

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

155(6)b

[illegible]

WEDNESDAY



A4J1GUGO

07/11/2007

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~~XXXXXXXXXXXX~~ † (note 1)

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

The assistance is to be given to (note 2) this Company (MSV Group Limited of Brands Hatch Circuit
Fawkham, Longfield, Kent DA3 8NG)

See continuation sheet 1 attached

† delete as appropriate

See continuation sheet 2 attached

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

X

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Form 155(6)(b)

Continuation Sheet 1

1. THE FORM OF THE ASSISTANCE

1 1 It is proposed that on 31 October 2007, MSV Group Ltd ("**MSV Group**") will purchase 3150 ordinary shares of £1 each from John Britten (the "**Transaction**")

1 2 In connection with the Transaction, JPM Ltd ("**JPM**"), a wholly owned subsidiary of MSV Group it is proposed that JPM enter into a facility agreement with Allied Irish Bank (GB) (the "**Bank**") under which the following facilities are to be provided

- facility 1 renewal of a fixed loan for £1,510,000 (originally sanctioned for £2,000,000) to provide the balance of funding against the value of four motor racing circuits ("**Facility 1**"), and
- facility 2 a new loan for £2,000,000 to fund part of a dividend payment used by MSV Group to pay the consideration of the Transaction ("**Facility 2**"),

(together the "**Facilities**")

1 3 The financial assistance to be given to MSV Group is in the form of Facility 2

1 4 The form of financial assistance to be given to MSV Group by JPM in respect of Facility 2 is as follows

1 4 1 In order to secure Facility 2, JPM has extended its security under an existing mortgage debenture held by the Bank which comprises of the following

- (A) a fixed equitable charge over the Company's estate interest in all freehold and/or leasehold property at any time belonging to or charged to the Company and the benefit of all other agreements or licences relating to land which from time to time the Company is a party or otherwise entitled and all buildings, fixtures (including trade fixtures) and any fixed plant and machinery owned by the Company thereon from time to time and the proceeds of sale of all or any of the foregoing (the "**Equitably Charged Property**"),
- (B) a fixed charge over all credit balances of the Company with the Bank or with other bankers or other third parties but so that the Company shall inform the Bank of the existence of any such credit balances and shall if so directed by the Bank transfer such credit balances into an account with the Bank and the Company shall not without the prior written consent of the Bank sell or otherwise charge or assign the same in favour of any other person or purport to do so,
- (C) a fixed charge over all stocks, shares and/or other securities now or at any time owned by the Company (including, without prejudice to the generality of the foregoing, loan capital indebtedness or liabilities on any account or in any manner owing to the Company) in (or from) any body corporate together with all rights in respect of or incidental to such stock, shares and other securities (the "**Securities**"),

- (D) a fixed charge over the goodwill, licences, patents, patent applications, trademarks, copyrights, rights in the nature of copyright, registered designs and all other intellectual property rights now or at any time belonging to the Company (the "**Goodwill and Intellectual Property**"),
- (E) a fixed charge over the uncalled capital of the Company at any time in existence (whether made by directors of the Company or by a receiver appointed under the terms of the Mortgage Debenture or liquidator),
- (F) a fixed charge over all plant, machinery, vehicles, computers and office and other equipment at any time belonging to the Company (other than insofar as it is part of the Company's stock in trade) (the "**Equipment**"),
- (G) a floating charge over the undertaking and all other property, assets and rights present and future of the Company but so that the Company shall not without the prior written consent of the Bank create any mortgage or charge ranking in priority to or pari passu with this floating charge or sell or otherwise dispose of the whole or, except in the ordinary course of trading and for full value, any part of the Company's undertaking, and
- (H) a charge by way of legal mortgage over the following property and the proceeds of sale thereof All that leasehold property known as Driving Centre, Thurleigh Airfield, Thurleigh as the same is registered at HM Registry under title number BD206145 (the "**Legally Mortgaged Property**"),

(the "**Mortgage Debenture**")

- 1 4 2 JPM being a Borrower under and as defined in, and being bound by the terms of the Facilities Agreement pursuant to which JPM (in its capacity as a Borrower (as defined therein) is liable to pay interest in respect of Facility 2

