

G

CHA 116

COMPANIES FORM No. 155(6)b

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

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

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

* insert full name
of company

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

† delete as
appropriate

§ delete whichever
is inappropriate

Pursuant to section 155(6) of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

2083074

Name of company

* HEALTH & CARE SERVICES (UK) LIMITED

†/We § MICHAEL ANTHONY STRATFORD of 10 Anne Hathaway Drive, Churchdown,
Gloucester, GL3 2PX and GEORGE HENRY BLACKOE of 4 Ridgeway,
Nettleham, Lincoln, Lincolnshire LN2 2TL

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

The business of this company is:

- SJB
(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~~ SJB
(c) something other than the above§

SJB
This company is ~~the~~ [a] holding company of* CONCEPT CARE LIMITED (the "Company")

_____ which is
proposing to give financial assistance in connection with the acquisition of shares
in [this company] [_____

SJB
_____ the holding company of this company.]†

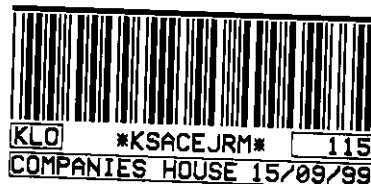
Presentor's name address and
reference (if any) :

Barlow Lyde & Gilbert
Beaufort House
15 St Botolph Street
London EC3A 7NJ

Ref: 40210-14/RB/3.07
#917459

For official Use
General Section

Post room



SJB

The assistance is for the purpose of ~~that acquisition~~ ^{reducing or discharging a liability incurred for the} purpose of that acquisition.† (note 1)

Please do not
write in this
margin

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

The number and class of the shares acquired or to be acquired is: 601,300 Ordinary Shares of
£1 each

The assistance is to be given to: (note 2) CRAEGMOOR GROUP LIMITED (currently known as
Craegmoor Healthcare Company Limited) ("Craegmoor") whose registered office
is at Hillcairnie, St Andrew's Road, Droitwich, Worcestershire, WR9 8DJ

The assistance will take the form of:

See Rider A

SJB

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

† delete as
appropriate

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

See Rider B

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced
by giving it is Nil

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

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

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

I/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) ~~I/We~~ 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) ~~It is intended to commence the winding up of this company within 12 months of the date, and I/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)~~ *SJB*

And ~~I/we~~ 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 Droit Verzetmhe

Declarants to sign below

the eighth day of September
one thousand nine hundred and ninety nine

M. G. Huntford
C. H. Blackmore

before me S. J. Bishop

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
CF4 3UZ

or, for companies registered in Scotland:-

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

RIDER A

- 1 The execution and delivery by the Company of a facility agreement (the "Issuer/Borrower Facility Agreement") to be dated no later than eight weeks after the date of this statutory declaration and made between, inter alia, Parkcare Homes Limited (the "Borrower") the Company, Craegmoor Healthcare Company Limited ("Healthcare"), Craegmoor Holdings Limited ("Holdings"), Craegmoor Finance (No. 2) PLC (the "Issuer"), certain other subsidiaries of Holdings (in their capacity as "Original Guarantors") and Bankers Trustee Company Limited (the "Security Trustee") pursuant to which:
 - (a) the Issuer will make available to the Borrower, Company and certain other subsidiaries of Holdings (subject to satisfaction of the conditions precedent and other conditions contained in the Issuer/Borrower Facility Agreement) certain facilities (the "Facilities") subject to certain limits as set out in the Issuer/Borrower Facility Agreement;
 - (b) the Company will provide the Issuer with indemnities in favour of the Issuer relating to the Issuer/Borrower Facility Agreement and the Facilities;
 - (c) the Company will make certain representations and warranties to the Issuer, and enter into certain covenants with the Issuer in respect of the Issuer/Borrower Facility Agreement and the Facilities; and
 - (d) the Company will provide the Issuer with a guarantee and a subordination in favour of the Issuer relating to the Issuer/Borrower Facility Agreement and the Facilities.
- 2 The execution and delivery by the Company of a debenture (the "Craegmoor Group Debenture") to be dated not later than eight weeks after the date of this statutory declaration and made between the Borrower, the Company, Healthcare, Holdings, certain other subsidiaries of Holdings (in their capacity as "Charging Subsidiaries"), the Issuer and the Security Trustee which contains:
 - (a) a covenant by the Company to pay its obligations under the Issuer/Borrower Facility Agreement, any debenture supplemental to it and the Craegmoor Group Debenture;
 - (b) a covenant to observe, perform and satisfy its obligations and liabilities under the Issuer/Borrower Facility Agreement, any debenture supplemental to it and the Craegmoor Group Debenture;
 - (c) a subordination of its rights against, inter alia, other Charging Subsidiaries in favour of the Issuer;
 - (d) certain representations and warranties to the Issuer, and covenants in favour of the Issuer;

- (e) a covenant with the Issuer to execute further security as required by the Security Trustee.
- 3 The execution and delivery by the Company of a note subscription agreement (the "Note Subscription Agreement") to be dated not later than eight weeks after the date of this statutory declaration and made between, inter alia, the Issuer, Healthcare, Holdings, the Company, certain other subsidiaries of Holdings and CIBC World Markets plc (the "Manager") which contains:
 - (a) certain representations, warranties and covenants by the Company in favour of the Manager; and
 - (b) certain indemnities by the Company in favour of the Manager and in favour of the Issuer in respect of certain liabilities, losses or claims.

RIDER B

1. By executing the Issuer/Borrower Facility Agreement:
 - (a) under clauses 9 and 10, the Company makes representations and gives warranties to the Issuer and covenants with the Issuer in respect of certain obligations and information to be provided to the Issuer;
 - (b) the Company agrees pursuant to clause 12 to indemnify, inter alia, the Issuer from and against any expense, loss, damage or liability which it incurs as a consequence of the occurrence of any Event of Default (as defined in the Issuer/Borrower Facility Agreement), any failure by the Borrower or any Subsidiary Borrower to drawdown in certain circumstances in accordance with a Drawing Notice (as defined under the Issuer/Borrower Facility Agreement) or of any prepayment made under the Issuer/Borrower Facility Agreement;
 - (c) the Company agrees pursuant to clause 13.1 to guarantee to the Issuer, inter alia, punctual payment by the Borrower and any Subsidiary Borrower other than itself of the Guaranteed Amounts (as defined in the Issuer/Borrower Facility Agreement) in accordance with the Issuer/Borrower Facility Agreement and/or the Craegmoor Group Debenture and/or each Debenture (as defined in the Issuer/Borrower Facility Agreement) and undertakes, inter alia, to the Issuer that if and each time the Borrower and/or any Subsidiary Borrower other than itself does not make payment of any of the Guaranteed Amounts in accordance with the Issuer/Borrower Facility Agreement and/or the Craegmoor Group Debenture and/or each Debenture the Company shall pay in accordance the amounts not so paid upon first written demand by the Security Trustee;
 - (d) the Company undertakes pursuant to clause 13.2 with the Issuer, inter alia, that if the Guaranteed Amounts are not recoverable in accordance with clause 13.1 of the Issuer/Borrower Facility Agreement to make payment of the Guaranteed Amounts by way of a full indemnity in such manner as is provided for in the Issuer/Borrower Facility Agreement and/or the Craegmoor Group Debenture and/or each Debenture and to indemnify the Issuer against all losses, claims, costs, charges and expenses to which it may be subject or which it may incur under or in connection with the Issuer/Borrower Facility Agreement and/or the Craegmoor Group Debenture and/or each Debenture;

- (e) the Company undertakes pursuant to clause 13.8 that so long as any Guarantor (as defined in the Issuer/Borrower Facility Agreement) has any liability under the Issuer/Borrower Facility Agreement:
 - (i) the Company shall not take or accept any Security Interest (as defined in the Issuer/Borrower Facility Agreement) in relation to the Guaranteed Amounts from any third party without first obtaining the Security Trustee's written consent;
 - (ii) after the occurrence of an Event of Default the Company shall not, inter alia, seek to recover either directly or by set off, lien, counterclaim or otherwise nor accept any monies or other property nor exercise any rights in respect of any sum which may be or become due to the Company or in relation to the Guaranteed Amounts from any third party nor claim, prove or accept any payment in any composition by or any winding up of the Borrower or in relation to the Guaranteed Amounts any third party; and
- (f) the Company undertakes pursuant to clause 13.9 not to exercise any rights which it may at any time have by reason of performance of its obligations under clause 13 to be indemnified by the Borrower and/or to claim any contribution from any other guarantor of the Borrower's obligations under the Issuer/Borrower Facility Agreement and/or to take the benefit of any right of the Issuer and the Security Trustee under or in connection with the Issuer/Borrower Facility Agreement.

2. By executing the Craegmoor Group Debenture:

- (a) the Company covenants pursuant to clause 2.4(a) with the Issuer that it will pay and discharge all monies and liabilities whatsoever which at the date of the Craegmoor Group Debenture or at any time thereafter may (whether before or after demand) become due owing or payable to the Issuer by the Company actually or contingently and/or in respect of the Issuer/Borrower Facility Agreement and/or any Debenture and/or the Craegmoor Group Debenture;
- (b) the Company covenants pursuant to clause 2.4(b) to observe, perform and satisfy all its other obligations and liabilities under the Issuer/Borrower Facility Agreement and/or any Debenture and the Craegmoor Group Debenture;
- (c) the Company pursuant to clause 3.4 mortgages, charges and assigns its assets to the Issuer as continuing security for the payment or discharge of its liabilities to the Issuer (and otherwise in accordance with the Issuer/Borrower Facility Agreement and the Craegmoor Group Debenture);

- (d) pursuant to clause 8 the Company undertakes to, inter alia, the Issuer that unless a Park Care/Issuer Enforcement Notice (as defined in the Craegmoor Group Debenture) has been served or all Secured Amounts (as defined in the Craegmoor Group Debenture) have been satisfied in full it will not take steps or pursue any action to recover any debt owing to it by any company in the Craegmoor Security Group (as defined in the Craegmoor Group Debenture) or procure the appointment of an administrative receiver or make an administration order against or wind up or liquidate that company in respect of its liabilities;
- (e) the Company pursuant to clause 9 makes representations and gives warranties to the Issuer and covenants with the Issuer in respect of certain obligations;
- (f) the Company covenants pursuant to clause 16.1 to deposit documents of title, to execute mortgages or charges, and to execute assignments in respect of certain property and assets owned or acquired, or subject to a floating charge under the Craegmoor Group Debenture, or payable to the Company with or to the Security Trustee;
- (g) the Company covenants pursuant to clause 16.2 upon demand of the Security Trustee to execute such documents to register or perfect any security created or intended to be created under the Craegmoor Group Debenture or which the Security Trustee may specify to facilitate the exercise or proposed exercise of its powers or the realisation of any of the Charged Property (as defined in the Craegmoor Group Debenture).

3. By executing the Subscription Agreement:

- (a) pursuant to clause 7(B) the Company makes representations and gives warranties to the Manager and covenants with the Manager in respect of certain obligations and information to be provided to the Manager;
- (b) pursuant to clause 9(A) the Company in relation to any misrepresentation or alleged misrepresentation by any Charging Company (as defined therein) in connection with the issue of the Notes (as defined therein) or any breach or alleged breach of any warranties or agreements by any Charging Company agrees with the Manager that it will fully and effectually indemnify the Manager from and against any and all loss, liabilities, costs, claims, charges, actions, proceedings, damages, expenses or demands which it may incur or which may be made against it as a result or arising out of or in relation to any such representation or alleged misrepresentation or any such breach or alleged breach of any of those warranties or agreements, such indemnity to include all costs, charges and expenses which the Manager may pay or incur in disputing or defending any claim or action or at the proceeding in respect of which indemnity may sought against the Issuer or the Borrower under clause 9(A);

(c) the Company pursuant to clause 9(B) agrees:

- (i) with the Manager and the Issuer to indemnify the Issuer in respect of any sums paid or payable by the Issuer under clause 9(A); and
- (ii) with the Issuer to indemnify the Issuer in respect of any liabilities, losses or claims whatsoever which may be brought against or incurred by the Issuer by reason of any breach of any of the warranties given to the Issuer by any Charging Subsidiary pursuant to clause 7(B).

PricewaterhouseCoopers
Temple Court
35 Bull Street
Birmingham B4 6JT
Telephone +44 (0) 121 265 5000
Facsimile +44 (0) 121 265 5050
Direct fax 0121 265 5400

The Directors
Health & Care Services (UK) Limited
'Hillcairnie'
St Andrews Road
Droitwich
Worcestershire
WR9 8DJ

8 September 1999

Dear Sirs

Auditors' report to the directors of Health & Care Services (UK) Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Health & Care Services (UK) Limited ('the Company') dated 8 September 1999 in connection with the proposal that the Company's subsidiary undertaking, Concept Care Limited, should give financial assistance for the purchase of 601,300 of the ordinary shares of the Company.

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

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

PricewaterhouseCoopers is the successor partnership to the UK firms of Price Waterhouse and Coopers & Lybrand. The principal place of business of PricewaterhouseCoopers and its associate partnerships, and of Coopers & Lybrand, is 1 Embankment Place, London WC2N 6NN. The principal place of business of Price Waterhouse is Southwark Towers, 32 London Bridge Street, London SE1 9SY. Lists of the partners' names are available for inspection at those places.

All partners in the associate partnerships are authorised to conduct business as agents of, and all contracts for services to clients are with, PricewaterhouseCoopers. PricewaterhouseCoopers is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

H:\AUDIT\MIDLANDS\BM12\Craegmoor\auditors letters\S156 report - holding company.doc