Company to the Beneficiaries (including the Senior Lenders, the Mezzanine Lender and the Hedging Banks) under or pursuant to the Finance Documents (each term as defined in the Debenture); and
- (5) an inter-company loan agreement to be entered into between Southern Cross Loanco Limited and Southern Cross Finance Limited as borrowers and the Lenders (as defined therein) under which the Lenders, including the Company, will lend sums to the borrowers to enable them to repay borrowings incurred under the Senior Facilities Agreement and the Mezzanine Loan Agreement, pay interest on such borrowings, pay costs and expenses incurred in connection with the acquisition by Southern Cross Loanco Limited of Southern Cross Healthcare Limited, fund any dividend payments and Hedging Debt, reduce or discharge any other liability incurred directly or indirectly for the purpose of or otherwise in connection with the acquisition of Southern Cross Healthcare Limited by Southern Cross Loanco Limited or the acquisition of Trinity Care Limited by Southern Cross Finance Limited and to enable Southern Cross Loanco to have sufficient funds for such other purposes as may be agreed in writing (the "Inter-Company Loan Agreement").

The performance of any other acts or the execution of any other documents, as the same shall be amended, supplemented, novated and/or replaced from time to time, ancillary or otherwise relating to the Documents.

Appendix B to Form 155(6)a

Terms of Financial Assistance

1. Under the Senior Facilities Agreement, the Company will give various representations and warranties, undertakings and covenants and will guarantee (jointly and severally with the other Guarantors), and indemnify the Senior Lenders in respect of, the obligations of each Senior Borrower under the Senior Facilities Agreement and related agreements. In particular the Company will irrevocably and unconditionally jointly and severally with the other Guarantors:
 - (a) guarantee to each Finance Party (as defined in the Senior Facilities Agreement) punctual performance by each Senior Borrower of all that Senior Borrower's obligations under the Finance Documents (as defined in the Senior Facilities Agreement);
 - (b) undertake with each Finance Party that whenever a Senior Borrower does not pay any amount when due under or in connection with any Finance Document, that Guarantor 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.
2. Under the Mezzanine Loan Agreement, the Company will give various representations and warranties, undertakings and covenants and will guarantee (jointly and severally with the other Guarantors), and indemnify the Mezzanine Lender in respect of, the obligations of the Mezzanine Borrower under the Mezzanine Loan Agreement and related agreements. In particular the Company will irrevocably and unconditionally jointly and severally with the other Guarantors:
 - (a) guarantee to each Finance Party (as defined in the Mezzanine Loan Agreement) punctual performance by the Mezzanine Borrower of all the Mezzanine Borrower's obligations under the Mezzanine Finance Documents (as defined in the Mezzanine Loan Agreement);
 - (b) undertake with each Finance Party that whenever the Mezzanine Borrower does not pay any amount when due under or in connection with any Mezzanine Finance Document, that Guarantor 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.
3. Under the Intercreditor Deed, the Company will give various representations and warranties, undertakings and covenants and will subordinate all debt owing from time to time to the Company from Southern Cross Loanco Limited and the other Guarantors to all sums owing to

the Senior Lenders, the Mezzanine Lender and the Hedging Banks under any of the Documents. The Company will also jointly and severally and irrevocably and unconditionally guarantee with the other Guarantors to each Hedging Bank payment in full of the Hedging Debt (as defined in the Intercreditor Deed) owed to it by any other Guarantor on the same terms as are set out in Clause 20 (Guarantee and Indemnity) of the Senior Facilities Agreement.

4. Each term used in this paragraph 4 has the same meaning as is defined in the Debenture. Pursuant to the Debenture:

(a) the Company will:

- (i) covenant that it will on demand in writing made to it by the Security Agent pay or discharge to the Security Agent all money and liabilities now or in the future due, owing or incurred to each Beneficiary by the Company under or pursuant to the Senior Finance Documents whether on or after such demand, whether actually or contingently, whether solely or jointly with any other person, whether as principal or surety and whether or not the relevant Beneficiary was an original party to the relevant transaction, including all interest, commission, fees, charges, costs and expenses which each Beneficiary may in the course of its business charge or incur in respect of the Company or its affairs and so that interest shall be computed and compounded in accordance with the Senior Finance Documents (after as well as before any demand or judgement); and
- (ii) covenant that it will on demand in writing made to it by the Security Agent pay or discharge to the Security Agent all money and liabilities now or in the future due, owing or incurred to each Beneficiary by the Company under or pursuant to the Mezzanine Finance Documents whether on or after such demand, whether actually or contingently, whether solely or jointly with any other person, whether as principal or surety and whether or not the relevant Beneficiary was an original party to the relevant transaction, including all interest, commission, fees, charges, costs and expenses which each Beneficiary may in the course of its business charge or incur in respect of the Company or its affairs and so that interest shall be computed and compounded in accordance with the Mezzanine Finance Documents (after as well as before any demand or judgement).

