

M

CHFP025

Please do not
write in
this margin

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

*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

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

Pursuant to section 395 of the Companies Act 1985

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

Name of company

* ISG TOTTY LIMITED (the "Company")

Date of creation of the charge

24 May 2007

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

DEBENTURE dated 24 May 2007 between the Company and the Security Trustee (the
"Debenture")

Amount secured by the mortgage or charge

All monies or liabilities due, owing or incurred to any Lender under the Facility Agreement (the
"Secured Liabilities")

Continued on Addendum 2/4

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

THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND, Level 7, 155 Bishopsgate, London
(the "Security Trustee")

Postcode EC2M 3YB

Presentor's name address and
reference (if any)

Ashurst
Broadwalk House
5 Appold Street
London
EC2A 2HA

PGS/AZN/470S 00297/4331739

Time critical reference

For official Use (06/2005)
Mortgage Section

Post room

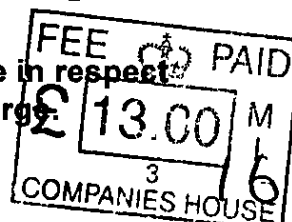
FRIDAY



A50

A00QEQT
01/06/2007
COMPANIES HOUSE

480



395

60265/13

For official use

Company number

00450103

1 CHARGING PROVISIONS

1.1 The Company with full title guarantee has charged to the Security Trustee as a continuing security for the payment or discharge of the Secured Liabilities

(a) by way of legal mortgage all estates or interests in the freehold and leasehold property (including the property described in schedule 1 to the Debenture, as set out in schedule 1 hereto) together with all buildings, fixtures (including trade and tenant's fixtures), plant and machinery owned by the Company as at 24 May 2007 and in future which are at any time on any such property provided that in the case of any leasehold properties where landlord consent is required in order to charge the properties, no charge shall arise until such consent is obtained. Where landlord consent is required the Company shall use all reasonable endeavours to obtain that consent as soon as possible and to keep the Security Trustee informed of the progress of its negotiations,

Continued on Addendum 4/4

Please do not write in this margin

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

Particulars as to commission allowance or discount (note 3)

N/A

Signed **ASHURST**

Date **31 MAY 2007**

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)

Notes

† delete as appropriate

- 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 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 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**.

Name of company

*insert full name
of Company

* ISG TOTTY LIMITED (the "Company")

Addendum 1/4

1 Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Addendum 2/4

2 Amount due or owing on the mortgage or charge (continued)

NOTE

In this form 395

"Agent" means The Governor and Company of the Bank of Scotland in its capacity as agent for the Lenders and its successors and assignors,

"Assets" means the whole of the property (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the Company,

"Assigned Agreements" means the Cathedral Acquisition Agreement, the Insurances and any other agreement designated as an Assigned Agreement by the Company and the *Security Agent*,

"Cathedral Acquisition Agreement" means the agreement dated 12 April 2007 made between ISG Retail Limited, James J C Omand and others and Interior Services Group plc under which ISG Retail Limited purchased the entire issued share capital of Cathedral Realty Limited,

"Common Terms Agreement" shall mean the common terms agreement dated 24 May 2007 between *inter alia* the parties to the Debenture,

"Event of Default" means, in relation to any Facility, an event set out in schedule 6 to the Common Terms Agreement which the Agent elects to treat as such,

"Existing Transfer Certificate" means the Existing Transfer Certificate as defined in the Common Terms Agreement,

"Facilities" means the Term Facility and the Revolving Facility, as the context may require (each a "Facility"),

"Facility Agreement" means the letter, in the agreed terms, dated 24 May 2007 and made between the Parent (1), the Agent (2), The Governor and the Company of the Bank of Scotland as a Lender (3) and The Royal Bank of Scotland plc as a Lender (4),

"Finance Documents" means the Facility Agreement, the Security Documents, the Common Terms Agreement, the Existing Transfer Certificate and all documents supplemental to any of them;

"Group" means, at any time, the Parent and its Subsidiaries (each a "Group Company"),

"Insurances" means all policies of insurance and all proceeds of them either as at 24 May 2007 or in the future held by, or written in favour of, the Company in which it is otherwise interested, but excluding any third party liability or public liability insurance and any directors and officers insurance,

"Lenders" means, at any time, the persons having participations at such time in any of the Term Facility and/or the Revolving Facility,

"Parent" means Interior Services Group Plc (company number 2997684), having its registered office at Aldgate House, 33 Aldgate High Street, London EC3N 1AG,

"Permitted Disposals" means

(a) the disposal of assets on an arm's length basis in the ordinary and usual course of trading,

(b) disposals between Group Companies where the transferee has granted Full Group Security (as defined in the Common Terms Agreement),

Name of company

*insert full name
of Company

* ISG TOTTY LIMITED (the "Company")

(c) disposals where the proceeds are applied towards the acquisition of a replacement or other comparable assets within 180 days of the disposal, provided that, prior to such application, the proceeds are transferred to, and held in, a Realisation Account (as defined in the Common Terms Agreement),

(d) disposals of cash for the purpose of the acquisition of assets or services in the ordinary course of trading,

(e) disposals of cash by way of payment of dividends or distributions by any member of the Group to its immediate holding company and by way of payment of dividend or distribution by the Parent,

(f) disposals of obsolete or redundant assets or assets that have no economic value or of any other assets made with the prior written consent of the Agent provided that where the net proceeds of such disposal when aggregated with any other net disposal proceeds received in that financial year are greater than £2,000,000 (or its equivalent in other currencies) For the purposes of this paragraph "net proceeds" and "net disposal proceeds" shall mean the proceeds of any disposal received by a Group Company less the reasonable costs and expenses properly incurred by such Group Company in connection with such disposal,

(g) disposals on arms length terms of interests held by the Group in Permitted Joint Ventures (as defined in the Common Terms Agreement),

(h) disposals by Excluded Companies (as defined in the Common Terms Agreement),

(i) disposals made other than in the ordinary and usual course of trading and not referred to in paragraphs 1 to 8 of this definition, provided that such disposals are on an arm's length basis and the value of the assets disposed of

(whether by a single or several transactions), when taken together with all similar disposals made by the Group, is not in total more than £25,000 per annum,

"Receiver" means an administrative receiver, receiver and manager or other receiver appointed pursuant to the Debenture in respect of the Company or over all or any of the Assets charged by the Debenture,

"Relevant Funders" means the Agent and the Lenders,

"Revolving Facility" means a multicurrency revolving credit facility in the aggregate principal amount of £10,000,000 made available to each Initial Obligor (as defined in the Common Terms Agreement) pursuant to the terms of the Facility Agreement,

"Security Documents" means the Security Documents as defined in the Common Terms Agreement,

"Subsidiary" means a subsidiary, as defined in Section 736 of the Companies Act 1985, and

"Term Facility" means the term facility, in the aggregate principal amount of £20,000,000 made available to the Parent pursuant to the terms of the Facility Agreement

Addendum 3/4

3 Names, addresses and description of the mortgages or persons entitled to the charge (continued)

Name of company

*insert full name
of Company

* ISG TOTTY LIMITED (the "Company")

Addendum 4/4

4 Short particulars of all the property mortgaged or charged (continued)

(b) by way of fixed charge -

(1) all estates or interests in any freehold or leasehold property belonging to the Company as at 24 May 2007 or at any time thereafter (other than any property charged in terms of clause 2 1(a) of the Debenture, as set out in clause 1 1(a) above) together with all buildings, fixtures (including trade and tenant's fixtures), plant and machinery owned by the Company which are at any time on the property provided that in the case of any leasehold properties where landlord consent is required in order to charge the properties, no charge shall arise until such consent is obtained. Where landlord consent is required the Company shall use all reasonable endeavours to obtain that consent as soon as possible and to keep the Security Trustee informed of the progress of its negotiations;

(2) all interests of the Company as at 24 May 2007 and in future in or over land or the proceeds of sale of it and all licences of the Company as at 24 May 2007 and in future to enter upon or use land and the benefit of all other agreements relating to land to which it is or may become party or otherwise entitled and all fixtures (including trade and tenant's fixtures) which are at any time on the property charged under the Debenture,

(3) all plant, machinery, vehicles, computers and office and other equipment owned by the Company as at 24 May 2007 and in future (excluding any of the same for the time being forming part of the Company's stock in trade or work in progress),

(4) all stocks, shares and other securities owned (at law or in equity) by the Company as at 24 May 2007 and in future (including the shares listed in schedule 2 to the Debenture, as set out in schedule 2 hereto) and all rights and interests accruing or offered at any time in relation to them,

(5) all rights and interests in and claims under all policies of insurance and assurance held or to be held by or insuring to the benefit of the Company and the benefit of all rights and claims to which the Company is as at 24 May 2007 or may be entitled under any contracts,

(6) all patents, patent applications, trade marks, trade mark applications, trading names, brand names, service marks, copyrights, rights in the nature of copyright, moral rights, inventions, design rights, registered designs, all trade secrets and know-how, computer rights, programmes, systems, tapes, disks, software, all applications for registration of any of them and other intellectual property rights held or to be held by the Company or in which it may have an interest and the benefit of all agreements as at 24 May 2007 and in future relating to the use of or licensing or exploitation of any such rights (owned by the Company or others) and all fees as at 24 May 2007 and in future, royalties or similar income derived from or incidental to any of the foregoing in any part of the world,

(7) all the Company's goodwill and uncalled capital for the time being,

(8) all book and other debts and monetary claims of the Company as at 24 May 2007 and in future whether payable as at 24 May 2007 or in the future and the benefit of all rights and claims of the Company as at 24 May 2007 and in future against third parties relating to them and capable of being satisfied by the payment of money (save as charged under sub-clause 2 1 2 5 of the Debenture, as set out in clause 1 1(b)(5) above,

(9) all bank accounts, cash at bank and credit balances of the Company as at 24 May 2007 and in future with any bank or other person whatsoever and all rights relating or attaching to them (including the right to interest),

(c) by way of floating charge all the Assets not effectively otherwise mortgaged, charged or assigned by clause 2 (Charging Provisions) of the Debenture, as set out in clause 1 above (including, without limitation, any immovable property of the Company in Scotland and any Assets in Scotland falling within any of the types mentioned in sub-clause 2 1 2 of the Debenture, as set out in clause 1 1(b) above) but so that the Company is prohibited from creating any fixed security or mortgage or any other floating charge over the Assets having priority over or ranking pari passu with the floating charge created by the sub-clause (otherwise than in favour of the Security Trustee) and the Company will have no power without the consent of the Security Trustee to part with or dispose of any part of those Assets except by way of sale in the ordinary course of its business

Name of company

*insert full name
of Company

* ISG TOTTY LIMITED (the "Company")

1 2 The Company with full title guarantee has assigned as a continuing security for the payment or discharge of the Secured Liabilities in favour of the Security Trustee (subject to the right of the Company to require the re-assignment thereof upon payment or discharge in full of the Secured Liabilities)

(1) all the right, title and interest of the Company in and to the Assigned Agreements,

(2) all the right, title and interest of the Company in and to any interest rate hedging agreements entered into by any person, and

(3) (insofar as they are capable of being assigned by way of security) all the right, title and interest of the Company in and to the Insurances

The Company has confirmed and acknowledged that

(4) it will promptly after execution and delivery of the Debenture notify the relevant counterparty (with a copy to the Security Trustee) of the terms of the Debenture in substantially the form set out in schedule 5 thereto and will use all reasonable endeavours to procure that the relevant counterparty acknowledges receipt thereof, and

(5) it will take such action (if any) in respect of such notification and acknowledgement as is requested by the Security Trustee from time to time

1 3 To the extent that any such right, title and interest as is referred to in clause 2 2 of the Debenture, as set out in clause 1 2 above, is not assignable or capable of assignment, the assignment thereof purported to be effected by such clause shall operate as an assignment of any and all compensation, damages, income, profit or rent which the Company may derive therefrom or be awarded or entitled to in respect thereof, in each case as a continuing security for the payment or discharge in full of the Secured Liabilities

1 4 Any mortgage, fixed charge or other fixed security created by the Company in favour of the Security Trustee shall have priority over the floating charge created by the Debenture, except insofar as the Security Trustee shall declare otherwise whether at or after the time of creation of such fixed security

1 5 On the occurrence of an Event of Default the Security Trustee may at any time, by notice to the Company, immediately convert the floating charge created under sub-clause 2 1 3 of the Debenture, as set out in clause 1 1(c) above, into a fixed charge over any Assets specified in that notice and the floating charge will, without notice from the Security Trustee, automatically be converted with immediate effect into a fixed charge -

