

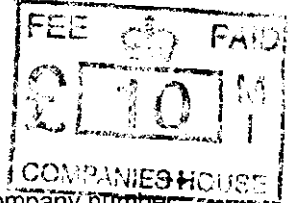
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COMPANIES FORM No. 395

Particulars of a mortgage or charge

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£10
119364

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.

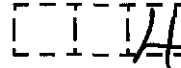


Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



02769705

Name of company

* Bals Engineering Group Limited

Date of creation of the charge

04 October 2001

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

Mortgage Debenture

Amount secured by the mortgage or charge

All monies and liabilities whether principal interest or otherwise which may now or at any time hereafter become due owing or payable by Sandco 708 to Michael John Kelly, Stephen Jackson, Derek Arthur Scholey ("Security Trustees") as security trustees for and on behalf of the lenders as listed in Schedule 1 of a loan agreement dated 4 October 2001 and made between the Company the Security Trustees and such lenders ("the Loan Agreement") and all monies and liabilities which are for the time being (and whether on or at any time after such demand) be due, owing or incurred by Sandco 708 Limited and/or Bals Industrial Accessories Limited as guarantor in either case whether actually or contingently and whether severally or jointly with any other person and whether as principal or surety and whether on any current or other account or in any other manner, together with interest charges and other expenses payable in respect of such sums so that the interest on the sums advance under the Loan Agreement should be calculated compounded in accordance with the terms of the Loan Agreement.

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

D A Scholey 228 Oakwood Lane, Oakwood, Leeds, West Yorkshire LS8 2PE.
S Jackson 39 Highside Drive, Humbledon Hill, Sunderland, Tyne and Wear
M J Kelly Threeways, Tranwell Woods, Morpeth, Northumberland NE61 6AQ
as Security Trustees.

Postcode

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

Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

Ref JH/NE 031.21

Time critical reference

For official Use
Mortgage Section

Post room



A04
COMPANIES HOUSE

AMX514RB

0782
09/10/01

Short particulars of all the property mortgaged or charged

By way of legal mortgage all the freehold and leasehold property of the Company title to which is registered at HM Land Registry (if any) together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon.

By way of legal mortgage all other freehold and leasehold property of the Company now vested in it (whether or not registered at HM Land Registry) together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon.

By way of fixed charge all future freehold and leasehold property of the Company together with all buildings fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and all the goodwill and uncalled capital for the time being of the Company.

By way of fixed charge the uncalled capital goodwill and all patents trademarks and service marks (whether registered or not) brand and trade names registered designs design right copyright computer programmes inventions confidential information knowhow and all other intellectual intangible property or rights and all applications for protection thereof and all the licences agreements and ancillary and connected rights and benefits including all royalties fees and other income from the same both present and in the future of the Company.

See continuation sheet 1

Please do not write in this margin

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

Particulars as to commission allowance or discount (note 3)

Signed

[Signature]

Date

[Signature]

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

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

† delete as appropriate

Notes

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

CHFP025

Particulars of a mortgage or charge (continued)

Please do not
write in this
binding margin

Continuation sheet No 1
to Form No 395 and 410 (Scot)

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

Company Number

02769705

Name of Company

Bals Engineering Limited

Limited*

* delete if
inappropriate

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

Please do not
write in this
binding margin

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

Please do not
write in this
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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

All present and future contracts or policies of insurance in which the company now or hereafter has an interest and all monies from time to time payable and including any refund premiums.

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

By way of fixed charge all book and other debts of the Company whether now or hereafter existing and whether presently payable or hereafter falling due for payment and all things in action due or owing or which may become due or owing to or purchased or otherwise acquired by the Company and the full benefit of all rights and remedies relating thereto.

By way of floating charge the whole of the undertaking of the Company and all its other property and assets whatsoever and wheresoever both present and future other than the property and assets charged to the Security Trustees by way of legal mortgage or fixed charge by the debenture dated 4 October 2001 .

The Company covenants with the Security Trustees that it shall not without the prior written consent of the Security Trustees create or permit to subsist any mortgage charge or other incumbants over any of its assets which rank in priority to the pari passu with the charges created in the debenture dated 4th October 2001 nor will it exercise statutory its powers of leasing or accepting surrenders of leases nor grant any right to occupy or share occupation of any property nor agree to do any of such things

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02769705

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A MORTGAGE DEBENTURE DATED THE 4th OCTOBER 2001 AND CREATED BY BALS ENGINEERING GROUP LIMITED FOR SECURING ALL MONIES AND LIABILITIES WHETHER PRINCIPAL INTEREST OR OTHERWISE WHICH MAY NOW OR AT ANY TIME HEREAFTER BECOME DUE OWING OR PAYABLE BY SANDCO 708 LIMITED AND/OR BALS INDUSTRIAL ACCESSORIES LIMITED TO D A SCHOLEY, S JACKSON, M J KELLY (AS SECURITY TRUSTEES). AS LISTED IN SCHEDULE 1 OF A LOAN AGREEMENT DATED 4 OCTOBER 2001 AND MADE BETWEEN THE COMPANY THE SECURITY TRUSTEES AND SUCH LENDERS ("THE LOAN AGREEMENT") WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 9th OCTOBER 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 11th OCTOBER 2001.

P. Leah



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES