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CHFP025

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COMPANIES FORM No. 155(6)a

Declaration in relation to
assistance for the acquisition
of shares

155(6)a

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

[] [] [] [] [] [] [] [] [] []

3952900

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

Name of company

* CONSPIRING MERMAIDS PRODUCTIONS (2003) LIMITED ("the Company")

* insert full name
of company

X We see Annexure 1

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

† delete as
appropriate

~~XXXXXXXXXXXX~~ [all the directors]† of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever
is inappropriate

~~(a) that of a recognised bank, licensed institution, within the meaning of the Banking Act 1979~~

~~(b) that of a person authorised under section 3 of 4 of the Insurance Companies Act 1982 to carry~~

~~insurance business in the United Kingdom~~

(c) something other than the above§

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

~~company~~ [company's holding company] Company Television Limited (CRN: 3522155)

The assistance is for the purpose of [that acquisition] ~~[reducing or discharging a liability incurred for the~~

~~purpose of that acquisition]~~

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

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

Travers Smith Braithwaite
10 Snow Hill
London
EC1A 2AL

For official Use
General Section

Post room



A02
COMPANIES HOUSE

0715
21/10/04

The assistance is to be given to: (note 2) All3Media Limited (CRN: 4782820), whose
registered office is at 87-91 Newman Street, London W1T 3EY

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

The assistance will take the form of:

See Annexure 3

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

† delete as
appropriate

All3Media Limited

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

See Annexure 4

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

The date on which the assistance is to be given is See Annexure 5

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

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

☒ We have formed the opinion, as regards the company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ☒ We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

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

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

Declared at Travers Smith Braithwaite Declarants to sign below
10 Snow Hill
London EC1A 2AL

Day Month Year
on

1	2	1	0	2	0	0	4
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before me Mr. Ullrich, 21 Tudor St (Brexit Solicitors)
A Commissioner for Oaths or Notary Public or Justice of London
the Peace or a Solicitor having the powers conferred on ELLYCOT
a Commissioner for Oaths.

[Signature]
[Signature]
sc Reil.

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

CONSPIRING MERMAIDS PRODUCTIONS (2003) LIMITED (the "Company")

(Registered No. 3952900)

ANNEXURE 1 TO FORM 155(6)a

JULES BURNS

10 Gayton Road, Hampstead, London NW3 1TX

STEVE MORRISON

16 East Heath Street, London NW3 1AL

JOHN PFEIL

148 High Street, West Malling, Kent, ME19 6NE

being all the directors of the Company.

CONSPIRING MERMAIDS PRODUCTIONS (2003) LIMITED (the "Company")

(Registered No. 3952900)

ANNEXURE 2 TO FORM 155(6)a

100 ordinary shares of £1 each in the Company's holding company, Company Television Limited (CRN: 3522155)

CONSPIRING MERMAIDS PRODUCTIONS (2003) LIMITED (the "Company")

(Registered No. 3952900)

ANNEXURE 3 TO FORM 155(6)a

The assistance will take the form of the execution, delivery and performance by the Company of the following documents:

1. a deed of accession to a composite guarantee and debenture (the "**Debenture**") dated 29th August 2003 entered into by the Existing Charging Companies (as defined therein) in favour of The Royal Bank of Scotland plc (the "**Lender**");
2. a deed of accession to an intercreditor deed (the "**Intercreditor Deed**") dated 29th August 2003 entered into by *inter alia* the Lender, the Investors (as listed in the Schedule thereto), Chrysalis Group plc and All3Media Limited (the "**Principal Borrower**"); and
3. an intra-group loan agreement (the "**Intra-group Loan Agreement**") to be entered into by *inter alia* (1) the Principal Borrower and (2) the Company.

Definitions

The following definitions shall apply to Annexures 3 and 4 of this Form 155(6)(a):-

"2004 Fee Letter" means the letter dated on about the date hereof between the Lender and the Principal Borrower setting out the fees referred to in clause 14 to the Facilities Agreement;

"Encumbrance" means any mortgage, pledge, lien, charge, assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement or any other security agreement or arrangement having the effect of security;

"Facilities Agreement" means a facilities agreement originally dated 31 July 2003 entered into between the Principal Borrower, All3Media Group Limited, the Original Production Borrowers (as listed in the schedule thereto) and the Original WCF Borrowers (as listed in the schedule thereto) and the Lender and as amended by amendment letters dated 16 October 2003 and 13 February 2004 and amended and restated by way of a supplemental agreement dated 17 June 2004 and to be amended by way of a second supplemental agreement dated on or about the date hereof;

"Fee Letters" means the Original Fee Letter and the 2004 Fee Letter and the Spotlight Fee Letter;

"Finance Documents" means the Facilities Agreement, any documentation pursuant to which the Working Capital Facility is made available, any document pursuant to which the Production Facility is made available, the Fee Letters, the Security Documents (as such term is defined in the Facilities Agreement, and which includes the Debenture), the Hedging Arrangements, the Intercreditor Deed and any document designated as such by the Lender and the Principal Borrower;

"Group" means All3Media Group Limited and its Subsidiaries (as that term is defined in the Facilities Agreement) and Permitted Joint Ventures at such time (each a Group Company);

"Hedging Arrangements" means the interest rate management arrangements in respect of a maximum of 66% of the Facilities (other than Facility A Tranche 3) (as both such terms are defined in the Facilities Agreement) for a period of not less than three years from 29 August 2003 to be put in place with the Lender (providing the Lender provides a rate competitive with rates offered by other respectable counterparties in the market) pursuant to the Facilities Agreement;

"Original Fee Letter" means the letter dated 31 July 2003 between the Lender and the Principal Borrower setting out fees referred to in clause 14 of the Facilities Agreement;

"Permitted Joint Ventures" means joint ventures established in the ordinary course of business PROVIDED THAT (i) the Lender obtains security over the shares held by the relevant Group Company in the joint venture and (ii) no Group Company provides any finance to, makes any investment in or answers any financial obligation on behalf of the relevant joint venture (in excess of £100,000);

"Production Facility" means the production facility from time to time made available by the Lender to certain Group Companies;

"Spotlight Fee Letter" means the letter dated on or about the date hereof between the Lender and the Principal Borrower setting out the fees referred to in clause 14 of the Facilities Agreement;

"Working Capital Facility" means the working capital facility from time to time made available by the Lender to certain Group Companies.

CONSPIRING MERMAIDS PRODUCTIONS (2003) LIMITED (the "Company")

(Registered No. 3952900)

ANNEXURE 4 TO FORM 155(6)a

1. Debenture

Pursuant to the terms of the Debenture (to which the Company shall accede pursuant to the Deed of Accession) the Company:-

- 1.1 undertakes to indemnify the Lender as an additional and independent obligation against all losses, damages, costs and expenses incurred by the Lender arising from any failure by any of the other Charging Companies to pay any sums comprised in the Secured Obligations as and when they become due and payable;
- 1.2 as a continuing security for the payment of the Secured Obligations, with full title guarantee, charges, and agrees to charge, in favour of the Lender the following assets which are at any time owned by the Company, or in which the Company is from time to time interested:
 - 1.2.1 by way of first legal mortgage all the freehold and leasehold property (if any) vested in or charged to the Company including, without limitation, the property specified in schedule 3 (if any) to the Deed of Accession, together with all buildings and fixtures (including trade fixtures) at any time thereon;
 - 1.2.2 by way of first fixed charge all other interests (not being charged by paragraph 1.2.1 above) in any freehold or leasehold property vested in or charged to the Company, the buildings and fixtures (including trade fixtures) at any time thereon, all proceeds of sale derived therefrom and the benefit of all covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;
 - 1.2.3 by way of first fixed charge all plant, machinery, computers, vehicles, office and other equipment and the benefit of all contracts, licences and warranties relating to the same;
 - 1.2.4 by way of first fixed charge all Investments, together with all Related Rights from time to time accruing thereto;
 - 1.2.5 by way of first fixed charge all rights and interests of the Company in, and claims under, the Insurances and all proceeds thereof held by, or written in favour of, the Company or in which the Company is otherwise interested;
 - 1.2.6 by way of first fixed charge all its right, title, interest and benefit in and to

the Collections Accounts, all monies standing to the credit of the Collections Accounts, all interest accrued on monies standing to the credit of the Collections Accounts and all rights of the Company to repayment of any of the foregoing;

- 1.2.7 by way of first fixed charge all monies standing to the credit of the Company from time to time on any and all accounts with any bank, financial institution, or other person;
- 1.2.8 to the extent that they are capable of being charged, by way of first fixed charge all Intellectual property including but not limited to the Intellectual Property listed at schedule 5 to the Deed of Accession;
- 1.2.9 by way of first fixed charge the benefit of all licences, consents, agreements and authorisations held or utilised by the Company in connection with its business or the use of any of its assets;
- 1.2.10 to the extent not effectively assigned under paragraph 1.3 (*Assignment*), by way of first fixed charge all Receivables;
- 1.2.11 by way of first fixed charge all the goodwill and uncalled capital of the Company; and
- 1.2.12 by way of first fixed charge all the Charged Shares together with all the Related Rights from time to time accruing thereto;
- 1.3 as a continuing security for the payment of the Secured Obligations, with full title guarantee, assigns and agrees to assign absolutely in favour of the Lender all the rights, title, interest and benefit of the Company in and to the Receivables.
- 1.4 as further continuing security for the payment of the Secured Obligations, charges with full title guarantee in favour of the Lender by way of first floating charge all its assets and undertaking whatsoever and wheresoever situated both present and future not effectively charged by way of first fixed mortgage or charge pursuant to the provisions of paragraph 1.2, including, without prejudice to the generality of the foregoing, heritable property and all other property and assets in Scotland;
- 1.5.1 until the relevant consent shall have been obtained, there shall be excluded from the charges created by paragraph 1.2 (and the further assurance provisions set out in clause 8 to the Debenture) any leasehold property held by the Company under a lease and any other property where the freehold is not owned where the terms of such lease or other arrangement either preclude absolutely the Company from creating any charge over its leasehold or other interest in such property, or require the consent of any third party prior to the creation of such charge and such consent shall not have been previously obtained (each an "**Excluded Property**");
- 1.5.2 with regard to each Excluded Property, the Company undertakes within 21 days of the date hereof to make application for the consent of the third party from whom consent is required and, in respect of each lease which provides that the relevant third party will not unreasonably withhold its consent (each such Excluded Property

in respect of which a relevant third party may not unreasonably withhold its consent to the creation of security, hereinafter referred to as a "**Relevant Property**") to use all its reasonable endeavours to obtain such consent as soon as possible and to keep the Lender informed of the progress of its negotiations with such third parties; and

- 1.5.3 forthwith upon receipt of any such third party consent, the relevant Excluded Property shall thereupon be charged to the Lender pursuant to the terms of paragraph 1.2 (or, as the case may be, clause 8 to the Debenture). If required by the Lender in respect of any Excluded Property, at any time following receipt of such consent or, in respect of any Relevant Property, the earlier of the date of such receipt or the date falling 60 days after the date hereof, the Company will execute a legal mortgage in favour of, and in such form as is required by, the Lender, subject only to the same containing terms and conditions which are no more onerous than those contained herein;
- 1.6.1 until the relevant consent shall have been obtained, there shall be excluded from the charges created by paragraph 1.2 (and the further assurance provisions set out in clause 8 to the Debenture) any Intellectual Property in which the Company has an interest pursuant to any licence or other agreement, the terms of which either preclude the Company from creating any security over its interest in such Intellectual Property, or require the consent of any third party prior to the creation of such charge and such consent shall not have been previously obtained (each an "**Excluded Intellectual Property Right**");
- 1.6.2 with regard to each Excluded Intellectual Property Right, the Company undertakes within 21 days of the date hereof to make application for the consent of the third party from whom consent is required (where the identity of the relevant third party is known to the Company) to the creation of the charges contained in paragraph 1.2 (and the further assurance provisions set out in clause 8 to the Facilities Agreement) and, in respect of any licence or agreement which provides that the relevant third party will not unreasonably withhold its consent (each such Excluded Intellectual Property Right in respect of which a relevant third party may not unreasonably withhold its consent to the creation of security, hereinafter referred to as a "**Relevant Intellectual Property Right**"), to use its reasonable endeavours to obtain such consent as soon as possible and to keep the Lender informed of the progress of its negotiations with such third parties; and
- 1.6.3 forthwith upon receipt of any such third party consent, the relevant Excluded Intellectual Property Right shall thereupon be charged to the Lender pursuant to the terms of paragraph 1.2 (or, as the case may be, clause 8 of the Debenture). If required by the Lender in respect of any Excluded Intellectual Property Right, at any time following receipt of such consent or, in respect of any Relevant Intellectual Property Right, the earlier of the date of such receipt or the date falling 60 days after the date hereof, the Company will execute security in favour of, and in such form as is required by, the Lender, subject only to the same containing terms and conditions no more onerous than those contained herein;
- 1.7 save as permitted by the terms of the Facilities Agreement, the Company severally covenants with the Lender that, during the continuance of the security created by the

Debenture, it shall not without the prior written consent of the Lender:

- 1.7.1 create or permit to subsist any Encumbrance (other than a Permitted Encumbrance (as such term is defined in the Facilities Agreement) upon any of the Charged Assets; and
 - 1.7.2 sell, transfer, lease, lend or otherwise dispose of, whether by a single transaction or a number of transactions and whether related or not, the whole or any part of the Charged Assets save for a disposal permitted under clause 23.1.2 of the Facilities Agreement;
- 1.8 agrees it will, whenever requested by the Lender and at its own expense, promptly execute such deeds or documents and take any action required by the Lender to perfect and protect the security created (or intended to be created) by the Debenture or to facilitate the realisation thereof or otherwise to enforce the same or exercise any of the rights of the Lender hereunder. In particular, but without limitation, the Company will:
 - 1.8.1 execute a valid legal mortgage in such form as the Lender shall reasonably require of any freehold or leasehold property now or in the future belonging to the Company which is not hereby effectively charged by way of legal mortgage;
 - 1.8.2 execute a legal assignment in such form as the Lender may reasonably require over all or any of the Receivables and give notice of such assignment to the relevant Debtors;
 - 1.8.3 execute a valid fixed charge in such form as the Lender may reasonably require over any asset the subject of the floating charge under the Debenture; and
 - 1.8.4 otherwise execute all transfers, assignments, conveyances and assurances whatsoever and give all notices, orders, instructions and directions whatsoever which the Lender may think expedient;
- 1.9 as principal obligor irrevocably and unconditionally:-
 - 1.9.1 guarantees to the Lender full, prompt and complete performance by each other Charging Company of all the Secured Obligations owing by such Charging Company and the due and punctual payment of all the sums comprised in the Secured Obligations owing by each such Charging Company as and when they become due and payable;
 - 1.9.2 undertakes to the Lender that if any of the other Charging Companies fails to pay any sums comprised in the Secured Obligations on its due date it will pay such sums on demand as it is instead of each other Charging Company were the principal obligor in respect of those Secured Obligations; and

- 1.9.3 undertakes to indemnify the Lender as an additional and independent obligation against all losses, damages, costs and expenses incurred by the Lender arising from any failure by any of the other Charging Companies to pay the sums comprised in the Secured Obligations as and when they become due and payable.

Definitions:-

The following definitions apply to this paragraph 1 to annexure 4:-

"Charged Assets" means all property and assets from time to time charged by or pursuant to the Debenture;

"Charged Shares" means all shares specified in schedule 4 to the Deed of Accession, together with all other stocks, shares, debentures, bonds, warrants, coupons or other securities and Investments owned by the Company;

"Charging Companies" means the Initial Charging Companies and any company which accedes to the terms of the Debenture pursuant to the terms of a duly executed Deed of Accession (each a **"Charging Company"**);

"Collections Accounts" means such specially designated account(s) with the Lender or such other account(s) with such other bank as the Lender may from time to time direct into which Receivables are paid (together with all additions to or renewals or replacements thereof (in whatever currency));

"Debtor" means any person who is liable (whether as principal debtor or as surety and whether actually or contingently) to discharge or pay a Receivable;

"Deed of Accession" means a deed of accession to the Debenture in the form set out in Schedule 7 to the Debenture;

"Initial Charging Companies" means the Group Companies listed in schedule 4 to the Facilities Agreement (each an **"Initial Charging Company"**);

"Insurances" means the policies of insurance in which the Company has an interest from time to time;

"Intellectual Property" means all legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the World) of the Group Companies (or any of them), in or relating to registered and unregistered trade marks and service marks, patents, registered designs, utility models, applications for any of the foregoing, trade names, copyrights, design rights, unregistered designs, inventions, confidential information, know-how, registerable business names and any other rights of every kind;

"Investments" means shares, certificates of deposit, debentures and other investments as defined in part II of schedule II of the Financial Services and Markets Act 2000;

"Receivables" means:

- (i) all present and future book and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts recoverable or receivable by the Company from other persons or due or owing to the Company (whether actual or contingent and whether arising under contract or in any other manner whatsoever);
- (ii) the benefit of all rights and remedies relating to any of the foregoing including, without limitation, claims for damages and other remedies for non-payment of the same, all entitlements to interest, negotiable instruments, guarantees, indemnities, Encumbrances, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights; and
- (iii) all proceeds of any of the foregoing;

"Related Rights" means, in relation to any Investments or Charged Shares, all dividends, distributions and other income paid or payable on the relevant Investment or Charged Shares (as the case may be), together with (a) all shares or other property derived from the relevant Investment or Charged Shares (as the case may be) and (b) all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Charged Shares (whether by way of conversion, redemption, bonus, preference, option or otherwise);

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Group Company to the Lender whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and in whatever currency denominated including all liabilities from time to time assumed or incurred by the Lender at the request of any Group Company in connection with foreign exchange transactions, acceptances, discounting or otherwise or under guarantees, bonds, indemnities, documentary or other credits or any instruments whatsoever and including interest, discount, commission and other lawful charges or reasonable expenses which the Lender may in the course of its business charge in respect of any facilities or accommodation or service provided by the Lender or for keeping any Group Company's account, **provided** that no obligation or liability shall be included in the definition of **"Secured Obligations"** to the extent that, if it were so included, the Debenture (or any part of it) would constitute unlawful financial assistance within the meaning of sections 151 and 152 of the Companies Act 1985.

2. Intercreditor Deed

Under the Intercreditor Deed (to which the Company shall accede pursuant to the deed of accession) the Company agrees: -

- 2.1. to observe the provisions of the Intercreditor Deed at all times and not in any way to prejudice or affect the enforcement of such provisions, or the subordination contemplated by the Intercreditor Deed, or to do or suffer anything to be done which would be a breach of the terms of the Intercreditor Deed; and
- 2.2. that all its obligations and liabilities to, *inter alia*, the Investors (as such term is defined in the Facilities Agreement) would be subordinated to the Lender (the "**Senior Creditor**") until such date that all obligations to the Senior Creditor under the Finance Documents have been discharged.

3. Intra-Group Loan Agreement

- 3.1 The Company will, with certain other Group Companies (as lenders), enter into the Intra-Group Loan Agreement with the Principal Borrower (as borrower) in which such subsidiaries as lenders (including the Company) together agree to make available to the Principal Borrower a loan facility of up to £45,000,000 for the period of the intra-group loan agreement to 31st August 2009.
- 3.2 In consideration of the Company entering into the Intra-Group Loan Agreement and the Security Documents the Principal Borrower shall provide a letter of support to the Company ("**Support Letter**") confirming that in the event of a working capital shortfall, the Principal Borrower would lend the Company such sums as are necessary to meet its debts as they fall due for payment.

CONSPIRING MERMAIDS PRODUCTIONS (2003) LIMITED (the "Company")

(Registered No. 3952900)

ANNEXURE 5 TO FORM 155(6)a

The date hereof or within 8 weeks of the date hereof.

Auditors' report to the directors of Conspiring Mermaids Productions (2003) Limited (Company No: 3952900) pursuant to section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Conspiring Mermaids Productions (2003) Limited ("the Company") dated 12 October 2004, prepared in accordance with applicable United Kingdom Law, in connection with the proposal that the Company should give financial assistance for the purchase of the whole of the issued share capital of the Company's parent company, Company Television Limited (Company No: 3522155).

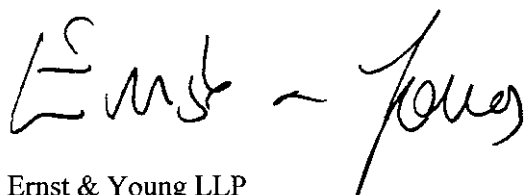
This report is made solely to the directors in accordance with Section 156(4) of the Companies Act 1985. Our audit work has been undertaken so that we might state to the directors those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors, for our audit work, for this report, or for the opinions we have formed.

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.



Ernst & Young LLP
Registered Auditor
London
12 October 2004