

18 - 09 - 97

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Please complete
legibly, preferably
in black type, or
bold block lettering* Insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

[1/1]

2678881

Name of company

* FLEXTech CHILDREN'S CHANNEL LIMITED (the "Company")

Date of creation of the charge

27th August, 1997

Description of the instrument (if any) creating or evidencing the charge (note 2)

COMPOSITE DEBENTURE dated 27th August, 1997 (the "Debenture") and made between (1) the companies (including the Company) whose respective names, registered

See continuation sheet no. 1, page 1

Amount secured by the mortgage or charge

By clause 2.1 of the Debenture each Chargor (including the Company) covenants that it will pay to the Security Trustee for the account of the Beneficiaries all moneys and discharge all obligations and liabilities now or hereafter due, owing or incurred to the Beneficiaries or any of them under or pursuant to the Transaction Documents when the same become due for payment or discharge whether by acceleration or otherwise, and whether such moneys, obligations or liabilities are express or implied, present, future or contingent; joint or several; incurred as principal or surety; originally owing to the Beneficiaries (or any of them) or purchased or otherwise acquired by them or it; denominated in Sterling or in any other currency.

See continuation sheet no. 1, page 2

Names and addresses of the mortgagees or persons entitled to the charge

The Toronto-Dominion Bank (in its capacity as Security Trustee for the Beneficiaries) whose London office is at Triton Court, 14/18 Finsbury Square, London

Postcode

EC2A 1DB

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

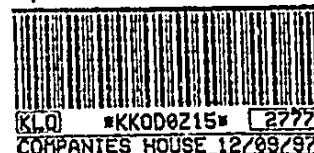
Norton Rose
Kempson House
PO Box 570
Camomile Street
London EC3A 7AN

MDI/Z144514/180018.395

Time critical reference

For official use
Mortgage Section

Post room



18-09-97

Short particulars of all the property mortgaged or charged

By clause 3.1 of the Debenture each relevant Chargor (which includes the Company) with full title guarantee by way of first fixed charge as a continuing security for the payment and discharge of the Secured Obligations:

- (a) charges the Securities and (in the case of Flextech Digital Broadcasting) the BBC Joint Venture Shares and (in the case of UAI) the UK Gold Joint Venture Shares to the Security Trustee; and
- (b) charges and agrees to charge all allotments, rights, benefits and advantages whatsoever accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest or otherwise in respect of the Securities or (in the case of Flextech Digital Broadcasting) the BBC Joint Venture Shares or (in the case of UAI) the UK Gold Joint Venture Shares or in substitution for any of the same.

See continuation sheet no. 1 page 4

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

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Norton Rose

Date

12th September 1997

On behalf of company/mortgagor/chargor†

† delete as appropriate

- 1 The original instrument (if any) creating or evidencing the charge, together with those prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his:
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

18 - 09 - 97

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**Please do not
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binding marginContinuation sheet No. 1
to Form No 395 and 410 (Scot)

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Please complete
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in black type, or
bold block lettering

Company Number

2678881

Name of Company

FLEXTech CHILDREN'S CHANNEL LIMITED

limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

numbers and registered offices are set out in schedule 1 to the Debenture and (2) The Toronto-Dominion Bank in its capacity as Security Trustee for the Beneficiaries (as defined in the Debenture) (in this capacity the "Security Trustee"). In the Debenture:

"Agent" means The Toronto-Dominion Bank of Triton court, 14/18 Finsbury Square, London EC2A 1DB or such other person as may be appointed agent for the banks pursuant to the Agreement;

"Arranger" means The Toronto-Dominion Bank of Triton Court, 14/18 Finsbury Square, London EC2A 1DB;

"Assigned Assets" means in relation to each Chargor, all the assets of such Chargor described in clause 3.2 of the Debenture;

"Banks" means The Toronto-Dominion Bank and NationsBank N.A. and includes their successors in title and Substitutes;

"Base Accounting Principles" means generally accepted accounting principles and practices in the United Kingdom as at the date of this Agreement (as amended in line with accounting principles and practices generally provided that any amendments applicable to the covenants in the Facility Agreement and/or the definition of the terms used in them have been amendments agreed as set out in the Facility Agreement);

"BBC and Pearson Subscription Agreement" means the share swap and purchase agreement entered, or to be entered into, between the Parent, Pearson Television Limited, Thames Television Limited and BBC Worldwide Investments Limited in relation to UK Gold and UK Living;

"BBC Joint Venture" means UK Channel Management Limited (company registration number 3322468) whose registered office is at Woodlands, 80 Wood Lane, London W12 0TT;

"BBC Joint Venture Shares" means all those shares in the BBC Joint Venture issued to Flextech Digital Broadcasting pursuant to the BBC JV Agreement;

"BBC JV Agreement" means the subscription and shareholders agreement entered, or to be entered, into between the Parent, Flextech Digital Broadcasting, BBC Worldwide and the BBC Joint Venture;

See continuation sheet no. 2, page 1

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Amount due or owing on the mortgage or charge (continued)

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By clause 4.1(b) of the Debenture each Chargor (which includes the Company) undertakes with the Security Trustee that it will duly and promptly pay all calls, instalments or other moneys which may from time to time become due in respect of any of its Securities (and, in the case of Flextech Digital Broadcasting, the BBC Joint Venture Shares and in the case of UAI, the UK Gold Joint Venture Shares), it being acknowledged by such Chargor that neither the Security Trustee nor any of the Beneficiaries shall in any circumstances incur any liability whatsoever in respect of any such calls, instruments or other moneys;

Please complete
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By clause 4.1(e) of the Debenture each Chargor (which includes the Company) undertakes with the Security Trustee that it will punctually pay, or cause to be paid and indemnify the Banks, the Security Trustee and any Receiver (on a several basis) against, all present and future rent, rate, taxes, duties, charges, assessments, impositions and outgoings whatsoever (whether imposed by agreement, statute or otherwise) now or at any time during the continuance of this security payable in respect of the Charged Assets or any part thereof or by the owner or occupier thereof.

Clause 4.2 of the Debenture provides that if any Chargor (which includes the Company) at any time defaults in complying with any of its obligations contained in the Debenture, the Security Trustee or any Receiver shall, without prejudice to any other rights arising as a consequence of such default, be entitled (but not bound) to make good such default and such Chargor irrevocably authorises the Security Trustee and its employees and agents by way of security to do all such things (including, without limitation, entering such Chargor's property) necessary or reasonably desirable in connection therewith. Any moneys so expended by the Security Trustee shall be repayable by such Chargor to the Security Trustee together with interest at a default rate from the date of demand until such repayment, both before and after judgment.

By clause 9.1 of the Debenture the Chargors (which includes the Company) jointly and severally undertake with the Security Trustee to pay on demand all costs, charges and expenses reasonably and properly incurred by the Security Trustee or any of the Beneficiaries or by any Receiver in or about the enforcement, preservation or attempted preservation of any of the security created by or pursuant to the Debenture or any of the Charged Assets on a full indemnity basis, together with interest at a default rate from the date on which such costs, charges or expenses are so incurred until the date of payment by the Chargors (both before and after judgment).

Clause 9.3 of the Debenture provides that the Beneficiaries and any Receiver, attorney, agent or other person appointed by the Security Trustee under the Debenture and their respective officers and employees (each an "Indemnified Party") shall be entitled to be indemnified out of the Charged Assets in respect of all costs, losses, actions, claims, expenses, demands or liabilities whether in contract, tort, delict or otherwise and whether arising at common law, in equity or by statute which are incurred by, or made against, any of them at any time relating to or arising out of or as a result of:

- (a) anything done or omitted in the exercise or purported exercise of the powers contained in the Debenture; or
- (b) any breach by a Chargor (which includes the Company) of any of its obligations under the Debenture; or
- (c) any claim under or in respect of any Environmental Law or breach thereof made or asserted against an Indemnified Party which would not have arisen if the Debenture had not been executed and which was not caused by the negligence or wilful default of the relevant Indemnified Party.

See continuation sheet no. 2, page 2

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete
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18-09-97

Short particulars of all the property mortgaged or charged (continued)

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By clause 3.2 of the Debenture each relevant Chargor (which includes the Company) with full title guarantee assigns absolutely to the Security Trustee as a continuing security for the payment and discharge of the Secured Obligations:

Please complete
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- (a) (i) in the case of the Parent all its present and future rights, title, benefit and interest in and under the UK Gold JV Purchase Loan Stocks and the UK Gold Option Loan Stock from time to time;
- (ii) in the case of Flextech Digital Broadcasting all its present and future rights, title, benefit and interest in and under the BBC JV Loan Stock from time to time; and
- (iii) in the case of UAI all its present and future rights, title, benefit and interest in and under the UK Gold JV Funding Loan Stock and the Relevant Existing Loan Stock from time to time;
- (b) in the case of Flextech Television Limited, all its present and future rights, title, benefit and interest in and to the Sell-a-Vision Earnings from time to time including interest thereon and any other amounts payable in respect thereof;
- (c) in the case of Flextech Television Limited, all its present and future rights, title, benefit and interests in and to all amounts payable to it, including without limitation management fees, arising under the BBC JV Management Services Agreement and the UK Gold JV Management Services Agreement;
- (d) in the case of the Parent, Flextech Digital Broadcasting and UAI, all its present and future rights, title, benefit and interest in and to amounts payable to it under the BBC JV Agreement and the UK Gold JV Agreement, including (but not limited to) all amounts payable under the BBC JV Agreement and under the UK Gold JV Agreement; and
- (e) in the case of the Parent all its present and future rights, title, benefit and interest in and to all amounts payable to it under the Options.

By clause 3.3 of the Debenture each Chargor (which includes the Company) charges to the Security Trustee by way of first floating charge with full title guarantee and as a continuing security for the payment and discharge of the Secured Obligations its undertaking and all its property, assets and rights whatsoever and wheresoever both present and future, other than any property or assets from time to time effectively charged or assigned by way of fixed charge or assignment pursuant to clauses 3.1 or 3.2 of the Debenture or otherwise pursuant to the Debenture and (in the case of Continental Shelf 16 Limited) the shares held by it in Playboy TV UK/Benelux Limited but including (without limitation and whether or not so effectively charged) any of its property and assets situated in Scotland.

By clause 3.4 of the Debenture each Chargor (which includes the Company) covenants with the Security Trustee from the date of the Debenture and so long as any monies are owing under the Debenture or any commitments remain outstanding that save as otherwise provided by the Debenture it will not without the prior consent in writing of the Security Trustee:

See continuation sheet no 2 page 4

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COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**Please do not
write in this
binding marginContinuation sheet No. 2
to Form No 395 and 410 (Scot)

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Please complete
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bold block lettering

Company Number

2678881

Name of Company

FLEXTech CHILDREN'S CHANNEL

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"BBC JV Loan Stock" means the variable rate unsecured loan stock issued, or to be issued, to Flextech Digital Broadcasting by the BBC Joint Venture;

"BBC JV Loan Stock Instrument" means the instrument executed, or to be executed, by the BBC Joint Venture constituting the BBC JV Loan Stock;

"BBC JV Management Services Agreement" means the management services agreement entered, or to be entered, into between Flextech Television Limited and the BBC Joint Venture;

"BBC JV Security Trustee's Undertaking" means the agreement entered, or to be entered, into between the Security Trustee, BBC Worldwide and Flextech Digital Broadcasting;

"BBC Worldwide" means BBC Worldwide Limited (company registration number 1420028) whose registered office is at Woodlands, 80 Wood Lane, London W12 0TT;

"Beneficiaries" means the Security Trustee, the Arranger, the Agent and the Banks;

"Borrowed Money" means indebtedness in respect of (i) money borrowed or raised and debit balances at banks, (ii) any bond, note, loan stock, debenture or similar debt instrument, (iii) acceptance or documentary credit facilities, (iv) receivables sold or discounted (otherwise than on a non-recourse basis), (v) deferred payments for assets or services acquired, (vi) finance leases and hire purchase contracts, (vii) swaps, forward exchange contracts, futures and other derivatives, (viii) any other transaction (including without limitation forward sale or purchase agreements) having the commercial effect of a borrowing or raising of money or of any of (ii) to (vii) above and (ix) guarantees in respect of indebtedness of any person falling within any of (i) to (viii) above;

"Borrowers" means the Parent and Flextech (1992) and a reference to a "Borrower" means either one of them, as the context may require;

"Call Option" means the call option granted, or to be granted, by the Parent to the UK Gold Joint Venture in respect of certain shares in Cox Programming Limited and UK Gold;

"Call Option Agreement" means the document constituting the Call Option;

See continuation sheet no. 3, page 1

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Amount due or owing on the mortgage or charge (continued)

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Clause 12.2 of the Debenture provides that no payment to the Security Trustee (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of any Chargor (which includes the Company) in respect of which it was made unless and until the Security Trustee shall have received payment in full in the currency in which such obligation or liability was incurred. To the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency the Security Trustee shall have a further separate cause of action against such Chargor and shall be entitled to enforce the charges created by the Debenture to recover the amount of the shortfall.

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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18-09-97

Short particulars of all the property mortgaged or charged (continued)

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- (a) dispose of or create or permit to subsist or arise any Encumbrance (other than a Permitted Encumbrance) on or over, the Assigned Assets or any part thereof or release, set off or compound or deal with the same;
- (b) create or attempt to create or permit to subsist, arise or be extended in favour of any person other than the Security Trustee any Encumbrance (other than a Permitted Encumbrance) on or affecting the Charged Assets or any part thereof; or
- (c) make any disposal of the Charged Assets or any part thereof which is prohibited by the terms of the Facility Agreement or attempt or agree so to do.

By clause 3.5 of the Debenture, each Chargor (which includes the Company) irrevocably and unconditionally agrees that if there shall from time to time be any credit balance on any of its accounts with any of the Beneficiaries, each Beneficiary shall have the absolute right to refuse to permit such credit balance to be utilised or withdrawn by such Chargor whether in whole or in part if at that time there are outstanding any of the Secured Obligations.

By clause 3.6 of the Debenture notwithstanding anything expressed or implied in the Debenture, if any Chargor (which includes the Company) creates or attempts to create any Encumbrance (other than Permitted Encumbrance) over all or any of the Floating Charge Assets without the prior consent in writing of the Security Trustee or if any person levies or attempts to levy any distress, execution, sequestration or other process or does or attempts to do any diligence in execution against any of the Floating Charge Assets, the floating charge created by clause 3.3 of the Debenture over the property or asset concerned shall thereupon automatically without notice be converted into a fixed charge.

By clause 3.7 of the Debenture notwithstanding anything expressed or implied in the Debenture but without prejudice to clause 3.6 of the Debenture, the Security Trustee shall be entitled at any time after the occurrence of an event of default and while the same is continuing by giving notice in writing to that effect to a Chargor (which includes the Company) to convert the floating charge over all or any part of the Floating Charge Assets of that Chargor into a fixed charge as regards the assets specified in such notice.

By clause 4.1(c) of the Debenture each Chargor (which includes the Company) undertakes with the Security Trustee that during the continuance of the security created by the Debenture such Chargor will not (without the prior consent in writing of the Security Trustee) redeem or purchase any of its own shares or (other than in the case of the Parent) pay any dividend other than to any Obligor.

By clause 4.1(i) of the Debenture each Chargor (which includes the Company) undertakes with the Security Trustee that during the continuance of the security created by the Debenture such Chargor will not vary, extend, release, determine or rescind any of the Assigned Assets or grant time for payment or indulgence or compound with discharge waive release set off or vary the liability of any other person thereunder or consent to any act or omission as would otherwise constitute a breach or concur in accepting or varying any compromise arrangement or settlement relating thereto or do or suffer any act or thing or permit any set off whereby the recovery of any moneys payable may be delayed or impeded.

See continuation sheet no. 3, page 4

18-09-97

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**Please do not
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to Form No 395 and 410 (Scot)

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Please complete
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Company Number

2678881

Name of Company

FLEXTECH CHILDREN'S CHANNEL

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Charged Assets" means, in relation to each Chargor, all the undertaking, goodwill, property, assets and rights of such Chargor described in clauses 3.1, and 3.3 of the Debenture and, to the extent relevant, clause 3.2 of the Debenture;

"Chargor" means each of the Original Chargors and each other member of the Group which becomes a party to the Debenture pursuant to a Supplemental Deed;

"Collateral Instruments" means notes, bills of exchange, certificates of deposit and other negotiable and non-negotiable instruments, guarantees, and any other documents or instruments which contain or evidence an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for, any indebtedness or liabilities under the Facility Agreement and includes Encumbrances;

"Consideration Loan Stocks" shall have the meaning ascribed thereto in the Call Option Agreement or the Put Option Agreement (as the case may be);

"Consolidated Annualized Group Net Operating Cash Flow" means, for the Group, twice the aggregate of the Consolidated Group Net Operating Cash Flow in respect of the relevant Six Month Period;

"Consolidated Group Net Operating Cash Flow" means, in respect of each relevant period, the net operating income of the Group (plus any depreciation, amortisation (other than programming amortisation), other non-cash expenses and taxes, interest or other charges (including, without limitation, commitment commission, but excluding any one-off fees paid otherwise than in lieu of interest or by way of discount, howsoever described) payable in respect of Borrowed Money) including:

- (i) cash dividends received other than in respect of the interest of any member of the Group in STV; and
- (ii) (subject to clause 4.4(b)) (A) 50 per cent. of all interest income and principal amounts by way of redemption or repayment actually received in respect of the UK Gold JV Purchase Loan Stocks, the UK Gold Option Loan Stock, the Existing UK Gold Loan Stock and the UK Gold JV Funding Loan Stock (in each case provided the holder thereof is an Obligor) (save where such redemption or repayment is made other than in accordance with the terms of the relevant UK Gold JV Loan Stock Instrument or instrument constituting the Existing UK Gold Loan Stock (as the case may be) in its form as at
See continuation sheet no. 4, page 1

18 - 09 - 97

Amount due or owing on the mortgage or charge (continued)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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18-09-97

Short particulars of all the property mortgaged or charged (continued)

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By clause 5.1 of the Debenture each Chargor (which includes the Company) shall at any time if and when required by the Security Trustee execute such further Encumbrances and assurances in favour of the Security Trustee and do all acts and things as the Security Trustee or any Receiver shall from time to time require over or in relation to all or any of the Charged Assets to secure the Secured Obligations or to protect the security intended to be created by the Debenture over the Charged Assets or any part thereof or to facilitate the realisation of the same. Clause 6.2 of the Debenture provides that such further Encumbrances and assurances shall be prepared by or on behalf of the Security Trustee at the reasonable expense of the Chargors and shall contain (a) an immediate power of sale without notice, (b) a clause excluding section 93 Law of Property Act 1925 and (c) such other clauses for the benefit of the Beneficiaries as the Security Trustee may reasonably require.

Clause 6.1 of the Debenture provides that unless the Enforcement Date has occurred, each Chargor (which includes the Company) shall be entitled to exercise all voting and other rights vested in the holder of the Securities and, in the case of Flextech Digital Broadcasting, the BBC Joint Venture Shares and the BBC JV Loan Stock, in the case of the Parent, the UK Gold JV Purchase Loan Stocks and the UK Gold Option Loan Stock and, in the case of UAI, the UK Gold Joint Venture Shares, the UK Gold JV Funding Loan Stock and the Relevant Existing Loan Stock provided that such Chargor shall not exercise such rights in a manner which would or might reasonably be expected to derogate from or prejudice the security created by the Debenture or conflict with any provision of any Transaction Document.

