

MR01

Particulars of a charge

003652/13



Companies House

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR00

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

This form **must be delivered to the Registrar for registration**
21 days beginning with the day after the date of creation of the
charge. If the form is delivered outside of the 21 days it will be rejected unless it is a
court order extending the time for delivery



You must enclose a certified copy of the instrument with this form
scanned and placed on the public record

THURSDAY



A314BHYP

A17

06/02/2014

#367

COMPANIES HOUSE

1 Company details

Company number 0 2 6 4 6 4 0 4

Company name in full Metropolitan International Schools Limited

For official use

→ **Filing in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date d 2 1 m 0 1 y 2 0 y 1 4

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name Radio Tatty International s r o
c/o 40-50 Collingdon Street, Luton, Bedfordshire, LU1 1RX

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

MRO1

Particulars of a charge

4	Description	<p>Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security</p>	<p>Continuation page Please use a continuation page if you need to enter more details</p>
Description	<p>3 1 Legal mortgage As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender, by way of first legal mortgage, any Property specified in Schedule 1</p> <p>3 2 Fixed charges As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender by way of first fixed charge</p> <p>(a) all Properties acquired by the Borrower in the future, (b) all present and future interests of the Borrower not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property, (c) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property, (d) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Borrower's business or the use of any Secured Asset, and all rights in connection with them, (e) all its present and future goodwill, (f) all its uncalled capital, (g) all the Equipment,</p>		
5	Fixed charge or fixed security	<p>Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
6	Floating charge	<p>Is the instrument expressed to contain a floating charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes Continue</p> <p><input type="checkbox"/> No Go to Section 7</p> <p>Is the floating charge expressed to cover all the property and undertaking of the company?</p> <p><input checked="" type="checkbox"/> Yes</p>	
7	Negative Pledge	<p>Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	

MR01
Particulars of a charge

8

Trustee statement¹

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

¹ This statement may be filed after the registration of the charge (use form MR06)

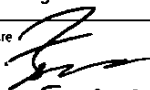
9

Signature

Please sign the form here

Signature

Signature

X 

FOR AND ON BEHALF OF
RADIO TARRY INTERNATIONAL

X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name **Guy Thomas**

Company name **Taylor Walton LLP**

Address **28-44 Alma Street**

Luton

Post town

County/Region **Bedfordshire**

Postcode **L U 1 2 P L**

Country

DX

Telephone



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☒ The company name and number match the information held on the public Register
- ☒ You have included a certified copy of the instrument with this form
- ☒ You have entered the date on which the charge was created
- ☒ You have shown the names of persons entitled to the charge
- ☒ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☒ You have signed the form
- ☒ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

MR01 - continuation page

Particulars of a charge

4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Description

(h) all the Intellectual Property,
(i) all the Book Debts,
(j) all the Investments,
(k) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account),
(l) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy, to the extent not effectively assigned under clause 3 3, and
(m) the benefit of each Relevant Agreement and the benefit of any guarantee or security for the performance of an Relevant Agreement, to the extent not effectively assigned under clause 3 3

3 3 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee assigns to the Lender absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities

(a) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy, and
(b) the benefit of each Relevant Agreement and the benefit of any guarantee or security for the performance of an Relevant Agreement

3 4 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender, by way of first floating charge, all the undertaking, property, assets, accounts receivable and rights of the Borrower at any time not effectively mortgaged, charged or assigned pursuant to clause 3 1 to clause 3 3 inclusive

MR01 - continuation page

Particulars of a charge

4	Description	Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security
Description	<p>3 5 Qualifying floating charge Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3 4</p> <p>3 6 Automatic crystallisation of floating charge</p> <p>The floating charge created by clause 3 4 shall automatically and immediately (without notice) be converted into a fixed charge over the assets subject to that floating charge if</p> <p>(a) the Borrower</p> <p>(i) creates, or attempts to create, without the prior written consent of the Lender, a Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this deed or the Agreements described in Schedule 2), or</p> <p>(ii) disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised),</p> <p>(b) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets, or</p> <p>(c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Borrower</p> <p>3 7 Crystallisation of floating charge by notice</p> <p>The Lender may, in its sole discretion, at any time and by written notice to the Borrower, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Lender in that notice</p> <p>3 8 Assets acquired after any floating charge has crystallised</p> <p>Any asset acquired by the Borrower after any crystallisation of the floating charge created under this deed that, but for that crystallisation, would be subject to a floating charge under this deed, shall (unless the Lender confirms otherwise to the Borrower in writing) be charged to the Lender by way of first fixed charge</p>	



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2646404

Charge code: 0264 6404 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st January 2014 and created by METROPOLITAN INTERNATIONAL SCHOOLS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th February 2014.

A large, stylized handwritten signature, possibly 'P', in black ink.

Given at Companies House, Cardiff on 10th February 2014



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

DATED 21 JANUARY 2014

DEBENTURE

between

METROPOLITAN INTERNATIONAL SCHOOLS LIMITED

and

RADIO TATRY INTERNATIONAL S R O

We hereby certify this to be
a true copy of the original
Taylor Walton Solicitors
28-44 Alma Street
Luton LU1 2PL

Taylor Walton LLP
05/02/2014

CONTENTS

CLAUSE

1	Definitions and interpretation	1
2	Covenant to pay	6
3	Grant of security	6
4	Liability of the Borrower	8
5	Representations and warranties	9
6	General covenants	11
7	Property covenants	16
8	Investments covenants	19
9	Equipment covenants	22
10	Book Debts covenants	23
11	Relevant Agreements covenants	24
12	Intellectual Property covenants	24
13	Powers of the Lender	25
14	When security becomes enforceable	27
15	Enforcement of security	27
16	Receiver	30
17	Powers of Receiver	31
18	Delegation	35
19	Application of proceeds	35
20	Costs and indemnity	36
21	Further assurance	37
22	Power of attorney	37
23	Release	38
24	Assignment and transfer	38
25	Set-off	38
26	Amendments, waivers and consents	39
27	Severance	40
28	Counterparts	40
	Third party rights	40
29	Further provisions	40
30	Notices	41
31	Governing law and jurisdiction	43

SCHEDULE

SCHEDULE 1	PROPERTY	44
Part 1	Registered Property	44
Part 2	Unregistered Property	44
Part 3	Excluded Property	44
SCHEDULE 2	RELEVANT AGREEMENTS	45

THIS DEED is dated 21 January 2014

PARTIES

- (1) **METROPOLITAN INTERNATIONAL SCHOOLS LIMITED** incorporated and registered in England and Wales with company number 02646404 whose registered office is at 180 PICCADILLY, LONDON, W1J 9HF (**Borrower**)
- (2) **RÁDIO TATRY INTERNATIONAL, S.R.O.** incorporated and registered in the Slovak Republic with company number 36 489 719 whose registered office is Mlynské nivy 73/a Bratislava 821 05 (**Lender**)

BACKGROUND

- (A) Pursuant to the provisions of the Relevant Agreements the Borrower owes certain sums to the Lender, all of which are due on an on-demand basis
- (B) Under this deed, the Borrower provides security to the Lender for all present and future sums owed to the Lender whether under the Relevant Agreements or otherwise

AGREED TERMS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this deed

Administrator: an administrator appointed to manage the affairs, business and property of the Borrower pursuant to clause 13.9

Book Debts: all present and future accounts receivable, book and other debts, and monetary claims due or owing to the Borrower, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Borrower in relation to any of them

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

Delegate: any person appointed by the Lender or any Receiver pursuant to clause 18 and any person appointed as attorney of the Lender, Receiver or Delegate

Designated Account: any account of the Borrower nominated by the Lender as a designated account for the purposes of this deed

Environment: the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media

Environmental Law: all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.

