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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

* **THE FITZROY GROUP LIMITED (the "Company")**

Date of creation of the charge

1 SEPTEMBER 2006

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

COMPOSITE DEBENTURE made between (1) the Company, Fitzroy Technology Limited and Ernest A.Bitterling Limited (as charging companies) and (2) Nicholas St Aubyn of Upper Ifold House, Knights Lane, Dunsfold, Godalming, Surrey GU8 4NX (as lender)

Amount secured by the mortgage or charge

See Part 1 of the attached schedule (the "Schedule")

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

Nicholas St Aubyn of Upper Ifold House, Knights Lane, Dunsfold, Godalming, Surrey

Postcode GU8 4NX

Presentor's name address and
reference (if any):

Macfarlanes

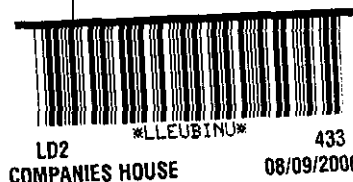
**10 Norwich Street, London, EC4A
1BD,**

KLXD/595516/ST AUBYN

Time critical reference

For official Use (02/00)
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

See Part 2 of the Schedule.

N.B. Part 3 of the Schedule contains details of certain covenants by and restrictions on the Company which protect and further define the charges and which must be read as part of the charges created, but is not exhaustive.

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Particulars as to commission allowance or discount (note 3)

Nil

A fee is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

Signed Macfarlane Date 6 September 2006

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

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
(a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
(b) procuring or agreeing to procure subscriptions, whether absolute or conditional,
for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

† delete as appropriate

SCHEDULE

Schedule to the Form 395 in respect of the Debenture given by the Company, Fitzroy Technology Limited and Ernest A.Bitterling Limited in favour of the Lender dated 1 September 2006 (the "Form 395").

Definitions

In this Schedule to the Form 395 the following words and expressions shall have the meanings respectively set out against them below:-

Charged Property: means all the assets for the time being subject to the security interests created by the Debenture (and references to the Charged Property include references to any part of it);

Charging Companies: means the Company, Fitzroy Technology Limited (company number 03500549) and Ernest A.Bitterling Limited (company number 00485529);

Company: means The Fitzroy Group Limited (company number 00578837) whose registered office is c/o Robinson Reed Layton, Peat House, Newham Road, Truro, Cornwall TR1 2DP;

Debenture: means the composite guarantee and debenture dated 1 September 2006 entered into by the Charging Companies in favour of the Lender;

Debts: means all book debts, other debts, receivables and liabilities of any kind whatsoever now or at any time hereafter (and from time to time) due, owing or payable to any Charging Company, including the benefit of any judgement or order to pay a sum of money, and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the same and all bills of exchange, promissory notes and other negotiable instruments for the time being owned or held by any Charging Company;

Encumbrance: means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

Equipment: means all equipment, plant, machinery, tools, vehicles, furniture and other tangible moveable property now or at any time hereafter (and from time to time) owned by the Company, and any part thereof, together with all spare parts, replacements, modifications and additions thereto;

Facility Agreement: means the agreement dated 1 September 2006 and made between the Company and the Lender relating to certain loan facilities;

Finance Documents: means the Facility Agreement and the Debenture;

Guarantee: means in relation to a Guarantor, the obligations of that Guarantor pursuant to Clause 2.1.2 of the Debenture including the obligations of that Guarantor arising by virtue of Clause 2.2 (*Indemnity from Guarantors*) of the Debenture and Clause 21 (*Further provisions relating to Guarantees*) of the Debenture;

Guarantor: means a Charging Company to the extent only that it covenants by virtue of its Guarantee to pay or discharge Secured Liabilities due, owing or incurred to the Lender from or by any Principal Debtor other than itself;

Insurance Policies: means the insurance policies referred to in Clause 3.2.2 of the Debenture;

Intellectual Property: means any present or future rights or interests of any Charging Company in respect of any patent, trade mark, service mark, trade name, registered design, design rights, copyrights, know-how and any other rights in intellectual property whether registered or unregistered and any registration or application for registration including all present and future fees, royalties and other income or rights derived therefrom or incidental thereto and including the benefit of all present and future agreements relating to the use of a licensing or exploitation of any such rights;

Lender: means Mr Nicholas St Aubyn of Upper Ifold House, Knightons Lane, Dunsfold, Godalming, Surrey, GU8 4NX;

Parent: means the Company;

Permitted Encumbrance: has the meaning given to the term "Permitted Security Interests" in the Facility Agreement;

Principal Debtor: means: (a) the Company (as borrower), (b) any Charging Company and (c) any future Subsidiary of the Parent, in each case to the extent only that it owes or incurs any Secured Liabilities to the Lender;

Properties: means all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or at any time hereafter (and from time to time) owned by any Charging Company or in which any Charging Company holds an interest (including (but not limited to) the properties which are briefly described in Schedule 2 (*Properties currently owned*) of the Debenture (also described in the Schedule herein) and "**Property**" means any of them;

Secured Liabilities: means all present and future moneys, obligations and liabilities owed by any Principal Debtor to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity whatsoever (including, without limitation, all amounts (including principal), interest and any default interest due under or in connection with the Finance Documents) and (for the avoidance of doubt) such monies, obligations and liabilities include all those which may arise pursuant to Clause 20.3.2 of the Debenture (and references to the Secured Liabilities include references to any of them);

Securities: means all stocks, shares, loan capital, securities, bonds and investments of any kind whatsoever (whether or not marketable) now or at any time hereafter (and from time to time) owned (at law or in equity) by any Charging Company, together with all allotments offered or arising in respect thereof or incidental thereto and all stocks, shares, loan capital, securities, bonds, investments, rights, income, money or property accruing, deriving, offered or paid from time to time by way of dividend, distribution, interest, exchange, capital reorganisation, conversion, redemption, bonus, rights, preference, option or otherwise in respect thereof;

Security Period: means the period starting on the date of the Debenture and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full; and

Subsidiary: has the meaning given to it in section 736 of the Companies Act 1985 (and **Subsidiaries** shall be construed accordingly).

Part 1

Amount secured by the mortgage or charge

1 The Company, along with each other Charging Company:

- 1.1 covenanted with the Lender that it will pay on demand and discharge all Secured Liabilities owing or incurred from or by it to the Lender; and
- 1.1.1 unconditionally guaranteed that it will on demand pay and discharge all Secured Liabilities owing or incurred from or by any other Principal Debtor to the Lender (except any Secured Liabilities owing or incurred by such other Principal Debtor as Guarantor for the Charging Company concerned),
- in each case when the same become due whether by acceleration or otherwise, together with interest to the date of payment at such rates and upon such terms as may from time to time be agreed, commission, fees and other charges and all legal and other costs, charges and expenses, on a full and unqualified indemnity basis, which may be incurred by the Lender in relation to any such Secured Liabilities or generally in respect of the Charging Companies.
- 2 As a separate and independent obligation, the Guarantors (including the Company) agreed that if any purported obligation or liability of any Principal Debtor which would have been the subject of a Guarantee had it been valid and enforceable is not or ceases to be valid or enforceable against such Principal Debtor on any ground whatsoever, whether or not known to the Lender (including, without limitation, any irregular exercise or absence of any corporate power or lack of authority of, or breach of duty by, any person purporting to act on behalf of such Principal Debtor or any legal or other limitation, disability or incapacity or any change in the constitution of or any amalgamation, reconstruction, receivership, liquidation, administration or insolvency of such Principal Debtor) the Guarantors (including the Company) shall nevertheless remain jointly and severally liable to the Lender as principal debtors by way of indemnity for the same amount as that for which the Guarantors would have been liable had the purported obligation or liability been fully valid and enforceable as a Guarantee. The Guarantors (including the Company) jointly and severally agreed to keep the Lender fully indemnified on demand against all damages, losses, costs and expenses arising from any failure of a Principal Debtor to perform or discharge any such purported obligation or liability except where such damages, losses costs and expenses were incurred due to the gross negligence or wilful default of the Lender.
- 3 Pursuant to the terms of the Debenture the Company, along with each other Charging Company, agreed that the Debenture secured further advances made under or pursuant to the terms of the Finance Documents and the Lender is, subject to and upon the terms and conditions of the Finance Documents, under an obligation to make further advances.
- 4 Pursuant to the terms of the Debenture the Company agreed that all Secured Liabilities shall be paid in full without any deduction or withholding whether on account of any taxes duties levies or charges or otherwise unless any Charging Company shall be required by law to make such deduction or withholding in which case the amount so payable shall be increased to the extent necessary so that the amount receivable after deduction or withholding is equal to the amount which would have been receivable had no such deduction or withholding been required.
- 5 Pursuant to the terms of the Debenture the Company, along with each other Charging Company, agreed to indemnify and hold harmless the Lender, any administrator and any receiver from and against all actions, claims, expenses, demands and liabilities whether arising out of contract or in tort or in any other

