

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

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write in this
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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

4210086

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

Name of company

* Kidsunlimited Limited (Company)

* insert full name
of company

~~X~~We 0 Please see Appendix 1

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

† delete as appropriate

~~XXXXXX~~ [all the directors] † of the above company (hereinafter called 'this company') do solemnly and sincerely declare that

§ delete whichever
is inappropriate

The business of this company is

- (c) something other than the above §

This company is [the] ~~(X)~~ holding company of* Kids Properties Limited
(Company No 2961549) (Subsidiary) _____ which is
proposing to give financial assistance in connection with the acquisition of shares
in [this company] [_____]

Presenter's name address and
reference (if any)
Addleshaw Goddard LLP
100 Barbirolli Square
Manchester
M2 3AB
2-2085853-1

14301 Manchester

For official Use
General Section

TUESDAY



A12

A2QI1YP8

08/04/2008

COMPANIES HOUSE

157

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

The assistance is to be given to (note 2) Inhoco 3446 Limited (Company No 6481383)
whose registered address is 100 Barbirolli Square, Manchester, M2 3AB
(Purchaser)

Please see Appendix 3

† delete as appropriate

Please see Appendix 4

The value of any asset to be transferred to the person assisted is £ N11

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

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

X We have formed the opinion, as regards this 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) ~~We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date]~~* (note 3)

(b) XXXX presented a XXXXXXXXXX working up of the XXXXXXXXXX with XXXXXXXXXX and XXXXXXXXXX
have formed the opinion that the company will be able to pay its debts in full within 12 months of the
XXXXXX being XXXXXXXXXX* (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

Ah, 100 Barb. vollu Sy

Declarants to sign below



Day Month Year
on 03 04 2007

before me

04 24
Shu Hui

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 or Wales is -

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

or, for companies registered in Scotland -

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

**Appendix 1 to Form 155(6)b given by
Kidsunlimited Limited (registered number 04210086) (Company)
in respect of Kids Properties Limited (registered number 02961549) (Subsidiary)**

Directors

Name	Lee Pearson
Address	278 Northwich Road Hartford Cheshire CW8 3AL

Name	Graham Smith
Address	Briarfield Moor Lane Burley-in-Wharfedale West Yorkshire LS29 7AF

A handwritten signature in black ink, appearing to be 'JP' or similar, located in the bottom right corner of the page.

**Appendix 2 to Form 155(6)b given by
Kidsunlimited Limited (registered number 04210086) (Company)
in respect of Kids Properties Limited (registered number 02961549) (Subsidiary)**

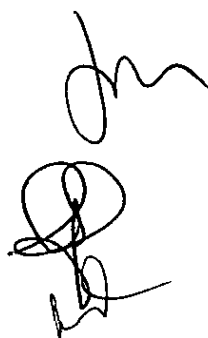
Number and class of shares

4,823,649 ordinary shares of £0 01 each in the capital of the Company

114,374 Deferred A Ordinary Shares of £0 01 each in the capital of the Company

6,413,976 A Ordinary Shares of £0 01 each in the capital of the Company

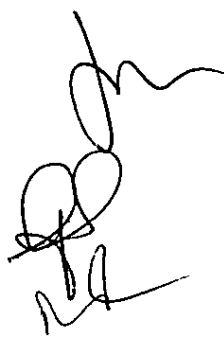
1,487,500 Preference Shares of £0 01 each in the capital of the Company

A handwritten signature in black ink, consisting of a stylized 'J' followed by a series of loops and a final flourish.

**Appendix 3 to Form 155(6)b given by
Kidsunlimited Limited (registered number 04210086) (Company)
in respect of Kids Properties Limited (registered number 02961549) (Subsidiary)**

Form of Assistance

- 1 a facilities agreement (**Facilities Agreement**) to be made between (1) the Purchaser, (2) the Company, (3) Kids of Wilmslow Limited (Company Number 2102771), (4) Kids (Warrington and Luton) Limited (Company Number 2745667), (5) the Subsidiary, (6) Nursery Education for Employment Development Limited (Company Number 2667954), (7) Tadpoles Nurseries Limited (Company Number 2794867), (8) Clairmont House Limited (Company Number 6458671) (together the **Group**), Barclays Leveraged Finance as mandated lead arranger and Barclays Bank PLC (**Barclays**) as original lender, agent and security agent,
- 2 a debenture (**Debenture**) to be given by the Subsidiary and each other member of the Group in favour of Barclays as security agent (**Security Agent**) for Barclays in its various capacities and each lender, hedge counterparty and ancillary lender from time to time (each a **Finance Party** and the **Finance Parties**) and any receiver or delegate appointed by a Finance Party,
- 3 an intra-group loan agreement (**Intra-Group Loan Agreement**) for the provision of loan facilities to be made available between the Group,
- 4 an intercreditor agreement (**Intercreditor Agreement**) to be entered into between the Subsidiary, each other member of the Group, Lloyds TSB Development Capital Limited and OSB 2008, FIS Nominee Limited, Baronsmead VCT plc, Baronsmead VCT 2 plc and Baronsmead VCT 3 plc as the Initial Investors and Barclays (in various capacities),
- 5 a composite accounting system 2000 Master Agreement (**CAS 2000 Master Agreement**) to be entered into between the Subsidiary, each other member of the Group and Barclays, and
- 6 a cross guarantee (**Guarantee**) to be entered into between the Subsidiary, each other member of the Group and Barclays