Equipment: all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Borrower, including any part of it and all spare parts, replacements, modifications and additions

Event of Default: has the meaning given to that expression in Clause 3.9

Financial Collateral: shall have the meaning given to that expression in the Financial Collateral Regulations

Financial Collateral Regulations: the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*)

Insolvent: MIS shall be deemed insolvent when it,

- (a) has a receiver, administrator or provisional liquidator appointed over all or part of its assets,
- (b) is subject to a notice of intention to appoint an administrator,
- (c) passes a resolution for its winding-up (save for the purpose of a solvent restructuring,
- (d) has a winding up order made by a court in respect of it;
- (e) has had a winding up petition served upon it and advertised,
- (f) enters into any composition or arrangement with creditors (other than relating to a solvent restructuring,
- (g) is unable to pay its debts within the meaning of the Insolvency Act 1986; or
- (h) ceases to carry on business

Insurance Policy: each contract and policy of insurance effected or maintained by the Borrower from time to time in respect of its assets or business (including, without limitation, any insurances relating to the Properties or the Equipment)

Intellectual Property: the Borrower's present and future patents, trade marks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, confidential information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights

Investments: all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Borrower, including any

- (a) dividend, interest or other distribution paid or payable in relation to any of the Investments, and

- (b) right, money, shares or property accruing, offered or issued at any time in relation to any of the Investments by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise

LPA 1925: Law of Property Act 1925

Properties: all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Borrower, or in which the Borrower holds an interest (including, but not limited to, any properties specified in Schedule 1), and **Property** means any of them

Receiver: a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Lender under clause 16

Relevant Agreement: each agreement specified in Schedule 2

Secured Assets: all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this deed including (but not exclusively) all and any assets described in Schedules 1 and 3, the benefit of contracts for the supply of goods and/ or services, any accounts receivable due under contracts of any type including without limitation any contract for the supply of goods and/ or services by the Borrower, and any contract with a provider of any credit, loan or other financial facility to the Borrower or to any customer of the Borrower

Secured Liabilities: all present and future monies, obligations and liabilities owed by the Borrower to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Relevant Agreements and this deed (including, without limitation, those arising under clause 29.3(b)), together with all interest (including, without limitation, default interest) accruing in respect of those monies or liabilities

Security Financial Collateral Arrangement: shall have the meaning given to that expression in the Financial Collateral Regulations

Security: 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

Security Period. the period starting on the date of this deed and ending on the date on which the Lender is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding

12 **Interpretation**

In this deed

- (a) clause, Schedule and paragraph headings shall not affect the interpretation of this deed,

- (b) a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees,
- (c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders,
- (e) a reference to a **party** shall include that party's successors, permitted assigns and permitted transferees,
- (f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- (g) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision,
- (h) a reference to **writing** or **written** includes fax but not e-mail,
- (i) an obligation on a party not to do something includes an obligation not to allow that thing to be done,
- (j) a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time,
- (k) unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and a reference to a paragraph is to a paragraph of the relevant Schedule,
- (l) any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms,
- (m) a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly),
- (n) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description,
- (o) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution,
- (p) a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived,

- (q) a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it, and
- (r) a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation

13 **Clawback**

If the Lender considers that an amount paid by the Borrower in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed

14 **Nature of security over real property**

A reference in this deed to a charge or mortgage of or over any Property includes

- (a) all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) that are situated on or form part of that Property at any time,
- (b) the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property,
- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the Borrower in respect of that Property, and any monies paid or payable in respect of those covenants, and
- (d) all rights under any licence, agreement for sale or agreement for lease in respect of that Property

15 **Law of Property (Miscellaneous Provisions) Act 1989**

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Agreements described in Schedule 2 and of any side letters between any parties in relation to the above are incorporated into this deed

16 **Perpetuity period**

If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

17 **Schedules**

The Schedules form part of this deed and shall have effect as if set out in full in the body of this deed. Any reference to this deed includes the Schedules.

2. COVENANT TO PAY

The Borrower shall, on demand, pay to the Lender and discharge the Secured Liabilities when they become due, and the Borrower agrees and acknowledges that all Secured Liabilities as at the date of this deed are due and payable to the Lender upon demand.

3. GRANT OF SECURITY

3.1 Legal mortgage

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender, by way of first legal mortgage, any Property specified in Schedule 1.

3.2 Fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender by way of first fixed charge:

- (a) all Properties acquired by the Borrower in the future;
- (b) all present and future interests of the Borrower not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;
- (c) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property,
- (d) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Borrower's business or the use of any Secured Asset, and all rights in connection with them,
- (e) all its present and future goodwill;
- (f) all its uncalled capital,
- (g) all the Equipment;
- (h) all the Intellectual Property;
- (i) all the Book Debts,
- (j) all the Investments,
- (k) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account),

- (l) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy, to the extent not effectively assigned under clause 3.3; and
- (m) the benefit of each Relevant Agreement and the benefit of any guarantee or security for the performance of an Relevant Agreement, to the extent not effectively assigned under clause 3.3

3.3 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee assigns to the Lender absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

- (a) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy; and
- (b) the benefit of each Relevant Agreement and the benefit of any guarantee or security for the performance of an Relevant Agreement.

3.4 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender, by way of first floating charge, all the undertaking, property, assets, accounts receivable and rights of the Borrower at any time not effectively mortgaged, charged or assigned pursuant to clause 3.1 to clause 3.3 inclusive

3.5 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.4

3.6 Automatic crystallisation of floating charge

The floating charge created by clause 3.4 shall automatically and immediately (without notice) be converted into a fixed charge over the assets subject to that floating charge if

- (a) the Borrower
 - (i) creates, or attempts to create, without the prior written consent of the Lender, a Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this deed or the Agreements described in Schedule 2), or

- (ii) disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised),
- (b) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets, or
- (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Borrower

3 7 Crystallisation of floating charge by notice

The Lender may, in its sole discretion, at any time and by written notice to the Borrower, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Lender in that notice

3 8 Assets acquired after any floating charge has crystallised

Any asset acquired by the Borrower after any crystallisation of the floating charge created under this deed that, but for that crystallisation, would be subject to a floating charge under this deed, shall (unless the Lender confirms otherwise to the Borrower in writing) be charged to the Lender by way of first fixed charge

3 9 Event of Default

Any notice to and/ or demand by the Lender upon the Borrower shall, in the Lender's irrevocable and unfettered discretion, if described and / or referred to as such by the Lender, be an Event of Default ("Event of Default")

4 LIABILITY OF THE BORROWER

4 1 Liability not discharged

The Borrower's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- (b) the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person, or

- (c) any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Borrower

4.2 Immediate recourse

The Borrower waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Borrower

5. REPRESENTATIONS AND WARRANTIES

5.1 Representations and warranties

The Borrower makes the representations and warranties set out in this clause 5 to the Lender

5.2 Ownership of Secured Assets

The Borrower is the legal and beneficial owner of the Secured Assets

5.3 No Security

The Secured Assets are free from any Security other than the Security created by this deed

5.4 No adverse claims

The Borrower has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.

5.5 No adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Secured Assets

5.6 No breach of laws

There is no breach of any law or regulation that materially and adversely affects the Secured Assets

5.7 No interference in enjoyment

No facility necessary for the enjoyment and use of the Secured Assets is subject to terms entitling any person to terminate or curtail its use

5 8 No overriding interests

Nothing has arisen, has been created or is subsisting, that would be an overriding interest in any Property

5 9 Avoidance of security

No Security expressed to be created under this deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Borrower or otherwise

5 10 No prohibitions or breaches

There is no prohibition on assignment in any Insurance Policy or Relevant Agreement and the entry into this deed by the Borrower does not, and will not, constitute a breach of any Insurance Policy, Relevant Agreement or any other agreement or instrument binding on the Borrower or its assets

5 11 Environmental compliance

The Borrower has, at all times, complied in all material respects with all applicable Environmental Law

5 12 Enforceable security

This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Borrower, and is and will continue to be effective security over all and every part of the Secured Assets in accordance with its terms

5 13 Investments

- (a) The Investments are fully paid and are not subject to any option to purchase or similar rights
- (b) No constitutional document of an issuer of an Investment, nor any other agreement
 - (i) restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this deed; or
 - (ii) contains any rights of pre-emption in relation to the Investments.

5.14 Event of Default

The Borrower acknowledges the unfettered and irrevocable discretion of the Lender to determine any Event of Default (referred to in clause 3.9) and in any event has, by this deed irrevocably waived any right to challenge and or query any discretionary determination by the Lender

5.15 Times for making representations and warranties

The representations and warranties set out in clause 5.2 to clause 5.14 are made by the Borrower on the date of this deed and the representations and warranties contained in clauses 5.2 to clause 5.14 are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition

6. GENERAL COVENANTS

6.1 Negative pledge and disposal restrictions

The Borrower shall not at any time, except with the prior written consent of the Lender

- (a) create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this deed ,
- (b) sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or
- (c) create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party

6.2 Preservation of Secured Assets

The Borrower shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this deed

6.3 Compliance with laws and regulations

- (a) The Borrower shall not, without the Lender's prior written consent, use or permit the Secured Assets to be used in any way contrary to law
- (b) The Borrower shall
 - (i) comply with the requirements of any law and regulation relating to or affecting the Secured Assets or the use of it or any part of them,

- (ii) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
- (iii) promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets

6.4 Enforcement of rights

The Borrower shall use its best endeavours to

- (a) procure the prompt observance and performance of the covenants and other obligations imposed on the Borrower's counterparties (including each counterparty in respect of a Relevant Agreement and each insurer in respect of an Insurance Policy), and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Lender may require from time to time

6.5 Notice of misrepresentation and breaches

The Borrower shall, promptly on becoming aware of any of the same, give the Lender notice in writing of

- (a) any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated, and
- (b) any breach of any covenant set out in this deed.

6.6 Title documents

The Borrower shall, as so required by the Lender, deposit with the Lender and the Lender shall, for the duration of this deed be entitled to hold.

- (a) all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Borrower (and if these are not within the possession or control of the Borrower, the Borrower undertakes to obtain possession of all these deeds and documents of title),
- (b) all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Borrower is entitled to possess;
- (c) all deeds and documents of title (if any) relating to the Book Debts as the Lender may specify from time to time, and

- (d) copies of all the Relevant Agreements, certified to be true copies by either a director of the Borrower or by the Borrower's solicitors
- (e) copies of all any disputes or claims (or notification of a potential dispute or claims) relating to any of the Relevant Agreements

6 7 Insurance

- (a) The Borrower shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against.
 - (i) loss or damage by fire or terrorist acts;
 - (ii) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Borrower, and
 - (iii) any other risk, perils and contingencies as the Lender may reasonably require

Any such insurance must be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Lender, and must be for not less than the replacement value of the Secured Assets

- (b) The Borrower shall, if requested by the Lender, produce to the Lender the policy, certificate or cover note relating to the insurance required by clause 6 7(a) or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Borrower is entitled to obtain from the landlord under the terms of the relevant lease)
- (c) The Borrower shall, if requested by the Lender, procure that a note of the Lender's interest is endorsed upon each insurance policy maintained by it or any person on its behalf in accordance with clause 6 7(a) and that the terms of each insurance policy require the insurer not to invalidate the policy as against the Lender by reason of the act or default of any other joint or named insured and not to cancel it without giving at least 30 days' prior written notice to the Lender.

6 8 Insurance premiums

The Borrower shall

- (a) promptly pay all premiums in respect of each insurance policy maintained by it in accordance with clause 6 7(a) and do all other things necessary to keep that policy in full force and effect, and
- (b) (if the Lender so requires) produce to, or deposit with, the Lender the receipts for all premiums and other payments necessary for effecting and

keeping up each insurance policy maintained by it in accordance with clause 6 7(a)

6 9 No invalidation of insurance

The Borrower shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy maintained by it in accordance with clause 6 7(a).

6 10 Proceeds of insurance policies

All monies received or receivable by the Borrower under any insurance policy maintained by it in accordance with clause 6 7(a) (including all monies received or receivable by it under any Insurance Policy) at any time (whether or not the security constituted by this deed has become enforceable) shall

- (a) immediately be paid to the Lender ,
- (b) if they are not paid directly to the Lender by the insurers, be held by the Borrower as trustee of the same for the benefit of the Lender (and the Borrower shall account for them to the Lender), and
- (c) at the option of the Lender, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities

6 11 Notices to be given by the Borrower

The Borrower shall immediately on the execution of this deed (or, if later, the date of acquisition of the relevant Secured Asset):

- (a) give notice to each insurer that it has charged or assigned its rights and interest in and under each Insurance Policy under clause 3 and procure that each addressee of any such notice promptly provides within five Business Days to the Lender an acknowledgement of the notice of the Lender's interest,
- (b) give notice to each counterparty to a Relevant Agreement that it has charged or assigned its rights and interest in and under that Relevant Agreement under clause 3 and procure that each addressee of any such notice promptly provides within five Business Days to the Lender an acknowledgement of the notice of the Lender's interest,
- (c) give notice to any bank, financial institution or other person (excluding the Lender) with whom it has an account that it has charged to the Lender its rights and interests under that account under clause 3 2(k) and procure that each addressee of any such notice promptly provides within five Business

Days to the Lender an acknowledgement of the notice of the Lender's interest

The Borrower shall obtain the Lender's prior approval of the form of any notice or acknowledgement to be used under this clause 6.11.

6.12 Information

The Borrower shall

- (a) give the Lender such information concerning the location, condition, use and operation of the Secured Assets as the Lender may require;
- (b) permit any persons designated by the Lender and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice, and
- (c) promptly notify the Lender in writing of any action, claim or demand made by or against it in connection with any Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim or demand, together with, in each case, the Borrower's proposals for settling, liquidating, compounding or contesting any such action, claim or demand and shall, subject to the Lender's prior approval, implement those proposals at its own expense

6.13 Payment of outgoings

The Borrower shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Lender

6.14 Appointment of accountants

- (a) The Borrower shall.
 - (i) at its own cost, if at any time so required by the Lender, appoint an accountant or firm of accountants nominated by the Lender to investigate the financial affairs of the Borrower and those of its subsidiaries and report to the Lender, and
 - (ii) co-operate fully with any accountants so appointed and immediately provide those accountants with all information requested
- (b) The Borrower authorises the Lender to make an appointment as it shall think fit at any time, without further authority from the Borrower. In every case, the Borrower shall pay, or reimburse the Lender for, the fees and expenses of those accountants

7 PROPERTY COVENANTS

7.1 Maintenance

The Borrower shall keep all buildings and all fixtures on each Property in good and substantial repair and condition.

7.2 Preservation of Property, fixtures and Equipment

The Borrower shall not, without the prior written consent of the Lender.

- (a) pull down or remove the whole, or any part of, any building forming part of any Property or permit the same to occur,
- (b) make or permit any material alterations to any Property, or sever or remove, or permit to be severed or removed, any of its fixtures, or
- (c) remove or make any material alterations to any of the Equipment belonging to, or in use by, the Borrower on any Property (except to effect necessary repairs or replace them with new or improved models or substitutes)

7.3 Conduct of business on Properties

The Borrower shall carry on its trade and business on those parts (if any) of the Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in that trade or business

7.4 Planning information

The Borrower shall

- (a) give full particulars to the Lender of any notice, order, direction, designation, resolution or proposal given or made by any planning authority or other public body or authority (**Planning Notice**) that specifically applies to any Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Planning Notice, and
- (b) (if the Lender so requires) immediately, and at the cost of the Borrower, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with the Lender in making, any objections or representations in respect of that Planning Notice that the Lender may desire

7.5 Compliance with covenants and payment of rent

The Borrower shall.

- (a) observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected, and (if the Lender so requires) produce evidence sufficient to satisfy the Lender that those covenants, stipulations and conditions have been observed and performed,
- (b) diligently enforce all covenants, stipulations and conditions benefiting each Property and shall not (and shall not agree to) waive release or vary any of the same, and
- (c) (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time, and perform and observe all the tenant's covenants and conditions

7 6 Payment of rent and outgoings

The Borrower shall:

- (a) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time, and
- (b) pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Property or on its occupier

7 7 Maintenance of interests in Properties

The Borrower shall not, without the prior written consent of the Lender:

- (a) grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise, or agree to exercise, the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the Law of Property Act 1925, or
- (b) in any other way dispose of, surrender or create, or agree to dispose of surrender or create, any legal or equitable estate or interest in the whole or any part of any Property

7 8 Registration restrictions

If the title to any Property is not registered at the Land Registry, the Borrower shall procure that no person (other than itself) shall be registered under the Land Registration Acts 1925 to 2002 as proprietor of all or any part of any Property without the prior written consent of the Lender. The Borrower shall be liable for the costs and expenses of the Lender in lodging cautions against the registration of the title to the whole or any part of any Property from time to time.

7 9 Development restrictions

The Borrower shall not, without the prior written consent of the Lender

- (a) make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of the Property, or
- (b) carry out, or permit, or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 and the Planning Act 2008, or change or permit or suffer to be changed the use of any Property

7 10 Environment

The Borrower shall

- (a) comply with all the requirements of Environmental Law both in the conduct of its general business and in the management, possession or occupation of each Property, and
- (b) obtain and comply with all authorisations, permits and other types of licences necessary under Environmental Law

7 11 No restrictive obligations

The Borrower shall not, without the prior written consent of the Lender, enter into any onerous or restrictive obligations affecting the whole or any part of any Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property

7.12 Proprietary rights

The Borrower shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Property without the prior written consent of the Lender.

7 13 Inspection

The Borrower shall permit the Lender, any Receiver and any person appointed by either of them to enter on and inspect any Property on reasonable prior notice

7 14 Property information

The Borrower shall inform the Lender promptly of any acquisition by the Borrower of, or contract made by the Borrower to acquire, any freehold, leasehold or other interest in any property

7 15 VAT option to tax

The Borrower shall not, without the prior written consent of the Lender.

- (a) exercise any VAT option to tax in relation to any Property, or
- (b) revoke any VAT option to tax exercised, and disclosed to the Lender, before the date of this deed

7 16 Registration at the Land Registry

The Borrower consents to an application being made by the Lender to the Land Registrar for the following restriction in Form P to be registered against its title to each Property.

"No disposition of the registered estate by the proprietor of the registered estate [or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE] in favour of Radio Tatty International s r o referred to in the charges register or their conveyancer "

8. INVESTMENTS COVENANTS

8 1 Deposit of title documents

- (a) The Borrower shall
 - (i) on the execution of this deed, deposit with the Lender, or as the Lender may direct, all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by the Borrower at that time, and
 - (ii) on the purchase or acquisition by it of Investments after the date of this deed, deposit with the Lender, or as the Lender may direct, all stock or share certificates and other documents of title or evidence of ownership relating to those Investments
- (b) At the same time as depositing documents with the Lender, or as the Lender may direct, in accordance with clause 8 1(a)(i) or clause 8 1(a)(ii), the Borrower shall also deposit with the Lender, or as the Lender may direct
 - (i) all stock transfers forms relating to the relevant Investments duly completed and executed by or on behalf of the Borrower, but with the name of the transferee, the consideration and the date left blank, and
 - (ii) any other documents (in each case duly completed and executed by or on behalf of the Borrower) that the Lender may request to enable it or any of its nominees, or any purchaser or transferee, to be

registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Investments,

so that the Lender may, at any time and without notice to the Borrower, complete and present those stock transfer forms and other documents to the issuer of the Investments for registration

8.2 Nominations

- (a) The Borrower shall terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any Investments and, pending that termination, procure that any person so nominated
 - (i) does not exercise any rights in respect of any Investments without the prior written approval of the Lender; and
 - (ii) immediately on receipt by it, forward to the Lender all communications or other information received by it in respect of any Investments for which it has been so nominated.
- (b) The Borrower shall not, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Investments

8.3 Additional registration obligations

The Borrower shall

- (a) obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer, for the transfer of the Investments to the Lender or its nominee, or to a purchaser on enforcement of this deed; and
- (b) procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer in any manner that the Lender may require in order to permit the transfer of the Investments to the Lender or its nominee, or to a purchaser on enforcement of this deed

8.4 Dividends and voting rights before enforcement

- (a) Before the security constituted by this deed becomes enforceable, the Borrower may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Investments and, if any are paid or payable to the Lender or any of its nominees, the Lender will hold

all those dividends, interest and other monies received by it for the Borrower and will pay them to the Borrower promptly on request, and

- (b) Before the security constituted by this deed becomes enforceable, the Borrower may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Lender of any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that
 - (i) it shall not do so in any way that would breach any provision of the Agreements described in Schedule 2 or this deed or for any purpose inconsistent with those agreements or this deed, and
 - (ii) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Lender's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Lender's security under this deed
- (c) The Borrower shall indemnify the Lender against any loss or liability incurred by the Lender (or its nominee) as a consequence of the Lender (or its nominee) acting in respect of the Investments at the direction of the Borrower
- (d) The Lender shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Investments that the Lender considers prejudicial to, or impairing the value of, the security created by this deed

8.5 Dividends and voting rights after enforcement

After the security constituted by this deed has become enforceable.

- (a) all dividends and other distributions paid in respect of the Investments and received by the Borrower shall be held by the Borrower on trust for the Lender and immediately paid into a Designated Account or, if received by the Lender, shall be retained by the Lender; and
- (b) all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Lender and the Borrower shall, and shall procure that its nominees shall, comply with any directions the Lender may give, in its absolute discretion, concerning the exercise of those rights and powers

8.6 Calls on Investments

The Borrower shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. The

Borrower acknowledges that the Lender shall not be under any liability in respect of any such calls, instalments or other payments

8 7 No alteration of constitutional documents or rights attaching to Investments

The Borrower shall not, without the prior written consent of the Lender, amend, or agree to the amendment of:

- (a) the memorandum or articles of association, or any other constitutional documents, of any issuer that is not a public company, or
- (b) the rights or liabilities attaching to any of the Investments

8 8 Preservation of Investments

The Borrower shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer that is not a public company shall not:

- (a) consolidate or subdivide any of its Investments, or reduce or re-organise its share capital in any way;
- (b) issue any new shares or stock, or
- (c) refuse to register any transfer of any of its Investments that may be lodged for registration by, or on behalf of, the Lender or the Borrower in accordance with this deed

8 9 Investments information

The Borrower shall, promptly following receipt, send to the Lender copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments

9 EQUIPMENT COVENANTS

9 1 Maintenance of Equipment

The Borrower shall

- (a) maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules,
- (b) at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value, and

- (c) not permit any Equipment to be
 - (i) used or handled other than by properly qualified and trained persons, or
 - (ii) overloaded or used for any purpose for which it is not designed or reasonably suitable

9 2 Payment of Equipment taxes

The Borrower shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to the Lender

9 3 Notice of charge

The Borrower

- (a) shall, if so requested by the Lender, affix to and maintain on each item of Equipment in a conspicuous place, a clearly legible identification plate containing the following wording

"NOTICE OF CHARGE

This [DESCRIBE ITEM] and all additions to it [and ancillary equipment] are subject to a fixed charge dated [DATE] in favour of [LENDER] "

- (b) shall not, and shall not permit any person to, conceal, obscure, alter or remove any plate affixed in accordance with clause 9.3(a)

10. BOOK DEBTS COVENANTS

10 1 Realising Book Debts

The Borrower shall.

- (a) as an agent for the Lender, collect in and realise all Book Debts, pay the proceeds into a Designated Account immediately on receipt and, pending that payment, hold those proceeds in trust for the Lender,
- (b) not, without the prior written consent of the Lender, withdraw any amounts standing to the credit of any Designated Account, and
- (c) if called on to do so by the Lender, execute a legal assignment of the Book Debts to the Lender on such terms as the Lender may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

10 2 Preservation of Book Debts

The Borrower shall not (except as provided by clause 10.1 or 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 Book Debts.

11. RELEVANT AGREEMENTS COVENANTS

11.1 Relevant Agreements

The Borrower shall, unless the Lender agrees otherwise in writing

- (a) comply with the terms of;
- (b) not amend or vary or agree to any change in, or waive any requirement of,
- (c) not settle, compromise, terminate, rescind or discharge (except by performance), and
- (d) not abandon, waive, dismiss, release or discharge any action, claim or proceedings against any counterparty to a Relevant Agreement or other person in connection with,

any Relevant Agreement and any other document, agreement or arrangement comprising the Secured Assets (other than the Insurance Policies)

12. INTELLECTUAL PROPERTY COVENANTS

12.1 Preservation of rights

The Borrower shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.

12.2 Registration of Intellectual Property

The Borrower shall use all reasonable efforts to register applications for the registration of any Intellectual Property, and shall keep the Lender informed of all matters relating to each such registration.

12.3 Maintenance of Intellectual Property

The Borrower shall not permit any Intellectual Property to be abandoned, cancelled or to lapse

13. POWERS OF THE LENDER

13.1 Power to remedy

- (a) The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Borrower of any of its obligations contained in this deed
- (b) The Borrower irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies expended by the Lender in remedying a breach by the Borrower of its obligations contained in this deed shall be reimbursed by the Borrower to the Lender on a full indemnity basis and shall carry interest in accordance with clause 20.1

13.2 Exercise of rights

The rights of the Lender under clause 13.1 are without prejudice to any other rights of the Lender under this deed. The exercise of any rights of the Lender under this deed shall not make the Lender liable to account as a mortgagee in possession.

13.3 Power to dispose of chattels

- (a) At any time after the security constituted by this deed has become enforceable, the Lender or any Receiver may, as agent for the Borrower, dispose of any chattels or produce found on any Property.
- (b) Without prejudice to any obligation to account for the proceeds of any disposal made under clause 13.3(a), the Borrower shall indemnify the Lender and any Receiver against any liability arising from any disposal made under clause 13.3(a).

13.4 Lender has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this deed on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Lender in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

13.5 Conversion of currency

- (a) For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this clause 13.5) from their existing currencies of

denomination into any other currencies of denomination that the Lender may think fit

- (b) Any such conversion shall be effected at the Lender's then prevailing spot selling rate of exchange for such other currency against the existing currency
- (c) Each reference in this clause 13.5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

13.6 New accounts

- (a) If the Lender receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Lender may open a new account for the Borrower in the Lender's books. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Borrower in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
- (b) If the Lender does not open a new account immediately on receipt of the notice, or deemed notice, under clause 13.6(a), then, unless the Lender gives express written notice to the contrary to the Borrower, all payments made by the Borrower to the Lender shall be treated as having been credited to a new account of the Borrower and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Lender.

13.7 Lender's set-off rights

If the Lender has more than one account for the Borrower in its books, the Lender may at any time after

- (a) the security constituted by this deed has become enforceable, or
- (b) the Lender has received, or is deemed to have received, notice of any subsequent Security or other interest affecting all or any part of the Secured Assets,

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account that may be in debit. After making any such transfer, the Lender shall notify the Borrower of that transfer.

13.8 Indulgence

The Lender may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this deed.

(whether or not any such person is jointly liable with the Borrower) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this deed or to the liability of the Borrower for the Secured Liabilities

13 9 Appointment of an Administrator

- (a) The Lender may, without notice to the Borrower, appoint any one or more persons to be an Administrator of the Borrower pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.
- (b) Any appointment under this clause 13.9 shall
 - (i) be in writing signed by a duly authorised signatory of the Lender, and
 - (ii) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986
- (c) The Lender may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 13 9 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified

13 10 Further advances

The Lender covenants with the Borrower that it shall perform its obligations to make advances under the Agreements described in Schedule 2 (including any obligation to make available further advances)

14. WHEN SECURITY BECOMES ENFORCEABLE

14 1 Security becomes enforceable on Event of Default

The security constituted by this deed shall be immediately enforceable if an Event of Default occurs

14 2 Discretion

After the security constituted by this deed has become enforceable, the Lender may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets

15 ENFORCEMENT OF SECURITY

15 1 Enforcement powers

- (a) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this deed, but the Lender shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable under clause 14.1.
- (b) Section 103 of the LPA 1925 does not apply to the security constituted by this deed

15.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Lender and any Receiver, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of the Borrower, to

- (a) grant a lease or agreement to lease,
- (b) accept surrenders of leases, or
- (c) grant any option of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Borrower, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Lender or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925

15.3 Access on enforcement

- (a) At any time after the Lender has demanded payment of the Secured Liabilities or if the Borrower defaults in the performance of its obligations under this deed or the Agreements described in Schedule 2, the Borrower will allow the Lender or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Lender or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Borrower for, or by any reason of, that entry.
- (b) At all times, the Borrower must use its best endeavours to allow the Lender or its Receiver access to any premises for the purpose of clause 15.3(a) (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same

15.4 Prior Security

At any time after the security constituted by this deed has become enforceable, or after any powers conferred by any Security having priority to this deed shall have become exercisable, the Lender may:

- (a) redeem that or any other prior Security,
- (b) procure the transfer of that Security to it; and
- (c) settle and pass any account of the holder of any prior Security

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Borrower. All monies paid by the Lender to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Lender, be due from the Borrower to the Lender on current account and shall bear interest and be secured as part of the Secured Liabilities.

15.5 Protection of third parties

No purchaser, mortgagee or other person dealing with the Lender, any Receiver or Delegate shall be concerned to enquire

- (a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged,
- (b) whether any power the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- (c) how any money paid to the Lender, any Receiver or any Delegate is to be applied

15.6 Privileges

Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

15.7 No liability as mortgagee in possession

Neither the Lender, any Receiver, any Delegate nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such

15.8 Conclusive discharge to purchasers

The receipt of the Lender or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Lender, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

15.9 Right of appropriation

(a) To the extent that

- (i) the Secured Assets constitute Financial Collateral, and**
- (ii) this deed and the obligations of the Borrower under it constitute a Security Financial Collateral Arrangement,**

the Lender shall have the right, at any time after the security constituted by this deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Lender may, in its absolute discretion, determine

- (b) The value of any Secured Assets appropriated in accordance with this clause shall be the price of those Secured Assets at the time the right of appropriation is exercised as listed on any recognised market index, or determined by any other method that the Lender may select (including independent valuation)**
- (c) The Borrower agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations**

16. RECEIVER

16.1 Appointment

At any time after the security constituted by this deed has become enforceable, or at the request of the Borrower, the Lender may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

16.2 Removal

The Lender may, without further notice (subject to section 45 of the Insolvency Act 1986), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated

16.3 Remuneration

The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this deed, which shall be due and payable immediately on its being paid by the Lender.

16.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise

16.5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Lender despite any prior appointment in respect of all or any part of the Secured Assets

16.6 Agent of the Borrower

Any Receiver appointed by the Lender under this deed shall be the agent of the Borrower and the Borrower shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Borrower goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender

17. POWERS OF RECEIVER

17.1 General

- (a) Any Receiver appointed by the Lender under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 17.2 to clause 17.23
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver
- (c) Any exercise by a Receiver of any of the powers given by clause 17 may be on behalf of the Borrower, the directors of the Borrower (in the case of the power contained in clause 17.16) or himself

17.2 Repair and develop Properties

A Receiver may undertake or complete any works of repair, building or development on the Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same

17.3 Surrender leases

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that he thinks fit

17.4 Employ personnel and advisors

A Receiver may provide services and employ, or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Borrower

17.5 Make VAT elections

A Receiver may make, exercise or revoke any value added tax option to tax as he thinks fit.

17.6 Remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Lender may prescribe or agree with him

17.7 Realise Secured Assets

A Receiver may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights

17.8 Manage or reconstruct the Borrower's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Borrower

17.9 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which he is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

17 10 Sever fixtures and fittings

A Receiver may sever and sell separately any fixtures or fittings from any Property without the consent of the Borrower

17 11 Sell Book Debts

A Receiver may sell and assign all or any of the Book Debts in respect of which he is appointed in any manner, and generally on any terms and conditions, that he thinks fit.

17 12 Valid receipts

A Receiver may give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets

17.13 Make settlements

A Receiver may make any arrangement, settlement or compromise between the Borrower and any other person that he may think expedient

17 14 Bring proceedings

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as he thinks fit.

17 15 Improve the Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as he may think expedient

17 16 Make calls on Borrower members

A Receiver may make calls conditionally or unconditionally on the members of the Borrower in respect of uncalled capital with (for that purpose and for the purpose of

enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Borrower on its directors in respect of calls authorised to be made by them

17 17 Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 20, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Borrower under this deed.

17 18 Powers under the LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

17 19 Borrow

A Receiver may, for any of the purposes authorised by this clause 17, raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Lender consents, terms under which that security ranks in priority to this deed).

17 20 Redeem prior Security

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Borrower, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

17 21 Delegation

A Receiver may delegate his powers in accordance with this deed.

17 22 Absolute beneficial owner

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Secured Assets or any part of the Secured Assets.

17 23 Incidental powers

A Receiver may do any other acts and things

- (a) that he may consider desirable or necessary for realising any of the Secured Assets,
- (b) that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law, or
- (c) that he lawfully may or can do as agent for the Borrower

18 DELEGATION

18.1 Delegation

The Lender or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 22.1)

18.2 Terms

The Lender and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit

18.3 Liability

Neither the Lender nor any Receiver shall be in any way liable or responsible to the Borrower for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

19. APPLICATION OF PROCEEDS

19.1 Order of application of proceeds

All monies received by the Lender, a Receiver or a Delegate pursuant to this deed, after the security constituted by this deed has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority

- (a) in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Lender (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed,
- (b) in or towards payment of or provision for the Secured Liabilities in any order and manner that the Lender determines, and

- (c) in payment of the surplus (if any) to the Borrower or other person entitled to it

19.2 Appropriation

Neither the Lender, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities

19.3 Suspense account

All monies received by the Lender, a Receiver or a Delegate under this deed.

- (a) may, at the discretion of the Lender, Receiver or Delegate, be credited to any suspense or securities realised account,
- (b) shall bear interest, if any, at the rate agreed in writing between the Lender and the Borrower, and
- (c) may be held in that account for so long as the Lender, Receiver or Delegate thinks fit

20 COSTS AND INDEMNITY

20.1 Costs

The Borrower shall, promptly on demand, pay to, or reimburse, the Lender and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Lender, any Receiver or any Delegate in connection with

- (a) this deed or the Secured Assets,
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, a Receiver's or a Delegate's rights under this deed, or
- (c) taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Borrower) at the rate and in the manner specified in the Agreement described in Schedule 2

20.2 Indemnity

The Borrower shall indemnify the Lender, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with

- (a) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets,
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed, or
- (c) any default or delay by the Borrower in performing any of its obligations under this deed

Any past or present employee or agent may enforce the terms of this clause 20.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999

21. FURTHER ASSURANCE

21.1 Further assurance

The Borrower shall, at its own expense, take whatever action the Lender or any Receiver may reasonably require for

- (a) creating, perfecting or protecting the security intended to be created by this deed,
- (b) facilitating the realisation of any Secured Asset, or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any Secured Asset,

including, without limitation (if the Lender or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration.

22. POWER OF ATTORNEY

22.1 Appointment of attorneys

By way of security, the Borrower irrevocably appoints the Lender, every Receiver and every Delegate separately to be the attorney of the Borrower and, in its name, on

its behalf and as its act and deed, to execute any documents and do any acts and things that.

- (a) the Borrower is required to execute and do under this deed, or
- (b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Lender, any Receiver or any Delegate.

22 2 Ratification of acts of attorneys

The Borrower ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 22 1

23 RELEASE

Subject to clause 29 3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Borrower, take whatever action is necessary to:

- (a) release the Secured Assets from the security constituted by this deed, and
- (b) reassign the Secured Assets to the Borrower

24. ASSIGNMENT AND TRANSFER

24 1 Assignment by Lender

- (a) At any time, without the consent of the Borrower, the Lender may assign or transfer any or all of its rights and obligations under this deed.
- (b) The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Borrower, the Secured Assets and this deed that the Lender considers appropriate

24 2 Assignment by Borrower

The Borrower may not assign any of its rights, or transfer any of its rights or obligations, under this deed

25. SET-OFF

25 1 Lender's right of set-off

The Lender may at any time set off any liability of the Borrower to the Lender against any liability of the Lender to the Borrower, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause 25 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

25.2 No obligation to set off

The Lender is not obliged to exercise its rights under clause 25.1. If, however, it does exercise those rights it must notify the Borrower of the set-off that has been made within a reasonable period.

26 AMENDMENTS, WAIVERS AND CONSENTS

26.1 Amendments

No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

26.2 Waivers and consents

- (a) A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- (b) A failure or delay by a party to exercise any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Lender shall be effective unless it is in writing.

26.3 Rights and remedies

The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

27. SEVERANCE

27.1 Severance

If any provision (or part of a provision) of this deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this deed.

28. COUNTERPARTS

28.1 Counterparts

- (a) This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.
- (b) Transmission of the executed signature page of a counterpart of this deed by fax or e-mail (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

THIRD PARTY RIGHTS

28.2 Third party rights

- (a) Except as expressly provided elsewhere in this deed, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

29. FURTHER PROVISIONS

29.1 Independent security

This deed shall be in addition to, and independent of, any other security or guarantee that the Lender may hold for any of the Secured Liabilities at any time. No prior security held by the Lender over the whole or any part of the Secured Assets shall merge in the security created by this deed.

29.2 Continuing security

This deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Lender discharges this deed in writing

29.3 Discharge conditional

Any release, discharge or settlement between the Borrower and the Lender shall be deemed conditional on no payment or security received by the Lender in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement

- (a) the Lender or its nominee may retain this deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund, and
- (b) the Lender may recover the value or amount of such security or payment from the Borrower subsequently as if the release, discharge or settlement had not occurred

29.4 Certificates

A certificate or determination by the Lender as to any amount for the time being due to it from the Borrower under this deed and the Agreements described in Schedule 2 shall be, in the absence of any manifest error, conclusive evidence of the amount due

29.5 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this deed

30. NOTICES

30.1 Delivery

Any notice or other communication required to be given to a party under or in connection with this deed shall be

- (a) in writing,
- (b) delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax, and
- (c) sent to

(i) the Borrower at
Metropolitan International Schools Limited
40-50 Collingdon Street
Luton, Bedfordshire,
LU1 1RX
Fax 01582-486289
Attention Jaroslav Bradik

(ii) the Lender at
Jan Telensky
Westerley, Hollybush Lane
Flamstead
AL3 8DG
Great Britain
Fax. +44 1582 429 439
Attention Jan Telensky

or to any other address or fax number as is notified in writing by one party
to the other from time to time

30.2 Receipt by Borrower

Any notice or other communication that the Lender gives to the Borrower shall be deemed to have been received

- (a) if delivered by hand, at the time it is left at the relevant address,
- (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting, and
- (c) if sent by fax, when received in legible form

A notice or other communication given as described in clause 30.2(a) or clause 30.2(c) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

30.3 Receipt by Lender

Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt

30.4 Service of proceedings

This clause 30 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution

30.5 No notice by e-mail

A notice or other communication given under or in connection with this deed is not valid if sent by e-mail

31. GOVERNING LAW AND JURISDICTION

31.1 Governing law

This deed and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales

31.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this deed or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction

31.3 Other service

The Borrower irrevocably consents to any process in any legal action or proceedings under clause 31.2 being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it

Schedule 1 Property

Part 1. Registered Property

None

Part 2. Unregistered Property

None

Part 3. Excluded Property

None

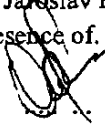
Schedule 2 Relevant Agreements

- 1 Loan Agreement between the Lender and the Borrower dated 2011
- 2 License of Copyright and Sub-Distribution Agreement between the Lender and the Borrower dated 7 June 2010 (and any subsequent amendments)
- 3 License of Trade Mark and Sub-Distribution Agreement between the Lender and the Borrower 7 June 2010 (and any subsequent amendments)
4. Such agreements as are comprised in correspondence between the Lender and the Borrower up to and including the date of this deed relating to the sums due under the Relevant Agreements and any other obligations of the Borrower to the Lender.

Category	Item	Price	Value as of 10/31/2012
Office Equipment	US Office Direct Laptop Computer	1705/2000	20.15
Office Equipment	1.6m depth white serrated base 6.5m platform height	1008/2000	106.61
Office Equipment	1 x DTP edge web transfer for idec	4009/2000	2.04
Office Equipment	1 x DTP 3000 4x6 2 1/2 5.5 x 5.5 mm clearing	10030/2000	73.34
Office Equipment	Refurbished Jumbo 4000 4x6 5x5 mm clearing	10032/2000	204.35
Office Equipment	2 x Refurbished Jumbo 4000 4x6 5x5 mm clearing	10032/2000	408.70
Office Equipment	1 x Canon 12000	62030/2000	3 453.35
Office Equipment	4 x HP phone	8704/2000	34.835
Office Equipment	1 x HP Citigroup Pro 3600s all in one printer	0604/2000	37.17
Office Equipment	1 x Hewlett Pack D17122	0604/2000	11.664
Office Equipment	2 x Real Time separator units	1 494/2000	26.81
Office Equipment	2 x P-touch emboss tool	0406/2000	13.28
Office Equipment	2 x Baud MNP15 SVGA adapter	3008/2000	60.88
Office Equipment	2 x S131P phone	0107/2000	213.88
Office Equipment	1 x Raspberry base 3 8700	2303/2000	106.34
Office Equipment	Intervis Alert - 800s Leasing	1400/2000	227.48
Office Equipment	Bondy Projector	0609/2000	35.89
Office Equipment	Dynex Label Manager	0701/2000	8.92
Office Equipment	2 x 6312 3P Phone	2201/2000	80.88
Office Equipment	2 x 6312 P Phone	161/2000	64.06
Office Equipment	1 x Canon E20 8000	0303/2000	63.11
Office Equipment	Canon E20 8000 8000	1803/2000	727.28
Office Equipment	HP Color Laser Jet 9500	0603/2000	1163.57
Office Equipment	Dell V213 1400 1400	2403/2000	25.31
Office Equipment	Memorex 1620000 1600 1600	0107/2000	5 619.88
Office Equipment	HP 5000s Scanner	1408/2000	223.35
Office Equipment	3000 3000	2303/2000	93.88
Office Equipment	Bay Equipment	1503/2000	148.30
Office Equipment Total			11 666.36
Furniture & Fixtures	1 x 1800mm 1800mm chair	2104/2000	7.28
Furniture & Fixtures	1 x 1800mm 1800mm chair	3504/2000	6.38
Furniture & Fixtures	1 x 1800mm 1800mm chair	2604/2000	6.31
Furniture & Fixtures	1 x 1800mm 1800mm chair	1603/2000	18.26
Furniture & Fixtures	1 x 1800mm 1800mm chair	2603/2000	62.61
Furniture & Fixtures	1 x 1800mm 1800mm chair	2603/2000	145.61
Furniture & Fixtures	1 x 1800mm 1800mm chair	3003/2000	81.86
Furniture & Fixtures	1 x 1800mm 1800mm chair	2006/2000	1 411.53
Furniture & Fixtures	4 x 1800mm 1800mm chair	2007/2000	48.00
Furniture & Fixtures	2 x 1800mm 1800mm chair	0707/2000	188.30
Furniture & Fixtures	1 x 1800mm 1800mm chair	0609/2000	96.83
Furniture & Fixtures	1 x 1800mm 1800mm chair	1001/2000	12 377.61
Furniture & Fixtures	1 x 1800mm 1800mm chair	0903/2000	40.85
Furniture & Fixtures	1 x 1800mm 1800mm chair	3103/2000	1 201.38
Furniture & Fixtures	1 x 1800mm 1800mm chair	3103/2000	1 459.43
Furniture & Fixtures	1 x 1800mm 1800mm chair	3103/2000	4 334.37
Furniture & Fixtures	1 x 1800mm 1800mm chair	3103/2000	3 539.44
Furniture & Fixtures	1 x 1800mm 1800mm chair	3103/2000	811.85
Furniture & Fixtures	1 x 1800mm 1800mm chair	3103/2000	4 497.28
Furniture & Fixtures	1 x 1800mm 1800mm chair	2103/2000	1 528.32
Furniture & Fixtures	1 x 1800mm 1800mm chair	3103/2000	1 187.21
Furniture & Fixtures	1 x 1800mm 1800mm chair	1806/2000	1 719.89
Furniture & Fixtures	1 x 1800mm 1800mm chair	1806/2000	46.28
Furniture & Fixtures	1 x 1800mm 1800mm chair	1806/2000	77.99
Furniture & Fixtures	1 x 1800mm 1800mm chair	2106/2000	62.80
Furniture & Fixtures	1 x 1800mm 1800mm chair	1508/2000	187.34
Furniture & Fixtures	1 x 1800mm 1800mm chair	1007/2000	446.96
Furniture & Fixtures	1 x 1800mm 1800mm chair	3408/2000	782.41
Furniture & Fixtures	1 x 1800mm 1800mm chair	3408/2000	62.72
Furniture & Fixtures	1 x 1800mm 1800mm chair	3408/2000	157.64
Furniture & Fixtures	1 x 1800mm 1800mm chair	0201/2000	61.35
Furniture & Fixtures	1 x 1800mm 1800mm chair	0109/2000	113.50
Furniture & Fixtures	1 x 1800mm 1800mm chair	1801/2000	202.08
Furniture & Fixtures	1 x 1800mm 1800mm chair	3401/2000	122.47
Furniture & Fixtures	1 x 1800mm 1800mm chair	0902/2000	204.21
Furniture & Fixtures	1 x 1800mm 1800mm chair	0502/2000	123.74
Furniture & Fixtures	1 x 1800mm 1800mm chair	0706/2000	127.25
Furniture & Fixtures	1 x 1800mm 1800mm chair	1204/2000	264.19
Furniture & Fixtures	1 x 1800mm 1800mm chair	3004/2000	1 808.82
Furniture & Fixtures	1 x 1800mm 1800mm chair	0409/2000	174.82
Furniture & Fixtures	1 x 1800mm 1800mm chair	0409/2000	208.83
Furniture & Fixtures	1 x 1800mm 1800mm chair	0409/2000	134.77
Furniture & Fixtures	1 x 1800mm 1800mm chair	1901/2000	156.49
Furniture & Fixtures	1 x 1800mm 1800mm chair	1403/2000	152.48
Furniture & Fixtures	1 x 1800mm 1800mm chair	2203/2000	160.43
Furniture & Fixtures	1 x 1800mm 1800mm chair	0109/2000	108.67
Furniture & Fixtures	1 x 1800mm 1800mm chair	3404/2000	108.49
Furniture & Fixtures	1 x 1800mm 1800mm chair	3404/2000	76.24
Furniture & Fixtures	1 x 1800mm 1800mm chair	3004/2000	38.39
Furniture & Fixtures	1 x 1800mm 1800mm chair	0706/2000	127.25
Furniture & Fixtures	1 x 1800mm 1800mm chair	1204/2000	264.19
Furniture & Fixtures	1 x 1800mm 1800mm chair	3004/2000	1 808.82
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Furniture & Fixtures	1 x 1800mm 1800mm chair	3004/2000	38.39
Furniture & Fixtures	1 x 1800mm 1800mm chair	0706/2000	127.25
Furniture & Fixtures	1 x 1800mm 1800mm chair	1204/2000	

