CHFP041

COMPANIES FORM No. 155(6)(a)

Declaration in relation to assistance for the acquisition of shares

155(6)a

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 04486203

Note
Please read the notes on page 3 before completing this form
*Insert full name of company

Name of company

* VISION FOSTERING AGENCY LIMITED

I/We ø RICHARD COMPTON BURNETT OF WOOTTON CHASE, WOOTTON ST LAWRENCE, HAMPSHIRE RG23 8PE

SIMON CONSTANTINE OF LOWER FARMHOUSE, IBWORTH, HAMPSHIRE RG26 5TJ

AMARJIT DHULL OF TAYGA, PEAR TREE LANE, SHORNE, KENT DA12 3JU

ø 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

§ 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]~~ XXXX

The assistance is to be given to (note 2) CAPSTONE FOSTER CARE LIMITED (COMPANY NUMBER 6128293) ("THE BUYER")

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 SCHEDULE 1

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

THE BUYER

† Delete as appropriate

The principal terms on which the assistance will be given are

SEE SCHEDULE 2

The amount of cash to be transferred to the person assisted is £ SEE SCHEDULE 3

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 10 March 2008

CO155(6)(a)/2

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

(b) during the year immediately following that date]* (note 3)

~~[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 EWING, HICKMAN & CLARK SOLICITORS 18 BRUNSWICK PLACE SOUTHAMPTON SO15 2SZ

Declarants to sign below

Day	Month	Year
10	03	2008

on

before me

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 auditor's 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

DX 33050 Cardiff

or, for companies registered in Scotland -

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

DX 235 Edinburgh

or LP-4 Edinburgh 2

VISION FOSTERING AGENCY LIMITED
COMPANY NUMBER 04486203

SCHEDULE TO FORM 155(6)a

Schedule 1

The assistance will take the form of -

1 by means of a composite guarantee ("the Guarantee") mutual guarantor obligations in favour of AIB Group (UK) plc ("the Bank") in respect of the liabilities of, the Buyer, Woodside Fostercare Limited (Company Number 3665051), Rural Fostercare Limited (Company Number 4343716) ("Rural") and Capstone Foster Care South West Limited (Company Number 6410274) ("CFCSW") (together "the Group Companies") in each case owed to the Bank,

2 by means of a debenture ("the Debenture") fixed and floating charges over all its undertakings, assets, properties and revenues both present and future,

3 an inter-creditor agreement to be made between the Sellers (1) the Buyer and the Company (2) and the Bank (3) ("the Vision Inter-Creditor Agreement") in order to regulate the respective rights of the Bank under the Facility and the Sellers in respect of their respective liabilities owed by the Buyer, and

4 an inter company loan agreement ("the Inter Company Loan Agreement") whereby the Company would lend to the Buyer, such sums as may be required from time to time by the Buyer

Schedule 2

Terms defined in Schedule 1 shall have the same meaning in this Schedule 2

The terms on which the assistance will be given are -

1 the principal terms of the Guarantee are -

1 1 In consideration of the Bank giving time credit banking facilities or other accommodation to the Buyer the Group Companies guarantee payment to the Bank on demand of all present, future, actual and/or contingent liabilities whatsoever of each of the said debtor companies to the Bank whether or not then due and payable and whether incurred solely severally and/or jointly and without limitation whether on account of moneys advanced or paid or in respect of bills, notes or other negotiable or non-negotiable securities or instruments, guarantees, indemnities or other liabilities or engagements, interest, commission, banking charges or otherwise together with all legal or other costs, charges and expenses (on a full indemnity basis) howsoever incurred by the Bank in connection therewith or in connection herewith (such costs, charges, and expenses shall for the avoidance of doubt include all amounts which the Bank may require from time to time to compensate it for its internal management and administrative costs and expenses incurred in connection with the enforcement of this security and the recovery of the liabilities secured by it) and so that as against the Group Companies interest shall be deemed to continue to accrue and be a liability of the Buyer guaranteed notwithstanding that for any reason interest may have ceased to accrue against the Buyer In the case of a contingent liability a demand may be made by the Bank at any time for an amount not exceeding the maximum possible amount (as determined by the Bank) of that liability

1 2 In addition to any other lien, right of set-off or other right to which the Bank may at any time be entitled (whether by agreement, operation of law or otherwise) (a) in respect of any of the Group Companies' liability thereunder the Bank shall have a lien on all securities, documents or other property of the Group Companies at any time held by

the Bank whether for safe custody, collection or otherwise and (b) the Bank may at any time (both before and after any demand hereunder and without prior notice) set-off any liability of any Group Company to the Bank (whether or not then due and payable) against any credit balance in any currency in any account of any of the Group Companies with any office of the Bank (whether current or otherwise or subject to notice or not) and if the liability or any part thereof is in different currency from a credit balance against which the Bank seeks to set it off the Bank shall be entitled to utilise currency of the account in credit for the purchase of an amount in the currency of the liability not exceeding the amount of such liability and also to pay out of the credit balance any additional sum which the United Kingdom Government may require the Bank to pay for such currency

1 3 The Guarantee shall apply to all monies in fact borrowed from the Bank by or debited to the account of any of the Group Companies notwithstanding that such monies (or part thereof) may not be or may cease to be recoverable from any of the Group Companies by reason of any lack or limit of or defect in the authority of any officer or agent acting or apparently acting for any of the Group Companies, or by reason of any informality, irregularity, disability or incapacity, or by reason of the operation of the Limitation Acts or of any provision of any enactment for the time being in force in relation to liquidation, administration or bankruptcy and if and so far as any such monies may not be recoverable by the Bank from any Group Companies the other Group Companies shall indemnify the Bank in respect thereof and shall be liable therefor as principal debtor

2 the principal terms of the Debenture are -

2 1 The Company hereby covenants with the Bank that it will on demand by the Bank pay to the Bank

2 1 1 all sums of money which have been or are now or may hereafter from time to time be advanced to the Company by the Bank,

2 1 2 all other indebtedness and/or liabilities whatsoever of the Company to the Bank present, future, actual and/or contingent and whether incurred solely, severally, jointly and as principal or surety,

2 1 3 (on a full indemnity basis) all costs, charges, expenses and other sums expended, paid, incurred or debited to any account (including any advances to be made) in relation to the realisation, enforcement, protection or perfection of rights under the Debenture and the security or the recovery of any of the indebtedness or other liabilities of the Company by the Bank, or by any receiver or by any delegate or sub-delegate appointed by the Bank including (but without prejudice to the generality of the foregoing) remuneration payable to any receiver, delegate or sub-delegate as aforesaid, and

2 1 4 interest and charges upon or relating to all such advances, indebtedness, liabilities, costs, expenses and other moneys until demand at the Agreed Rate of Interest (as defined within the Debenture) or in default of any Agreed Rate of Interest at the Specified Rate of Interest (as defined within the Debenture) and from and after demand until full discharge (as well after as before judgement) at the Specified Rate of Interest or the Agreed Rate of Interest (whichever is the higher) and such interest shall be compounded monthly in the event of it not being punctually paid but without prejudice to the right of the Bank to require payment of such interest

2 2 The Company (to the intent that the security hereby created shall rank as a continuing security in favour of the Bank) hereby charges with full title guarantee to the Bank for the payment and discharge of the Secured Obligations (as defined within the Debenture)

2 2 1 by way of legal mortgage all estates or interests in any freehold and/or leasehold property referred to in the schedule referred to within the Debenture and all buildings, fixtures (including trade fixtures) and fixed plant and machinery owned by or charged to the Company and from time to time on or in such freehold and/or leasehold property (together "the Legally Mortgaged Property") and/or the proceeds of sale of the Legally Mortgaged Property,

2 2 2 by way of fixed equitable charge all estates or interests in any freehold and leasehold property (except the Legally Mortgaged Property) now and at any time during the continuance of this security belonging to or charged to the Company and all licences now or hereafter held by the Company to enter upon or use land and the benefit of all other agreements relating to land to which the Company is or may become a party or otherwise entitled and all buildings, fixtures (including trade fixtures) and fixed plant and machinery owned by the Company and from time to time on or in any freehold or leasehold property an interest in which is charged hereunder (together "the Equitably Charged Property") and/or the proceeds of sale of the Equitably Charged Property,

2 2 3 by way of fixed charge all balances standing to the credit of any current, deposit or other account of the Company with the Bank (including, inter alia, any account with the Bank designated a realisations account for the proceeds of disposal of any of the assets of the Company) or with other bankers, financial institutions or similar third parties ("the Credit Balances"),

2 2 4 by way of fixed charge all stocks, shares and/or other securities in any other body corporate whether or not certified (together "the Securities") now or at any time during the continuance of this security belonging to the Company (including, without the prejudice to the generality of the foregoing, loan capital, indebtedness or liabilities on any account or in any manner owing to the Company) and all rights in respect of or incidental to the Securities,

2 2 5 by way of fixed charge the goodwill and the uncalled capital of the Company now or at any time hereafter in existence and future calls (whether made by the direction of the Company or a receiver, an administrator or a liquidator) and the licences, patents, patent applications, trade names and rights in trademarks, copyrights, whether registered or not, rights in the nature of copyright, registered designs, know how, inventions, rights in confidential information, service marks and all other intellectual property rights now or at any time during the continuance of this security belonging to the Company (together the "Goodwill and Intellectual Property"),

2 2 6 by way of fixed charge all plant, machinery, vehicles, computers and office and other equipment now or at any time during the continuance of this security belonging to the Company other than insofar as it is part of the Company's stock in trade (together "the Equipment"), and

2 2 7 by way of floating charge its undertaking and all its other property, assets and rights whatsoever and wheresoever present and/or future, including those expressed as charged by way of fixed charge if, and to the extent that, such charge may fail (whether by virtue of the laws of England and Wales or the laws of any other jurisdiction in which the relevant property, asset or right is located or to which it is subject) for any reason to operate as a fixed charge (hereinafter called "the Property charged by way of Floating Charge" and together with the Legally Mortgaged Property, the Equitably Charged Property, the Book and other Debts, the Credit Balances, the Securities, the Goodwill and Intellectual Property, the Equipment and all other property hereby mortgaged or charged collectively called "the Charged Property" which expression may be taken to refer to the real and/or the personal or

incorporeal property hereby mortgaged or charged as the context may require or admit)

2 3 The Bank shall have a lien on all securities or other property of the Company held by it whether for safe custody or otherwise

2 4 The Bank shall be entitled (as well before as after demand hereunder) to set off against any liability of the Company to it any financial obligation to, or any sum held, received or receivable on behalf of the Company by the Bank such rights extending (without limitation to the generality of the foregoing) to the set-off of credit balances on any account(s) (whether current or otherwise or subject to notice or not) and further provided that, if the liability or any part thereof is in a different currency from any financial obligations or sum (including a credit balance) against which the Bank seeks to set it off, the Bank shall be entitled to utilise of an amount in the currency of the liability not exceeding the amount of such liability and also to pay out any additional sum which the United Kingdom Government or any other governmental, regulatory, executive or controlling body of any other jurisdiction may require the Bank to pay for such currency

2 5 The Company shall from time to time, at the request of the Bank and at the Company's cost, execute in favour of the Bank or as it may direct, such further or other legal assignments, transfers, mortgages, charges, applications, notices or other documents as in any such case the Bank shall stipulate over the Company's estate or interest in any property or assets of whatsoever nature or tenure and wheresoever situate, for the purposes of more effectively providing security to the Bank for the payment or discharge of the Secured Obligations Without prejudice to the generality of the foregoing, such assignments, transfers, mortgages, charges, applications, notices or other documents shall be in such form as shall be prepared on behalf of the Bank and may contain provisions of whatsoever kind as the Bank shall consider requisite for the improvement or perfection of the security constituted by or pursuant to the Debenture The obligations of the Company shall be in addition to and not in substitution for the covenants for further assurance deemed to be included herein by virtue of The Law of Property (Miscellaneous Provisions) Act 1994

3 the principal terms of the Vision Inter-Creditor Agreement are -

3 1 the rights of the Sellers (defined as the Subordinated Creditors) in respect of the Subordinated Liabilities (as defined within the Vision Inter-Creditor Agreement) are subordinated to the Bank Liabilities (as defined within the Vision Inter-Creditor Agreement) and accordingly payment of any amount of the Subordinated Liabilities is conditional upon the Bank Liabilities having been irrevocably paid in full,

3 2 So long as the Bank Liabilities (or any of them) are outstanding neither the Company nor the Buyer will, without the prior written consent of the Bank -

3 2 1 secure all or any part of the Subordinated Liabilities,

3 2 2 redeem, purchase or otherwise acquire any of the Subordinated Liabilities,

3 2 3 repay or prepay any, or pay any interest, fees or commissions (but without prejudice to accrual thereof) on, or by reference to, any of the Subordinated Liabilities,

3 2 4 take or omit to take any action whereby the subordination of the Subordinated Liabilities or any part thereof to the Bank Liabilities might be terminated, impaired or adversely affected,

3 2 5 discharge any of the Subordinated Liabilities by set-off or any right of combination of accounts or similar right, or

3 2 6 amend, vary, waive, release or supplement any term of any of the Subordinated Documentation (as defined within the Vision Inter-Creditor Agreement),

3 3 So long as the Bank Liabilities (or any of them) are outstanding, the Sellers will not without the prior written consent of the Bank -

3 3 1 assign or purport to assign to any person the whole or any part of the Subordinated Liabilities unless the assignee or purported assignee enters into a subordination deed in exactly the same form,

3 3 2 purport to set off at any time any amount of the Subordinated Liabilities against any amount payable by any of them to the Company or the Buyerr as the case may be,

3 3 3 attempt to obtain repayment or prepayment of principal or payment of any interest, fees or commissions (but without prejudice to accrual thereof) on, or by reference to, any of the Subordinated Liabilities,

3 3 4 ask, demand, accelerate, sue, claim or prove for, take or receive from the Company or the Buyer as the case may be in any manner whatsoever (including, without limitation, by way of cash receipt or set-off) the whole or any part of the Subordinated Liabilities or any security therefor,

