

I certify that this is a true  
copy of the Asset Purchase Agreement  
dated 31st July 2009

~~VOID~~  
VALID FOR  
SOLICITOR  
15 CARSHALTON ROAD  
SUTTON, SURREY  
SM1 4LD

10/08/2009

390328

**Asset Purchase Agreement**

**THIS AGREEMENT** is dated the 31st day of July 2009

**PARTIES**

- (1) **G4S INTEGRATED SERVICES (UK) LIMITED**, a private company incorporated and registered in England and Wales with company number 3333860 whose registered office is at Sutton Park House, 15 Carshalton Road, Sutton, Surrey SM1 4LD (**Seller**).
- (2) **G4S CARE AND JUSTICE SERVICES (UK) LIMITED**, a private company incorporated and registered in England and Wales with company number 390328 whose registered office is at Sutton Park House, 15 Carshalton Road, Sutton, Surrey SM1 4LD (**Buyer**).

**BACKGROUND**

- (A) The Seller has agreed to sell and the Buyer has agreed to purchase the Business (together with the Assets) as a going concern subject to and on the terms and conditions of this agreement.
- (B) The Buyer is a wholly-owned subsidiary of the Seller.

**AGREED TERMS**

**1 INTERPRETATION**

- 1.1 The definitions and rules of interpretation in this clause apply in this agreement.

**Assets:** the property, rights and assets of the Business to be sold and purchased pursuant to clause 2.1, excluding the Excluded Assets.

**Assumed Liabilities:** all debts, liabilities and obligations of any nature of the Seller relating to the Business or the Assets, whether

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actual or contingent, which are due or outstanding on or have accrued at the Effective Time, including the Creditors and excluding the Excluded Liabilities.

**Book Debts:** all trade and other debts and amounts owing to the Seller at the Effective Time in respect of the Business (whether or not invoiced).

**Business:** the business of providing Care and Justice services carried on by the Seller at the Effective Time.

**Business Claims:** all of the Seller's rights, entitlements and claims against third parties arising directly or indirectly out of or in connection with the operation of the Business or relating to the Assets, including rights under any warranties, conditions, guarantees or indemnities or under the Sale of Goods Act 1979.

**Business Day:** a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business.

**Business Information:** all information, know-how and techniques (whether or not confidential and in whatever form held) which in any way relate, wholly or partly, to the Business.

**Business Intellectual Property Rights:** Intellectual Property Rights owned, used or held for use by the Seller exclusively in, or in connection with, the Business.

**Business Name:** G4S Care & Justice.

**Completion:** the completion of the sale and purchase of the Business and the Assets in accordance with this agreement.

**Completion Date:** the date of this agreement.

**Contracts:** all contracts, arrangements, licences and other commitments relating to the Business entered into, on or before, and which remain to be performed by any party to them in whole or in part at, the Effective Time.

## **Part 4. Conditions of sale: Leasehold properties**

### **1 DEFINITIONS**

The definitions in this paragraph apply in this Part 4 of Schedule 3:

**Charges:** the charges affecting each of the Leasehold Properties as identified in Part 2 of Schedule 3 (Leasehold properties).

**Landlord:** in respect of each Leasehold Property, the person or persons from time to time entitled to the reversion (whether immediate or not) expectant upon the termination of a Lease.

**Licence:** the consent of the Landlord authorising a transfer or an assignment of the residue of the term of a Leasehold Property to the Buyer in accordance with and pursuant to the terms of the Lease, such consent being evidenced in a written, formal licence to assign, dated and being obtained free from unreasonable conditions, signed or executed by or on behalf of all of the parties to it.

**Longstop Date:** the date being six calendar months less two days from and including the Completion Date

**Part 1 Conditions:** the conditions in Part 1 of the Standard Commercial Property Conditions (Second Edition) and **Standard Condition** means any one of them.

**Part 2 Conditions:** the conditions in Part 2 of the Standard Commercial Property Conditions (Second Edition).

**Rights:** the rights benefiting each of the Leasehold Properties as identified in Part 2 of Schedule 3 (Leasehold properties).

**1994 Act:** Law of Property (Miscellaneous Provisions) Act 1994.

### **2 STANDARD COMMERCIAL PROPERTY CONDITIONS**

- 2.1 The Part 1 Conditions are incorporated in this Part 4 of Schedule 3 so far as they:
  - 2.1.1 apply to a sale by private treaty;
  - 2.1.2 are applicable to leasehold land;
  - 2.1.3 are not inconsistent with the other clauses in this agreement or paragraphs in this Part 4 of Schedule 3; and
  - 2.1.4 have not been modified by the other clauses in this agreement or paragraphs in this Part 4 of Schedule 3.
- 2.2 The Part 2 Conditions are not incorporated into this Part 4 of Schedule 3.
- 2.3 The following Standard Conditions shall not apply:
  - 2.3.1 Standard Condition 1.1.4(a);
  - 2.3.2 Standard Condition 2;
  - 2.3.3 Standard Conditions 3.1, 3.2.1 and 3.3;
  - 2.3.4 Standard Conditions 6.1 to 6.3;
  - 2.3.5 Standard Conditions 6.6.2 to 6.6.4;
  - 2.3.6 Standard Conditions 7.1.2 and 7.1.3;
  - 2.3.7 Standard Condition 10.3; and
  - 2.3.8 Standard Condition 11.
- 2.4 The Standard Conditions shall be amended as follows:
  - 2.4.1 the definition of "conveyancer" in Standard Condition 1.1.1(f) shall be construed as referring to the Buyer and/or the Seller, as the context requires;

- 2.4.2 the definition of "completion date" in Standard Condition 1.1.1(d) shall be construed as a reference to the Lease Transfer Date.

### **3 SALE AND PURCHASE**

- 3.1 Subject to paragraph 9 of Part 4 of Schedule 3, the Seller shall sell or procure the sale to the Buyer of the Leasehold Properties, with the benefit of the Rights.

- 3.2 In respect of each of the Leasehold Properties, the Buyer cannot require the Seller to:

- 3.2.1 transfer or assign it or any part of it to any person other than the Buyer; or

- 3.2.2 transfer or assign it in more than one parcel or by more than one transfer; or

- 3.2.3 apportion the Purchase Price between different parts of it.

