

The assistance is to be given to (note 2) Please see annexure 3

Please do not write in this margin

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

The assistance will take the form of

The execution and / or payment by the Company (where applicable) of

- 1 the Facility Agreement,
- 2 the Multi-Option Facility Agreement,
- 3 the Intercreditor Deed,
- 4 the Debenture,
- 5 the Investor Guarantee and Debenture,
- 6 the Management Guarantee and Debenture,
- 7 the Consideration Guarantee and Debenture,
- 8 the Intra-Group Loan Agreement, and
- 9 the Payments

(as the same may be amended, varied, supplemented or substituted from time to time and in the case of the Facility Agreement and the Multi-Option Facility Agreement as such amounts guaranteed or borrowed may be increased from time to time) and the Company complying with and fulfilling its obligations thereunder

All capitalised terms have the meaning given in Annexure 7 to this form 155(6)a

The person who ~~XXXXXX~~ [will acquire] † the shares is

† delete as appropriate

Please see annexure 4

The principal terms on which the assistance will be given are

Please see annexure 5

The amount of cash to be transferred to the person assisted is £ See annexure 6

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 within eight weeks of the date hereof

Company Number: 04160087

CHARACTER WORLD LIMITED

ANNEXURES TO FORM 155(6)a

ANNEXURE 1

Name Stephanie Farris
Address 35 Penmark Close
Callands
Warrington
Cheshire
WA5 9TG

Name Daniel Eric Schweiger
Address 49 Chapel Lane
Halebarns
Altrincham
WA15 0AJ

Name Mark Schweiger
Address 33 Carlton Road
Hale
Altrincham
Cheshire
WA15 8RH

Name Rebecca Rowlands
Address 2 Mosswood Close
Chorley
Lancashire
PR7 2FQ

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Company Number: 04160087

CHARACTER WORLD LIMITED

ANNEXURES TO FORM 155(6)a

ANNEXURE 2

255,003 "A" ordinary shares of £1 00 each in the capital of the Company, 255,000 "B" ordinary shares of £1 00 each in the capital of the Company and 255,000 "C" ordinary shares of £1 00 each in the capital of the Company

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Company Number: 04160087

CHARACTER WORLD LIMITED

ANNEXURES TO FORM 155(6)a

ANNEXURE 3

Character World Bidco Limited, a company registered in England and Wales with registration number 6549359 and whose registered office is at c/o UHY Hacker Young, St James Building, 79 Oxford Street, Manchester M1 6HT (the "Purchaser")

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Company Number: 04160087

CHARACTER WORLD LIMITED

ANNEXURES TO FORM 155(6)a

ANNEXURE 4

The Purchaser will acquire the entire issued share capital of the Company being 255,003 "A" ordinary shares of £1 00 each, and 255,000 "B" ordinary shares of £1 00 each and 255,000 "C" ordinary shares of £1 00 each

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CHARACTER WORLD LIMITED

ANNEXURES TO FORM 155(6)a

ANNEXURE 5

The principal terms on which the assistance is given are as follows (unless otherwise defined in this Form 155(6)a all capitalised terms are defined in the document referred to in the relevant paragraph)

1. The Facility Agreement

- 1 1 Pursuant to the terms of the Facility Agreement, the Company irrevocably and unconditionally jointly and severally
 - 1 1 1 guarantees to the Lender punctual performance by each other Obligor of all that Obligor's obligations to the Lender,
 - 1 1 2 undertakes with the Lender that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document or otherwise, the Company shall immediately on demand pay that amount as if it was the principal obligor, and
 - 1 1 3 indemnifies the Lender immediately on demand against any cost, loss or liability suffered by the Lender if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which the Lender would otherwise have been entitled to recover
- 1 2 Pursuant to the terms of the Facility Agreement the Lender could set-off any matured obligation due from the Company under the Finance Documents against any matured obligation owed by the Lender to the Company

2. Multi-Option Facility Agreement

Pursuant to the terms of the Multi-Option Facility Agreement

- 2 1 the obligations of the Company to the Bank are secured by all existing security held by the Bank for the Company's liabilities and by debentures and guarantees granted by the Company, and
- 2 2 the Bank may retain, set off or appropriate any credit balances (whether current or not yet due) on any accounts the Company may have with the Bank against its liabilities under the Facility or any other obligations the Company may owe to the Bank whether present, future, actual or contingent

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3. The Intercreditor Deed

Pursuant to the terms of the Intercreditor Deed, there are regulated certain rights and obligations between the parties thereto in respect of payments due to such parties and the enforcement of security granted by the Obligors, including, without limitation, the Company, in favour of, inter alia, the Subordinated Creditors and the Senior Creditors

4. The Debenture

Pursuant to the terms of the Debenture, the Company

- 4 1 covenants with the Bank to discharge on demand all or any monies and liabilities which shall from time to time be due, owing or incurred to the Bank by the Company,
- 4 2 creates in favour of the Bank fixed and floating charges and/or assigns to the Bank all its assets and undertaking both present and future by way of security for all the Company's liabilities which, in the case of the Facility Agreement, could be used to discharge liabilities incurred by the Purchaser for the purpose of the Acquisition,
- 4 3 will not without the prior written consent of the Bank create or attempt to create any mortgage, charge or lien on the Property (except in favour of the Bank), dispose of or part with possession in any way of all or any of the Property, accept payment in advance of a call for or call up any uncalled capital, deal with the Company's book debts and other debts otherwise than by collecting them in the ordinary course of the Company's business and in particular the Company will not realise its book debts and other debts by means of block discounting factoring or the like and grant or accept a surrender of any lease or licence of or part with or share possession or occupation of its freehold and leasehold property or any part of it

5. The Investor Guarantee and Debenture

Pursuant to the terms of the Investor Guarantee and Debenture, the Company

- 5 1 covenants with the Security Trustee to pay or discharge all or any monies and liabilities which shall from time to time be due, owing or incurred to the Security Beneficiaries under the Investor Loan Note Instrument, on the due date and in the manner provided in the Investor Loan Note Instrument,
- 5 2 creates in favour of the Security Trustee fixed and floating charges and/or assigns to the Security Trustee all its assets and undertaking both present and future by way of security for all the Company's liabilities to the Security Beneficiaries,
- 5 3 guarantees to the Security Trustee to discharge on demand all of the liabilities of the Parent pursuant to the Investor Loan Note Instrument, and
- 5 4 agrees that any amount claimed by the Security Trustee to be included in such obligations which is not recoverable from the relevant Group Company shall be recoverable from the Company as principal debtor

6. The Management Guarantee and Debenture

Pursuant to the terms of the Management Guarantee and Debenture, the Company

- 6 1 covenants with the Security Trustee to pay or discharge all or any monies and liabilities which shall from time to time be due, owing or incurred to Management under the Management Loan Note Instrument, on the due date and in the manner provided in the Management Loan Note Instrument,

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- 6 2 creates in favour of the Security Trustee fixed and floating charges and/or assigns to the Security Trustee all its assets and undertaking both present and future by way of security for all the Company's liabilities to Management,
- 6 3 guarantees to the Security Trustee to discharge on demand all of the liabilities of Parent pursuant to the Management Loan Note Instrument, and
- 6 4 agrees that any amount claimed by the Security Trustee to be included in such obligations which is not recoverable from the relevant Group Company shall be recoverable from the Company as principal debtor

7. The Consideration Guarantee and Debenture

Pursuant to the terms of the Consideration Guarantee and Debenture, the Company

- 7 1 covenants with the Security Trustee to pay or discharge all or any monies and liabilities which shall from time to time be due, owing or incurred to Management under the Consideration Loan Note Instrument, on the due date and in the manner provided in the Consideration Loan Note Instrument,
- 7 2 creates in favour of the Security Trustee fixed and floating charges and/or assigns to the Security Trustee all its assets and undertaking both present and future by way of security for all the Company's liabilities to Management,
- 7 3 guarantees to the Security Trustee to discharge on demand all of the liabilities of Purchaser pursuant to the Consideration Loan Note Instrument, and
- 7 4 agrees that any amount claimed by the Security Trustee to be included in such obligations which is not recoverable from the relevant Group Company shall be recoverable from the Company as principal debtor

8. The Intra-Group Loan Agreement

Pursuant to the terms of the Intra-Group Loan Agreement, the Company could be required to provide funds to enable, inter alia, the Purchaser and the Parent to meet its obligations under or in connection with the Facility Agreement, the Investor Loan Note Instrument, the Management Loan Note Instrument and the Consideration Loan Note Instrument and for any purpose in connection with the Acquisition, and, inter alia, the Purchaser and the Parent agrees to use reasonable endeavours to meet any shortfall in the working capital requirements of the Borrowers, including the Company

9. The Payments

The Payments by way of a gift up to an aggregate value of £30,000 to certain officers of the Company in connection with the Acquisition

In entering into the various documents referred to above the Company is entering into obligations and assuming liabilities and giving security in connection with the acquisition of shares in the Company and may in the future be called upon pursuant to any of the documents referred to in this declaration to discharge obligations and/or liabilities arising in connection with the acquisition of shares in the Company

