

CHFP025

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

155(6)b

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

04782018

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

Name of company

* RSL STEEPER GROUP LIMITED

* insert full name
of company

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

XWe o RICHARD ALEXANDER CROSS of The Old School House, Church Hill, Charing Heath, Ashford, Kent TN27 OBU, ALAN DILWORTH GALLAGHER of 15 York Road, Moor, Stockport, Cheshire SK4 4PQ, ANDREW MARK THORNTON of Whingate Farm, Outland, Huddersfield, West Yorkshire HD3 3FQ and SIMON PHILIP WEBSTER of 27 Merrick Square, London SE1 4JB

† delete as appropriate

~~XXXXXXXXXX~~ [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:

(a) XXXXXXXXXXXXXXXXXX000000000000XXXXXXX

The heading of the background XXXXXS

(b) [REDACTED]

XXXXXXXXXXXXXXXXXXXXX
TRANSACTION BUSINESS IN THE FUTURE XXXXX

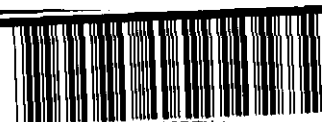
(c) something other than the above §

This company is [the] ☒ holding company of* Meditech Group Limited (Company
Number 03039649) 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) :
Gateley Wareing LLP
One Eleven
Edmund Street
Birmingham
B3 2HJ

13033 Birmingham 1
1097483

For official Use
General Section



A23
COMPANIES HOUSE

174
22/12/2005

Please do not
write in this
margin

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

The assistance is to be given to: (note 2) GW 977 Limited (Company Number 05571488) whose registered office is at Riverside Orthopaedic Centre, 51 Riverside, Medway City Estate, Rochester, Kent ME2 4DP

See paragraph 4.1 of the attached financial assistance summary

† delete as appropriate

See paragraph 4.2 of the attached financial assistance summary

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 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)

* delete either (a) or (b) as appropriate

(a) ~~X~~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) XXXXXXXXXXXXXXXXXX
have formed the opinion that this company will be able to pay its debts in full within 12 months of the
XXXXXXXXXXXXXXXXXXXXX* (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 Hill House, 1 Little New Street
London, EC4A 3TR

Declarants to sign below

Day Month Year

on 1 5 1 2 2 0 0 5

before me H. Mayhew
A Commissioner for Oaths or Notary Public or Justice of
the Peace or a Solicitor having the powers conferred on
a Commissioner for Oaths.

Declarants to sign below

Stiles

NA Cross

Al mth

AD Gallagher

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

**PROJECT SNOW
FINANCIAL ASSISTANCE SUMMARY**

1. Definitions

"Acquisition"	means the acquisition of the entire issued share capital of the Company by the Purchaser;
"Bank Guarantee and Debenture"	means a guarantee and debenture to be granted by the Company to the Bank pursuant to which the Company grants fixed and floating charges over all its property and assets in favour of the Bank and guarantees the obligations of the Purchaser and the Subsidiaries to the Bank;
"Bank"	means Barclays Bank PLC;
"Company"	means RSL Steeper Group Limited (Company Number 04782018);
"Facilities Agreement"	means an agreement to be entered into between the Bank, the Purchaser, the Company and the Subsidiaries (as such agreement is amended, varied, supplemented, restated or novated from time to time) pursuant to which the Bank will make available the Facilities;
"Facilities"	means certain term loan and revolving credit facilities to be provided by the Bank pursuant to the Facilities Agreement;
"HSL Debenture"	means a guarantee and debenture to be granted by HSL to the Bank pursuant to which HSL grants fixed and floating charges over all its property, undertaking and assets in favour of the Bank and guarantees the obligations of the Purchaser, the Company and the Subsidiaries to the Bank;
"HSL Noteholder Debenture"	means a debenture to be granted by HSL

	to the Security Trustee creating fixed and floating charges over all the undertaking and assets of HSL;
"HSL"	means Hugh Steeper Limited (Company Number 00173865);
"Intercreditor Deed"	means an intercreditor deed to be entered into between the Company, the Purchaser, the Subsidiaries, the Bank, the Security Trustee and the Noteholders regulating, inter alia, the priority of the security held by the Bank and the Security Trustee;
"Intragroup Loan Agreement"	means an agreement between the Purchaser (as borrower) and each of the Company and the Subsidiaries (as lenders);
"Loan Notes"	means the £7,750,000 B 8% fixed rate secured loan notes in the Purchaser;
"MGL Debenture"	means a guarantee and debenture to be granted by MGL to the Bank pursuant to which MGL grants fixed and floating charges over all its property, undertaking and assets in favour of the Bank and guarantees the obligations of the Purchaser, the Company and the Subsidiaries to the Bank;
"MGL Noteholder Debenture"	means a debenture to be granted by MGL to the Security Trustee creating fixed and floating charges over all the undertaking and assets of MGL;
"MGL"	means Meditech Group Limited (Company Number 03039649);
"Noteholder Debenture"	means a debenture to be granted by the Company to the Security Trustee pursuant to which the Company grants fixed and floating charges over all its property and assets in favour of the Security Trustee;

