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legibly, preferably
in black type, or
bold block lettering

* insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

A fee of £10 is payable to Companies House in respect
of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

Name of company

* LR (DISCOS) LIMITED (the "Chargor")

Date of creation of the charge

29 June 2001

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

Debenture (the "Debenture")

Amount secured by the mortgage or charge

Please see schedule 1 attached

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

ANGLO IRISH BANK CORPORATION PLC of 10 Old Jewry, London (the "Agent").

Postcode EC2R 8DN

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

Taylor Joynson Garrett
Carmelite, 50 Victoria
Embankment, Blackfriars,
London, EC4Y 0DX

PXH/SZW

Time critical reference

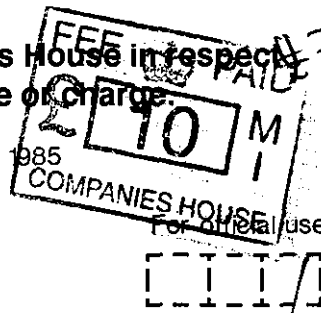
For official Use
Mortgage Section

Post room



A10
COMPANIES HOUSE

0689
17/07/01



NW
90018
70x7

395

Short particulars of all the property mortgaged or charged

Please see schedule 2 attached

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

Particulars as to commission allowance or discount (note 3)

None

Signed

Leif J. Jones

Date

16/7/01

On behalf of [company] [mortgagee/chargee] †

A fee of £10 is
payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

† delete as
appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these 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.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

DEFINITIONS

In these schedules "**Bank**", "**Beneficiaries**" "**Encumbrance**", "**Event of Default**", "**Finance Documents**", "**Guarantor**", "**Hedging Document**", "**Permitted Encumbrance**", "**Proceeds Account**", "**Rectification Account**", "**Rent**", "**Rent Account**", "**Service Charge**" and "**Value Added Tax**" have the same meanings as in the Agreement and:

"**Agreement**" means the loan agreement dated 29 June 2001 made between the Chargor and certain other companies as borrowers (1), the Banks (2), the Guarantor (3) and the Agent (4);

"**Charged Property**" means all property mortgaged, charged or assigned by the Debenture;

"**Debts**" means all existing and future book and other debts and rights to money and income (including Rental) liquidated and unliquidated owing to the Chargor including the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but not including cash at bank;

"**Designated Account**" means:

- (a) any account of the Chargor with the Agent; or
- (b) any account of the Chargor with any other bank which has been notified of the interest of the Agent in such account and has agreed in writing not to permit withdrawals from such account except with the written consent of the Agent;

"**Intellectual Property**" means any existing and future right in respect of any patent, copyright, trade mark, service mark, invention, design, know-how, confidential information or any other kind of intellectual property whether registered or unregistered and any registration or application for registration, licence or permission relating to any of the foregoing;

"**Investment**" means any existing and future:

- (a) stock, share, bond or any form of loan capital of or in any legal entity;
- (b) unit in any unit trust or similar scheme;
- (c) warrant or other right to acquire any such investment,

and, to the extent not constituting a Debt, any income, offer, right or benefit in respect of any such investment;

"**Lease**" includes any underlease, tenancy, letting, licence, any document supplemental or collateral to any of them and any agreement to enter into any of them and the expression tenant will be construed accordingly;

"**Property**" means all that freehold property known as Theatre Royal, Peter Street, Manchester registered under Title Number GM492789; and

"**Real Property**" means all freehold or leasehold property forming part of the Charged Property.

SCHEDULE 1

Short particulars of property mortgaged or charged

All liabilities of the Chargor owed or expressed to be owed to any of the Beneficiaries under the Agreement or any other Finance Document whether or not originally owed to any of the Beneficiaries and whether owed jointly or severally, as principal or surety or in any other capacity (the "Secured Liabilities");

SCHEDULE 2

Amount secured by property mortgaged or charged

1. As continuing security for the payment of the Secured Liabilities the Chargor with full title guarantee:
 - (a) charged to the Agent as trustee for itself and the Beneficiaries by way of legal mortgage all freehold or leasehold property owned by the Chargor at the date of the Debenture including the Property;
 - (b) charged to the Agent as trustee for itself and the Beneficiaries by way of equitable mortgage its interest in any freehold or leasehold property acquired by the Chargor after the date of the Debenture;
 - (c) charged to the Agent as trustee for itself and the Beneficiaries by way of fixed charge its interest in:
 - (i) all existing and future fittings, plant, equipment, machinery, tools, vehicles, furniture and other tangible movable property;
 - (ii) any Investment;
 - (iii) any Hedging Document entered into with the Agent and assigns by way of fixed charge any other Hedging Document;
 - (iv) its existing and future goodwill and uncalled capital;
 - (v) all existing and future cash at bank;
 - (vi) any Intellectual Property;
 - (vii) any money at the date of the Debenture or at any time thereafter standing to the credit of any Designated Account, Proceeds Account, Rectification Account or Rent Account; and
 - (viii) to the extent not otherwise subject to any fixed security in favour of the Agent:
 - (A) any existing and future proceeds of any insurance of any Charged Property; and
 - (B) any sum now or at the date of the Debenture or at received by the Chargor as a result of any order of the court under sections 213, 214, 238, 239 or 244 of the Insolvency Act 1986;
 - (d) charged and assigned to the Agent as trustee for itself and the Beneficiaries by way of fixed security its interest in the Debts and the benefit of the Debts and any guarantee or security for the payment of any Debts provided that if any such guarantee or security is expressed to be non-assignable then the Chargor

charged to the Agent as trustee for itself and the Beneficiaries by way of fixed security its interest in and the benefit of it; and

- (e) assigned to the Agent as trustee for itself and the Beneficiaries by way of fixed charge its interest in and the benefit of the agreements and other documents (if any) listed in schedule 2 to the Debenture and the benefit of any guarantee or security for the performance of any of such agreements or other documents provided that if any agreement, other document, guarantee or security is expressed to be non-assignable then the Chargor charged to the Agent as trustee for itself and the Beneficiaries by way of fixed charge its interest in and the benefit of it;
 - (f) charged to the Agent as trustee for itself and the Beneficiaries by way of fixed charge, all other existing and future property of the Chargor not charged or assigned by the previous paragraphs of this clause (other than the Chargor's stock in trade or work in progress).
2. As continuing security for the payment of the Secured Liabilities the Chargor charged to the Agent as trustee for itself and the Beneficiaries by way of floating charge with full title guarantee the whole of its existing and future undertaking and property to the extent not otherwise at any time subject to any fixed charge in favour of the Agent.

NOTE

- 1. The Chargor will not except with the prior written consent of the Agent sell, assign, charge, discount, factor or otherwise deal with any of the Debts, or (save for minor bad debts) compound, release or do anything by virtue of which the collection and recovery of any of the Debts may be impeded, delayed or prevented.
- 2. The Chargor will not except with the prior written consent of the Agent:
 - (a) dispose or purport or agree to dispose of any interest in or lend or grant any licence or other right over any property mortgaged, charged or assigned under clause 3 (Fixed Security) of the Debenture or, save for full consideration in money or money's worth and in the ordinary course of the Chargor's business, dispose of any interest in or lend or grant any licence or other right over any of the property charged by way of floating charge under clause 4 (Floating Security) of the Debenture ;
 - (b) create, agree to create or allow to arise or remain outstanding any Encumbrance over any Charged Property;
 - (c) such consent not to unreasonably withheld or delayed, redeem or purchase its own shares or provide financial assistance for such purposes or pay an abnormal sum by way of dividend.
- 3. The Chargor will not, (but subject to the terms of any Lease granted with the Agent's consent) without the prior written consent of the Agent, make any structural alterations

or additions to or carry out any development on or make any planning or similar application relating to any of the Real Property.

4. The Chargor will in respect of the Real Property:

- (a) not commit any waste which injures or lessens the value of the Real Property;
- (b) not detach or allow any fixture to be detached from the Real Property except for the purpose of replacing it by another of at least equal value; and
- (c) not fix any Charged Property referred to in clause 3(c)(i) to any land other than the Real Property unless it has obtained the written consent of the Agent and obtained waivers satisfactory to the Agent from all other persons interested in such land of any rights in respect of such Charged Property and has marked such Charged Property in a manner specified by the Agent to indicate it is charged to the Agent.

5. The Chargor will not permit any person:

- (a) to be registered as proprietor under the Land Registration Acts 1925 to 1988 of any Real Property nor create or permit to arise any overriding interest (as defined in such Acts) affecting the Real Property; or
- (b) to become entitled to any proprietary right or interest which might affect the value of the Real Property.

6. The Chargor's statutory and any other powers of entering into Leases and accepting or agreeing to accept surrenders of Leases will be excluded and will not be exercisable by the Chargor in relation to the Real Property (except as provided for in the Agreement) and the Chargor will not without the prior written consent of the Agent such consent not to be unreasonably withheld or delayed:

- (a) part with possession or occupation of, confer any licence or right to occupy nor confer any interest in any Real Property;
- (b) grant any permission to assign, underlet or part with possession or occupation of any Real Property;
- (c) agree or permit any amendment to or waiver of the terms of any Lease (including any Lease under which the Chargor is tenant); or
- (d) exercise any power to determine any Lease.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04234346

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 29th JUNE 2001 AND CREATED BY LR (DISCOS) LIMITED FOR SECURING ALL LIABILITIES DUE OR TO BECOME DUE FROM THE COMPANY TO ANY OF THE BENEFICIARIES UNDER THE AGREEMENT (AS DEFINED) OR ANY OTHER FINANCE DOCUMENT WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 17th JULY 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 19th JULY 2001.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

16/7