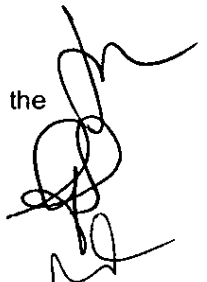


**Appendix 4 to Form 155(6)b given by
Kidsunlimited Limited (registered number 04210086) (Company)
in respect of Kids Properties Limited (registered number 02961549) (Subsidiary)**

Principal Terms

Each defined term in this appendix 4 shall have the same meaning as set out in the document to which it relates unless otherwise defined in this Form 155(6)b

- 1 Under the terms of the Facilities Agreement, the Subsidiary will, amongst other things
 - (a) irrevocably and unconditionally jointly and severally (with each other Obligor)
 - (i) guarantee to each Finance Party punctual performance by all other members of the Group of their respective obligations under the Finance Documents,
 - (ii) undertake with each Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document, the Subsidiary shall immediately on demand pay that amount as if it was the principal obligor, and
 - (iii) indemnify that 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, and
 - (b) give various representations, warranties, undertakings and indemnities to the Finance Parties and agree to pay certain costs fees and expenses to the Finance Parties
- 2 Under the terms of the Debenture, the Subsidiary will, amongst other things,
 - (a) covenant in favour of the Security Agent that it will pay and discharge all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of the Subsidiary to the Security Agent under or pursuant to the Facilities Agreement and any other finance document (as defined in the Facilities Agreement) (**Secured Obligations**) from time to time when they are due,
 - (b) charge and assign all of its undertaking, property and assets (both present and future) by way of fixed and floating charges as security for payment of the Secured Obligations,
 - (c) give various representations, warranties, undertakings and indemnities to the Security Agent for itself and the Finance Parties
- 3 Under the terms of the Intra-Group Loan Agreement, the Subsidiary will, amongst other things, make available to the Purchaser and certain other members of the Group loan facilities for the purposes of
 - (a) making payments when due under the Facilities Agreement,
 - (b) making payments when due under the Guaranteed Loan Note Instrument, the Investor Loan Note Instrument or the Vendor Loan Note Instrument,



- (c) paying Acquisition Costs,
- (d) making a Permitted Payment, or
- (e) any other purpose agreed by the Lenders in writing,

in each case to the extent permitted by the Facilities Agreement and the Intercreditor Agreement

4 By executing the Intercreditor Agreement, the Subsidiary will, amongst other things

- (a) acknowledge the arrangements made between the Finance Parties and the Investors which regulate the ability of the Subsidiary to make payments to those parties and the priorities between those parties,
- (b) agree that debts owed to it by other members of the Group are postponed and subordinated to the liabilities owed by the Obligors to the Finance Parties, and
- (c) give various representations, warranties, undertakings, covenants and indemnities to Barclays as agent and security agent for itself and the Finance Parties and agree to pay certain costs, fees and expenses to Barclays as agent and security agent for itself and the Finance Parties

5 By executing the CAS 2000 Master Agreement, the Subsidiary will, amongst other things

- (a) agree that Barclays shall calculate interest on a net basis on certain specified bank accounts (**Accounts**) of the members of the Group,
- (b) authorise Barclays to apply all or a part of any credit balances in the Accounts towards discharging debit balances in other Accounts without any need to call for payment, and
- (c) give various representations, warranties, undertakings and indemnities to Barclays

6 By executing the Guarantee the Subsidiary, will amongst other things

- (a) guarantee to Barclays the payment of any indebtedness owed to Barclays now or in the future by any member of the Group, and
- (b) give various representations, warranties, undertakings and indemnities to Barclays



**Appendix 5 to Form 155(6)b given by
Kidsunlimited Limited (registered number 04210086) (Company)
in respect of Kids Properties Limited (registered number 02961549) (Subsidiary)**

Amount of Cash to be Transferred

Such sums (if any) due under the Intra-Group Loan Agreement, such amount not to exceed
£150,000,000 .

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, located in the bottom right corner of the page.



REPORT OF THE INDEPENDENT AUDITOR TO THE DIRECTORS OF KIDSUNLIMITED LIMITED ("THE COMPANY") PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985

We report on the attached statutory declaration of the directors dated 3 April 2008, prepared pursuant to the Companies Act, in connection with the proposal that the Company's subsidiary Kids Properties Limited should give financial assistance in connection with the purchase of the entire issued share capital of the Company

This report is made solely to the directors of the Company for the purpose of 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 that we are required to state to them in an auditors' report under that section and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the opinions that we have formed.

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 statutory 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 LLP

Deloitte & Touche LLP
Manchester
Chartered Accountants and Registered Auditors
3 April 2008