Company Number: 04160087

CHARACTER WORLD LIMITED

ANNEXURES TO FORM 155(6)a

ANNEXURE 6

The amount of cash to be transferred to the person assisted is amounts due under the Intra-Group Loan Agreement up to a maximum amount of £28,000,000

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CHARACTER WORLD LIMITED

ANNEXURES TO FORM 155(6)a

ANNEXURE 7

In this Form 155(6)a, and all its annexures, the following terms shall have the following meanings

"Acquisition" means the acquisition of the whole of the issued share capital of the Company by the Purchaser pursuant to the terms and conditions of the Acquisition Agreement,

"Acquisition Agreement" means the acquisition agreement to be entered into on the date hereof between, inter alia, the Vendors (1) and the Purchaser (2) under which the Purchaser agrees to purchase the entire issued share capital of the Company,

"Bank" means National Westminster Bank Plc,

"Company" has the meaning ascribed thereto on page 1 of this Form 155(6)a,

"Consideration Guarantee and Debenture" means the guarantee and debenture to be granted by the Group Companies (as defined therein) in favour of Mark Schweiger as Security Trustee for Management (as defined therein),

"Debenture" means the debenture to be executed by the Company on the date hereof in favour of the Bank,

"Facility Agreement" means a facility agreement to be made between, inter alia, (1) the Parent, (2) the Purchaser, (3) the Original Borrowers, (4) the Original Guarantors and (5) The Royal Bank of Scotland Plc acting as agent for National Westminster Bank Plc as Original Lender (each term as defined therein),

"Group" means at any time the Parent and its Subsidiaries, including, without limitation, the Company, and **"Group Company"** means any of them,

"Intercreditor Deed" means an intercreditor deed made between, inter alia, (1) Parent (2) the Obligors, (3) RBS as Senior Creditor and (4) RJD Partners Limited and others as Subordinated Creditors (each term as defined therein),

"Intra-Group Loan Agreement" means the intra-group loan agreement to be entered into between the Lenders (1) and the Borrowers (2) (as each such term is defined therein),

"Investor Guarantee and Debenture" means the guarantee and debenture to be granted by the Group Companies in favour of RJD Partners Limited as Security Trustee for the Security Beneficiaries (each term as defined therein),

"Management Guarantee and Debenture" means the guarantee and debenture to be granted by the Group in favour of Mark Schweiger as Security Trustee for Management (each term as defined therein),

"Multi-Option Facility Agreement" means the multi-option facility agreement to be entered into between (1) the Company and (2) the Lender (each term as defined therein),

"Parent" means Character World Holdco Limited (company number 6542144),

"Payments" means the payments by way of a gift up to an aggregate value of £30,000 to Rebecca Rowlands, Stephanie Farris and Julie Glennon,

"Purchaser" has the meaning ascribed thereto in Annexure 3,

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"RBS" means The Royal Bank of Scotland plc acting as agent for National Westminster Bank Plc,

"Subsidiary" means

- (i) a subsidiary as defined in Section 736 of the Companies Act 1985, and
- (ii) a subsidiary undertaking as defined in Section 258 and Schedule 10A of the Companies Act 1985, and

"Vendors" means Thomas Dan Schweiger, Heather Schweiger, Daniel Schweiger and Mark Schweiger

References to the Facility Agreement, the Multi-Option Facility Agreement, the Intercreditor Deed, the Debenture, the Investor Guarantee and Debenture, the Management Guarantee and Debenture, the Consideration Guarantee and Debenture and the Intra-Group Loan Agreement and to any provisions of them or to any other document referred to in this annexure shall be construed as references to it as amended, varied, supplemented, restated, substituted or novated from time to time



Grant Thornton Corporate Finance

Grant Thornton UK LLP
Chartered Accountants
UK member of
Grant Thornton International

The Directors
Character World Limited
St James Building
79 Oxford Street
Manchester M1 6HT

AUDITORS' REPORT TO THE DIRECTORS OF CHARACTER WORLD LIMITED (THE COMPANY) PURSUANT TO SECTION 156(4) OF THE COMPANIES ACT 1985

We have examined the attached statutory declaration of the directors dated 4 April 2008 in connection with the proposal that the Company should give financial assistance for the purpose of the purchase of the entire issued share capital of the Company

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

A handwritten signature in black ink, appearing to read "Grant Thornton UK LLP".

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

4 April 2008

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU
T +44 (0)20 7383 5100
F +44 (0)20 7184 4301
www.grant-thornton.co.uk

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