### **4 COMPLETION**

- 4.1 Completion of the sale and purchase of each Leasehold Property shall take place on the Lease Transfer Date, and the Seller shall sell or procure the sale of the Leasehold Properties on that date.

### **5 DEDUCING TITLE**

- 5.1 Title to each of the Leasehold Properties has been deduced to the Buyer before the date of this agreement.

- 5.2 The deeds and documents of title for each of the Leasehold Properties are listed in Part 2 of Schedule 3 (Leasehold properties) and copies have been given to the Buyer.

### **6 TITLE GUARANTEE**

- 6.1 On the Lease Transfer Date, the Seller shall transfer or assign, or procure the transfer or assignment of, each of the Leasehold Properties with full title guarantee except that the covenants

implied by sections 3 and 4 of the 1994 Act shall be limited so that the Seller will have no liability under them for the consequences of any breach of the terms of the Leases relating to the physical condition of each of the Leasehold Properties.

## **7 MATTERS AFFECTING THE PROPERTY**

7.1 Each of the Leasehold Properties is sold free from encumbrances other than:

7.1.1 any Disclosed matters, except the Charges;

7.1.2 any matters discoverable by inspection of it before the date of this agreement; and

7.2 any matters that the Seller does not and could not reasonably know about.

## **8 TRANSFER**

8.1 The transfers or assignments of the Leasehold Properties shall be:

8.1.1 in the form agreed between the Seller and the Buyer; and

8.1.2 prepared and executed in duplicate, the duplicate to be retained by the Seller.

## **9 LANDLORD'S CONSENT TO A TRANSFER OF THE LEASEHOLD PROPERTIES**

9.1 The provisions of this paragraph 9 of Part 4 of Schedule 3 apply in respect of each Leasehold Property.

9.2 Completion of the transfer or assignment of a Leasehold Property is conditional on every Licence required under the relevant Lease.

9.3 Immediately following the Completion Date, the Seller shall apply for and use all reasonable endeavours to obtain every Licence as required by each Lease. The Seller shall pay all costs associated with obtaining, or seeking to obtain, each Licence.

- 9.4 The Buyer shall, without delay:
- 9.4.1 supply all information, accounts and references as the Landlord or the Seller may reasonably require in connection with an application for or consideration of any Licence;
  - 9.4.2 ensure that any amendments that the Buyer proposes to make to any form of Licence or to any document mentioned in paragraph 9.4.3 that has been submitted to the Buyer, are communicated promptly to the Seller;
  - 9.4.3 supply, procure or enter into any guarantees, rental or other deposits, direct covenants or other security for the performance of the tenant covenants of the Lease as may be lawfully required under each Lease; and
  - 9.4.4 execute the documents containing a Licence and execute or procure the execution of the documents (if any) required to be entered into pursuant to paragraph 9.4.3, each in the form reasonably required by the Landlord. The Buyer shall return all such documents duly executed to the Seller within ten Business Days after each engrossment has been submitted to the Buyer.
- 9.5 If any Licence required in respect of a Leasehold Property has not been obtained by the Longstop Date, then this agreement shall automatically rescind in relation to that Leasehold Property.


## **10 OCCUPATION PENDING GRANT OF LICENCE**

- 10.1 The Buyer shall be entitled to occupy each Leasehold Property as bare licensee only, on a non-exclusive basis, from the Completion Date until the earlier of:
- 10.1.1 the Longstop Date; or
  - 10.1.2 the Lease Transfer Date; or
  - 10.1.3 the date upon which this agreement is rescinded in relation to that Leasehold Property.

- 10.2 Whilst occupying the Leasehold Property as bare licensee, the Buyer shall be responsible for, and shall indemnify the Seller against, all sums payable by the tenant under the Lease, other than the payment of rent.
- 10.3 Whilst occupying the Leasehold Property as bare licensee, the Buyer shall pay to the Seller a licence fee equal to all rents payable by the tenant under the Lease, such licence fee to be paid:
- 10.3.1 in respect of rents payable on a specified date in the Lease, ten Business Days before the date they fall due for payment under the Lease; and
- 10.3.2 in respect of rents payable on demand in the Lease, within five Business Days of written demand from the Seller.
- 10.4 Whilst occupying the Leasehold Property as bare licensee, the Buyer covenants with the Seller that it shall observe and perform all the tenant covenants in the Lease (other than the covenants relating to payment of the rents and alienation) and shall indemnify the Seller against all costs, expenses, damages, proceedings and losses suffered or incurred by the Seller arising from any breach, non-observance or non-performance of the tenant covenants in the Lease (other than the covenants relating to payment of the rents and alienation).
- 10.5 This licence to occupy does not create, and is not intended to create, a demise and is personal to the Buyer. This licence cannot be assigned and the Buyer shall not be entitled to share occupation of a Leasehold Property with any other person, nor hold the Leasehold Property on trust for a third party.



Signed by

  
.....

**JAMES DARNTON**

Director

for and on behalf of **G4S**  
**INTEGRATED SERVICES**  
**(UK) LIMITED**

Signed by

  
.....

**JAMES DARNTON**

Director

for and on behalf of **G4S**  
**CARE AND JUSTICE**  
**SERVICES (UK) LIMITED**

- 4.1 Completion of the sale and purchase of the Freehold Properties shall take place on the Completion Date and the Seller shall sell or procure the sale of the Freehold Properties on that date.

## **5 DEDUCING TITLE**

- 5.1 Title to each of the Freehold Properties has been deduced to the Buyer before the date of this agreement.
- 5.2 The deeds and documents of title for each of the Freehold Properties are listed in Part 1 of Schedule 3 (Freehold properties) and copies of those documents have been given to the Buyer.

## **6 TITLE GUARANTEE**

- 6.1 On the Completion Date, the Seller shall transfer or procure the transfer of each Freehold Property with full title guarantee.

## **7 MATTERS AFFECTING THE PROPERTY**

- 7.1 Each of the Freehold Properties is sold free from encumbrances other than:
- 7.1.1 any Disclosed matters, except the Charges;
- 7.1.2 any matters discoverable by inspection of it before the date of this agreement; and
- 7.2 any matters that the Seller does not and could not reasonably know about.

## **8 TRANSFER**

- 8.1 The transfers of each of the Freehold Properties shall be:
- 8.1.1 in the form agreed between the Seller and the Buyer; and
- 8.1.2 prepared and executed in duplicate, the duplicate to be retained by the Seller.

- 2.3.2 Standard Condition 2;
- 2.3.3 Standard Conditions 3.1, 3.2.1 and 3.3;
- 2.3.4 Standard Conditions 6.1 to 6.3;
- 2.3.5 Standard Condition 6.6.2 to 6.6.4;
- 2.3.6 Standard Conditions 7.1.1 to 7.1.4;
- 2.3.7 Standard Condition 10; and
- 2.3.8 Standard Condition 11.
- 2.4 The Standard Conditions shall be amended as follows:
  - 2.4.1 the definition of "conveyancer" in Standard Condition 1.1.1(f) shall be construed as referring to the Buyer and/or the Seller, as the context requires;
  - 2.4.2 the definition of "completion date" in Standard Condition 1.1.1(d) shall be construed as a reference to the Completion Date.

### **3 SALE AND PURCHASE**

- 3.1 The Seller shall sell or procure the sale to the Buyer of each of the Freehold Properties, with the benefit of the Rights.
- 3.2 In respect of each of the Freehold Properties, the Buyer cannot require the Seller to:
  - 3.2.1 transfer it or any part of it to any person other than the Buyer; or
  - 3.2.2 transfer it in more than one parcel or by more than one transfer; or
  - 3.2.3 apportion the Purchase Price between different parts of it.

### **4 COMPLETION**

### **Part 3. Conditions of sale: freehold properties**

#### **1 DEFINITIONS**

The definitions in this paragraph apply in this Part 3 of Schedule 3.

**Charges:** the charges affecting each of the Freehold Properties as identified in Part 1 of Schedule 3 (Freehold properties).

**Part 1 Conditions:** the conditions in Part 1 of the Standard Commercial Property Conditions (Second Edition) and **Standard Condition** means any one of them.

**Part 2 Conditions:** the conditions in Part 2 of the Standard Commercial Property Conditions (Second Edition).

**Rights:** the rights benefiting each of the Freehold Properties as identified in Part 1 of Schedule 3 (Freehold properties).

#### **2 STANDARD COMMERCIAL PROPERTY CONDITIONS**

2.1 The Part 1 Conditions are incorporated in this Part 3 of Schedule 3 so far as they:

2.1.1 apply to a sale by private treaty;

2.1.2 relate to freehold land;

2.1.3 are not inconsistent with the other clauses in this agreement or paragraphs in this Part 3 of Schedule 3; and

2.1.4 have not been modified or excluded by the other clauses in this agreement or paragraphs in this Part 3 of Schedule 3.

2.2 The Part 2 Conditions are not incorporated into this Part 3 of Schedule 3.

2.3 The following Standard Conditions shall not apply:

2.3.1 Standard Condition 1.1.4(a);

Short address of property:	Carlton House, Carlton Road, Worksop, Nottinghamshire, S81 7QF	
Description of property:	Title Number NT241048	
Current Use of the property:	Offices	
Passing Rent per annum:	£97,500	
<b>Deeds and documents to be handed over on the Transfer Date</b>		
Date	Parties	Description

Short address of property:	298 Ongar Road, Writtle, Chelmsford, Essex, CM1 3NZ	
Description of property:	Title Number EX747730	
Current Use of the property:	Office and Parking	
Passing Rent per annum:	£18,955	
Deeds and documents to be handed over on the Transfer Date		
Date	Parties	Description

<b>Deeds and documents to be handed over on the Transfer Date</b>		
Date	Parties	Description

Short address of property:	Southern Side, Third Floor, Block 69, Cambridge Road Industrial Estate Whetstone, Leicestershire, LE8 6LH
Description of property:	Title Number LT382902
Current Use of the property:	Offices and Parking
Passing Rent per annum:	£ 13,856

<b>Deeds and documents to be handed over on the Transfer Date</b>		
Date	Parties	Description

Short address of property:	Land and Buildings, Barfield Close, Bar End Road, Winchester, Hampshire, SO23 9SQ
Description of property:	Title Number
Current Use of the property:	Storage of Vehicles and Ancillary Offices
Passing Rent per annum:	£ 9,996

<b>Deeds and documents to be handed over on the Transfer Date</b>		
Date	Parties	Description

Current Use of the property:	Admin Office and Parking	
Passing Rent per annum:	£ 15,875	
Deeds and documents to be handed over on the Transfer Date		
Date	Parties	Description

Short address of property:	Priory Road, Strood, Kent	
Description of property:	Title Number K621250	
Current Use of the property:	Site for parking	
Passing Rent per annum:	£7,800	
Deeds and documents to be handed over on the Transfer Date		
Date	Parties	Description

Short address of property:	Unit 8 and 9, + Part Bsmt Diamond House, Diamond Business Park, Thornes Moor Road, Wakefield, WF2 8PT	
Description of property:	Title Number WYK810752	
Current Use of the property:	Industrial	
Passing Rent per annum:	£64,750	

	Rickinghall, Norwich, Suffolk, NR4 6DQ	
Description of property:	Title Number SK 255290	
Current Use of the property:	Warehouse and parking	
Passing Rent per annum:	£16,750	
Deeds and documents to be handed over on the Transfer Date		
Date	Parties	Description

Short address of property:	Unit 19C, Tursdale Business Park, Spennymoor, Spennymoor, DH6 5PG	
Description of property:	Title Number DU280311	
Current Use of the property:	Offices	
Passing Rent per annum:	£45,000	
<b>Deeds and documents to be handed over on the Transfer Date</b>		
Date	Parties	Description

Short address of property:	Land and Premises, Knights Park, Strood, Kent, ME3 9B	
Description of property:	Title Number K621250	



Short address of property:	Saville Road, Peterborough, PE3 7PS	
Description of property:	Title Number CB289334	
Current Use of the property:	Offices and site for parking	
Passing Rent per annum:	£ 48,500	
Deeds and documents to be handed over on the Transfer Date		
Date	Parties	Description

Short address of property:	Ground Floor, Unit 6 , Wellfield Business Park, Wellfield Road, Preston, Lancashire, PR1 8SN	
Description of property:	Title Number LA788360	
Current Use of the property:	Offices	
Passing Rent per annum:	£21,000	
<b>Deeds and documents to be handed over on the Transfer Date</b>		
Date	Parties	Description

Short address of property:	Unit 18, Willow Farm Business Centre, Allwood Green, Bessemer Road,
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**Deeds and documents to be handed over on the Transfer Date**

Date	Parties	Description
Short address of property:	Off Unit 4A, Haddonacre, Station Road, Offenham, Worcester, WR11 8JJ	
Description of property:	Title Number	
Current Use of the property:	Ground Floor Offices and Parking	
Passing Rent per annum:	£24,000	

**Deeds and documents to be handed over on the Transfer Date**

Date	Parties	Description

Short address of property:	Off Unit A at Haddonsacre, Station Road, Offenham, Worcester, WR11 8JJ	
Description of property:	Title Number	
Current Use of the property:	Store	
Passing Rent per annum:	£3,600	

**Deeds and documents to be handed over on the Transfer Date**

Date	Parties	Description
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Current Use of the property:	Offices
Passing Rent per annum:	£ 22,860
<b>Deeds and documents to be handed over on the Transfer Date</b>	
Date	Parties Description

Short address of property:	Freeman Road, North Hykeham, Lincoln, LN6 9AP
Description of property:	Title Number LL70429
Current Use of the property:	Warehouse Store and Offices
Passing Rent per annum:	£ 19,750
<b>Deeds and documents to be handed over on the Transfer Date</b>	
Date	Parties Description

Short address of property:	Part of Penn Court, Standard Way, Northallerton, North Yorkshire, DL6 2XE
Description of property:	Title Number NYK299744
Current Use of the property:	Site for Parking
Passing Rent per annum:	£7,800

	House, Victoria Dock, Hull, HU9 1UD	
Description of property:	Title Number HS232486	
Current Use of the property:	Storage and Parking	
Passing Rent per annum:	£24,000	
Deeds and documents to be handed over on the Transfer Date		
Date	Parties	Description

Short address of property:	Compound and Gatehouse, Caton Road, Lancaster, LA1 3PE	
Description of property:	Title Number	
Current Use of the property:	Storage for compound vehicles	
Passing Rent per annum:	£15,000	
<b>Deeds and documents to be handed over on the Transfer Date</b>		
Date	Parties	Description

Short address of property:	Part Unit 3 Bridgewater Business Park, West Bridgewater Street, Leigh, Lancaster, WN7 3AE
Description of property:	Title Number GM975438

Date	Parties	Description
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Short address of property:	Orchard Court 3, Binley Business Park, Coventry, CV3 2TQ
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Description of property:	Title Number WM937367
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Current Use of the property:	Offices
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Passing Rent per annum:	£74,910
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**Deeds and documents to be handed over on the Transfer Date**

Date	Parties	Description

Short address of property:	Off Watnall Road (Unit 3 Aerial Way) Hucknall, Nottinghamshire, NG15 6DW
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Description of property:	Title Number NT399861
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Current Use of the property:	Industrial Unit
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Passing Rent per annum:	£ 1,838
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**Deeds and documents to be handed over on the Transfer Date**

Date	Parties	Description

Short address of property:	Earles Road, The Earles Road Estate, Key
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Passing Rent per annum:	£ 14,368
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**Deeds and documents to be handed over on the Transfer Date**

Date	Parties	Description
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Short address of property:	Cambois Industrial Estate, West Sleekburn Bedlington, Northumberland, NE22 7DD
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Description of property:	Title Number ND150225
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Current Use of the property:	Offices and Car Park
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Passing Rent per annum:	£28,250
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**Deeds and documents to be handed over on the Transfer Date**

Date	Parties	Description

Short address of property:	Unit 10b, Capenhurst Technology Park, Capenhurst Lane, Capenhurst, Cheshire, CH1 6HE
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Description of property:	Title Number CH525528
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Current Use of the property:	Industrial Premises
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Passing Rent per annum:	£16,500
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**Deeds and documents to be handed over on the Transfer Date**

Description of property:	Title Number BD242097
Current Use of the property:	Workshop and Premises
Passing Rent per annum:	£25,000

**Deeds and documents to be handed over on the Transfer Date**

Date	Parties	Description
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Short address of property:	Unit 16 - First Floor, Arlesey Business Park, Mill Lane, Arlesey, Bedfordshire, SG15 6RF
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Description of property:	Title Number BD258340
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Current Use of the property:	Offices
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Passing Rent per annum:	£21,000
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**Deeds and documents to be handed over on the Transfer Date**

Date	Parties	Description
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Short address of property:	Third Way, Avonmouth, Bristol, BS11 9YS
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Description of property:	Title Number
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Current Use of the property:	Offices and parking
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### Schedule 3 The properties

#### Part 1. Freehold Properties

Short address of property:	18 Station Road, Long Buckby, Northhamptonshire, NN6 7QB	
Description of property:	Title Number NN189653	
Current Use of the property:	House used as a Children's Home	
Asset Value:	£1,250,000	
Deeds and documents to be handed over on the Transfer Date		
Date	Parties	Description

Short address of property:	Bessemer Road, Norwich, Norfolk, NR4 6DQ	
Description of property:	Title Number NK155042	
Current Use of the property:	Workshop, Offices and site for parking	
Asset Value:	£285,000	
Deeds and documents to be handed over on the Transfer Date		
Date	Parties	Description

#### Part 2. Leasehold properties

Short address of property:	Unit 3, Arlesley Business Park, Mill Lane, Arsley, Bedfordshire, SG15 6RF
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signatories to execute this agreement and any such other documents on the Seller's behalf.

- 2 The Seller shall give the Buyer possession of the Properties in accordance with the provisions of Part 3 and Part 4 of Schedule 3.

- 1.2.6 the title deeds relating to the Properties and all invoices, policies, premiums, receipts, maintenance contracts, health and safety files and other accounts relating to the Properties and certified copies of all documents held by mortgagees;
- 1.2.7 all documents of title, certificates, deeds, licences, agreements and other documents relating to the Business Intellectual Property Rights and all manuals, drawings, plans, documents and other materials and media on which the Business Information is recorded;
- 1.2.8 the logbooks and test certificates for any motor vehicles included in the Assets; and
- 1.2.9 the Contracts and the books, accounts, reference lists of customers, credit reports, price lists, cost records, work tickets, catalogues, advertising and all other documents, papers and records in the possession or under the control of the Seller relating to the Business or any of the Assets duly written up to the Completion Date;
- 1.3 all such records as are referred to in section 49 of VATA 1994;
- 1.4 the Records;
- 1.5 all national insurance and PAYE records in respect of the Employees, and all records required to be kept under the Working Time Regulations 1998;
- 1.6 such irrevocable instruction to the bank(s) of the Seller as may be necessary to procure the automatic transfer to the Buyer of any payment that any customer of the Business may make to such bank(s) after the Completion Date; and
- 1.7 a copy of the minutes of a meeting of the board of directors of the Seller authorising the execution by the Seller of this agreement and all other documents ancillary to it or the transactions contemplated herein, and appointing the relevant signatory or

## **Schedule 2 Seller's actions and obligations at completion**

- 1 The Seller shall deliver, or procure delivery, to the Buyer of, or make available to the Buyer:
  - 1.1 physical possession of all the Assets capable of passing by delivery, with the intent that title in such Assets shall pass by and upon such delivery;
  - 1.2 such conveyances, transfers, assignments and novations together with the requisite notices, licences, documents of title and relevant Third Party Consents as may be necessary to vest in the Buyer title to all of those Assets which are not transferable by delivery as the Seller may have obtained and which will permit the Buyer to enter into and take possession of the Business and Assets, subject always to the provisions of clause 8.1 to clause 8.4 inclusive, including without limitation:
    - 1.2.1 duly executed conveyances, assignments, licences and other documents in the agreed form necessary to vest title in the Properties in, or transfer the Properties to, the Buyer;
    - 1.2.2 duly executed agreements in the agreed form for the assignment or novation of the benefit of the Contracts to the Buyer and all requisite notices, consents and licences therefor;
    - 1.2.3 duly executed assignments in the agreed form to vest the Goodwill, the Business Name and the Business Intellectual Property Rights in the Buyer;
    - 1.2.4 all such Third Party Consents as the Buyer may require to vest in the Buyer the full benefit of the Assets;
    - 1.2.5 all documents of title and certificates for the lawful operation and use of, and all service documents pertaining to, the Assets and the Stock;

The value of the Assumed Liabilities to be assumed by the Buyer pursuant to this agreement is as follows:

<b>LIABILITY</b>	<b>VALUE (£)</b>
Assumed Liabilities	28,980,777

## **Schedule 1 Assets and assumed liabilities**

### **1. ASSETS**

The Assets included in the sale pursuant to this agreement and their respective values are as follows:

<b>ASSET</b>	<b>VALUE (£)</b>
Goodwill	5,346,721
Fixed Assets, Moveable Assets, Freehold Properties and Leasehold Properties	10,884,398
Stock	172,008
Contracts	Nil
Business Intellectual Property Rights	Nil
IT System	Nil
Book Debts	14,920,793
Business Claims	Nil
Business Information	Nil
Other receivables	295,116
Customer Prepayments	353,393
Accrued income	916,568
Long-term mobilisation costs	58,810
Cash in hand or bank	53,980

### **2. ASSUMED LIABILITIES**

shall apply with the minimum modification necessary to make it legal, valid and enforceable.

## **19 THIRD PARTY RIGHTS**

- 19.1 No term of this agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this agreement, but this does not affect any right or remedy of a third party which exists or is available apart from under that Act.

## **20 COUNTERPARTS**

- 20.1 This agreement may be executed in any number of counterparts, each of which when executed and delivered constitutes an original of this agreement but all the counterparts shall together constitute the same agreement.

## **21 GOVERNING LAW AND JURISDICTION**

- 21.1 This agreement and any disputes or claims arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) are governed by and construed in accordance with the law of England and Wales.
- 21.2 The parties irrevocably agree that the courts of England and Wales have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

This agreement has been entered into on the date stated at the beginning of it.

Buyer acknowledges that it has not been induced to enter into this agreement by, and so far as permitted by law and except in the case of fraud, hereby waives any remedy in respect of, any warranties, representations, undertakings, promises or assurances not incorporated expressly into this agreement.

- 16.2 Nothing in this clause operates to limit or exclude any liability for fraud.

## **17 VARIATION AND WAIVER**

- 17.1 Any variation of this agreement must be in writing and signed by or on behalf of the parties.
- 17.2 Any waiver of any right under this agreement is only effective if it is in writing and it applies only to the party to whom the waiver is addressed and to the circumstances for which it is given.
- 17.3 No failure to exercise or delay in exercising any right or remedy provided under this agreement or by law constitutes a waiver of such right or remedy nor shall it prevent any future exercise or enforcement thereof.
- 17.4 No single or partial exercise of any right or remedy under this agreement shall preclude or restrict the further exercise of any such right or remedy or other rights or remedies.

## **18 SEVERANCE**

- 18.1 If any provision of this agreement (or part of a provision) is found by any court or administrative body of competent jurisdiction to be invalid, unenforceable or illegal, that provision shall be ineffective to the extent of such illegality, invalidity or unenforceability but the other provisions shall remain in force.
- 18.2 If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision

supplied by, the Business at Completion as the Buyer may request.

- 12.5 The Buyer shall give the Seller such reasonable access to the Records for inspection by representatives of the Seller during business hours as the Seller may require (including the right to take copies and extracts on reasonable advance notice).

### **13 DATA PROTECTION**

- 13.1 The Buyer shall comply with the Data Protection Act 1998 in relation to its application to the Business and Assets after the Completion Date.

### **14 FURTHER ASSURANCE**

- 14.1 Each party shall (at its own expense) promptly execute and deliver all such documents, and do all such things, or procure the execution of documents and doing of such things as are required to give full effect to this agreement and the transaction intended to be effected pursuant to it.