Continuation Sheet 2

1. PRINCIPAL TERMS OF THE FINANCIAL ASSISTANCE BEING GIVEN

1.1 Principal terms of the Facilities Agreement

- 1.1.1 The loan under Facility 2 is to be cleared in full by 31 December 2009 with interest to be met as and when it falls due
- 1.1.2 Two annual capital payments of £1,000,000 each are to be paid on 31 December 2008 and 31 December 2009
- 1.1.3 Interest of 7% per annum is to be paid
- 1.1.4 An arrangement fee of £15,000 is to be paid
- 1.1.5 The Borrower will not, without the prior written consent of the Bank, dispose of any material part of its business or the assets used therein, nor make any material changes that would alter the nature of its business
- 1.1.6 The Borrower will not, without the prior written consent of the Bank, create any mortgage, charge, or pledge over any of its assets, either present or future except (a) liens arising by operation of law in the ordinary course of business, (b) with prior written consent of the Bank, (c) security given in favour of the Bank, (d) security arising under retention of title provisions in a supplier's standard terms and conditions, (e) rights of set-off under standard form contracts arising in the ordinary course of business or in the ordinary banking arrangements of the Borrower
- 1.1.7 No capital expenditure above £1,000,000 per property is to be undertaken without the Bank's consent
- 1.1.8 The Borrower must maintain an operating current account with the Bank throughout the life of the facility unless otherwise agreed in writing
- 1.1.9 Upon the happening of an Event of Default (as defined therein) which has not been remedied or waived within 21 days, Facility 2 shall become due and payable on demand and any outstanding obligation of the Bank to make a loan or to permit further draw downs pursuant to Facility 2 shall be terminated
- 1.1.10 On acceptance of Facility 2, when draw down occurs and at half-yearly intervals thereafter, the Borrower represents and warrants that
 - (A) The Borrower and any Guarantor and/or Mortgagor (as defined therein) is legally empowered to incur the indebtedness and/or liabilities contemplated under the facility agreement, there is no restriction whatsoever on their ability to perform the terms of the facilities agreement and no event of default has occurred which is continuing, unwaived or unremedied after 21 days,
 - (B) There has not been any material adverse change in the financial condition of the Borrower and/or any Guarantor and/or Mortgagor since the date of the last audited consolidated accounts before each date on which these

representation and warranties are given, nor are there threatened or pending any legal or other proceedings which could result in any such material adverse change the consequence of which results in the Borrower being unable to perform its obligations under the facility agreement,

- (C) Any Guarantor is legally empowered to give its guarantee and any Guarantor and/or Mortgagor is legally empowered to give the security required under the Specific Terms (as defined therein)

1 2 Specific conditions of the Facilities Agreement

- 1 2 1 The Audited Accounts for JPM, T/A Palmersport, Motorsport Vision Limited and MSV Group Limited for the year ending 31 December 2006 are to be provided to the Bank by 31 October 2007
- 1 2 2 Written confirmation is to be provided by Grant Thornton LLP prior to drawdown that the whitewash procedure has been complied with in relation to the buy back and cancellation of John Britten's 20% shareholding in MSV Group Ltd
- 1 2 3 The Bank recommends that the directors of JPM consider Interest Rate Risk Management for all or part of the additional £2,000,000 facility

1 3 Covenants in the Facilities Agreement

- 1 3 1 Annual Audited Accounts are due to the Bank within 9 months of the financial year end
- 1 3 2 Quarterly Managements Accounts are due to the Bank within 6 weeks of the quarter end, to include profit and loss and balance sheet (next due by 15 November 2007 for quarter ended 30 September 2007)
- 1 3 3 Cashflow projections and aged debtors and creditors are to be provided annually in line with the credit review
- 1 3 4 Cashflow projections to December 2009 are to be provided ahead of next review, October 2008, and are to be acceptable to the Bank
- 1 3 5 No capital or interest is to be paid on the Shareholder Loan until all AIB payments of capital/interest for each calendar year have been met
- 1 3 6 Fixed rate break costs will continue to apply
- 1 3 7 EBIT cover to Bank interest is to be maintained at a minimum of 3 1 as measured from JPM's annual audited accounts,
- 1 3 8 EBITDA cover to Debt Service is to be maintained at a minimum of 1 5 1 as measured from JPM's annual audited accounts
- 1 3 9 Tangible Net Worth is not to be less than £4,300,000 and £6,200,000 as stated in JPM's annual audited accounts for the years ending 31 December 2007 and 31 December 2008 respectively without prior agreement of the Bank

1 4 Principal terms of the Debenture

1 4 1 In addition to the restrictions mentioned at clause 1 4 1 above, the Mortgage Debenture contains, inter alia, the following additional restrictions prohibiting JPM without the prior written consent of the Bank from

- (A) creating any mortgage, or other security interest over the Equitably Charged Property, the Goodwill and Intellectual Property, the Securities, the Equipment or the Legally Mortgaged Property or any part of or interest in the same,
- (B) exercising the statutory power of leasing and / or accepting surrenders of leases conferred on mortgagors with reference to the Equitably Charged Property and the Legally Mortgaged Property, and
- (C) parting with possession of the Equitably Charged Property or the Legally Mortgaged Property or any part thereof or conferring upon any person, firm, company or body whatsoever any licence or right to occupy it or any part thereof

The Directors
MSV Group Limited
Brands Hatch Road
Fawkham
LONGFIELD
DA3 8NG

Dear Sirs

**AUDITORS' REPORT TO THE DIRECTORS OF MSV GROUP
LIMITED (THE COMPANY) PURSUANT TO SECTION 156(4) OF
THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors dated 31 October 2007 in connection with the proposal that the Company's subsidiary, JPM Limited, should give financial assistance to the Company for the purchase of 3,150 of the Company's ordinary shares

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



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
GATWICK

31 October 2007