3 3 5 make an application for, petition for, or vote in favour of, any resolution or take any other action whatsoever for, or which may lead to, the administration, winding-up or dissolution of the Company or the Buyer as the case may be,

3 3 6 take or omit to take any action whereby the subordination of the Subordinated Liabilities or any part thereof to the Bank Liabilities might be terminated, impaired or adversely affected,

3 3 7 amend, vary, waive, release or supplement any term of any of the Subordinated Documentation

3 4 So long as the Bank Liabilities (or any of them) are outstanding, the Sellers shall -

3 4 1 if any payment, distribution or security or the benefit or proceeds thereof is received by it or any agent or trustee on its behalf upon or with respect to the Subordinated Liabilities (or any of them) other than is permitted, hold such amount in trust for the Bank and forthwith pay an amount equal to the amount received to the Bank for application against or retention on account of the Bank Liabilities, and

3 4 2 notify the Bank in writing of the occurrence of any event specified to be an event of default under any of the Subordinated Documentation or other event entitling it to accelerate the due date for payment of any or all of the Subordinated Liabilities as soon as is practicable after becoming aware of the same

4 the principal terms of the Inter Company Loan Agreement are -

4 1 If requested by the Buyer, from time to time, the Company shall forthwith lend to the Buyer such sums as the Buyer considers necessary to allow the Buyer to make payment of all sums, whether principal, interest or otherwise -

4 1 1 which the Buyer may now or hereafter be liable to pay to fulfil its obligations under the Share Sale/Purchase Agreement,

4 1 2 due from or becoming due from the Buyer to the Bank, its successors or assigns including obligations due or becoming due under the £5,850,000 sterling term loan facilities agreement between the Bank and the Buyer (the "Facilities Agreement"),

4 1 3 which the Buyer may pay, incur suffer or sustain in respect of legal, accountancy and all other costs, charges and expenses relating to the negotiation, exchange, completion and implementation of the terms of the facilities offered by the Bank under the Facilities Agreement and the share sale and purchase agreement between Amarjit Dhull (1) Monica Dhull (2) Vision Fostering SASS (3) and the Buyer (4) ("the Share Sale/Purchase Agreement"),

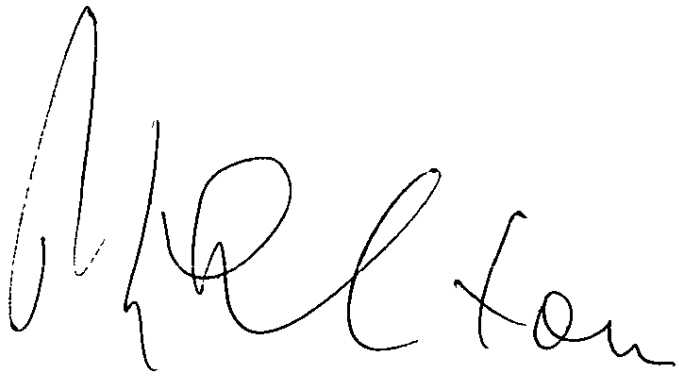
4 1 4 required now or hereafter for the purpose of reducing or discharging any liability incurred (by the Buyer or any other person) for the purpose of fulfilling its obligations under or in respect of the facilities offered by the Bank, the Share Sale/Purchase Agreement or the costs, charges or expenses referred to above Unless otherwise agreed between the Buyer and the Company, all loans made by the Company to the Buyer pursuant to this agreement shall be interest-free, unsecured and repayable on demand

4 2 Nothing in the Inter Company Loan Agreement shall oblige the Company to make a loan to the Buyer if and to the extent that the making of such loan would mean that the Company was unable to meet its own creditors

Schedule 3

Terms defined in Schedule 1 and 2 shall have the same meaning in this Schedule 3

1 The amount of any advances loaned from the Company to the Buyer up to a maximum of £11,700,000 made from time to time under the terms of the Inter Company Loan Agreement



Tenon audit

Private and Confidential
The Directors
Vision Fostering Agency Limited
Bridge House
High Street
Dartford
Kent
DA1 1JR

10th March 2008

Dear Sirs

Auditors' Report to the Directors of Vision Fostering Agency Limited (the "Company") pursuant to Section 156(4) of the Companies Act 1985 ("the Act")

We have examined the attached statutory declaration of the directors of the Company dated 10 March 2008 in connection with the proposal that the Company should give financial assistance for the acquisition of 75% of the issued share capital of the Company

Our report has been prepared pursuant to the requirements of Section 156 (4) of the Companies Act 1985 and for no other purpose No person is entitled to rely on this report unless such a person is a person entitled to rely on this report by virtue of and for the purpose of Section 156 (4) of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

Basis of Opinion

We have enquired into the state of the affairs of the Company in order to review the basis for the statutory declaration

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their 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
Registered Auditor

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