way incurred or which may at any time be incurred by him or by any manager, agent, officer, servant or workman for whose debt, default or miscarriage he may be answerable for anything done or omitted to be done in the exercise or purported exercise of his powers under the provisions of the Debenture.

- 6 Pursuant to the terms of the Debenture the Company, along with each other Charging Company agreed to pay or reimburse to the Lender and any administrator or receiver on demand, on a full indemnity basis, all costs, charges and expenses (including legal fees) in any way properly incurred by the Lender and/or the administrator and/or any receiver in relation to the Debenture or the Charged Property or in protecting, perfecting preserving or enforcing (or attempting to do so) any of the Lender's rights under the Debenture or in suing for or recovering any of the Secured Liabilities (including, without limitation, the costs of any proceedings in relation to the Debenture or the Secured Liabilities).
- 7 Pursuant to the terms of the Debenture the Company, or any other Charging Company, agreed that as and when required by the Lender each Charging Company (including the Company), at its own cost, shall execute such further legal or other mortgages, charges or transfers in favour of the Lender as the Lender shall from time to time require over all or any part of the Charged Property, further to secure the payment of the Secured Liabilities, such further mortgages, charges or transfers to be prepared at the cost of the Charging Companies (including the Company), and to contain a power of sale and such other clauses for the benefit of the Lender as the Lender may reasonably require.

Part 2

Short particulars of all the property mortgaged or charged

- 1 As a continuing security for the payment or discharge of the Secured Liabilities, the Company, along with each other Charging Company, with full title guarantee:
- 1.1 charged to the Lender, by way of first legal mortgage, all Properties which are listed in Schedule 2 (*Properties currently owned*) of the Debenture (also described in the Schedule herein);
- 1.2 charged to the Lender, by way of first fixed charge, the Securities;
- 1.3 charged to the Lender, by way of first fixed charge:
- 1.3.1 all Properties hereafter acquired by it;
- 1.3.2 all present and future interests not effectively mortgaged or charged under the preceding provisions of this paragraph 1, Part 2 in or over freehold or leasehold property;
- 1.3.3 all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties;
- 1.3.4 all present and future goodwill of the Company and all uncalled capital for the time being;
- 1.3.5 the Equipment;

- 1.3.6 all Intellectual Property;
- 1.3.7 the Debts; and
- 1.3.8 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person;
- 1.4 assigned to the Lender by way of first fixed mortgage all its right, title and interest in and to any present or future policies of insurances or assurance (including, without limitation, any insurances relating to the Properties or the Equipment) and any claims and recoveries thereunder;
- 1.5 assigned to the Lender, to the extent the same are assignable:
 - 1.5.1 the benefit of any agreements to which it is a party and the benefit of any guarantee or security for the performance of such agreements;
 - 1.5.2 the benefit of all licences, consents and authorisations held by it and the right to recover or receive any sum of money pursuant to them; and
- 1.6 charged to the Lender, by way of first floating charge, all its undertaking, property, assets and rights at any time not effectively mortgaged, charged or assigned pursuant to paragraphs 1.1 to 1.5, Part 2 inclusive.
- 2 If:
 - 2.1 the Company creates or attempts to create an Encumbrance (other than a Permitted Encumbrance) or any trust in favour of another person over all or any part of the Charged Property or disposes or attempts to dispose of all or any part of the Charged Property otherwise than as permitted under the Facility Agreement (for so long as any amount remains outstanding to the Lender thereunder); or
 - 2.2 any person levies or attempts to levy any distress, attachment, execution or other process against all or any part of the Charged Property,

the floating charge created by the Debenture will automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property.
- 3 Notwithstanding the provisions of Clause 3.4 (*Automatic conversion of floating charge*) of the Debenture (and without prejudice to any other circumstances in which such floating charge may crystallise), the Lender may at any time and from time to time by written notice to the Company, or any other Charging Company, convert the floating charge created by the Debenture into a fixed charge as regards any part of the Charged Property if the Lender considers (in its sole discretion) that any part of the Charged Property, or the Lender's security interest in any part of the Charged Property, is or may be in danger of being seized or subjected to any distress or execution or is otherwise in jeopardy, or if any of the security constituted by the Debenture becomes enforceable in accordance with clause 13.1 of the Debenture.
- 4 Any asset acquired by the Company, or any other Charging Company, after any crystallisation of the floating charge created under the Debenture which but for such crystallisation would be subject to a floating charge shall, (unless the Lender

confirms in writing to the contrary) be charged to the Lender by way of first fixed charge.

Part 3

Other restrictions

- 1 The Company covenanted with the Lender that the Company will not at any time, except with the prior written consent of the Lender or save as expressly permitted under the terms of the Facility Agreement (for so long as so long as any amount remains outstanding to the Lender thereunder):
 - 1.1 create or purport to create or permit to subsist any Encumbrance other than a Permitted Encumbrance on or in relation to the Charged Property other than the Debenture;
 - 1.2 sell, assign, transfer, lease, licence, share occupation of, part with possession of or otherwise dispose of (or purport to sell, assign, transfer, lease, licence, share occupation of, part with possession or otherwise dispose of) all or any part of the Charged Property or of the equity of redemption of any such Charged Property or any interest in any such Charged Property except (in the case of the Charged Property charged by way of floating charge) in the ordinary course of the Company's business and for the purpose of carrying on that business; or
 - 1.3 create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.
- 2 In respect of any Property or part of or interest in any Property title to which is registered at the Land Registry each Charging Company (including the Company) shall apply to the Chief Registrar to enter the following restriction on the register of the title to such Property:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the Composite Guarantee and Debenture dated [] in favour of Lender referred to in the Charges Register".
- 3 Each Charging Company (including the Company) shall not except with the prior written consent of the Lender release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Debts save as hereinafter expressly provided.
- 4 Each Charging Company (including the Company) shall:
 - 4.1 after the security constituted by the Debenture becomes enforceable (by virtue of Clause 13 (*Enforcement*) of the Debenture or otherwise), comply with any notice served by the Lender on that Charging Company prohibiting it from withdrawing all or any monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, except with the prior written consent of the Lender; and
 - 4.2 if called upon so to do by the Lender, execute a legal assignment of the Debts to the Lender in such terms as the Lender may require and give notice thereof to the debtors from whom the Debts are due, owing or incurred.

Each Charging Company (including the Company) covenanted with the Lender that it will (if the Lender so requires) produce to or deposit with the Lender all Insurance Policies and the receipts for all premiums and other payments necessary for effecting and keeping up such policies and it is hereby agreed that (whether or not the security constituted by the Debenture shall have become enforceable) all sums at any time payable under any of the Insurance Policies shall forthwith be paid to the Lender (and if the same are not paid directly to the Lender by the insurers then it shall be trustee of the same for the benefit of the Lender and shall account to the Lender accordingly) and shall at the option of the Lender be applied in making good or recouping expenditure in respect of the loss or damage for which such monies are received or (but subject to Clause 18.4 (*Suspense account*) of the Debenture) in or towards discharge or reduction of any of the Secured Liabilities.

SCHEDULE

Properties

The freehold property known as land and buildings on the North side of Ilkeston Road, Nottingham registered under title numbers NT414504 and NT422658.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00578837

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE DEBENTURE DATED THE 1st SEPTEMBER 2006 AND CREATED BY THE FITZROY GROUP LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY PRINCIPAL DEBTOR TO NICHOLAS ST AUBYN ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 8th SEPTEMBER 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 13th SEPTEMBER 2006 .



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

*D.
Row*