Computer Hardware	1 x iMac20 27.5	23/04/2012	54.50
Computer Hardware	Antares Asia Wireless 15.1 inch with keyboard	28/04/2012	157.18
Computer Hardware	6 x HP64 notebook PC	21/02/2012	880.40
Computer Hardware	Apple iMac 27	08/03/2012	788.74
Computer Hardware	Dell 23 744 P47	18/07/2012	178.38
Computer Hardware	Logitech wireless mouse	13/07/2012	87.49
Computer Hardware	Model 201 878	16/02/2012	702.00
Computer Hardware	Lenovo Z22 70 C/8770W	03/08/2012	888.17
Computer Hardware	Microsoft Surface 3005A - black	10/08/2012	108.18
Computer Hardware	Proview LM703	23/08/2012	814.95
Computer Hardware	7 x HP 4835a	28/08/2012	859.97
Computer Hardware	Base 1 x BlackBerry 9630 track Oneby T89 Business	29/08/2012	188.20
Computer Hardware	2 x Toshiba Z100-108	02/10/2012	882.84
Computer Hardware	2 x External hard drive	14/11/2012	88.04
Computer Hardware	1 x Latitude E6530	20/11/2012	848.49
Computer Hardware	1 x Latitude E6530	02/12/2012	828.16
Computer Hardware	OnyxOne Monitors - Business Z10	26/02/2013	288.43
Computer Hardware	Antares 8 x Acer Aspire V700	19/03/2013	2,457.88
Computer Hardware	840878 One Laptop a Life - PCB Business Systems Ltd	19/03/2013	877.12
Computer Hardware	Antares 4 x Acer Aspire	21/03/2013	1,110.36
Computer Hardware	Antares 2 x Samsung ATIV XE700T10	22/03/2013	1,200.70
Computer Hardware	Antares 2 x HP L3200a Desktop	25/03/2013	888.49
Computer Hardware	877888 Beagle 378 expansion desktop PCB Business Systems	28/03/2013	122.17
Computer Hardware	2 x Synology Pro L620	07/05/2013	649.42
Computer Hardware	Beatsong ATN	18/04/2013	728.45
Computer Hardware	Acer Aspire	24/04/2013	1,388.82
Computer Hardware	Asus Eee PC 101	11/06/2013	888.19
Computer Hardware	Asus Eee PC 101	27/06/2013	1,148.88
Computer Hardware Total			18,443.87
Computer Software	Page No 7110	05/06/2013	19.08
Computer Software	7110 Finance Long sale	18/06/2013	8.75
Computer Software	1 x Penetration C&A	03/08/2011	28.32
Computer Software	1 x Retail business developer	16/09/2011	289.85
Computer Software	Microsoft Office Home Business	18/04/2011	48.74
Computer Software	20 x WebSite King License	08/08/2011	153.75
Computer Software	40 x Magellan 8 HQL License	04/05/2011	2,388.48
Computer Software	40 x Retail King License	04/05/2011	1,484.38
Computer Software	7 x WebSite King License	04/05/2011	1,187.92
Computer Software	1 x Microsoft Windows 7 professional	17/05/2011	27.37
Computer Software	100878 18 page the 80 education pack - JT Consulting Ltd	02/04/2012	1,383.75
Computer Software	100811 80 page 8 80 business education pack - JT Consulting	02/04/2012	2,132.81
Computer Software	Antares 2010	18/05/2012	238.11
Computer Software	100820 20 page 20 - JT Consulting Ltd	14/06/2012	8,489.28
Computer Software Total			15,868.27
Property Improvements	Opening balance - no detail	31/03/2008	37,178.33
Property Improvements	Opening balance - no detail	31/03/2008	11,107.12
Property Improvements Total			48,285.45
Grand Total			155,791.81

Executed as a deed by **Metropolitan International Schools Limited** acting by **Jaroslav Bradik**, a director, in the presence of.



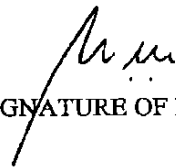
[SIGNATURE OF WITNESS]

D. Symonds

[NAME OF WITNESS]

12 BEARD AVENUE
WIMBORNE, DORSET DT9 8QF

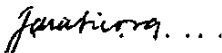
[ADDRESS]


[SIGNATURE OF DIRECTOR]

Executed as a deed by **Rádio Tatry International, s.r.o.** acting by **Jan Telensky**, a director, in the presence of



[SIGNATURE OF DIRECTOR]



[SIGNATURE OF WITNESS]

S JARABICOVA

[NAME OF WITNESS]

41B MILTON ROAD
LUTON, LU1 5JB

[ADDRESS]