"Noteholder Guarantee"	means a guarantee to be granted by the Purchaser, the Company and each of the Subsidiaries under which each of them guarantees payment of the obligations of the Purchaser under the Loan Notes;
"Noteholders"	means Dunedin Investment Trust pcl, Dunedin Buy-out Fund LP, Napier House Investments Limited, Dunedin (SAPE GP) Nominees Limited, Simon Webster, Richard Cross, Allan Gallagher and Andrew Thornton;
"Purchaser"	means GW 977 Limited (Company No. 05571486);
"RSL Debenture"	means a guarantee and debenture to be granted by RSL to the Bank pursuant to which RSL grants fixed and floating charges over all its property, undertaking and assets in favour of the Bank and guarantees the obligations of the Purchaser, the Company and the Subsidiaries to the Bank;
"RSL Noteholder Debenture"	means a debenture to be granted by RSL to the Security Trustee creating fixed and floating charges over all the undertaking and assets of RSL;
"RSL"	means Rehabilitation Services Limited (Company Number 02110996);
"Security Trustee"	means Dunedin Enterprise Investment Trust plc (Registered No. SC052844);
"SRA"	means Steeper Rehabilitation Asia Limited (Company Number 05334970);
"SRA Debenture"	means a guarantee and debenture to be granted by SRA to the Bank pursuant to which SRA grants fixed and floating charges over all its property, undertaking and assets in favour of the Bank and guarantees the obligations of the Purchaser, the Company and the

Subsidiaries to the Bank;

“SRA Noteholder Debenture”

means a debenture to be granted by SRL to the Security Trustee creating fixed and floating charges over all the undertaking and assets of SRA;

“Subsidiaries”

means MGL, SRA, RSL and HSL.

2. Background

- 2.1 In order to effect the Acquisition the Purchaser will incur liabilities under inter alia the Facilities Agreement and the Loan Notes.
- 2.2 As a condition to the granting of the Facilities, the Company is to execute the Bank Guarantee and Debenture.
- 2.3 As a condition of the granting of the Facilities, HSL is to execute the HSL Debenture.
- 2.4 As a condition of the granting of the Facilities, MGL is to execute the MGL Debenture.
- 2.5 As a condition to the granting of the Facilities, SRA is to execute the SRA Debenture.
- 2.6 As a condition to the granting of the Facilities, RSL is to execute the RSL Debenture.
- 2.7 As a condition to the granting of the Facilities, the Purchaser, the Company and the Subsidiaries are to enter into the Intragroup Loan Agreement.
- 2.8 As a condition to the granting of the Facilities, the Company, the Purchaser, the Subsidiaries, the Bank, the Security Trustee and the Investors are to enter into the Intercreditor Deed.
- 2.9 As a condition to the taking by the Noteholders of the Loan Notes the Company is to execute the Noteholder Debenture.
- 2.10 As a condition to the subscription by the Noteholders for the Loan Notes HSL is to execute the HSL Noteholder Debenture.
- 2.11 As a condition to the subscription by the Noteholders for the Loan Notes, MGL is to execute the MGL Noteholder Debenture.
- 2.12 As a condition to the subscription by the Noteholders for the Loan Notes, SRA is to execute the SRA Noteholder Debenture.
- 2.13 As a condition to the subscription by the Noteholders for the Loan Notes, RSL is to execute the RSL Noteholder Debenture.

- 2.14 As a condition to the subscription by the Noteholders for the Loan Notes each of the Purchaser, the Company and the Subsidiaries is to execute the Noteholder Guarantee.

3. The Company

- 3.1 The financial assistance to be given by the Company will take the form of:-

- 3.1.1 the entry into and the performance of its obligations under the Intragroup Loan Agreement;
- 3.1.2 the entry into and the performance of its obligations under the Bank Guarantee and Debenture;
- 3.1.3 the entry into and the performance of its obligations under the Noteholder Debenture;
- 3.1.4 the entry into and the performance of its obligations under the Noteholder Guarantee;
- 3.1.5 the entry into the Intercreditor Deed.

- 3.2 The financial assistance is as follows:-

- 3.2.1 the liabilities of the Purchaser and the Subsidiaries under the Facilities Agreement will be guaranteed by the Company pursuant to the Bank Guarantee and Debenture and will be secured by the Company pursuant to the fixed and floating charges contained in the Bank Guarantee and Debenture;
- 3.2.2 the liabilities of the Purchaser under the Loan Notes will be guaranteed by the Company pursuant to the Noteholder Guarantee and the Noteholder Debenture and will be secured by the Company pursuant to the fixed and floating charges contained in the Noteholder Debenture;
- 3.2.3 pursuant to the terms of the Intragroup Loan Agreement the Company may make certain loans to the Purchaser from time to time which are to be used by the Purchaser to satisfy its obligations to the Bank under the Facilities Agreement and to the Noteholders in respect of the Loan Notes;
- 3.2.4 the entry of the Company into the Intercreditor Deed will, in part, satisfy one of the Bank's conditions precedent to granting the Facilities and pursuant to which the priority of payments of the Facilities and the Loan Notes are regulated and the ranking of certain security granted in favour of the Bank and the Security Trustee by the Purchaser, the Company and the Subsidiaries is regulated.

4. MGL

4.1 The financial assistance given by MGL will take the form of:-

- 4.1.1 the entry into and the performance of its obligations under the Intragroup Loan Agreement;
- 4.1.2 the entry into and the performance of its obligations under the MGL Debenture;
- 4.1.3 the entry into and the performance of its obligations under the MGL Noteholder Debenture;
- 4.1.4 the entry into and the performance of its obligations under the Noteholder Guarantee;
- 4.1.5 the entry into and the performance of its obligations under the Intercreditor Deed.

4.2 The financial assistance is as follows:-

- 4.2.1 the liabilities of the Purchaser, the Company and the Subsidiaries under the Facilities Agreement will be guaranteed by MGL pursuant to the MGL Debenture and will be secured by MGL pursuant to the fixed and floating charges contained in the MGL Debenture;
- 4.2.2 the liabilities of the Purchaser under the Loan Notes will be guaranteed by MGL pursuant to the terms of the Noteholder Guarantee and such liabilities will be secured by the fixed and floating charges contained in the MGL Noteholder Debenture;
- 4.2.3 pursuant to the terms of the Intragroup Loan Agreement MGL may make certain loans to the Purchaser from time to time which are to be used by the Purchaser to satisfy its obligations to the Bank under the Facilities Agreement and to the Noteholders in respect of the Loan Notes;
- 4.2.4 the entry of MGL into the Intercreditor Deed will, in part, satisfy one of the Bank's conditions precedent to granting the Facilities and pursuant to which the priority of payments of the Facilities and the Loan Notes are regulated and the ranking of certain security granted in favour of the Bank and the Security Trustee by the Purchaser, the Company and the Subsidiaries is regulated.

5. HSL

5.1 The financial assistance given by HSL will take the form of:-

- 5.1.1 the entry into and the performance of its obligations under the Intragroup Loan Agreement;

- 5.1.2 the entry into and the performance of its obligations under the HSL Debenture;
 - 5.1.3 the entry into and the performance of its obligations under the HSL Noteholder Debenture;
 - 5.1.4 the entry into and the performance of its obligations under the Noteholder Guarantee;
 - 5.1.5 the entry into and the performance of its obligations under the Intercreditor Deed.
- 5.2 The financial assistance is as follows:-
- 5.2.1 the liabilities of the Purchaser, the Company and the Subsidiaries under the Facilities Agreement will be guaranteed by HSL pursuant to the HSL Debenture and will be secured by HSL pursuant to the fixed and floating charges contained in the HSL Debenture;
 - 5.2.2 the liabilities of the Purchaser under the Loan Notes will be secured by HSL pursuant to the terms of the Noteholder Guarantee and such liabilities will be secured by the fixed and floating charges contained in the HSL Noteholder Debenture;
 - 5.2.3 pursuant to the terms of the Intragroup Loan Agreement HSL may make certain loans to the Purchaser from time to time which are to be used by the Purchaser to satisfy its obligations to the Bank under the Facilities Agreement and to the Noteholders in respect of the Loan Notes;
 - 5.2.4 the entry of the HSL into the Intercreditor Deed will, in part, satisfy one of the Bank's conditions precedent to granting the Facilities and pursuant to which the priority of payments of the Facilities and the Loan Notes are regulated and the ranking of certain security granted in favour of the Bank and the Security Trustee by the Purchaser, the Company and the Subsidiaries is regulated.

6. RSL

- 6.1 The financial assistance given by RSL will take the form of:-
- 6.1.1 the entry into and the performance of its obligations under the Intragroup Loan Agreement;
 - 6.1.2 the entry into and the performance of its obligations under the RSL Debenture;
 - 6.1.3 the entry into and the performance of its obligations under the RSL Noteholder Debenture;

- 6.1.4 the entry into and the performance of its obligations under the Noteholder Guarantee;
- 6.1.5 the entry into and the performance of its obligations under the Intercreditor Deed.
- 6.2 The financial assistance is as follows:-
 - 6.2.1 the liabilities of the Purchaser, the Company and the Subsidiaries under the Facilities Agreement will be guaranteed by RSL pursuant to the RSL Debenture will be secured by RSL pursuant to the fixed and floating charges contained in the RSL Debenture;
 - 6.2.2 the liabilities of the Purchaser under the Loan Notes will be guaranteed by RSL pursuant to the terms of the Noteholder Guarantee and such liabilities will be secured by the fixed and floating charges contained in the RSL Noteholder Debenture;
 - 6.2.3 pursuant to the terms of the Intragroup Loan Agreement RSL may make certain loans to the Purchaser from time to time which are to be used by the Purchaser to satisfy its obligations to the Bank under the Facilities Agreement and to the Noteholders in respect of the Loan Notes;
 - 6.2.4 the entry of the RSL into the Intercreditor Deed will, in part, satisfy one of the Bank's conditions precedent to granting the Facilities and pursuant to which the priority of payments of the Facilities and the Loan Notes are regulated and the ranking of certain security granted in favour of the Bank and the Security Trustee by the Purchaser, the Company and the Subsidiaries is regulated.

7. SRA

- 7.1 The financial assistance given by SRA will take the form of:-
 - 7.1.1 the entry into and the performance of its obligations under the Intragroup Loan Agreement;
 - 7.1.2 the entry into and the performance of its obligations under the SRA Debenture;
 - 7.1.3 the entry into and the performance of its obligations under the SRA Noteholder Debenture;
 - 7.1.4 the entry into and the performance of its obligations under the Noteholder Guarantee;
 - 7.1.5 the entry into and the performance of its obligations under the Intercreditor Deed.

7.2 The financial assistance is as follows:-

- 7.2.1 the liabilities of the Purchaser, the Company and the Subsidiaries under the Facilities Agreement will be guaranteed by SRA pursuant to the SRA Debenture and will be secured by SRA pursuant to the fixed and floating charges contained in the SRA Debenture;
- 7.2.2 the liabilities of the Purchaser under the Loan Notes will be guaranteed by SRA pursuant to the terms of Noteholder Guarantee and such liabilities will be secured by the fixed and floating charges contained in the SRA Noteholder Debenture;
- 7.2.3 pursuant to the terms of the Intragroup Loan Agreement SRA may make certain loans to the Purchaser from time to time which are to be used by the Purchaser to satisfy its obligations to the Bank under the Facilities Agreement and to the Noteholders in respect of the Loan Notes;
- 7.2.4 the entry of the SRA into the Intercreditor Deed will, in part, satisfy one of the Bank's conditions precedent to granting the Facilities and pursuant to which the priority of payments of the Facilities and the Loan Notes are regulated and the ranking of certain security granted in favour of the Bank and the Security Trustee by the Purchaser, the Company and the Subsidiaries is regulated.



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DX 9025 West End W1
Web site: www.bdo.co.uk

Private and Confidential

The Directors
RSL Steeper Group Limited
51 Riverside
Medway City Estate
Rochester
Kent
ME2 4DP

15 December 2005

Our ref 322/AH/P063

Dear Sirs

Independent auditors' report to the directors of RSL Steeper Group Limited (the "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 15 December 2005 in connection with the proposal that the Company's subsidiary undertaking, Meditech Group Limited, should give financial assistance for the purchase of the entire 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 upon 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.

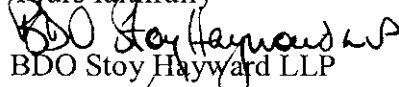
Basis of opinion

We have enquired into the state of the 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


BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors

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