(1) in respect of any Assets which become subject to a fixed charge in favour of any other person or to a disposition otherwise than by way of sale in the ordinary course of the Company's business or other Permitted Disposals immediately upon such charge or disposition,

(2) in respect of any Assets which are subject to any step by any third party to levy any distress, attachment, execution or other legal process thereon provided the same is not frivolous or vexatious,

(3) in respect of all the Assets charged under sub-clause 2 1 3 of the Debenture, as set out in clause 1 1(c) above, if and when the Company ceases to carry on business or to be a going concern, and

(4) in respect of all the Assets on the making of an order for the compulsory winding-up of the Company, on the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Company or the taking of any steps (including, without limitation, the making of an application or the giving of any notice) by the Company or any other person for the appointment of an administrator in respect of the Company

1 6 Sub-clause 2 5 of the Debenture, as set out in clause 1 5 above, will not apply -

(1) to any Assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to Section 72 of the Insolvency Act 1986 by reason of such automatic conversion, and/or

(2) solely by reason of the Company obtaining a moratorium or anything done with a view to obtaining a moratorium under the Insolvency Act 2000

Name of company

*insert full name
of Company

* ISG TOTTY LIMITED (the "Company")

1.7 Save as otherwise permitted in the Finance Documents, the Company will not without the prior written consent of the Security Trustee -

(1) create or attempt to create or permit to subsist any right in security, mortgage, charge, lien (other than a lien arising in the ordinary course of business by operation of law) or encumbrance on all or any of its Assets, or

(2) sell, transfer, assign, factor, lease or otherwise dispose of or part with possession in any way of all or any of its Assets (other than in terms of Permitted Disposals or on the determination of any lease, tenancy or licence) or share occupation of any Asset, or

(3) in any way dispose of the equity of redemption of any such Asset or any interest in any such Asset.

1.8 The Company (at its own cost) will on demand in writing by the Security Trustee execute and deliver in such form as the Security Trustee may reasonably require.-

(1) a legal mortgage of any freehold or leasehold property of the Company which is not effectively charged by sub-clause 2.1.1 of the Debenture, as set out in clause 1.1(a) above, and of any freehold or leasehold property acquired by the Company after 24 May 2007,

(2) a standard security or other fixed security over the Company's heritable freehold, leasehold or other property,

(3) a fixed charge or assignment in or by way of security of any Asset subject to a floating charge under sub-clause 2.1.3 of the Debenture, as set out in clause 1.1(c) above,

(4) a chattel mortgage over such chattels, plant and machinery as the Security Trustee may specify, and

(5) a notice of any assignment of its right, title and interest in and to any of the agreements referred to in clause 2.2 of the Debenture, as set out in clause 1.2 above;

and the Company will execute (unless prohibited by law) such other deeds, documents, agreements and instruments and will otherwise do and concur in all such other acts or things as the Security Trustee may (acting reasonably) deem necessary for perfecting, preserving or protecting the security created (or intended to be created) by the Debenture or for facilitating the realisation of the Assets or the exercise of any rights of the Security Trustee under the Debenture

Company number
00450103

Name of company
* ISG TOTTY LIMITED (the "Company")

*insert full name
of Company

SCHEDULES

Schedule 1

Freehold and leasehold property

Address or Description	Title No (s) (if registered land)	Freehold/leasehold
Woodland Park, Cleckheaton, Bradford		
1 Maple House (also known as Building A1), Woodland Park, Bradford Road, Cleckheaton	WYK713210	Leasehold
2 Building A2, Woodland Park, Bradford Road, Cleckheaton	WYK713207	Leasehold
3 Woodland House (also known as Block B), Woodland Park, Bradford Road, Cleckheaton	WYK713202	Leasehold
4 Park House (also known as Building C2), Woodland Park, Bradford Road, Cleckheaton	WYK713229	Leasehold

Schedule 2

Subsidiary Shares

Subsidiary	No of Shares
ISG Totty Building Limited	55,000 ordinary shares of £1 each
ISG Developments Limited	10,000 ordinary shares of £1 each

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No 00450103

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 24th MAY 2007 AND CREATED BY ISG TOTTY LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND (THE "SECURITY TRUSTEE") 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 1st JUNE 2007

GIVEN AT COMPANIES HOUSE, CARDIFF THE 7th JUNE 2007

Row



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES