

# 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

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03123160

Name of company

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

\* MILL FILM LIMITED

\* insert full name  
of company

x/We ☒ See Appendix A attached

§ 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:

§ delete whichever  
is inappropriate

The business of this company is:

- (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 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\* MILL LA LIMITED

which is

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

in ~~this company~~ [ MDM GROUP LIMITED

\_\_\_\_\_ the holding company of this company.]†

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

Dickson Minto W.S.  
Royal London House  
22/25 Finsbury Square  
London EC2A 1DS

(Ref: MJB/MAW/E020/003)  
mill.1fd

For official Use  
General Section

P



The assistance is for the purpose of [that acquisition] [reducing or discharging a liability incurred for the purpose of that acquisition].† (note 1) and

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

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

The assistance is to be given to: (note 2) De Facto 890 Limited, (Registered No. 4113122)  
10 Snow Hill, London, EC1A 2AL ("Newco")

The assistance will take the form of:

See Appendix C attached

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

Newco

† delete as appropriate

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

See Appendix D attached

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  
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The date on which the assistance is to be given is See Appendix E attached

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

X/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) X/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)

\* delete either (a) or  
(b) as appropriate

(b) ~~It is intended to commence the winding up of this company within 12 months of that date, and I/we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding up~~\* (note 3)

And X/we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at 40/41 GREAT MARLBOROUGH STREET  
LONDON

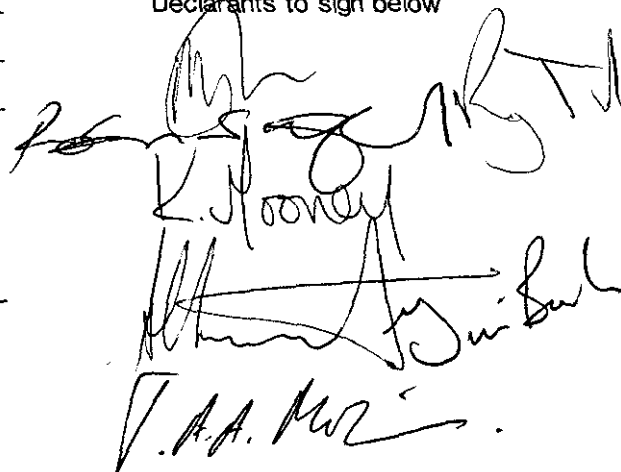
Declarants to sign below

Day Month Year  
on 

0	9	0	2	2	0	0	1
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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.

  
K. Hooney  
J. A. Morris

## 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  
Companies House  
37 Castle Terrace  
Edinburgh  
EH1 2EB

## APPENDICES TO FORM 155(6)b

## APPENDIX A

Directors' names and addresses are:

James Morris	Field House Crow Lane Stylebawn, Enniskerry County Wicklow Republic of Ireland
Pat Joseph	College Barn Thornborough Road Padbury Buckingham Buckinghamshire MK18 2AH
Robin Shenfield	Flat 1 52 Aberdeen Park London N5 2BL
Roy Trosh	26 Teddington Park Road Teddington Middlesex TW11 8ND
Karl Mooney	3 Rona Road Gospel Oak London NW3 2HY
Timothy Burke	31 Nelson Road London N8 9RX
Anthony Hunt	Englefield Poundfield Lane Cookham Berks SL6 9RY

*Handwritten signatures and initials:*  
JMR (circled), RT, KH, F.A.M., JS

## APPENDIX B

The number of shares to be acquired is:

71,426 A Ordinary shares of £0.01 each;

61,999 B Ordinary shares of £0.01 each;

48,142 C Ordinary shares of £0.01 each; and

1 B Preferred Ordinary Share of £0.01 each.

PS TB  
RT  
V.A.M.  
PJ KM

## APPENDIX C

The entering into of the following (or of the documents relating thereto) to which the Company is to be a party as the same may be amended, varied, supplemented or substituted from time to time, may constitute assistance and will take the form of:

- (a) a debenture (the "**Debenture**") under which the Company grants fixed and floating charges, mortgages and assignments over all of its assets and undertakings in favour of The Royal Bank of Scotland plc as security trustee (the "**Security Trustee**") for the Senior Creditor and the Mezzanine Creditor (as defined herein) as security for its obligations under the guarantee referred to in paragraph (b) below to pay and discharge the Secured Liabilities (as defined herein);
- (b) a guarantee (the "**Guarantee**") under which the Company guarantees and indemnifies to the Senior Creditor, the Mezzanine Creditor and the Security Trustee in relation to all moneys, obligations and liabilities which are from time to time due, owing or payable by Newco and The Mill (Facility) Limited or any other Obligor to the Senior Creditor, the Mezzanine Creditor and the Security Trustee in particular under or pursuant to the Facility Agreement and the Mezzanine Facility Agreement;
- (c) a debenture (the "**B Debenture**") under which the Company grants fixed and floating charges, mortgages and assignments over all of its assets and undertaking in favour of 3i plc as security trustee (the "**B Security Trustee**") for the Investor Creditors (as defined herein) as security for its obligations under the guarantee referred to in paragraph (d) each to pay and discharge the B Secured Liabilities (as defined herein);
- (d) a guarantee (the "**B Guarantee**") under which the Company guarantees and indemnifies the Investor Creditors and the B Security Trustee in relation to all moneys, obligations and liabilities which are from time to time due, owing or payable by Newco or any other obligor to the Investor Creditors and the B Security Trustee under the Investment Agreement;
- (e) an intercreditor agreement (the "**Intercreditor Agreement**") regulating the priority and subordination arrangements between *inter alios* the companies named therein, the Senior Creditor, the Mezzanine Creditor, the Security Trustee and others;
- (f) a letter of support (the "**Letter of Support**") under which Newco and The Mill (Facility) Limited agree subject to certain conditions set out therein, to lend funds to the Company and the other companies named

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J.A.A.M. PS KSH

therein, to enable such companies to discharge their respective obligations pursuant to the Facility Agreement, the Mezzanine Facility Agreement, the Investment Agreement and in addition supporting such companies with their general working capital requirements to ensure their solvency; and

- (g) an upstream intra-company loan agreement (the "**Upstream Intra-Company Loan Agreement**") under which the Company together with the other companies set out therein agree subject to the satisfaction of certain conditions, to lend funds to Newco and The Mill (Facility) Limited to allow Newco and The Mill (Facility) Limited to discharge their obligations under the Facility Agreement and the Mezzanine Facility Agreement and Newco's obligations under the Investment Agreement.

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D.A.M. PS KM

## APPENDIX D

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

1. Under the terms of the Debenture, the Company with full title guarantee and as a continuing security for the payment or discharge of the Secured Liabilities hereby:
  - 1.1 charges to the Security Trustee, by way of first legal mortgage, all freehold and leasehold properties now owned by or vested in the Company, together with all buildings, fixtures, and fittings from time to time situated on any of such properties;
  - 1.2 mortgages and charges to the Security Trustee, all stocks, shares, loan capital, securities, bonds and investments of any kind whatsoever (whether or not marketable) now or at any time in the future (and from time to time) owned (at law or in equity) by the Company, together with all allotments offered or arising in respect thereof or incidental thereto and all stocks, shares, loan capital, securities, bonds, investments, rights, money or property accruing, deriving, offered or paid from time to time by way of dividend, distribution, interest, exchange, capital reorganisation, conversion, redemption, bonus, rights, preference, option or otherwise in respect thereof;
  - 1.3 charges to the Security Trustee, by way of first fixed charge:
    - 1.3.1 all freehold and leasehold properties hereafter acquired by the Company, together with all buildings, fixtures and fittings from time to time situated on any of such properties;
    - 1.3.2 all interests of the Company in or over land or the proceeds of sale of land not effectively mortgaged or charged under the paragraphs 1.1 and 1.2 above;
    - 1.3.3 all present and future goodwill of the Company and all uncalled capital for the time being of the Company;
    - 1.3.4 all equipment, plant, machinery, tools, vehicles, furniture and other tangible moveable property present or at any time in the future (and from time to time) owned by the Company, and any part thereof, together with all spare parts, replacements, modifications and additions thereto;
    - 1.3.5 any existing or future rights of the Company in respect of any patent, trade mark, service mark, trade name.

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registered design, design right, copyright, data base right, know-how and any other rights in intellectual property whether registered or unregistered and any registration or application for registration including all fees, royalties and other income or rights derived therefrom or incidental thereto;

- 1.3.6 all book debts, other debts, receivables and liabilities of any kind whatsoever now or at any time hereafter (and from time to time) due, owing or payable to the Company, including the benefit of any judgement or order to pay a sum of money and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the same, and all cash deposits in any account of the Company with any person and all bills of exchange, promissory notes and other negotiable instruments for the time being owned or held by the Company, but excluding any cash and any amounts from time to time standing to the credit of any bank (or other) account of the Company, in each case deriving from the payment or collection of the aforementioned debts;
- 1.3.7 subject to the foregoing any cash and any amounts from time to time standing to the credit of any bank (or other) account of the Company, in each case deriving from the payment or collection of the book debts, other debts, receivables and liabilities as set in paragraph 1.3.6 above;
- 1.3.8 all sums from time to time standing to the credit of any interest bearing deposit account with the Lender opened in the name of the Borrowers into which sums are to be paid for certain purposes as described in Clause 8 of the Facility Agreement and in the corresponding clause of the Mezzanine Facility Agreement (as the same may be renewed, redesignated, replaced or renumbered from time to time) and the debt represented thereby;
- 1.3.9 all rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to all freehold and leasehold properties now or at any time in the future (and from time to time) owned by the Company, together with all buildings, fixtures and fittings thereon, or any of the equipment mentioned in paragraph 1.3.4 above;

Handwritten signatures and initials: TB, RT, AS, TAM, KM, PS.

1.4 assigns and charges to the Security Trustee:

- 1.4.1 all right, title and interest of the Company to and in any present or future insurances (including, without limitation, any key man insurance policies, any insurances relating to all freehold and leasehold properties now or at any time in the future (and from time to time) owned by the Company, together with all buildings, fixtures and fittings thereon or any of the equipment mentioned in paragraph 1.3.4 above and any proceeds thereof;
- 1.4.2 to the extent the same are assignable, the benefit of any agreements to which the Company is party and in particular any material contracts and the benefit of any guarantee or security held by the Company for the performance of such agreements; and
- 1.4.3 the benefit of all licenses, consents and authorisations held by the Company and the right to recover or receive any sum of money pursuant to any of them.

1.5 charges to the Security Trustee, by way of first floating charge, all the undertaking, property, assets and rights of the Company whatsoever and wheresoever, present and/or future (including all stock) at any time not otherwise effectively mortgaged, charged or assigned pursuant to the foregoing.

2. Under the terms of the Guarantee:

- 2.1 the Company unconditionally guarantees to the Security Trustee the proper and punctual payment and performance of all moneys, obligations and liabilities which are from time to time due, owing or payable by or from the Borrowers or any other Obligor to the Senior Creditor, the Mezzanine Creditor and the Security Trustee (the "**Guaranteed Liabilities**") the Company shall forthwith upon written demand by the Security Trustee, pay perform or discharge the Guaranteed Liabilities in respect of which such default has been made.
- 2.2 the Company agrees that if any purported obligation or liability of any principal, which would have been within the Guaranteed Liabilities had it been valid and enforceable, is not or ceases to be valid or enforceable against that principal on any ground whatsoever, whether or not known to the Senior Creditor, the Mezzanine Creditor or the Security Trustee (including, without limitation, any irregular exercise or absence of any corporate power or lack of authority of, or breach of duty by, any person

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purporting to act on behalf of that principal or any legal or other limitation, disability or incapacity or any change in the constitution of or any amalgamation, reconstruction, receivership, liquidation, administration or insolvency of that principal), the Company shall nevertheless be liable to the Security Trustee in respect of that purported obligation or liability as if it were fully valid and enforceable and the Company were the principal debtor in respect of it. The Company hereby agrees to keep the Security Trustee fully indemnified on demand against all damages, losses, costs and expenses arising from any failure by any principal to perform or discharge any such purported obligation or liability.

- 3 Under the terms of the B Debenture, the Company with full title guarantee and as a continuing security for the payment or discharge of the B Secured Liabilities hereby:

3.1 charges to the B Security Trustee, by way of first fixed charge:

- 3.1.1 all freehold and leasehold properties of the Company, both present and future together with all buildings, fixtures and fittings from time to time situated on any of such properties;
- 3.1.2 all stocks, shares, loan capital, securities, bonds and investments of any kind whatsoever (whether or not marketable) now or at any time hereafter (and from time to time) owned (at law or in equity) by the Company, together with all allotments offered or arising in respect thereof or incidental thereto and all stocks, shares, loan capital, securities, bonds, investments, rights, money or property, accruing, deriving, offered or paid from time to time by way of dividend, distribution, interest, exchange, capital reorganisation, conversion, redemption, bonus, rights, preference, option or otherwise in respect thereof;
- 3.1.3 all present and future goodwill of the Company and all uncalled capital for the time being of the Company;
- 3.1.4 all equipment, plant, machinery, tools, vehicles, furniture and other tangible moveable property present or at any time in the future (and from time to time) owned by the Company, and any part thereof, together with all spare parts, replacements, modifications and additions thereto;

*Handwritten signatures and initials:*  
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- 3.1.5 any existing or future rights of the Company in respect of any patent, trade mark, service mark, trade name, registered design, design right, copyright, data base right, know-how and any other rights in intellectual property whether registered or unregistered and any registration or application for registration including all fees, royalties and other income or rights derived therefrom or incidental thereto;
- 3.1.6 all book debts, other debts, receivables and liabilities of any kind whatsoever now or at any time hereafter (and from time to time) due, owing or payable to the Company, including the benefit of any judgement or order to pay a sum of money and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the same, and all cash deposits in any account of the Company with any person and all bills of exchange, promissory notes and other negotiable instruments for the time being owned or held by the Company, but excluding any cash and any amounts from time to time standing to the credit of any Bank (or other) account of the Company, in each case deriving from the payment or collection of the aforementioned debts;
- 3.1.7 subject to the foregoing any cash and any amounts from time to time standing to the credit of any Bank (or other) account of the Company, in each case deriving from the payment or collection of the book debts, other debts, receivables and liabilities as set in paragraph 3.3.6 above;
- 3.1.8 all rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to all freehold and leasehold properties now or at any time in the future (and from time to time) owned by the Company, together with all buildings, fixtures and fittings thereon, or any of the equipment mentioned in paragraph 3.1.4 above;
- 3.2 charges to the B Security Trustee, by way of first floating charge, all the undertaking, property, assets and rights of the Company whatsoever and wheresoever, present and/or future (including all stock) at any time not otherwise effectively mortgaged, charged or assigned pursuant to the foregoing.

4. Under the terms of the B Guarantee:

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- 4.1 the Company unconditionally guarantees to the Security Trustee the proper and punctual payment and performance of all moneys, obligations and liabilities which are from time to time due, owing or payable by or from Newco pursuant to the Investment Agreement and/or the PIK Note Instrument, to the Investor Creditors and the B Security Trustee (the "**B Guaranteed Liabilities**") and undertakes that if and whenever Newco shall default in the due payment, performance or discharge of the B Guaranteed Liabilities *inter alios* the Company shall forthwith upon written demand by the B Security Trustee, pay perform or discharge the B Guaranteed Liabilities in respect of which such default has been made.
- 4.2 the Company agrees that if any purported obligation or liability of Newco, which would have been within the B Guaranteed Liabilities had it been valid and enforceable, is not or ceases to be valid or enforceable against Newco on any ground whatsoever, whether or not known to the Investor Creditors, the or the B Security Trustee (including, without limitation, any irregular exercise or absence of any corporate power or lack of authority of, or breach of duty by, any person purporting to act on behalf of Newco or any legal or other limitation, disability or incapacity or any change in the constitution of or any amalgamation, reconstruction, receivership, liquidation, administration or insolvency of Newco), the Company shall nevertheless be liable to the B Security Trustee in respect of that purported obligation or liability as if it were fully valid and enforceable and the Company were the principal debtor in respect of it. The Company hereby agrees to keep the B Security Trustee fully indemnified on demand against all damages, losses, costs and expenses arising from any failure by Newco to perform or discharge any such purported obligation or liability.
5. Under the terms of the Intercreditor Agreement the Company undertakes to *inter alios* the Senior Creditor, the Mezzanine Creditor, the B Security Trustee and others to fulfil its obligations and liabilities as set out therein.
- 6 Under the terms of the Upstream Intra-Company Loan Agreement, there is provision for loan funds to be provided to Newco and The Mill (Facility) Limited by the companies set out therein, for use by Newco and The Mill (Facility) Limited to discharge certain of their obligations under the Facility Agreement, and the Mezzanine Facility Agreement and Newco's obligations under the Investment Agreement.

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## Definitions

Words and expressions used herein shall have the same meanings as is attributed to them under the term loan and working capital facility agreement dated on or around 8th February 2001 and made between (1) De Facto 890 Limited and (3) The Royal Bank of Scotland plc (the "**Facility Agreement**"). In addition, the following words and expressions shall have the respective meanings ascribed to them:

"Borrowers"	means De Facto 890 Limited (Company No: 4113122) and The Mill (Facility) Limited (Company No: 03390258) and severally a Borrower;
"B Secured Liabilities"	means all present and future liabilities (actual or contingent) payable or owing by an Obligor (and whether incurred solely or jointly) to the Investor Creditors and the B Security Trustee (including in particular or in connection with the Investment Agreement, the B Debenture and the B Guarantee or any of them) whether or not mature and whether or not liquidated and includes all claims arising on rescission of any of the Investment Agreement, the B Debenture and the B Guarantee (or any of them).
"the Company"	means Mill LA Limited (Company No:03595090);
"Facility Documents"	means the Facility Agreement, the Mezzanine Facility Agreement, the Debenture, the Guarantee, the Intercreditor Deed, the Upstream Loan Agreement and any other document designated as such by the Lender and the Borrowers;
"Investor Creditors"	means 3i plc, 3i Group plc, 3i Parallel Ventures LP; 3i UKIP II LP; Mr Ridley Scott; Mr Anthony David Leighton Scott; Mr Neville Shulman and Edith Myers;

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**"Investment Agreement"**

means the investment agreement dated on or about the 8th February 2001 made between Newco, the Promoters and the Scott Investors (as such terms are defined therein) 3i plc, 3i Parallel Ventures LP and 3i UKIP LP pursuant to which *inter alios* the Investors (as defined therein) made available certain loans in maximum amount of £10,357,130 to Newco;

**"Lender"**

means The Royal Bank of Scotland plc;

**"Mezzanine Creditor"**

means RBS Mezzanine Limited and its successors, assigns and persons deriving title through them;

**"Mezzanine Facility Agreement"**

means the mezzanine facility agreement dated the date of the Facility Agreement and entered into between Newco and RBS Mezzanine Limited;

**"Newco"**

means De Facto 890 Limited (Company No: 4113122)

**"Obligors"**

means the Borrowers, the Company, MDM Group Limited, The Soho Archive Co. Limited, The Magic Holding Co. Limited, Mill Film Limited, and The Magic Camera Co. Limited (and each an Obligor);

**"PIK Note Instrument"**

means the instrument entered into by Newco constituting units of payment in kind of £1 each and dealing with matters relating to *inter alia* the issue and redemption of such payment in kind notes;

**"Secured Liabilities"**

means all moneys, obligations and liabilities (whether actual or contingent and whether owed jointly or severally in or any other capacity whatsoever) which are present or at anytime in the future may be due, owing or payable by or from the

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Company to the Senior Creditor, the Mezzanine Creditor and the Security Trustee, in particular under or pursuant to any of the Financing Documents (including in particular under the Guarantee) to which the Company is a party.

**"Senior Creditor"**

means The Royal Bank of Scotland plc and its successors, assigns and persons deriving title through them;

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## APPENDIX E

The date on which the assistance is to be given is 9th February 2001 (or such date as the Lender may agree in writing provided that such later date shall not be more than 8 weeks from the date of this statutory declaration).

TS  
RS  
RT  
T.A.M.  
KCH

PRIVATE AND CONFIDENTIAL

The Directors  
Mill Film Limited  
40-41 Great Marlborough Street  
London  
W1V 1DA

9 February 2001

Dear Sirs

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

We have examined the attached statutory declaration of the directors of Mill Film Limited ("the Company") dated 9 February 2001 in connection with the proposal that the Company's subsidiary, Mill LA Limited, should give financial assistance for the purchase of the whole of the issued share capital of MDM Group 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.

Yours faithfully

*Ernst & Young*

Ernst & Young  
Registered Auditor  
London