By clause 6.2 of the Debenture each Chargor (which includes the Company) will, if so requested by the Security Trustee after the Enforcement Date, transfer all or any of the Securities to the Security Trustee or such nominee or agents as the Security Trustee may select.

By clause 6.3 of the Debenture, if the Enforcement Date has occurred any dividends, interest or other moneys which may be paid or payable in respect of the Securities and, in the case of Flextech Digital Broadcasting, the BBC Joint Venture Shares and the BBC JV Loan Stock and, in the case of the Parent, the UK Gold JV Purchase Loan Stocks and the UK Gold Option Loan Stock and, in the case of UAI, the UK Gold Joint Venture Shares, the UK Gold JV Funding Loan Stock and the Relevant Existing Loan Stock shall be paid to the Security Trustee and, to the extent not so paid, shall be held in trust for the Security Trustee and paid or delivered to the Security Trustee on demand in writing. So long as the Enforcement Date has not occurred and so long as the payment of any dividends, interest or other moneys does not constitute or give rise to a breach of any provision of the Transaction Documents, any such dividends, interest or other moneys shall be paid to the relevant Chargor.

Clause 6.5 of the Debenture provides that if any Beneficiary receives notice of any subsequent Encumbrance affecting the Charged Assets or any part thereof, such Beneficiary may open a new account for the Chargor concerned. If it does not do so then, unless such Beneficiary gives express written notice to the contrary to the Chargor concerned, it shall nevertheless be treated as if it had opened a new account at the time when it received such notice and as from that time all payments made by or on behalf of the Chargor concerned to such Beneficiary shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount due from that Chargor to such Beneficiary at the time when it received such notice.

See continuation sheet no. 4 page 1

18-09-97

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**Please do not
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Company Number

2678881

Name of Company

FLEXTECH CHILDREN'S CHANNEL

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Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

the date of this Agreement, (B) 50 per cent. of all amounts actually received in respect of the Additional Fee pursuant to the UK Gold Management Services Agreement (as defined therein) and (C) cash dividends actually received in respect of the interest of any member of the Group in the UK Gold Joint Venture provided that no amounts shall be included under this sub-paragraph (ii) which are in excess of 50 per cent. of the earnings before interest, taxation, depreciation and amortisation of the UK Gold Joint Venture in such relevant period

but excluding:

- (a) any extraordinary income, net of any Taxes paid or payable in respect of such income, of the Group during such relevant period;
- (b) any interest income (other than in respect of the UK Gold JV Loan Stock), net of any Taxes paid or payable in respect of such income, of the Group for such relevant period;
- (c) any profits or losses attributable to the interest of the Group in any undertaking (as defined in section 259 Companies Act 1985) which is not a subsidiary undertaking (as defined in section 258 Companies Act 1985) of the Parent,

all as determined in accordance with the Base Accounting Principles and as shown in the financial statements or Monthly Management Accounts in respect of the relevant period prepared and delivered to the Agent pursuant to the terms of the Facility Agreement;

"Contribution" means in relation to a Bank the principal amount of the Loan owing to such Bank at any relevant time;

"Cox Share Charge" means the charge over shares and assignment given, or to be given by Cox Programming Limited in favour of the Security Trustee in respect of its shareholding in UK Living and interests in certain Existing Loan Stock in the agreed form;

"Encumbrance" means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment by way of security, trust arrangement or security interest of any kind securing any obligation of any person or any other type of preferential arrangement (but excluding without limitation title transfer and/or retention arrangements having a similar effect) but does not include liens arising in the ordinary course of trading by operation of law and not by way of contract;

See continuation sheet no. 5, page 1

18-09-97

Amount due or owing on the mortgage or charge (continued)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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Short particulars of all the property mortgaged or charged (continued)

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Clause 8.2 of the Debenture provides that all moneys receivable by virtue of any of the insurances maintained by a Chargor (which includes the Company) at any time after the occurrence of an event of default which is continuing shall be paid to the Security Trustee (or if not paid by the insurers directly to the Security Trustee shall be held on trust for the Security Trustee) and shall at the option of the Security Trustee be applied in replacing, restoring or reinstating the property or assets destroyed, damaged or lost (any deficiency being made good by the Chargor concerned) or (except where such Chargor is obliged (as landlord or tenant) to lay out such insurance moneys under the provisions of any lease of any of the Charged Assets) in reduction of the Secured Obligations.

Clause 8.3 of the Debenture provides that no purchaser or other person shall be bound or concerned to see or enquire whether the right of the Security Trustee or any Receiver to exercise any of the powers conferred by the Debenture has arisen or be concerned with notice to the contrary or with the propriety of the exercise or purported exercise of such powers.

Clause 11.1 of the Debenture provides that the Debenture and the obligations of each Chargor (which includes the Company) under the Debenture shall:

- (a) secure the ultimate balance from time to time owing to the Beneficiaries by such Chargor and shall be a continuing security notwithstanding any settlement of account or other matter whatsoever;
- (b) be in addition to, and not prejudice or affect, any present or future Collateral Instrument, Encumbrance, right or remedy held by or available to the Beneficiaries or any of them; and
- (c) not merge with or be in any way prejudiced or affected by the existence of any such Collateral Instruments, Encumbrance, rights or remedies or by the same being or becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by the Beneficiaries or any of them dealing with, exchanging, releasing, varying or failing to perfect or enforce any of the same, or giving time for payment or indulgence or compounding with any other person liable.

Clause 11.4 of the Debenture provides that any release, discharge or settlement between any Chargor (including the Company) and the Security Trustee or any of the Beneficiaries shall be conditional upon no security, disposition or payment to the Security Trustee or any of the Beneficiaries by such Chargor or any other person being void, set aside or ordered to be refunded pursuant to any enactment or law relating to liquidation, administration or insolvency or for any other reason whatsoever and if such condition shall not be fulfilled the Security Trustee shall be entitled to enforce the Debenture subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.

By clause 11.6 of the Debenture, the Security Trustee and the Beneficiaries shall be entitled to retain this Deed after as well as before the payment or discharge of the Secured Obligations for such period as they may determine.

See continuation sheet no. 5 page 4

18 - 09 - 97

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**Please do not
write in this
binding marginContinuation sheet No. 5
to Form No 395 and 410 (Scot)

CHA 116

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

Company Number

2678881

Name of Company

FLEXTECH CHILDREN'S CHANNEL

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Enforcement Date" means the date on which the Security Trustee is entitled to take any action to enforce all or any of its rights under the Debenture following the occurrence of an event of default or, if earlier, the date on which a petition for an administration order is presented in relation to a Chargor;

"Environmental Law" means any law or regulation relating to (a) the pollution, conservation or protection of the environment (both natural and built), (b) the development, occupation, exploitation or other use of land, buildings or other property or assets, (c) the creation, storage, handling and disposal of industrial waste and hazardous substances and (d) health and safety at work or elsewhere and includes, without limitation, the Environmental Protection Act 1990 and all primary and subordinate legislation which that Act replaces or re-enacts;

"Existing Loan Stock" means the UK Gold Existing Loan Stock and the UK Living Existing Loan Stock;

"Facility Agreement" means the agreement dated 24th March, 1997 (as from time to time amended, varied, extended, restated or replaced) and made between the Parent (1), Floxtech (1992) (2), the companies whose names, registered offices and registered numbers are set out in part A of schedule 1 thereto (3), the Arranger (4), the banks and other financial institutions whose names and addresses are set out in part B of schedule 1 thereto (5), the Agent (6) and the Security Trustee (7) pursuant to which the Banks agreed to make available to the Borrowers a secured revolving credit facility of up to a principal amount of £85,000,000.

"Floxtech Digital Broadcasting" means Floxtech Digital Broadcasting Limited (company registration number 3298737) whose registered office is The Quadrangle, Imperial Square, Cheltenham, Gloucestershire GL50 1YX;

"Floxtech (1992)" means Floxtech (1992) p.l.c. (company registration number 1190025) whose registered office is at 4th Floor, The Quadrangle, Imperial Square, Cheltenham, Gloucestershire GL50 1YX;

"Floating Charge Assets" means, in relation to a Chargor, the assets of such Chargor from time to time expressed to be charged by the Debenture by way of floating charge;

"Group" means the Parent and its Subsidiaries;

See continuation sheet no. 6, page 1

18 - 09 - 97

Amount due or owing on the mortgage or charge (continued)

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18 - 09 - 97

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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18-09-97

Short particulars of all the property mortgaged or charged (continued)

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Clause 15.2 of the Debenture provides that no failure or delay on the part of the Security Trustee or any Beneficiary to exercise any power, right or remedy under the Debenture shall operate as a waiver thereof, nor shall any single or any partial exercise by the Security Trustee or any Beneficiary of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The remedies provided in the Debenture are cumulative and are not exclusive of any remedies provided by law.

Clause 15.8 of the Debenture provides that the Debenture shall remain binding on each Chargor (which includes the Company) notwithstanding any change in the constitution of the Security Trustee or any Beneficiary or its absorption in, or amalgamation with, or the acquisition of all or part of its undertaking by, any other person, or any reconstruction or reorganisation of any kind. The security granted by the Debenture shall remain valid and effective in all respects in favour of the Security Trustee (and any successor Security Trustee appointed pursuant to the terms of the Security Trust Deed and their respective successors in title) for itself and as agent and trustee for the Beneficiaries and any assignee, transferee or other successor in title of a Beneficiary.

The companies set out in part A of schedule 1 to the Debenture as Original Chargers are:

<u>Chargor</u>	<u>Registered Office</u>	<u>Chargor No.</u>
Flextech p.l.c.	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2688411
Flextech Television Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2294553
Bravo TV Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2342064
United Artists Investments Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2761569
Flextech Rights Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2981104
TVS Television Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	591652

See continuation sheet 6 page 4

18-09-97

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**Please do not
write in this
binding marginContinuation sheet No. 6
to Form No 395 and 410 (Scot)

CHA 116

Please complete
legibly, preferably
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bold block lettering

Company Number

2678881

Name of Company

FLEXTECH CHILDREN'S CHANNEL

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Indebtedness" means any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent;

"Jersey Co." means Flextech Investments (Jersey) Limited a company incorporated in Jersey whose registered office is at 38/89 The Esplanade, St. Helier, Jersey;

"Jersey Security Agreements" means each of the security agreements entered, or to be entered, into by Flextech (1992), the Parent and Flextech Video Games Limited in favour of the Security Trustee in respect of their respective shareholdings in Jersey Co. and IVS Cable Holdings Limited in the agreed form;

"Loan" means the aggregate principal amount owing to the Banks under the Facility Agreement at any relevant time;

"Majority Banks" means at any relevant time Banks (a) the aggregate of whose Contributions exceeds 66 $\frac{2}{3}$ per cent. of the Loan, or (b) (if no principal amounts are outstanding under the Facility Agreement) the aggregate of whose commitments exceeds 66 $\frac{2}{3}$ per cent. of the total commitments of all of the Banks, provided that, notwithstanding subparagraphs (a) and (b) above, a minimum of two Banks shall constitute the Majority Banks;

"Material Subsidiary" means each of the companies whose names are set out in part A.1 and part A.2 of schedule 1 to the Facility Agreement and any other Subsidiary of the Parent that (i) owns 5 per cent. or more of the net assets of the Group from time to time or (ii) contributes 5 per cent. or more of either (x) the net revenues or (y) Consolidated Group Net Operating Cash Flow of the Group from time to time in each case as shown in the most recent Monthly Management Accounts delivered to the Agent;

"Monthly Management Accounts" means the monthly management accounts of the Group to be delivered to the Agent pursuant to the terms of the Facility Agreement;

"Notice of Assignment" means a notice of assignment in the form set out in the Debenture;

See continuation sheet no. 7, page 1

18 - 09 - 97

Amount due or owing on the mortgage or charge (continued)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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18 - 09 - 97

Short particulars of all the property mortgaged or charged (continued)

Please do not
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<u>Chargor</u>	<u>Registered Office</u>	<u>Chargor No</u>	Please complete legibly, preferably in black type, or bold block lettering
Starstream Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	1733724	
Maidstone Broadcasting	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2721189	
Flextech (1992) p.l.c.	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	1190025	
Continental Shelf 16 Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	3005499	
Flextech Digital Broadcasting Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	3298737	
Flextech Video Games Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2670821	
Flextech Communications Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2588902	
Flextech Family Channel Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2856303	
See continuation sheet no. 7, page 4			

18 - 09 - 97

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**Please do not
write in this
binding marginContinuation sheet No 7
to Form No 395 and 410 (Scot)

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Please complete
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in black type, or
bold block lettering

Company Number

2678881

Name of Company

FLEXTECH CHILDREN'S CHANNEL

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Obligors" means each of the Parent, Flextech (1992) and the other Guarantors and a reference to an "Obligor" means any one of them, as the context may require and (for the purposes of certain provisions of the Facility Agreement) includes UK Living until such time as that company becomes an Obligor;

"Options" means the Put Option and the Call Option;

"Original Chargors" means those companies whose respective names and registered numbers are set out in part A of schedule 1 to the Debenture;

"Parent" means Flextech p.l.c. (company registration number 2688411) whose registered office is at 4th Floor, The Quadrangle, Imperial Square, Cheltenham, Gloucestershire GL50 1YX;

"Permitted Encumbrance" means (i) Encumbrances granted by members of the Group over all or any part of their respective present or future undertakings, assets, rights or revenues that are not secured for the benefit of the Banks under any Security Document to secure or prefer Indebtedness not exceeding a principal amount of £2,500,000, (ii) the charge created by Maidstone Broadcasting in favour of the Secretary of State for the Environment and (iii) the charges created by the UK Gold Group and by UK Living and existing at the date of the Facility Agreement (until (in the case of the charges created by UK Living) discharged pursuant to the terms of the Facility Agreement);

"Put Option" means the put option granted, or to be granted, by the UK Gold Joint Venture to the Parent in respect of certain shares in Cox Programming Limited and UK Gold;

"Put Option Agreement" means the document constituting the Put Option;

"Qualifying Bank" means:

(a) a person:

(i) being a "bank" within the meaning of Section 840A Income and Corporate Taxes Act 1988;

(ii) which is beneficially entitled to any interest payable to it under the Facility Agreement; and

(iii) which is within the charge to corporation tax as respects such interest;

See continuation sheet no. 8, page 1

18-09-97

Amount due or owing on the mortgage or charge (continued)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete
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18 - 09 - 97

Short particulars of all the property mortgaged or charged (continued)

Please do not
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<u>Chargor</u>	<u>Registered office</u>	<u>Chargor No.</u>
Flextech Distribution Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2678883
Flextech (Kindernet Investment) Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	1260228
Fleximedia Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2654520
Flextech Children's Channel Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2678881
Flextech Media Holdings Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2678886
IVS Cable Holdings Limited	1a Gallais Chambers 54 Bath Street St. Helier Jersey	Jersey No. 41688
Flextech Investments (Jersey) Limited	38/39 The Esplanade St. Helier Jersey	Jersey No. 66951

Please complete
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See continuation sheet no. 8, page 4

18 - 09 - 97

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**Please do not
write in this
binding marginContinuation sheet No. 8
to Form No 395 and 410 (Scot)

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Please complete
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Company Number

2678881

Name of Company

FLEXTech CHILDREN'S CHANNEL

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

but so that if either Section 840A or Section 349(3) (a) of such Act is amended or repealed, this paragraph (a) shall be amended in such manner as the Agent, after consultation with the Parent, shall determine to be necessary in order to define a person whose circumstances most closely correspond to a person as defined above; or

- (b) a person, being a bank or financial institution (whether incorporated in the United Kingdom or elsewhere), which, by virtue of the provisions of a double taxation agreement between the United Kingdom and the country of residence of that person is, subject only to a prior direction given to the relevant Borrower by the United Kingdom Inland Revenue pursuant to an application by that person without such Borrower incurring any additional expense or suffering any significant additional administrative burden, eligible to have payments made to it by such Borrower under the Facility Agreement (i) without any deduction or withholding in respect of Taxes, or (ii) (in the case of a Substitute) subject to a withholding or deduction in respect of Taxes to an extent no greater than that which applied to the Bank from which such Substitute acquired its commitment and/or Contribution;

"Receiver" means any one or more receivers and/or managers or administrative receivers appointed by the Security Trustee pursuant to the Debenture in respect of all or any of the Chargers or over all or any of the Charged Assets;

"Relevant Existing Loan Stock" means all Existing Loan Stock issued to UAI;

See continuation sheet no. 9, page 1

18-09-97

Amount due or owing on the mortgage or charge (continued)

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18 - 09 - 97

Please do not
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete
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18-09-97

Short particulars of all the property mortgaged or charged (continued)

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The Companies set out in part B of schedule 1 to the Debenture as Share Security Subsidiaries are:

Please complete
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in black type, or
bold block lettering

<u>Name</u>	<u>Company Number</u>	<u>Members</u>
Bravo TV Limited	2342064	Flextech p.l.c.
Continental Shelf 16 Limited	3005499	Flextech p.l.c.
Fleximedia Limited	2654520	Flextech Video Games Limited, Flextech p.l.c., R.D.E. Luard
Flextech (1992) p.l.c.	1190025	Flextech Video Games Limited, Fleximedia Limited
Flextech Children's Channel Limited	2678881	Flextech Media Holdings Limited
Flextech Communications Limited	2588902	Flextech Video Games Limited, Flextech Children's Channel Limited, Flextech p.l.c.
Flextech Distribution Limited	2678883	Flextech Media Holdings Limited
Flextech Family Channel Limited	2856303	Flextech Media Holdings Limited
Flextech Homeshopping Limited	3156792	Flextech p.l.c. TINTA
Flextech (Kindernet Investment) Limited	1260228	Flextech (1992) p.l.c.
Flextech Media Holdings Limited	2678886	Flextech (1992) p.l.c., Fleximedia Limited
Flextech Rights Limited	2981104	Flextech p.l.c.
Flextech Television Limited	2294553	Flextech p.l.c.
Flextech Video Games Limited	2670821	Flextech p.l.c.

See continuation sheet 9 page 4

18 - 09 - 97

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**Please do not
write in this
binding marginContinuation sheet No 9
to Form No 395 and 410 (Scot)

CHA 116

Please complete
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in black type, or
bold block lettering

Company Number

2678881

Name of Company

FLEXTech CHILDREN'S CHANNEL

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Scots Share Agreements" means the security agreements relating to certain shares in STV entered or to be entered into by each of Flextech (1992) and Jersey Co. (subject to the approval of the board of directors of such company) in favour of the Security Trustee in the agreed form;

"Secured Obligations" means all moneys, obligations and liabilities covenanted to be paid or discharged under or pursuant to clause 2 of the Debenture;

"Securition" means all stocks, shares and securities of any kind whatsoever whether marketable or otherwise in each of the Share Security Subsidiaries listed in part B of schedule 1 to the Debenture or (to the extent not so listed) in any Material Subsidiary from time to time;

"Security Documents" means the Scots Share Agreements, the Debenture, the Jersey Security Agreements, the TINTA Inter-Creditor Deed, the BBC JV Security Trustee's Undertaking, the UK Gold JV Security Trustee's Undertaking, the Cox Share Charge, the Security Trust Deed and all other mortgages, charges, pledges, guarantees, inter-creditor agreements or deeds and other instruments from time to time entered into in favour of the Agent and/or the Security Trustee and/or the Banks by way of guarantee or other assurance and/or security for or (in the case of inter-creditor agreements or deeds) otherwise in relation to amounts owed to the Banks, the Arranger, the Agent or Security Trustee in respect of any of the Indebtedness of the Obligors under the Facility Agreement;

"Security Trust Deed" means the deed entered, or to be entered, into between the Parent (1), Flextech (1992) (2), the Parent and others as original Guarantors (3), the banks and financial institutions named in part B of schedule 1 thereto (4), the Arranger (5), the Agent (6) and the Security Trustee (7) in the agreed form;

"Sell-a-vision Earnings" means the earnings derived by Starstream Limited from the Sell-a-vision Joint Venture Agreement and assigned to Flextech Television Limited (formerly United Artists (Entertainment) Programming Limited) under an agreement dated 22nd November 1995;

See continuation sheet 10, page 1

18-09-97

Amount due or owing on the mortgage or charge (continued)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete
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18-09-97

Short particulars of all the property mortgaged or charged (continued)

Please do not
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binding margin

<u>Name</u>	<u>Company Number</u>	<u>Members</u>
Maidstone Studios Limited	1471172	TVS Television Limited
Starstream Limited	1733724	Flextech Communications Limited, Flextech p.l.c.
TVS Television Limited	591652	Flextech p.l.c.
UK Living Limited	2802598	Flextech p.l.c., United Artists Investments Limited, Cox Programming Limited
United Artists Investments Limited	2761569	Flextech p.l.c., United Artists European Holdings Limited
Flextech Digital Broadcasting Limited	3298737	Flextech p.l.c.

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

The Companies whose names are set out in part A1 and part A2 of schedule 1 to the Facility Agreement as Material Subsidiaries are:

<u>Company</u>	<u>Registered Office</u>	<u>Company No.</u>
Flextech p.l.c.	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2688411
Flextech Television Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2294553
Bravo TV Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2342064
United Artists Investments Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2761569
Flextech Rights Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2981104
TVS Television Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	591652

See continuation sheet no. 10, page 4

18 - 09 - 97

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**Please do not
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to Form No 395 and 410 (Scot)

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Please complete
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in black type, or
bold block lettering

Company Number

2678881

Name of Company

FLEXTECH CHILDREN'S CHANNEL

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Sell-a-vision Joint Venture Agreement" means a joint venture agreement dated 26th March 1993 and made between Starstream Limited and Quantum International Limited;

"Share Security Subsidiaries" means those Subsidiaries whose respective names, company registration numbers and members are set out in Part B of Schedule 1 to the Debenture;

"Sterling" and "£" mean the lawful currency for the time being of the United Kingdom and in respect of all payments to be made under the Facility Agreement in Sterling mean immediately available, freely transferable cleared funds;

"STV" means Scottish Television Public Limited Company (company registration number SC042391) whose registered office is at Cowcaddens, Glasgow G2 3PR;

"Subsidiary" means (a) a subsidiary within the meaning of section 736 of the Companies Act 1985; and (b) for the purposes of certain specified clauses of the Facility Agreement only, a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985;

"Substitute" means a Qualifying Bank to whom any Bank transfers by way of novation all or any part of its rights, benefits and/or obligations under the Facility Agreement;

"Supplemental Deed" means a deed supplemental to the Debenture executed by, inter alios, a Subsidiary of the Parent in the form attached to the Debenture or in such other form as is agreed between the Security Trustee and the Parent by virtue of which such Subsidiary of the Parent becomes a chargor under the terms of the Debenture;

"Taxes" includes all present and future taxes, levies, imposts, duties, fees or charges of whatever nature together with interest thereon and penalties in respect thereof and "Taxation" shall be construed accordingly;

"TINTA" means Tele-Communications International, Inc., a Delaware Corporation, whose principal place of business is at Terrace Tower II, 5619 DTC Parkway, Englewood, Colorado, U.S.A.;

"TINTA Inter-Creditor Deed" means the inter-creditor deed entered, or to be entered, into between Flextech Digital Broadcasting, TINTA, the Security Trustee and the BBC Joint Venture;

See continuation sheet no. 11, page 1

18 - 09 - 97

Amount due or owing on the mortgage or charge (continued)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete
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18 - 09 - 97

Short particulars of all the property mortgaged or charged (continued)

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Starstream Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	1733724
Maidstone Broadcasting	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2721189
Flextech (1992) p.l.c.	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	1190025
Continental Shelf 16 Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	3005499
Flextech Digital Broadcasting Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	3298737

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18-09-97

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**Please do not
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to Form No 395 and 410 (Scot)

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Please complete
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in black type, or
bold block lettering

Company Number

2678881

Name of Company

FLEXTECH CHILDREN'S CHANNEL

Limited*

* delete if
inappropriateDescription of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Transaction Documents" means the Facility Agreement and the Security Documents;

"UAI" means United Artists Investments Limited (company registration number 2761569) whose registered office is at 4th Floor, The Quadrangle, Imperial Square, Cheltenham, Gloucestershire GL50 1YX;

"UK Gold" means UK Gold Television Limited;

"UK Gold Existing Loan Stock" means the floating rate redeemable unsecured loan stock issued by UK Gold in a principal amount of £12,517,089 to Cox Programming Limited and in a principal amount of £8,942,663 to UAI;

"UK Gold Group" means the UK Gold Joint Venture and its subsidiaries from time to time;

"UK Gold Joint Venture Shares" means all those shares in the UK Gold Joint Venture issued to UAI pursuant to the UK Gold JV Agreement.

"UK Gold Joint Venture" means UK Gold Holdings Limited (company registration number 3298738) whose registered office is The Quadrangle, Imperial Square, Cheltenham, Gloucestershire, GL50 1YX;

"UK Gold JV Agreement" means the subscription and shareholders' agreement entered, or to be entered into between the Parent, UAI, BBC Worldwide and the UK Gold Joint Venture;

"UK Gold JV First Purchase Loan Stock" means the variable rate unsecured loan stock of a principal amount of £36,000,000 issued, or to be issued, to the Parent by the UK Gold Joint Venture pursuant to the UK Gold Transfer Agreement;

"UK Gold JV Funding Loan Stock" means the variable rate unsecured loan stock issued, or to be issued, to UAI by the UK Gold Joint Venture in connection with the funding from time to time of the UK Gold Joint Venture;

"UK Gold JV Loan Stock" means the UK Gold JV Purchase Loan Stocks, the UK Gold Option Loan Stock and the UK Gold JV Funding Loan Stock;

See continuation sheet 12, page 1

18-09-97

Amount due or owing on the mortgage or charge (continued)

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Please complete
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18 - 09 - 97

Please do not
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete
legibly, preferably
in black type, or
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18-09-97

Short particulars of all the property mortgaged or charged (continued)

Please do not
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legibly, preferably
in black type, or
bold block letteringPart A2

<u>Company</u>	<u>Registered Office</u>	<u>Company No.</u>
Flextech Video Games Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2670821
Flextech Communications Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2588902
Flextech Family Channel Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2856303
Flextech Distribution Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2678883
Flextech (Kindernet Investment) Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	1260228
Fleximedia Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2654520
Flextech Children's Channel Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2678881
Flextech Media Holdings Limited	4th Floor The Quadrangle Imperial Square Cheltenham Gloucestershire GL50 1YX	2678886

18 - 09 - 97

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**Please do not
write in this
binding marginContinuation sheet No. 12
to Form No 395 and 410 (Scot)

CHA 116

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

Company Number

2678881

Name of Company

FLEXTech CHILDREN'S CHANNEL

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"UK Gold JV Loan Stock Instruments" means the instruments executed, or to be executed, by the UK Gold Joint Venture constituting the UK Gold JV Loan Stock;

"UK Gold JV Management Services Agreement" means the management services agreement entered, or to be entered, into between Flextech Television Limited, the Parent, the UK Gold Joint Venture and UK Gold Broadcasting Limited;

"UK Gold JV Purchase Loan Stocks" means the UK Gold JV First Purchase Loan Stock and the UK Gold JV Second Purchase Loan Stock;

"UK Gold JV Second Purchase Loan Stock" means the non-interest bearing unsecured loan stock of a principal amount of £18,000,000 issued, or to be issued, to the Parent by the UK Gold Joint Venture pursuant to the UK Gold Transfer Agreement;

"UK Gold JV Security Trustee's Undertaking" means the agreement entered, or to be entered, into between the Security Trustee, BBC Worldwide and UAI;

"UK Gold Option Loan Stock" means the loan stocks issued, or to be issued, to the Parent by the UK Gold Joint Venture pursuant to either of the Options as Consideration Loan Stocks;

"UK Gold Transfer Agreement" means the transfer agreement entered into between the UK Gold Joint Venture, UAI and the Parent;

"UK Living" means UK Living Limited; and

"UK Living Existing Loan Stock" means the floating rate redeemable unsecured loan stock issued by UK Living in a principal amount of £8,271,047 to UAI, in a principal amount of £11,579,450.63 to Cox Programming Limited and in a principal amount of £7,764,000 (reduced to £5,176,000 upon completion of the BBC and Pearson Subscription Agreement) to Thames Television Limited.

See continuation sheet 13, page 1

18-09-97

Amount due or owing on the mortgage or charge (continued)

Please do not
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18 - 09 - 97

Please do not
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete
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18-09-97

Short particulars of all the property mortgaged or charged (continued)

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18 - 09 - 97

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**Please do not
write in this
binding marginContinuation sheet No. 13
to Form No 395 and 410 (Scot)

CHA 116

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

Company Number

2678881

Name of Company

FLEXTECH CHILDREN'S CHANNEL

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Clause 1.2 of the Debenture provides that the expressions "Security Trustee", "Bank", "Agent", "Arranger", "Beneficiary", "Parent", "Borrower", "Guarantors", "Obligor", "Chargor" and "Original Chargors" include, where the context admits, their respective successors, in the case of the Banks, their Substitutes, in the case of the Security Trustee, such other person as may from time to time be appointed as security trustee pursuant to the terms of the Security Trust Deed and, in the case of the Agent, such other person as may be appointed as Agent pursuant to the terms of the Facility Agreement.

Clause 1.4 of the Debenture provides that in the Debenture, unless the context otherwise requires:

- (a) references to clauses and the schedules are to be construed as references to the clauses of, and the schedules to, the Debenture and references to the Debenture include its schedule;
- (b) reference to (or to any specified provision of) the Debenture or any other document shall be construed as references to the Debenture, that provision or that document as in force for the time being and as amended in accordance with the terms thereof or, as the case may be, with the agreement of the relevant parties and (where such consent is, by the terms of the Debenture or the relevant document or otherwise, required to be obtained as a condition to such amendment being permitted) the prior written consent of the Security Trustee, the Agent, the Beneficiaries, the Banks or the Majority Banks (as the case may be);
- (c) references to a "regulation" include any present or future regulation, rule, directive, requirement, request or guideline (whether or not having the force of law) of any agency, authority, central bank or government department or any self-regulatory or other national or supra-national authority;
- (d) words importing the plural shall include the singular and vice versa;
- (e) references to a time of day are to London time;

See continuation sheet no. 14, page 1

18-09-97

Amount due or owing on the mortgage or charge (continued)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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18 - 09 - 97

Short particulars of all the property mortgaged or charged (continued)

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18 - 09 - 97

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**Please do not
write in this
binding marginContinuation sheet No. 14
to Form No 395 and 410 (Scot)

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Please complete
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in black type, or
bold block lettering

Company Number

2678881

Name of Company

FLEXTECH CHILDREN'S CHANNEL

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

- (f) references to a person shall be construed as including references to an individual, firm, company, corporation, unincorporated body of persons or any State or any agency thereof;
- (g) references to a "guarantee" include references to an indemnity or other assurance against financial loss including, without limitation, an obligation to purchase assets or services as a consequence of a default by any other person to pay any Indebtedness and "guaranteed" shall be construed accordingly; and
- (h) references to any enactment shall be deemed to include references to such enactment as re-enacted, amended or extended.

18 - 09 - 97

Amount due or owing on the mortgage or charge (continued)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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18-09-97

Short particulars of all the property mortgaged or charged (continued)

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bold black lettering

18 - 09 - 97

FILE COPY

**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 02678881

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE DEBENTURE DATED THE 27th AUGUST 1997 AND CREATED BY FLEXTECH CHILDRENS CHANNEL LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR ALL OR ANY OTHER COMPANIES NAMED THEREIN TO THE TORONTO-DOMINION BANK (IN IT'S CAPACITY AS SECURITY TRUSTEE FOR THE BENEFICIARIES) UNDER THE TERMS OF THE TRANSACTION DOCUMENTS (AS DEFINED IN THE DEBENTURE) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 12th SEPTEMBER 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 17th SEPTEMBER 1997 .

PHIL DAVIES

for the Registrar of Companies



COMPANIES HOUSE

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17-09-97
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