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COMPANIES FORM No. 395

Particulars of a mortgage or charge

212040/152

395

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

CHFP025

Please do not
write in
this margin

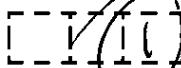
Please complete
legibly, preferably
in black type, or
bold block lettering

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



06457714

Name of company

* Entertainment Rights Funding Limited (the "Charging Company")

Date of creation of the charge

18 January 2008

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

Deed of Accession and Charge dated 18 January 2008 made between, amongst others, the Charging Company (1) and Bank of Scotland plc (in its capacity as Security Agent for the Beneficiaries (as defined in the attached Schedule)) (2) (the "Deed of Accession") to a Debenture (as defined in the attached Schedule)

Amount secured by the mortgage or charge

The Secured Sums (as defined in the attached Schedule)

References to any Finance Documents (as defined in the attached Schedule) include references to such Finance Document as varied in any manner from time to time, even if changes are made to the composition of the parties to such document or to the nature or amount of any facilities made available under such document

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

Bank of Scotland plc (in its capacity as Security Agent for the Beneficiaries (as defined in the attached Schedule)), 11 Earl Grey Street, Edinburgh

Postcode EH3 9BN

Presentor's name address and
reference (if any)

Lovells LLP
Atlantic House
Holborn Viaduct
London
EC1A 2FG
F3MLC/1920486

For official Use (Mortgage Section)

TUESDAY



LD2

LSYUPWRH

29/01/2008

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COMPANIES HOUSE

Time critical reference

Short particulars of all the property mortgaged or charged

See Part II of the attached schedule

The attached schedule refers to covenants by, and restrictions on, the Charging Company which protect and further define the charges created by the Deed of Accession and which must be read as part of those charges

Please do not write in this margin

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

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+
95

Particulars as to commission allowance or discount (note 3)

Not applicable

Signed

Lovells LLP
John Carter

Date *28 January 2008*

On behalf of ~~XXXXXXXX~~ [mortgagee/chargee] †

A fee 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 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge Cheques and Postal Orders must be made payable to **Companies House**
- 6 The address of the Registrar of Companies is **Companies House, Crown Way, Cardiff CF14 3UZ**

SCHEDULE TO FORM 395 FOR ENTERTAINMENT RIGHTS FUNDING LIMITED

Part I

Definitions

In this Schedule, references to Clauses and Schedules are to Clauses of, and Schedules to, the Deed of Accession unless otherwise specified. References in this Schedule to the Deed of Accession or to any other document (including any Finance Document) include reference to the Deed of Accession, or to such other document, as varied in any manner from time to time. In this Form 395 the following expressions have the following meanings respectively set out below:

"Account Bank" means Bank of Scotland plc or such other bank as the Security Agent may from time to time specify,

"Acquisition Agreement" has the meaning given to such term in the Facilities Agreement,

"Acquisition Agreement Claims" means all the Charging Company's rights, title and interest and benefit in and to, and any sums payable to the Charging Company pursuant to, all representations, warranties, undertakings and indemnities to, agreements with and security to be provided in favour of the Charging Company, and any rights of abatement or set-off, and all other rights of recovery under or pursuant to the Acquisition Agreement or any other Acquisition Document,

"Acquisition Documents" means the Acquisition Agreement, the Escrow Agreement and any other document designated as an "Acquisition Document" by the Agent and the Parent,

"Agent" means Bank of Scotland plc,

"Assets" means all the Charging Company's undertaking, property, assets, revenues and rights of every description, or any part of them,

"Beneficiary" means each Senior Finance Party and each Hedge Counterparty,

"Chargor" means each company named in Part IV (*The Chargors*) of this Schedule and (with effect from its accession) each other company which executes a deed of accession and charge and any company which subsequently adopts the obligations of a Chargor,

"Collection Account" means the Charging Company's account with the Account Bank into which the Charging Company is required pursuant to Clause 6.1 (*Collection Account*) of the Debenture to pay its Receivables,

"Debenture" means a debenture dated 8 January 2007 between (1) Entertainment Rights plc and (2) the Security Agent as agent and trustee for the Beneficiaries,

"Debenture Date" means 8 January 2007,

"Derivative Rights" includes

- (a) allotments, rights, money or property arising at any time in relation to any Investments by way of conversion, exchange, redemption, bonus, preference, option or otherwise,
- (b) dividends, distributions, interest and other income paid or payable in relation to any Investments, and

- (c) stock, shares and securities offered in addition to or in substitution for any Investments,

"Escrow Agreement" has the meaning given to that term in the Facilities Agreement,

"Facilities Agreement" means the facilities agreement dated 14 December 2006 between Entertainment Rights plc (as the Parent), the companies listed as Original Borrowers, the companies listed as Original Guarantors and The Governor and Company of the Bank of Scotland (now Bank of Scotland plc) as Arranger, Original Lender, Agent, Security Agent and in certain other capacities (each term as defined therein),

"Finance Document" means each Senior Finance Document and each Hedging Agreement,

"Fixed Security Asset" means an Asset for the time being comprised within an assignment created by Clause 3 1 (*Assignments*) or within a mortgage or fixed charge created by Clause 4 1 (*Fixed security*),

"Group" means the Parent and its Subsidiaries for the time being,

"Hedge Counterparty" has the meaning given to that term in the Intercreditor Agreement,

"Hedging Agreements" has the meaning given to that term in the Intercreditor Agreement,

"Holding Account" means an interest bearing account

- (a) held in England or the US by a member of the Group or with the Agent or Security Agent,
- (b) identified in a letter between the Parent and the Agent as a Holding Account, and
- (c) subject to Security in favour of the Security Agent which Security is in form and substance satisfactory to the Security Agent,

as the same may be redesignated substituted or replaced from time to time,

"Insurance Policies" means any contract or policy of insurance of the Charging Company (including all cover notes) of whatever nature which are from time to time taken out by or on behalf of the Charging Company or (to the extent of its interest) in which the Charging Company has an interest at any time,

"Intellectual Property" means patents, registered and unregistered trade marks (including service marks), rights in passing off, copyright, database rights, registered and unregistered rights in designs anywhere in the world and, in each case, any extensions and renewals of, and any applications for, such rights,

"Intellectual Property Rights" means all and any of the Charging Company's Intellectual Property and all other intellectual property rights, causes of action, interests and assets charged by it pursuant to paragraphs (c) (xi) to (xvi) inclusive of Clause 4 1 (*Fixed security*),

"Intercreditor Agreement" means the intercreditor agreement dated 8 January 2007 and made between the Parent, the other Obligors, The Governor and Company of the Bank of Scotland (now Bank of Scotland plc) as Security Agent, agent and arranger, the Lenders, the Ancillary Lenders, the Hedge Counterparties and certain others,

"Investments" means all shares, stock, debentures, debenture stock, bonds and other investments (as listed in Schedule 2, Part II of the Financial Services and Markets Act 2000), whether certificated or uncertificated and whether in registered or bearer form, including all depository interests representing any of them and including all rights and benefits of a capital nature accruing at any time in respect of any Investments by way of redemption, repayment, substitution, exchange, bonus or preference, option, rights or otherwise,

"Land" includes freehold and leasehold, and any other estate in, land and (outside England and Wales) immovable property and in each case all buildings and structures upon and all things affixed to Land (including trade and tenant's fixtures to the extent that the same can be charged lawfully),

"Mandatory Prepayment Account" means an interest bearing account

- (a) held in England or the US by a Borrower with the Agent or Security Agent,
- (b) identified in a letter between the Parent and the Agent as a Mandatory Prepayment Account,
- (c) subject to Security in favour of the Security Agent which Security is in form and substance satisfactory to the Agent and Security Agent, and
- (d) from which no withdrawals may be made by any members of the Group except as contemplated by the Facilities Agreement,

as the same may be redesignated, substituted or replaced from time to time,

"Parent" means Entertainment Rights plc a limited liability company incorporated in England and Wales under the Act with registered number 02402919,

"Permitted Security" has the meaning given to it in the Facilities Agreement,

"Receivables" means all the Charging Company's sums of money receivable by it at the Debenture Date or in the future consisting of or payable under or derived from any Asset described in Clause 4.1 (*Fixed security*),

"Secured Sums" 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 Chargor to all or any of the Beneficiaries under each or any of the Finance Documents, in each case together with

- 1
x.10
- (a) all costs, charges and expenses incurred by any Beneficiary in connection with the protection, preservation or enforcement of its rights under any Finance Document, and
 - (b) all moneys, obligations and liabilities due, owing or incurred in respect of any variations or increases in the amount or composition of the facilities provided under any Finance Document or the obligations and liabilities imposed under such documents,

"Security" includes any mortgage, charge, pledge, lien, hypothecation, assignment or deposit by way of security, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect,

"Security Agent" means Bank of Scotland plc acting as security agent and trustee for the Beneficiaries and includes any successor appointed by the Beneficiaries pursuant to the Finance Documents,

"Senior Finance Document" means the Facilities Agreement, any Fee Letter, any Accession Letter, any Resignation Letter, the Transaction Security Documents, the Intercreditor Agreement, any Transfer Certificate or undertaking delivered pursuant to Clause 29 (*Changes to the Lenders*) of the Facilities Agreement, any Ancillary Document, any Compliance Certificate, any Utilisation Request and any other document designated as such by the Agent and the Parent (each as defined in the Facilities Agreement, unless otherwise defined in this Schedule),

"Senior Finance Party" means the Agent, the Security Agent, the Arranger, the Lenders, the Issuing Bank and any Ancillary Lender (each as defined in the Facilities Agreement unless otherwise defined in this Schedule),

"Specified Intellectual Property" means the Intellectual Property listed in Part VI (*Specified Intellectual Property*) of this Schedule,

"Specified Investments" means, in relation to the Charging Company, all Investments which at any time

- (a) represent a holding in a Subsidiary of such Charging Company or an undertaking which would be its subsidiary undertaking if in section 258(2)(a) of the Act "30 per cent or more" were substituted for "a majority",
- (b) are held in the name of the Security Agent or its nominee or to its order, or
- (c) such Charging Company has deposited the certificates for with the Security Agent or which, if uncertificated, are held in an escrow or other account in favour of the Security Agent or its nominee, and

"Transaction Security Documents" has the meaning given to it in the Facilities Agreement

Part II

Particulars of property mortgaged or charged

- 1 As security for the payment or discharge of all Secured Sums, the Charging Company, with full title guarantee, assigned to the Security Agent by way of security
 - (a) the benefit of all of its Acquisition Agreement Claims,
 - (b) all of its rights, title and interest from time to time in respect of sums payable to it pursuant to the Insurance Policies, and
 - (c) all its rights, title and interest from time to time in respect of the Hedging Agreements
- 2 As security for the payment or discharge of all Secured Sums, the Charging Company, with full title guarantee, charged to the Security Agent
 - (a) by way of legal mortgage, all Land in England and Wales vested in it at the Debenture Date and registered at the Land Registry or which will be subject to

first registration at the Land Registry upon the execution and delivery of the Deed of Accession, in each case as described in Part V of this Schedule,

- (b) by way of legal mortgage, all other Land in England and Wales vested in it at the Debenture Date and not registered at the Land Registry,
- (c) by way of fixed charge
 - (i) all other Land which at the Debenture Date or in the future becomes, its property,
 - (ii) all interests and rights in or relating to Land or the proceeds of sale of Land at the Debenture Date or in the future belonging to it,
 - (iii) all plant and machinery at the Debenture Date or in the future attached to any Land which, or an interest in which, is charged by it under the preceding provisions of Clause 4 1 (*Fixed security*),
 - (iv) all rental and other income and all debts and claims at the Debenture Date or in the future due or owing to it under or in connection with any lease, agreement or licence relating to Land,
 - (v) all Specified Investments which are its property at the Debenture Date, including all proceeds of sale derived from them,
 - (vi) all Specified Investments in which the Charging Company may in the future acquire any interest (legal or equitable), including all proceeds of sale derived from them,
 - (vii) all Derivative Rights of a capital nature at the Debenture Date or in the future accruing or offered in respect of its Specified Investments,
 - (viii) all Derivative Rights of an income nature at the Debenture Date or in the future accruing or offered at any time in respect of its Specified Investments,
 - (ix) all insurance or assurance contracts or policies at the Debenture Date or in the future held by or otherwise benefiting it which relate to Fixed Security Assets or which are at the Debenture Date or in the future deposited by it with the Security Agent, together with all its rights and interests in such contracts and policies (including the benefit of all claims arising and all money payable under them) apart from any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) in the Deed of Accession,
 - (x) all its goodwill and uncalled capital for the time being,
 - (xi) all its rights, title and interest present and future in the Specified Intellectual Property,
 - (xii) all other Intellectual Property presently belonging to it, including any Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others,
 - (xiii) all other Intellectual Property that may be acquired by or belong to it in the future, including any such Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others,

- (xiv) the benefit of all agreements and licences at the Debenture Date or in the future entered into or enjoyed by it relating to the use or exploitation of any Intellectual Property in any part of the world,
- (xv) all its rights at the Debenture Date or in the future in relation to trade secrets, confidential information and knowhow in any part of the world,
- (xvi) all its rights and causes of action in respect of infringement(s) (past, present or future) of the rights referred to in sub-paragraphs (c)(xi) to (xiv) inclusive of Clause 4 1 (*Fixed security*),
- (xvii) all trade debts at the Debenture Date or in the future owing to it,
- (xviii) all other debts at the Debenture Date or in the future owing to it, excluding those arising on fluctuating accounts with other members of the Group,
- (xix) the benefit of all instruments, guarantees, charges, pledges and other security and all other rights and remedies available to it in respect of any Fixed Security Asset except to the extent that such items are for the time being effectively assigned under Clause 3 1 (*Assignments*),
- (xx) all its interests and rights (if any) in or to any money at any time standing to the credit of any Collection Account,
- (xxi) any beneficial interest, claim or entitlement it has to any pension fund at the Debenture Date or in the future (to the extent that the same can be charged lawfully),
- (xxii) all rights, money or property accruing or payable to it at the Debenture Date or in the future under or by virtue of a Fixed Security Asset except to the extent that such rights, money or property are for the time being effectively assigned or charged by fixed charge under the foregoing provisions of the Deed of Accession,
- (xxiii) all moneys at any time standing to the credit of any Holding Account and/or any Mandatory Prepayment Account, and
- (xxiv) the benefit of all licences, consents and authorisations held in connection with its business or the use of any Asset and the right to recover and receive all compensation which may be payable in respect of them

3 As security for the payment or discharge of all Secured Sums, the Charging Company, with full title guarantee, charged to the Security Agent by way of floating charge

- (a) all its Assets except to the extent that such Assets are for the time being effectively assigned by way of security referred to in paragraph 1 above or charged by any fixed charge referred to in paragraph 2 above, including any Assets comprised within a charge which is reconverted under Clause 4 4 (*Reconversion*) of the Debenture, and
- (b) without exception, all its Assets insofar as they are for the time being situated in Scotland,

but in each case so that the Charging Company shall not create any Security over any such Asset (whether having priority over, or ranking *pari passu* with or subject to, this floating charge) or take any other step referred to in Clause 7 (*Negative pledge and other restrictions*) of the Debenture, with respect to any such Asset, and the Charging Company

shall not, without the consent of the Security Agent, sell, transfer, part with or dispose of any such Asset (except by way of sale in the ordinary course of its business to the extent that such action is not otherwise prohibited by any Finance Document)

Part III

Covenants and Restrictions

- 1 By Clause 6 1 (*Collection Account*), of the Debenture, the Charging Company agreed to collect and realise all its Receivables and, immediately on receipt, pay all money so collected into the Collection Account specified in the notices set out in Part of 1 of Schedule 4 by the Security Agent. The Charging Company agreed, pending such payment, to hold all money so received upon trust for the Security Agent.
- 2 By Clause 6 3 (*No Derogation*), of the Debenture, the Charging Company agreed not to purport, without the Security Agent's prior written consent, to charge, factor, discount, assign, postpone, subordinate, release or waive its rights in respect of any Receivable in favour of any person or do or omit to do anything which might delay or prejudice its full recovery, other than in relation to the negotiation of Receivables with its customers in the ordinary course of business.
- 3 By Clause 7 (*Negative Pledge and other restrictions*) of the Debenture, the Charging Company agreed that it would not, without the prior written consent of the Security Agent (and with the exception of the Permitted Security and Permitted Disposals)
 - (a) create, or agree or attempt to create, or permit to subsist, any Security or any trust over any of its Assets, or
 - (b) sell, assign, lease, license or sub-license, or grant any interest in, any of its Fixed Security Assets, or part with possession or ownership of them, or purport or agree to do so
- 4 By Clause 11 2 (*Negative covenants*), of the Debenture, the Charging Company agreed that without the prior written consent of the Security Agent it would not (amongst other things)
 - (a) exercise any power of leasing in relation to its Land, or accept surrenders of leases of its Land, or agree to do so,
 - (b) extend, renew on substantially different terms or vary any lease or tenancy agreement or give any licence to assign or underlet in relation to its Land to the extent that it would be reasonably likely to materially adversely affect its value or the value of the Security constituted by the Deed of Accession, or
 - (c) share the occupation of its Land with any other person or agree to do so
- 5 By Clause 12 2 (*Negative covenants*), of the Debenture, the Charging Company agreed that it shall not, without the prior written consent of the Security Agent, other than as expressly permitted by the Finance Documents)
 - (a) sell, assign, lease, license, sub-license or grant any interest in its Intellectual Property Rights, or purport or agree to do so, or part with possession or ownership of them, or allow any third party access to, or the right to use or exploit, any Intellectual Property Rights, or
 - (b) amend the specification or drawings referred to in any granted patents

Part IV

The Chargors

Name of Chargor	Registered Number
Entertainment Rights plc	02402919
The Sleepy Kid Company Limited	01944374
Link Licensing Limited	01974427
Entertainment Rights Distribution Limited	02626682
Woodland Animations Limited	01238384
Tell-Tale Productions Limited	02227199
Entertainment Rights Overseas Holdings Limited	06457718
Entertainment Rights Funding Limited	06457714

Part V

Land mortgaged under Clause 4.1 (*Fixed security*) of the Deed of Accession.

None

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No 06457714

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF ACCESSION AND CHARGE DATED THE 18th JANUARY 2008 AND CREATED BY ENTERTAINMENT RIGHTS FUNDING LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH CHARGOR TO ALL OR ANY OF THE BENEFICIARIES ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 29th JANUARY 2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 31st JANUARY 2008

A handwritten signature in black ink, appearing to be 'R. B.' or similar.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES