

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

155(6)b

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

05150238

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

Name of company

* HESLEY HOLDINGS (SOUTH) LIMITED (the "Company")

* insert full name
of company

XWe See Annexure 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:

- (a) ~~that of a person authorised under section 1 of the Banking Act 1985~~
(b) ~~that of a person authorised under section 1 of the Insurance Companies Act 1982 to carry on~~
~~insurance business in the United Kingdom~~
(c) something other than the above

This company is [the] ☒ holding company of* HESLEY AUTISM SERVICES LIMITED
(COMPANY REGISTRATION NO: 3449214) (the "Subsidiary") _____ which is
proposing to give financial assistance in connection with the acquisition of shares
in [this company] [_____]

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

Trowers & Hamlins
Sceptre Court
40 Tower Hill
London
EC3N 4DX

DX No. 774 London/City
JMG.47478.8.SBC

For official use
General S



A44 **#A80**
COMPANIES HOUSE

359
19/10/2005

COMPANIES HOUSE

07/10/05

645420

Please
write
margin

**Please
legible
in black
bold
letter**

The assistance will take the form of:

See Annexure 2

† delete as appropriate

CAMBIAN EDUCATION SERVICES LIMITED (COMPANY REGISTRATION NO: 5554772)

See Annexure 3

The value of any asset to be transferred to the person assisted is £ Not applicable.

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

delete completely,
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) ~~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)

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

(b) ~~X~~It is intended to commence the winding up of this company within 12 months of that date, and ~~X~~we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding up.* (note 3)

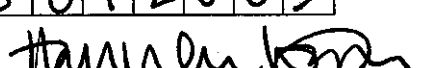
And ~~X~~we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at SCEPTRE COURT
40 TOWER HILL
LONDON EC3N 4DX

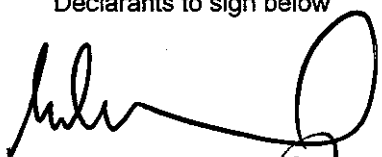
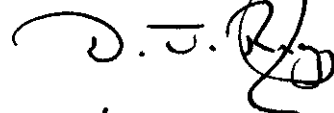
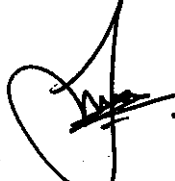
Declarants to sign below

on

Day	Month	Year
28	09	2005

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 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

ANNEXURES

Annexures to the 155(6)(b) Statutory Declaration made by all the Directors of Hesley Holdings (South) Limited (Company Registration No: 05150238) (the "Company") in respect of the financial assistance to be given by Hesley Autism Services Limited (Company Registration No: 3449214) (the "Subsidiary") to Cambian Education Services Limited ("Cambian") in relation to the acquisition of the Parent's issued share capital

ANNEX 1

The Directors of the Subsidiary are:-

Saleem Asaria of 8 Fringewood Close, Northwood, Middlesex HA6 2TB;

Dennis Rigg of Lymore Lane, Milford on Sea, Lymington, Hampshire SO41 0TX.; and

Mike McQuaid of Bailey Bach, Cobham Way, East Horsley, Leatherhead, KT24 5BH.

ANNEX 2

1. The financial assistance will take the form of:-
 - 1.1 the execution and delivery by the Subsidiary of:-
 - 1.1.1 a facilities agreement (the "**Facilities Agreement**") to be made between the Subsidiary and all of the companies set out in Schedule 1 to this Annex (together the "**Obligors**" and each an "**Obligor**") and The Governor and Subsidiary of the Bank of Scotland acting as agent, arranger, lender and as security trustee (the "**Bank**") pursuant to clause 22 of which the Obligors will guarantee (the "**Guarantee**") to the Bank acting as security trustee on behalf of the Finance Parties (as defined in the Facilities Agreement)(the "**Security Trustee**"), inter alia, the performance of the obligations of the Cambian Education Services Limited, Cambian Properties II Limited, Cambian Properties (UK) Limited, Cambian Properties Limited, Cambian Healthcare Limited and Cambian Holdings Limited (as parent) (together the "**Cambian Group**") under the Finance Documents (as defined in the Facilities Agreement);
 - 1.1.2 a debenture (the "**Debenture**") to be made between the Obligors and the Security Trustee pursuant to which the Obligors will secure payment of all of the liabilities and obligations owing by the Cambian Group to the Bank;
 - 1.1.3 an intercreditor deed (the "**Intercreditor Deed**") to be made between Cambian Holdings Limited as parent, the Obligors as the obligors, intra group debtors and intra group creditors, the Bank as security trustee, agent, ancillary lender and original issuing bank with the parties listed in schedule 2 thereto as the lenders, the parties listed in schedule 3 thereto as the hedge counterparties and the parties listed in schedule 4 thereto as the investors;

- 1.1.4 an intra group loan agreement (the “**Intra Group Loan**”) to be made between the Obligor as borrowers (the “**Borrowers**”) and the Obligor as lenders (the “**Lenders**”);
- 1.1.5 an ancillary facility letter (the “**Ancillary Facility**”) to be made between Cambian Healthcare Limited (as obligor’s agent), Cambian Properties (UK) Limited, Cambian Education Services Limited, Hesley Care Services Limited (to be renamed Cambian Care Services Limited), Hesley Asperger Syndrome Services Limited (to be renamed Cambian Asperger Syndrome Services Limited), Hesley Autism Services Limited (to be renamed Cambian Autism Services Limited), Hesley Holdings (South) Limited (to be renamed Heritage Holdings Limited) and The Hesley Group Limited (to be renamed as the Heritage Group Limited) (the “**Ancillary Borrowers**”) and the Bank;
- 1.1.6 a composite set-off agreement (the “**Set-Off Agreement**”) to be made between Cambian Properties (UK) Limited, Cambian Education Services Limited, Cambian Healthcare Limited Hesley Care Services Limited (to be renamed Cambian Care Services Limited), Hesley Asperger Syndrome Services Limited (to be renamed Cambian Asperger Syndrome Services Limited), Hesley Autism Services Limited (to be renamed Heritage Holdings Limited) and The Hesley Group Limited (to be renamed Heritage Group Limited)(the “**Guarantors**”) and the Bank;
- 1.1.7 a cross guarantee agreement (the “**Cross Guarantee**”) to be made by the Guarantors in favour of the Bank; and
- 1.1.8 cash bonus payments (the “**Bonus Payments**”) to be made by the Subsidiary to certain of its employees as an ex gratia payment in association with the acquisition of the Subsidiary’s shares by Cambian Education Services Limited.

1.1.9 **ANNEX 3**

1. **The Facilities Agreement and Guarantee**

1.1 By executing the Facilities Agreement the Obligors (including the Subsidiary) irrevocably and unconditionally jointly and severally:

1.1.1 guarantee to the Bank as agent and as Security Trustee punctual performance by the Obligors of all of the obligations of the Cambian Group under the Finance Documents (as defined in the Facilities Agreement);

1.1.2 undertake with the Bank as agent and as Security Trustee that whenever one of the Obligors 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

1.1.3 indemnify the Bank as agent and as Security Trustee immediately on demand against any cost, loss or liability suffered by the Bank as agent and Security Trustee 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 the Bank as agent and as Security Trustee would otherwise have been entitled to recover.

1.2 The Guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by the Obligors under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

2. **The Debenture**

2.1 By executing the Debenture the Subsidiary agrees to pay to the Security Trustee in accordance with any of the Finance Documents(as defined in the Facilities Agreement) between the Bank and the Obligors relating to the amounts hereby secured or, in the absence of any such agreement, on demand:

1.1.1 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 Trustee in any manner whatever without limitation;

2.1.2 interest on all such money and liabilities to the date of payments pursuant to the terms of the Debenture; and

2.1.3 fees and commission and other charges and legal, administrative and other costs, charges and expenses incurred by the Security Trustee in enforcing the security hereby created on a full and unqualified indemnity basis, and interest thereon.

2.2 By executing the Debenture the Subsidiary, as continuing security for payment of all monies and liabilities secured thereunder, with full title guarantee charges:

- 2.2.1 all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest:
- 2.2.2 by way of first legal mortgage all estates and interests in freehold, leasehold and other immovable property belonging to the Subsidiary, or in which the Subsidiary has an interest at any time (including the registered and unregistered land (if any) in England and Wales specified in part 1 of schedule 2 of the Debenture (*Details of Security Assets*)), together with:
- (i) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon.
 - (ii) all easements, rights and agreements in respect thereof;
 - (iii) all proceeds of sale of that property; and
 - (iv) the benefit of all covenants given in respect thereof (the “Property”).
- 2.3 by way of first fixed charge:
- 2.3.1 all licences to enter upon or use land and the benefit of all other agreements relating to the Property;
- 2.4 by way of first fixed charge all plant and machinery and the benefit of all contracts, licences and warranties relating to the same;
- 2.5 by way of first fixed charge:
- 2.5.1 all computers, vehicles, office equipment and other equipment; and
 - 2.5.2 the benefit of all contracts, licences and warranties relating to the same,
 - 2.5.3 other than any which are for the time being part of the Subsidiary’s stock-in-trade or work-in-progress);
- 2.6 by way of:
- 2.6.1 first legal mortgage the Charged Securities (as defined in the Debenture) referred to in part 2 of schedule 2 (*Details of Security Assets*) of the Debenture;
 - 2.6.2 first fixed charge all other Charged Securities (not charged under 2.6.1);
 - 2.6.3 in each case, together with (1) all Related Rights (as defined in the Debenture) from time to time accruing to those Charged Securities and (2) all rights which such Subsidiary may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments (as defined in the Debenture);
- 2.7 by way of charge:

- 2.7.1 the Security Accounts (as defined in the Debenture) and all monies at any time standing to the credit of the Security Accounts;
- 2.7.2 all accounts of such Subsidiary with any bank, financial institution or other person not charged by 2.7.1 and all monies at any time standing to the credit of such accounts; and
- 2.7.3 the Mandatory Prepayment Account (as defined in the Debenture) and all monies at any time standing to the credit of the Mandatory Prepayment Account (as defined in the Debenture), together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing;
- 2.7.4 in each case, together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing;
- 2.8 to the extent that any Assigned Asset (as defined in the Debenture) is not effectively assigned under the assignment provisions of the Debenture, by way of first fixed charge, such Assigned Asset;
- 2.9 by way of first fixed charge (to the extent not otherwise charged or assigned in the Debenture):
 - 2.9.1 the benefit of all licences, consents, agreements and authorisations held or used in connection with the business of the Subsidiary or the use of any of its assets; and
 - 2.9.2 any letter of credit issued in favour of the Subsidiary and all bills of exchange and other negotiable instruments held by it; and
- 2.10 by way of first fixed charge all of the goodwill and uncalled capital of the Subsidiary.
- 2.11 The Subsidiary assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all its present and future right, title and interest in and to:
 - 2.11.1 the Relevant Contracts (as defined in the Debenture) and all rights and remedies in connection with the Relevant Contracts and all proceeds and claims arising therefrom;
 - 2.11.2 all policies of insurance (and all cover notes) which are at any time held by, or written in favour of, the Subsidiary or in which the Subsidiary from time to time has an interest specified in part 5 of schedule 2 (*Details of Security Assets*) of the Debenture (the “**Insurances**”) and all claims under the Insurances and all proceeds of the Insurances (in accordance with the provisions of the Facilities Agreement); and
 - 2.11.3 all other present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to the Subsidiary (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:

(i) the benefit of all rights, guarantees, Security Interests (as defined in the Debenture) and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and

(ii) all proceeds of any of the foregoing;

not effectively assigned by other provisions in the Debenture;

2.11.4 To the extent that any Assigned Asset is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of the Subsidiary to any proceeds of the Insurances.

2.12 The Subsidiary charges and agrees to charge by way of first floating charge all of its present and future:

2.12.1 assets and undertaking (wherever located) which are not effectively charged by way of first fixed mortgage or charge or assigned pursuant to a clause of the Debenture; and

2.12.2 (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland.

2.13 The Subsidiary, by way of security, irrevocably and severally appoints the Security Trustee, each Receiver and any Delegates (as defined in the Debenture) to be its attorney to take any action which such Subsidiary is obliged to take under the Debenture, including under clause 20 (*Further assurances*). The Subsidiary ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

2.13.1 Pursuant to clause 20 (*Further assurances*) of the Debenture each Obligor shall, at its own expense, promptly take whatever action the Bank as security trustee or a Receiver (as defined in the Debenture) may require for:

(i) creating, perfecting or protecting the Security Interests (as defined in the Debenture) intended to be created by the Debenture; and

(ii) facilitating the realisation of any Security Asset (as defined in the Debenture) or the exercise of any right, power or discretion exercisable by the Bank as security trustee or any Receiver or Delegate (each as defined in the Debenture) in respect of any Security Asset (as defined in the Debenture),

including the execution of any transfer, conveyance, assignment or assurance of any property whether to the Bank as security trustee or to its nominees, the giving of any notice, order or direction and the making of any registration which in any such case the Security Trustee may think expedient.

- 2.13.2 Each Obligor shall forthwith at the request of the Bank as security trustee execute a legal mortgage, charge, assignment, assignation or other security over any Security Asset (as defined in the Debenture) which is subject to or intended to be subject to any fixed security created by the Debenture in favour of the Bank as security trustee in such form as the Bank as security trustee may reasonably require.

3. The Intercreditor Deed

- 3.1 By executing the Intercreditor Deed the Obligors agree:

- 3.1.1 that claims against them by the Creditors (as defined in the Intercreditor Deed) shall be regulated in the manner set out in the Intercreditor Deed;

- 3.1.2 to expressly authorise the Creditors (as defined in the Intercreditor Deed) and the Bank as security trustee to enforce the Finance Documents (as defined in the Facilities Agreement) in such order as provided for in the Intercreditor Deed or in such other order as the Creditors (as defined in the Intercreditor Deed) may agree between themselves; and

- 3.1.3 to irrevocably waive any rights which they may now or in future have to challenge or have set aside any arrangement agreed between the Creditors (as defined in the Intercreditor Deed).

4. The Intra Group Loan

By executing the Intra Group Loan each Lender agrees to make available to each Borrower facilities for the purposes of paying any amounts due to any Finance Party (as defined in the Facilities Agreement) pursuant to any Finance Documents (as defined in the Facilities Agreement) or such other purpose as the Lenders may agree.

5. The Ancillary Facility

- 5.1 By executing the Ancillary Facility the Ancillary Borrowers agree irrevocably and unconditionally jointly and severally:

- 5.2 that any monies from time to time standing to the credit on any account (whether current, deposit, loan or of any other nature whatsoever) with the Bank may be retained as cover for and/or applied by the Bank at any time and without notice to any Ancillary Borrower (whether on or before or after the expiry of any fixed or minimum period for which such monies may have been deposited) in or towards payment or satisfaction of any monies or liabilities due, owing or incurred by any Ancillary Borrower to the Bank pursuant to the Secured Liabilities (as defined in the Ancillary Facility) whether present or future, actual or contingent, joint or several, whether incurred as principal or surety (or guarantor or cautioner) or in any other way whatsoever; and

- 5.2.1 to on demand indemnify the Bank against all Indemnified Events (as defined in the Ancillary Facility) and pay the Bank the amount of all payments made (whether

directly or by way of set-off, counterclaim or otherwise) and all losses, costs or expenses suffered or incurred from time to time by the Bank arising under any liability which the Bank has incurred (directly or indirectly) in relation to any utilisations of the Working Capital Facility (as defined in the Ancillary Facility) or any Payment Systems (as defined in the Ancillary Facility).

6. The Cross Guarantee

By executing the Cross Guarantee each Guarantor agrees to unconditionally guarantee, jointly and severally as a primary obligation with each other Guarantor, the payment and discharge of the Secured Liabilities (as defined in the Cross Guarantee).

7. The Set-Off Agreement

By executing the Set-Off Agreement each Guarantor irrevocably authorises the Bank in its sole discretion to pay and apply all or any part of any money standing (at any time on or before termination of the Netting Arrangement (as defined in the Set-Off Agreement)) to the credit of any Guarantor on any Account (as defined in the Set-Off Agreement) in or towards discharge of all or such part of the Indebtedness (as defined in the Set-Off Agreement) (at the time of such application) to the Bank on the Accounts (as defined in the Set-Off Agreement) of the same and/or any other Guarantor as the Bank may select, without need to demand payment from any person.

8. The Bonus Payments

By issuing the Bonus Payments, the Subsidiary will be making ex gratia payments to certain of its directors and employees in association with the acquisition.

Any reference to the Facilities Agreement, Debenture, Intercreditor Deed, Intra Group Loan, Ancillary Facility, Cross Guarantee, Set-Off Agreement or the Bonus Payments shall include references to such documents as amended and/or restated, novated, transferred or assigned.

ANNEX 4

1. Any amounts outstanding from time to time under the Intra Group Loan up to the maximum aggregate amount of £185,539,076.00.
2. The amount by which the net assets of the Subsidiary will be reduced as a result of the Bonus Payments will be £441,049.00.

SCHEDULE 1**OBLIGORS**

Name of Company	Registered Office	Registered Number
Cambian Holdings Limited (as parent)	9 Burrard Street, St Helier, Jersey, JE4 5UE	87312
Cambian Properties II Limited	9 Burrard Street, St Helier, Jersey, JE4 5UE	91131
Cambian Properties (UK) Limited	Sceptre Court, 40 Tower Hill, London EC3N 4DX	05554819
Cambian Properties Limited	9 Burrard Street, St Helier, Jersey, JE4 5UE	87313
Cambian Healthcare Limited	Sceptre Court, 40 Tower Hill, London EC3N 4DX	039772299
Cambian Education Services Limited	Sceptre Court, 40 Tower Hill, London EC3N 4DX	05554772
Hesley Holdings (South) Limited (to be renamed Heritage Holdings Limited)	Sceptre Court, 40 Tower Hill, London EC3N 4DX	05150238
Hesley Care Services Limited (to be renamed Cambian Care Services Limited)	Sceptre Court, 40 Tower Hill, London EC3N 4DX	02683377
The Hesley Group Limited (to be renamed Heritage Group Limited)	Sceptre Court, 40 Tower Hill, London EC3N 4DX	03898254
Hesley Asperger Syndrome Services Limited (to be renamed Cambian Asperger Syndrome Services Limited)	Sceptre Court, 40 Tower Hill, London EC3N 4DX	04117476
Hesley Autism Services Limited (to be renamed Cambian Autism Services Limited)	Sceptre Court, 40 Tower Hill, London EC3N 4DX	03449214



BDO Stoy Hayward LLP
Chartered Accountants

8 Baker Street London W1U 3LL
Telephone: +44 (0)20 7486 5888
Facsimile: +44 (0)20 7487 3686
DX 9025 West End W1
Web site: www.bdo.co.uk

Private and Confidential

The Directors
Hesley Holdings (South) Limited
c/o Cambian Holdings Limited
c/o 20 Bergham Mews
Blythe Road
London W14 0HN

28 September 2005

Dear Sirs

Independent auditors' report to the directors of Hesley Holdings (South) Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Hesley Holdings (South) Limited (the "Company") dated 28 September 2005 in connection with the proposal that the Company's subsidiary undertaking, Hesley Autism Services 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

000/CR/BDO Sec 156 letter re holding co-1
g:\jobs\p\p047 - project brookside\financial assistance\comfort letters\hsl_has1 - c.doc