

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

**155(6)b**

lease do not  
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his margin

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

lease complete  
egibly, preferably  
n black type, or  
old block lettering

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

For official use

Company number

464538

Insert full name  
of company

Name of company

\* HAMMER FILM PRODUCTIONS LIMITED ("the Company")

ote  
lease read the  
otes on page 3  
efore completing  
his form

†We†

Neil Mendoza of 48 Palace Gardens Terrace, London W8 4RR, and  
Larry Chrisfield of St Paul's Hall, Royal Hill, Greenwich, London SE10 8SS,  
and  
~~Terence Ilott of 92 New Cavendish Street, London W1M 7FA.~~

†Insert name(s) and  
address(es) of all  
the directors

Delete as  
appropriate

~~[the sole director]~~ [all the directors]<sup>§</sup> 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\* Hammer Film Music Limited (Company  
818008) ("HFM")

which is

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

the Company being the holding company of this company.]<sup>§</sup>

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

Howard Kennedy  
19 Cavendish Square  
London W1A 2AW  
DX 42748 Oxford Circus North

For official use  
General Section

Post room



ASS  
COMPANIES HOUSE

\*ANEC803M\*

0599  
18/02/00

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:

980 "A" and 20 "B" Ordinary Shares of £1 each in the capital of the Company

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

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

Hammer Entertainment Limited (Company Number 3819171) ("HE") whose registered office is at First Floor, Bouverie House, 154 Fleet St, London EC4A 2JD. Neil Mendoza of 48 Palace Gardens Terrace, London SW3. Charles Saatchi of 26 St Leonards Terrace, London SW3. William Sieghart of 8a Holland Villas Rd, London W14

The assistance will take the form of:

See continuation sheet 1

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

\*Delete as  
appropriate

Hammer Entertainment Limited (Company number 3819171) whose registered office is at First Floor, Bouverie House, 154 Fleet Street, London EC4A 2JD.

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

See continuation sheet 2

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

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

N/A

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

N/A

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

The date on which the assistance is to be given is within 4 weeks from 31 January 2000

~~†~~ 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) ~~†~~ 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.

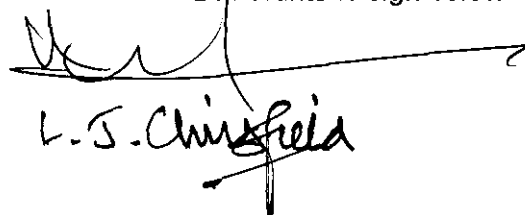
Declared at

**PAISNER & Co.  
BOUVERIE HOUSE  
154 FLEET STREET  
LONDON EC4A 2JD**


Declarants to sign below

on 

Day	Month	Year
3	1	01
2	0	00
0		

  
L.S. Chisfield

before me

 HELEN MOYES

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

**Hammer Film Productions Limited (Company Number 464538)**

**Continuation Sheet 1**

1. HFM accepting (as guarantor) a Facility Letter from Barclays Bank plc ("the Bank") addressed to the Company relating to a term loan of £750,000 ("the Term Loan") to the Company to refinance the Company's existing liabilities (which liabilities include a loan to be repaid to the Company's "B" shareholders) and to fund working capital and a separate Facility Letter from the Bank addressed to the Company relating to an overdraft facility ("the Overdraft Facility") of £100,000 to finance the Company's working capital requirements.
2. The Company executing in favour of the Bank a Composite Guarantee and Debenture securing all indebtedness and liabilities of the Company, HE, HFM and Hammer Films Limited to the Bank, present and/or future (the "Guarantee and Debenture").
3. Repayment by the Company of the outstanding part of the loan of £1,050,000 (including any outstanding interest) made on 2 May 1997 to the Company by Neil Mendoza, Charles Saatchi and William Seighart (being together the Company's "B" Shareholders, and who are, with others, shareholders in HE and in addition, Neil Mendoza and William Seighart will as part of the HE acquisition arrangements lend to HE £232,500 each) as varied by a Letter of Variation dated 9 April 1998.
4. Repayment by the Company of the loan in the sum of £379,000 (including any outstanding interest) to the Company by the Shenley Film Pensions Fund.

**Hammer Film Productions Limited (Company Number 464538)**

**Continuation Sheet 2**

1(a) The Term Loan is repayable over five years and one month by way of six monthly equal (or approximately equal) instalments commencing on 30 June 2001. The amount of each instalment shall be determined by reference to the total principal amount of all drawings outstanding on 30 June 2001.

Interest on the Term Loan will be charged quarterly in arrears on the amount of the Facility outstanding at the time at a rate equal to the aggregate of the margin (3% per annum, or 2.5% per annum if the principal amount of the Facility reduces to £500,000 on or before 30 June 2001, or 2% per annum if the principal amount of the Facility reduces to £300,000 on or before 30 June 2001) and the rate of interest published by the Bank as its Base Rate from time to time.

(b) The Overdraft Facility will be repayable on demand and is subject to review by 1 December 2000. Interest on the Overdraft Facility will be charged at the rate of 2.75% per annum over the Bank's base rate. Borrowings in excess of the Overdraft Facility will be charged at 15% per annum above the Bank's base rate.

2. As to the extent of the Guarantee and Debenture see paragraph 2 of Continuation Sheet 1.

3. Full repayment of the loan of £1,050,000 (referred to in paragraph 3 of Continuation Sheet 1) on 31 January 2000.

4. Full repayment of the loan of £379,000 by Shenley Film Pensions Fund (referred to in paragraph 4 of Continuation Sheet 1) on 31 January 2000.



REES POLLOCK

*Chartered Accountants*

7 Pilgrim Street

London EC4V 6DR

Telephone 020 7329 6404

Fax 020 7329 6408

AUDITORS' REPORT TO THE DIRECTORS OF  
HAMMER FILM PRODUCTIONS LIMITED PURSUANT TO SECTION 156(4)  
OF THE COMPANIES ACT 1985

We have examined the attached statutory declaration of the directors dated January 31, 2000 in connection with the proposal that Hammer Film Music Limited, of which the company is the holdings company, should give financial assistance for the purchase of all of the company's 'A' and 'B' shares by Hammer Entertainment Limited.

*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.

Rees Pollock  
Chartered Accountants  
Registered Auditor

January 31, 2000