(b) The Company will secure its obligations under the Debenture by way of first fixed and floating charges over all its undertaking, property and assets both present and future (apart from the Excluded Assets, as defined in the Debenture, if any).

(c) The Company also agrees that it shall (so far as it is lawfully able) on demand by the Security Agent in writing execute and deliver to the Security Agent at the cost of the Company in such form as the Security Agent may require (other than in respect of Excluded Assets and provided that prior to the occurrence of an Event of Default the Security Agent shall act reasonably in requesting and settling the form of such instrument):

- (i) a legal mortgage of any Land now or in the future belonging to the Company (other than leasehold land of the Company at the date of the Debenture where prior landlord consent is required to charging and such consent has not been received);

- (ii) a fixed charge over any interest, not capable of being charged by way of legal mortgage, in any Land now or in the future belonging to the Company;
- (iii) a legal assignment or other fixed security over all or any of its Intellectual Property Rights or Receivables;
- (iv) a legal charge over all or any of its Securities;
- (v) a chattel mortgage over such chattels, plant, machinery, computer and/or other equipment of the Company as the Security Agent may specify (acting reasonably prior to the occurrence of an Event of Default);
- (vi) a fixed charge or other fixed security over any of its Floating Charge Assets;
- (vii) where any of its Assets are situated outside England and Wales, such fixed security under the law of the place where the Asset is situated as the Security Agent may require (acting reasonably prior to the occurrence of an Event of Default);
- (viii) a notice to any third party of any of the charges or assignments contained in the Debenture; and
- (ix) such other documents as the Security Agent may in its discretion think fit further to secure the payment of the Secured Sums, or to perfect the Debenture, or to vest title to any Asset in itself or its nominee or any purchaser.

5. Under the Inter-Company Loan Agreement, the Company will agree to lend from time to time to Southern Cross Loanco Limited and Southern Cross Finance Limited such sums as to enable them to repay borrowings incurred under the Senior Facilities Agreement and the Mezzanine Loan Agreement, pay interest on such borrowings, pay costs and expenses incurred in connection with the acquisition by Southern Cross Loanco Limited of Southern Cross Healthcare Limited, fund any dividend payments and Hedging Debt, reduce or discharge any other liability incurred directly or indirectly for the purpose of or otherwise in connection with the acquisition by Southern Cross Loanco Limited of Southern Cross Healthcare Limited or the acquisition by Southern Cross Finance Limited of Trinity Care Limited and to enable Southern Cross Loanco Limited to have sufficient funds for such other purposes as may be agreed in writing.

J.F.

Appendix C to Form 155(6)(a)

Date of financial assistance

any date during the period from the date of this statutory declaration to (and including) the date falling 8 weeks after the date on which the directors make this statutory declaration.

The Directors *Care*
Doncaster Developments Limited
11 Sheet Street
Windsor
Berkshire
SL4 1BN

[Signature]
15/8/2002

PricewaterhouseCoopers
No 1 London Bridge
London SE1 9QL
Telephone +44 (0) 20 7583 5000
Facsimile +44 (0) 20 7822 4652
Direct Phone +44 (0) 20 7804 7172
Direct Fax +44 (0) 20 7212 2859

15 August 2002

Dear Sirs

Care
**Auditors' report to the directors of Doncaster Developments Limited pursuant to
Section 156(4) of the Companies Act 1985**

[Signature]
15/8/2002
[Signature]
15/8/2002

We have examined the attached statutory declaration of the directors of Doncaster Developments Limited ('the Company') dated 15 August 2002 in connection with the proposal that the Company should give financial assistance for the purchase of the whole of the issued ordinary shares of the Company's ultimate holding company, Southern Cross Healthcare Limited. *Care*

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.

Yours faithfully

[Signature]
PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors