

Oyez

CHFP041

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

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

Three empty boxes for official use

03893502

Name of company

\*Insert full name of company

\* Priory Specialist Health Division Limited

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

\*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 (hereinafter called 'this company') do solemnly and sincerely declare that:

The business of this 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 ‡

This company is ~~the~~ (a) holding company of\*

LIBRA HEALTH GROUP LIMITED

which is

proposing to give financial assistance in connection with the acquisition of shares

in ~~this company~~ Priory Healthcare Holdings Limited

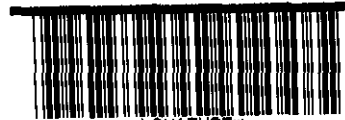
the holding company of this company.]§

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

Skadden, Arps, Slate, Meagher & Flom LLP
One Canada Square, Canary Wharf, London, E14 5DS
Ref: SNB
DX

For official use
General Section

Post room



L07
COMPANIES HOUSE

0034
21/01/03

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.

The number and class of the shares acquired or to be acquired is: See Appendix 2

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

The assistance is to be given to: (note 2)

Priory Healthcare Acquisition Co Limited  
Priory House  
Randalls Way  
Leatherhead, Surrey KT22 7TP

The assistance will take the form of:

See Appendix 3

The person who ~~[has acquired]~~ *[will acquire]*\* the shares is:

\*Delete as appropriate

Priory Healthcare Acquisition Co Limited

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

See Appendix 4

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 £ 1,761,870

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

Nil

Please do not write in this margin

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

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) 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 that date, and 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 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 **PRIORY HOUSE, RANDALLS WAY  
LEATHERHEAD, SURREY  
KT22 7TP**

Declarants to sign below

on 

Day	Month	Year
23	12	2002

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.

**ANDREW ROBERTSON**  
SOLICITOR

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

**PRIORY SPECIALIST HEALTH DIVISION LIMITED**  
**Company Number 03893502**

**Appendix 1 – Form 155(6)(b)**

Dr Chaitayna Bhupendra Patel of The Thatched House, Manor Way, Oxshott, Surrey,  
KT22 0HU

Mr Paul John Greensmith of 19 Chatsworth Road, London, W4 3HY

**PRIORY SPECIALIST HEALTH DIVISION LIMITED**  
**Company Number 03893502**

**Appendix 2 – Form 155(6)(b)**

86,031,339 A ordinary shares

30,412,224 special shares

13,593,413 ten per cent cumulative preference shares

10 B non-voting deferred shares

**PRIORY SPECIALIST HEALTH DIVISION LIMITED**  
**Company Number 03893502**

**Appendix 3 - Form 155(6)(b)**

An intercompany loan by Libra Health Group Limited to Priory Healthcare Acquisition Co Limited on 23 December 2002. This transaction is part of a wider group re-organisation (the **Re-organisation**) the objectives of which include resolving dividend block issues existing in the current group structure and achieving a corporate structure that will facilitate a future securitisation.

- 1.1 The intercompany loan from Libra Health Group Limited would constitute financial assistance:
  - (a) within the meaning of sections 151(2) and 152 of the Act in connection with the acquisition by Priory Healthcare Acquisition Co Limited (**Priory**) of the entire issued share capital of Priory Healthcare Holdings Limited on 22 May 2002 (on the basis that one of the purposes of the Re-organisation is to achieve a corporate structure that will facilitate a future securitisation which will alter Priory's financial position).

**PRIORY SPECIALIST HEALTH DIVISION LIMITED**  
**Company Number 03893502**

**Appendix 4 - Form 155(6)(b)**

Libra Health Group Limited lends £1,761,870 to Priory Healthcare Acquisition Co Limited, such amount to be left outstanding as a debt payable by Priory Healthcare Acquisition Co Limited on demand by Libra Health Group Limited at any time.

The Directors  
Priory Specialist Health Division Limited  
Priory House  
Randalls Way  
Leatherhead  
Surrey  
KT22 7TZ

23 December 2002

Our ref: NJH/4.23b

Dear Sirs

**Auditors' report to the directors of Priory Specialist Health Division Limited  
pursuant to Section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors of Priory Specialist Health Division Limited ("the Company") dated 23 December 2002 in connection with the proposal that the Company's subsidiary undertaking, Libra Health Group Limited should give financial assistance for the purchase of the following shares of the Company's holding company, Priory Healthcare Holdings Limited:

- 86,031,339 A ordinary shares;
- 30,412,224 special shares;
- 13,593,413 ten per cent cumulative preference shares; and
- 10 B non-voting deferred shares.

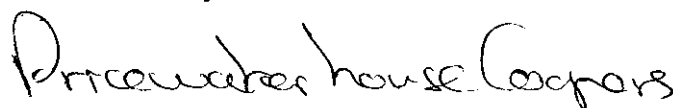
**Basis of opinion**

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



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

03893502

Name of company

\*Insert full name  
of company

\* Priory Specialist Health Division Limited

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

\*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 (hereinafter called 'this company') do  
solemnly and sincerely declare that:

The business of this 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 ‡

This company is ~~the~~ [a] holding company of\*

**LIBRA HEALTH GROUP LIMITED**

which is

proposing to give financial assistance in connection with the acquisition of shares

in ~~this company~~† Priory Healthcare Holdings Limited

the holding company of this company.]§

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

Skadden, Arps, Slate,  
Meagher & Flom LLP  
One Canada Square, Canary  
Wharf, London, E14 5DS

Ref: **SNB**

DX

For official use  
General Section

Post room

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

The number and class of the shares acquired or to be acquired is: See Appendix 2

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

The assistance is to be given to: (note 2)

Priory Healthcare Acquisition Co Limited  
Priory House  
Randalls Way  
Leatherhead, Surrey KT22 7TP

The assistance will take the form of:

See Appendix 3

The person who ~~[has acquired]~~ ~~[will acquire]~~\* the shares is:

\*Delete as appropriate

Priory Healthcare Acquisition Co Limited

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

See Appendix 4

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 do not write in this margin

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

~~†~~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) ~~†~~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 that date; and ~~†~~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 ~~†~~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 **PRIORY HOUSE, RANDALLS WAY  
LEATHERHEAD, SURREY  
KT22 7TP**

Declarants to sign below

on 

Day	Month	Year
23	12	2002

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.

**ANDREW ROBERTSON  
SOLICITOR**

**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

**PRIORY SPECIALIST HEALTH DIVISION LIMITED**  
**Company Number 03893502**

**Appendix 1 – Form 155(6)(b)**

Dr Chaitayna Bhupendra Patel of The Thatched House, Manor Way, Oxshott, Surrey,  
KT22 0HU

Mr Paul John Greensmith of 19 Chatsworth Road, London, W4 3HY

**PRIORY SPECIALIST HEALTH DIVISION LIMITED**  
**Company Number 03893502**

**Appendix 2 – Form 155(6)(b)**

86,031,339 A ordinary shares

30,412,224 special shares

13,593,413 ten per cent cumulative preference shares

10 B non-voting deferred shares

**PRIORY SPECIALIST HEALTH DIVISION LIMITED**  
**Company Number 03893502**

**Appendix 3 - Form 155(6)(b)**

The execution by Libra Health Group Limited (the **Vendor**) of a sale and purchase agreement dated 23 December 2002 between the Vendor and Priory Hospitals Limited (the **Purchaser**) relating to the sale of the entire issued share capital of Libra Health Limited (the **Shares**) (the **Sale and Purchase Agreement**). This transaction is part of a wider group re-organisation (the **Re-organisation**) the objectives of which include resolving dividend block issues existing in the current group structure and achieving a corporate structure that will facilitate a future securitisation.

- 1.1 The execution of the Sale and Purchase Agreement by the Vendor (in particular, the provisions relating to the transfer of Shares at book value which is less than market value and consideration being left outstanding on intercompany account) would constitute financial assistance:
- (a) within the meaning of sections 151(2) and 152 of the Act in connection with the acquisition by Priory Healthcare Acquisition Co Limited (**Priory**) of the entire issued share capital of Priory Healthcare Holdings Limited on 22 May 2002 (on the basis that one of the purposes of the Re-organisation is to achieve a corporate structure that will facilitate a future securitisation which will alter Priory's financial position).

**PRIORY SPECIALIST HEALTH DIVISION LIMITED**  
**Company Number 03893502**

**Appendix 4 - Form 155(6)(b)**

Libra Health Group Limited (the **Vendor**) agrees to sell the Shares and Priory Hospitals Limited (the **Purchaser**) agrees to purchase the Shares on, *inter alia*, the following terms:

- 1.2 In consideration for the sale and transfer by the Vendor of the Shares, the Purchaser shall pay to the Vendor the book value of the Shares.
- 1.3 The consideration monies referred to in clause 1.2 shall be left outstanding as a debt payable on demand in writing made by the Vendor on the Purchaser at any time after the date of the Agreement.

The Directors  
Priory Specialist Health Division Limited  
Priory House  
Randalls Way  
Leatherhead  
Surrey  
KT22 7TZ

23 December 2002

Our ref: NJH/3a.2b

Dear Sirs

**Auditors' report to the directors of Priory Specialist Health Division Limited pursuant to Section 156(4) of the Companies Act 1985**

We have examined the attached statutory declaration of the directors of Priory Specialist Health Division Limited ("the Company") dated 23 December 2002 in connection with the proposal that the Company's subsidiary undertaking, Libra Health Group Limited should give financial assistance for the purchase of the following shares of the Company's holding company, Priory Healthcare Holdings Limited:

- 86,031,339 A ordinary shares;
- 30,412,224 special shares;
- 13,593,413 ten per cent cumulative preference shares; and
- 10 B non-voting deferred shares.

**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