### **15 ASSIGNMENT**

- 15.1 Neither party may assign or transfer any of its rights, benefits or obligations under this agreement.
- 15.2 Each party confirms that it is acting on its own behalf and on no-one else's.

### **16 WHOLE AGREEMENT**

- 16.1 This agreement and the documents referred to in it constitute the whole agreement and understanding of the parties and supersede any previous arrangements, understanding or agreement between the parties relating to the subject matter of this agreement. Save as expressly provided, and to the extent they may be excluded by contract, this agreement excludes any warranty, covenants, condition or undertakings which may be implied by law. The



therewith) arising out of or in connection with any failure by it to comply with its obligations pursuant to Regulations 11 and 13 of TUPE.

- 11.4 The Buyer agrees it shall be responsible for and indemnify and keep indemnified the Seller against all costs, expenses, liabilities, claims, rights of action, compensation, awards, damages, fines, penalties, costs, expenses, interests arising from or in connection with the employment of the Employees, whether arising before or after the Effective Time.

## **12 ACTION AFTER COMPLETION**

- 12.1 If not already done, as soon as practicable after Completion, the Seller and the Buyer shall issue jointly:
- 12.1.1 a notice to each Customer and supplier and other business contact informing them of the transfer of the Business to the Buyer; and
- 12.1.2 a letter to each Employee explaining that his or her employment has been transferred to the Buyer pursuant to TUPE.
- 12.2 Each party shall immediately pass to the other all correspondence, information, orders, enquiries and other documentation, items and all money relating to or connected with the Business or the Assets which it receives after Completion and which belong to the other party, save that the provisions of clause 9 shall apply with regard to any payments received in respect of Periodical Receipts.
- 12.3 The Seller shall give the Buyer such reasonable access during business hours to the books, accounts, records and returns of the Seller relating to or in connection with the Business as the Buyer may require (including the right to take copies and extracts on reasonable advance notice).
- 12.4 The Seller shall provide and shall procure that its employees provide the Buyer with such information relating to the activities and operations of, and the products and services supplied or to be

**(Apportionments Schedule)** of the apportionments and reimbursements required to be made in accordance with clause 9.1, clause 9.2 and clause 9.3.

- 9.5 Any balancing payment to be paid by either party pursuant to this clause 9 shall be paid in cash within 5 Business Days of the Apportionments Schedule being agreed.

## **10 VALUE ADDED TAX**

- 10.1 The Seller and the Buyer acknowledge that section 43(1) of VATA 1994 will apply to the sale of the Assets pursuant to this agreement.

## **11 THE EMPLOYEES**

- 11.1 The parties acknowledge and agree that the sale pursuant to this agreement will constitute a relevant transfer for the purposes of TUPE and, accordingly, the contracts of employment of, and collective agreements relating to the Employees shall be transferred to the Buyer pursuant to TUPE with effect from the Effective Time.
- 11.2 If any contract of employment of, or collective agreement relating to, any Employee is found or alleged not to have transferred to the Buyer at the Effective Time the parties agree they shall take all necessary steps to ensure that such contracts of employment and collective agreements shall have effect from the Effective Time as if originally made with the Buyer.
- 11.3 Each of the Buyer and the Seller undertakes to the other:
- 11.3.1 that it has complied with all of its obligations under Regulations 11 and 13 of TUPE;
- 11.3.2 to indemnify and keep indemnified the other against all losses, claims, costs, charges and demands, proceedings or judgments (including without limitation, legal costs incurred in connection

- 8.3.5 neither party shall have any further obligation to the other relating to the Retained Asset save to the extent resulting from any prior breach.
- 8.4 Where there is a material risk that the assignment or attempted assignment of the benefit of a Contract or a Business Claim would cause a third party to repudiate such Contract or Business Claim or would constitute a breach of such Contract, this agreement does not constitute an assignment or an attempted assignment of that Contract or Business Claim.
- 8.5 Title to those Assets transferred at Completion shall pass to the Buyer at the Effective Time and title to those Assets transferred after Completion shall pass to the Buyer at the time of transfer.
- 8.6 Risk in respect of all the Assets shall pass to the Buyer at the Effective Time save that in the event an Asset is subsequently excluded from the purchase under this agreement under clause 8.3 the risk in that Asset shall pass back to the Seller.

## **9 APPORTIONMENTS AND PREPAYMENTS**

- 9.1 All Periodical Outgoings shall be apportioned by reference to the Effective Time such that the Seller shall be responsible for such part of the Periodical Outgoings that relate to the period ending on or before the Effective Time and the Buyer shall be responsible for such part of the Periodical Outgoings that relate to the period beginning after the Effective Time. All Periodical Receipts shall be apportioned between the Seller and the Buyer on a like basis.
- 9.2 The Buyer shall reimburse the Seller in respect of any Seller Prepayments.
- 9.3 The Seller shall reimburse the Buyer in respect of any Customer Prepayments.
- 9.4 Immediately following Completion, if not already done, the Seller and Buyer shall prepare and endeavour to agree a schedule

8.2.2.2 the Buyer shall perform all the obligations of the Seller in respect of such Assets which are Contracts (save to the extent that any such obligations are Excluded Liabilities).

8.3 If in respect of any Asset a Third Party Consent is refused or not obtained within three months of the Completion Date the parties shall each use all reasonable endeavours to achieve an alternative solution pursuant to which the Buyer shall receive the full benefits of the relevant Asset and shall assume the associated obligations. If an alternative solution which is reasonably acceptable to the Seller and the Buyer is not found within six months of the Completion Date the parties shall apply the following provisions in respect of such Asset (**Retained Asset**):

8.3.1 if the Retained Asset is the benefit of a Contract, the Buyer may require the Seller to use its reasonable endeavours to terminate the Contract without either party incurring any further liability. Any liability in respect of such Contract shall be deemed to be an Excluded Liability;

8.3.2 in respect of a Retained Asset which is not a Contract, the Retained Asset shall be excluded from the sale of the Business and Assets and any liability in respect of the Retained Asset shall be deemed to be an Excluded Liability;

8.3.3 the Purchase Price shall be reduced by the value attributed to the Retained Asset. If no specific value had been attributed to the Retained Asset in determining the Purchase Price then the parties shall attribute the Retained Asset with such value which as at Completion is fair and reasonable;

8.3.4 the Seller shall pay any amount due to the Buyer pursuant to clause 8.3.3 in cash within 5 Business Days of the value of the Retained Asset being agreed or becoming binding on the parties in accordance with that clause; and

signatory or signatories to execute this agreement and any such other documents on the Buyer's behalf.

## **7 WARRANTIES**

- 7.1 The Seller warrants and represents to the Buyer that the Seller has good and marketable title to each Asset (whether tangible and intangible), and each Asset is legally and beneficially owned by the Seller.

## **8 PASSING OF TITLE AND RISK AND THIRD PARTY CONSENTS**

- 8.1 If any Third Party Consent is required to transfer an Asset to the Buyer and such Third Party Consent has not been obtained prior to Completion, the Seller shall use all reasonable endeavours after Completion to obtain such consent as soon as possible following Completion and to effect any transfer or assignment or novation of that Asset at the request of the Buyer after receipt of the Third Party Consent, and the Buyer shall cooperate with the Seller so far as is reasonable for such purposes.
- 8.2 In so far as any Assets are not delivered or formally transferred, novated or assigned to the Buyer at Completion and until such time as they are formally transferred, novated or assigned to the Buyer:
- 8.2.1 the Seller shall be deemed to hold all such Assets on trust for the Buyer; and
- 8.2.2 to the extent permissible under law or the terms of any relevant agreement:
- 8.2.2.1 the Seller shall use all reasonable endeavours to procure at the Buyer's cost that the Buyer shall be entitled to the benefit, use and enjoyment of those Assets, to receive the income therefrom, and to have the right of enforcement of the Business Claims, if any, relating to those Assets; and

- 5.3 For the purposes of clause 5.2, the Consideration Shares shall rank pari passu with the existing ordinary shares of £1 each in the capital of the Buyer, including the right to receive all dividends declared made or paid after the Effective Time (save that they shall not rank for any dividend or other distribution of the Buyer declared made or paid by reference to a record date before the Effective Time).

## **6 COMPLETION**

- 6.1 Completion shall take place on the Completion Date.
- 6.2 At Completion the Seller shall comply with its obligations set out in paragraph 1 of Schedule 2.
- 6.3 At Completion the Buyer shall:
- 6.3.1 procure that a meeting of the board of directors is convened at which the Consideration Shares are allotted;
  - 6.3.2 allot and issue to the Seller the Consideration Shares in accordance with clause 5.2;
  - 6.3.3 deliver a certified copy of the resolutions passed by the shareholders of the Buyer increasing the authorised share capital and giving general authority to the directors of the Buyer to allot the Consideration Shares pursuant to section 80 of the Companies Act 1985;
  - 6.3.4 deliver to the Seller duly executed counterparts of the licences, agreements, assignments and other documents referred to in paragraph 1.2 of Schedule 2; and
  - 6.3.5 deliver to the Seller a copy of the minutes of a meeting of the board of directors of the Buyer authorising the execution by the Buyer of this agreement and all other documents ancillary to it or the transactions contemplated herein, and appointing the relevant

- 3.2.2 as a result of the Buyer's failure to pay, satisfy or perform the Assumed Liabilities under clause 3.1.1,

including without limitation any losses, liabilities or costs incurred as a result of defending or settling a claim alleging such a liability.

#### **4 EXCLUDED ASSETS AND LIABILITIES**

- 4.1 The Seller's accounts and accounting records which do not relate exclusively to the Business shall be excluded from the sale under this agreement.
- 4.2 Nothing in this agreement shall pass to the Buyer, or shall be construed as acceptance by the Buyer of, the Excluded Liabilities and the Seller shall:
- 4.2.1 pay, satisfy and perform the Excluded Liabilities whether arising before or after the Effective Time; and
- 4.2.2 indemnify and keep indemnified the Buyer against any such liabilities or the Seller's failure to pay, satisfy or perform and observe the Excluded Liabilities.

#### **5 PURCHASE PRICE**

- 5.1 The consideration payable for the Business and the Assets shall be the aggregate of the values attributed to the Assets less the value of the Assumed Liabilities as set out in paragraph 1 (Assets) and paragraph 2 (Assumed Liabilities) of Schedule 1 (being the sum of £4,021,010 (four million twenty one thousand and ten pounds) (**Purchase Price**). The Purchase Price shall be apportioned pro rata among the Assets.
- 5.2 The Purchase Price shall be satisfied by the allotment and issue by the Buyer on Completion (as provided in clause 6) to the Seller of 38,395 (thirty eight thousand three hundred and ninety five) ordinary shares of £1 each in the Buyer (**Consideration Shares**), credited as fully paid.

- 2.1.13 the Business Claims;
  - 2.1.14 the Customer Prepayments;
  - 2.1.15 all the Seller's cash in hand or at the bank or at any other financial institution; and
  - 2.1.16 all other property, rights and assets owned by the Seller and used, enjoyed or exercised or intended to be used, enjoyed or exercised exclusively in the Business at the Effective Time, save for the Excluded Assets.
- 2.2 The Properties shall be sold to the Buyer in accordance with Part 3 and Part 4 of Schedule 3.
- 2.3 For the avoidance of doubt, any profits for which the Seller has to account to the Buyer under this agreement since the Effective Date will be net of Tax.

### **3 ASSUMED LIABILITIES**

- 3.1 Subject to clause 9, the Buyer shall with effect from the Effective Time:
- 3.1.1 assume responsibility for and pay, satisfy or perform the Assumed Liabilities; and
  - 3.1.2 pay, satisfy or discharge all debts, liabilities and obligations incurred by the Buyer in connection with the Business after the Effective Time.
- 3.2 The Buyer agrees to indemnify and keep indemnified the Seller against each loss, liability and cost which the Seller may incur or may have incurred and not discharged before the Effective Time:
- 3.2.1 in connection with the ownership or operation of the Business and the Assets whether before or after the Effective Time; or



- 1.9 Documents in **agreed form** are documents in the form agreed by the parties to this agreement and initialled by them or on their behalf for identification.
- 1.10 Where the words **include(s), including** or **in particular** are used in this agreement, they are deemed to have the words "without limitation" following them.
- 1.11 References to this agreement include this agreement as amended or varied in accordance with its terms.

## **2 AGREEMENT TO SELL AND PURCHASE**

- 2.1 The Seller shall sell with full title guarantee, subject in each case to all Encumbrances existing at the date of this agreement, and the Buyer shall buy, with effect from the Effective Time, the Business as a going concern together with the assets listed below:
- 2.1.1 the Goodwill;
  - 2.1.2 the Properties;
  - 2.1.3 the Fixed Assets;
  - 2.1.4 the Moveable Assets;
  - 2.1.5 the benefit (subject to the burden) of the Contracts;
  - 2.1.6 the Stock;
  - 2.1.7 the Business Information;
  - 2.1.8 the IT System;
  - 2.1.9 the Book Debts;
  - 2.1.10 the Business Name;
  - 2.1.11 the Business Intellectual Property Rights;
  - 2.1.12 the Records;

or Assumed Liabilities in terms reasonably acceptable to the Buyer.

**TUPE:** the Transfer of Undertakings (Protection of Employment) Regulations 2006.

**VAT:** value added tax chargeable under the Value Added Tax Act 1994 and any similar replacement or additional tax.

**VATA 1994:** Value Added Tax Act 1994.

**Warranties:** the warranties and representations set out in clause 7.

- 1.2 Clause and schedule headings do not affect the interpretation of this agreement.
- 1.3 A reference to a clause or a schedule is a reference to a clause of, or schedule to, this agreement. A reference to a paragraph is to a paragraph of the relevant schedule, and a reference to an appendix is to the relevant appendix to this agreement.
- 1.4 A **person** includes a corporate or unincorporated body.
- 1.5 Words in the singular include the plural and in the plural include the singular.
- 1.6 A reference to one gender includes a reference to the other gender.
- 1.7 A reference to a statute, statutory provision or any subordinate legislation made under a statute is to such statute, provision or subordinate legislation as amended or re-enacted from time to time whether before or after the date of this agreement and, in the case of a statute, includes any subordinate legislation made under that statute whether before or after the date of this agreement.
- 1.8 **Writing** or **written** includes faxes but not e-mail.

and tooling used or intended for use in connection with the Business.

**Periodical Outgoings:** all periodical charges and periodical outgoings of the Business or related to the Assets, including all periodical outgoings in respect of rents, rates, utilities and the Employees but excluding the Creditors.

**Periodical Receipts:** all rents, licence fees, royalties and other periodical receipts of the Business or related to the Assets, excluding the Book Debts.

**Properties:** the Freehold Properties and the Leasehold Properties.

**Purchase Price:** has the meaning given in clause 5.1.

**Records:** the books, accounts (including VAT records and returns), lists of Customers and suppliers and all the other documents, papers and records relating to the Business or any of the Assets.

**Seller Prepayments:** all prepayments and payments relating to the Business made by the Seller prior to the Effective Time in respect of products or services to be provided after the Effective Time.

**Stock:** the stock-in-trade of the Business at the Effective Time.

**Tax:** all forms of taxation and statutory, governmental, state, federal, provincial, local, government or municipal charges, duties, imposts, contributions, levies, withholdings or liabilities wherever chargeable and whether of the UK or any other jurisdiction; and any penalty, fine, surcharge, interest, charges or costs relating thereto, and **taxation** means the same.

**Third Party Consent:** a consent, licence, approval, authorisation or waiver required from a third party for the conveyance, transfer, assignment or novation in favour of the Buyer of any of the Assets

use in connection with the Business attached or fixed to the Properties as at the Effective Time.

**Freehold Properties:** the freehold properties, particulars of which are set out in Part 1 of Schedule 3.

**Goodwill:** the goodwill, custom and connection of the Seller in relation to the Business, together with the exclusive right for the Buyer to carry on the Business under the Business Name (and all other names associated with the Business) and respectively to represent themselves as carrying on the Business in succession to the Seller.

**Intellectual Property Rights:** patents, rights to inventions, utility models, copyright, trade marks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database rights, topography rights, moral rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world.

**IT System:** all computer hardware (including network and telecommunications equipment) and software (including associated preparatory materials, user manuals and other related documentation) owned, used, leased or licensed by or in relation to the Business.

**Leasehold Properties:** the leasehold properties, particulars of which are set out in Part 2 of Schedule 3.

**Moveable Assets:** the loose plant including moveable plant, machinery and equipment, fixtures and fittings (other than landlord's fixtures and fittings), desktop computers, spare parts

**Creditors:** all trade debts and accrued charges related to the Business owing by the Seller at the Effective Time to the trade creditors of the Seller except for those trade debts and accrued charges which are Excluded Liabilities.

**Customers:** the customers of the Business.

**Customer Prepayments:** any payments, prepayments or deposits made by any Customer to the Seller prior to the Effective Time in respect of products or services to be provided after the Effective Time.

**Effective Time:** 11:00 a.m. on 1<sup>st</sup> April 2009.

**Employees:** the persons employed wholly or mainly in the Business at the Effective Time.

**Encumbrance:** any mortgage, charge (fixed or floating), pledge, lien, hypothecation, guarantee, trust, right of set-off or other third party right or interest (legal or equitable) including any assignment by way of security, reservation of title or other security interest of any kind, however created or arising, or any other agreement or arrangement (including a sale and repurchase agreement) having similar effect.

**Excluded Assets:** the property, rights and assets of the Business set out in clause 4.1.

**Excluded Liabilities:** all indebtedness of the Seller to the Seller's bankers existing at the Effective Time and any liability for Taxation relating to the Business for which the Seller is or will become liable whether or not such a liability for Taxation has arisen at the Effective Time, together with all liabilities relating to the Excluded Assets.

**Fixed Assets:** all of the fixed plant and machinery, furniture, utensils, templates, tooling, implements, chattels and equipment wherever situated belonging to the Seller and used or intended for