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COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares

155(6)a

CHFP025

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

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

05161328

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

Name of company

* Chancellor Children's Care Limited

* insert full name of company ☒ We ☐ See Appendix 1

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

† delete as appropriate

~~the sole director~~ [all the directors]† of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever is inappropriate

~~is that of a person authorised under section 3 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's~~ [company's holding company] Chancellor Care Limited (Company registration number 03670039)

The assistance is for the purpose of [that acquisition] ~~reducing or discharging a liability incurred by the company in connection with the acquisition~~

The number and class of the shares acquired or to be acquired is: 13,768 ordinary shares at £0.01 each

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

Eversheds LLP
Kett House
Station Road
Cambridge
CB1 2JY
DX5804 Cambridge

For official Use
General Section

Post room



A47
COMPANIES HOUSE

AHP915NZ

0031
28/05/05

The assistance is to be given to: (note 2) AD Care Limited (Company registration number
5445223) of Cawston Park, Aylsham Road, Cawston, Norfolk NR10 4JD (the "Buyer")

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 2

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

† delete as
appropriate

the Buyer

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

See Appendix 3

The amount of cash to be transferred to the person assisted is £ 0.00

The value of any asset to be transferred to the person assisted is £ 0.00

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

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

~~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)

(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) ~~It is intended to commence the winding up of the company within 12 months of that date, and ~~X~~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 ~~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 1 St James Court
Whitefriars, Norwich

Declarants to sign below



Day Month Year
on 25 01 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
37 Castle Terrace
Edinburgh
EH1 2EB

CHANCELLOR CHILDREN'S CARE LIMITED

Appendix 1

Dominic James Wilson

The Cottage
Bingles Turn
Norwich
Norfolk
NR10 5NF

Andrew William Breeze

107 Angela Road
Horsford
Norwich
NR10 3HJ

CHANCELLOR CHILDREN'S CARE LIMITED

Appendix 2

For the purposes of this Appendix "Group" means AD Care Limited, Chancellor Care Limited and Chancellor Children's Care Limited.

- 1 The entering into by the Company of the documents listed and described at paragraph 3 below (or of documents referred to therein or relating thereto) as the same may be amended, increased, novated and/or replaced, varied, supplemented or substituted from time to time, which will be entered into, directly or indirectly, in connection with **the transfer of** the whole of the issued share capital of Chancellor Care Limited and its subsidiary, the Company by its present shareholders Anthony James Chancellor and others (together the "Seller") to the Buyer pursuant to a Sale and Purchase Agreement to be dated today and made between the Seller and the Buyer (the "Acquisition").
- 2 The Buyer has arranged the following facilities to assist with the funding of the Acquisition:
 - 2.1 a secured facility comprising term and revolving credit loans in the maximum aggregate principal amount of £22,500,000 (the "Facilities") to be made available by National Westminster Bank plc (the "Lender") to the Buyer and to be used in part in financing the purchase price payable to the Seller for the Acquisition.
- 3 In consideration for the Facilities being made available to the Buyer, the Company has agreed to enter into the following documents:
 - 3.1 an unlimited inter company composite guarantee (the "Guarantee") to be made between each member of the Group and the Lender pursuant to which the Buyer and each other member of the Group will guarantee the Lender all monies, liabilities and obligations of each member of the Group arising under the Facilities or any other finance or security documents entered into in relation to the Facilities (the "Guarantee Obligations").

- 3.2 An intra-group loan agreement (the "Intra Group Loan Agreement") to be made between the Buyer and each other member of the Group pursuant to which monies may be loaned to or borrowed by each member of the Group or otherwise transferred within the Group.

CHANCELLOR CHILDREN'S CARE LIMITED

Appendix 3

Principal terms on which the financial assistance will be given by the Company

Terms defined in Appendix 2 have the same meaning in this Appendix 3.

- 1 By executing the Guarantee the Company will:
 - 1.1 jointly and severally guarantee to discharge on demand all the Guarantee Obligations to the Lender of any kind and in any currency (whether present or future actual or contingent and whether incurred alone or jointly with another) together with the Lender's charges and commission, interest and expenses payable by each and any member of the Group, ("Group's Obligations"); and
 - 1.2 agree that any item or amount claimed by the Lender to be included in the Group's Obligations which is not recoverable from any member of the Group under the Guarantee for any reason on the basis of a guarantee shall nevertheless be recoverable from each member of the Group as principal debtor by way of indemnity and each member of the Group jointly and severally agrees to discharge that liability on demand with interest from the date of demand.
- 2 By executing the Intra-Group Loan Agreement the Company will agree to make monies available to the Buyer and other members of the Group to be used to, inter alia, make payments when due to the Lender together with costs and expenses incurred by the Buyer in connection with the Acquisition provided that the Company shall only be obliged to make advances if, inter alia, the aggregate of all monies standing to the credit of its current accounts in the UK exceed the amount of the proposed advance and the Company is solvent. The Company will also be entitled to request sums to be loaned to it by other members of the Group.

**AUDITORS' REPORT TO THE DIRECTORS OF
CHANCELLOR CHILDREN'S CARE LIMITED ("THE COMPANY")
PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors dated 25 May 2005 in connection with the proposal that the Company should give financial assistance for the purchase of the entire issued share capital of its parent company by AD Care Limited.

Basis of opinion

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declarations and we have examined the accounting records of the Company and made such further enquiries to the extent that we consider necessary for the purpose of this report. We have not carried out an audit and accordingly express no opinion in this report on the state of the Company's affairs.

At the date of this report, the aggregate of the Company's assets, after allowing for the impact of various adjustments which are dependent upon the purchase of the Company proceeding, exceeds the aggregate of its liabilities as similarly stated.

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.

102 Prince of Wales Road
Norwich
Norfolk
NR1 1NY

Lovewell Blake

**Lovewell Blake
Chartered Accountants
and Registered Auditors**

25 May 2005

*Lovewell
Blake*

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CHARTERED ACCOUNTANTS