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in black type, or
bold block lettering

*insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

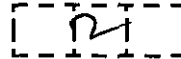
395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number



3009979

Name of company

* Education Lecturing Services (the "Company")

Date of creation of the charge

20th December 1999

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

Guarantee and Debenture

Amount secured by the mortgage or charge

Rider A

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

The Governor and Company of the Bank of Scotland, The Mound, Edinburgh
EH1 1YZ as agent and security trustee for itself and for each of the
Secured Parties (as defined in the Guarantee and Debenture) (the
"Security Trustee")

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

Dickson Minto W.S.
11 Walker Street
Edinburgh
EH3 7NE

els02.lfd

Time critical reference

For official use
Mortgage Section

Post room



A31
COMPANIES HOUSE

Q123
24/12/99

Rider B

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Particulars as to commission allowance or discount (note 3)

N/A

Signed

Dickson Minto.

Date

23 December 1999.

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

[†] 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.

EDUCATION LECTURING SERVICES

(Registered Number 3009979)

RIDER A - FORM 395 (Guarantee and Debenture)

Amount Secured by the Charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or as principal debtor, guarantor, surety or otherwise or as the equivalent obligor under the laws of any other jurisdiction) of each Obligor to the Security Trustee and the Secured Parties under or pursuant to the Financing Documents together with:-

- (a) any further advances which may be made by any Secured Party to any Obligor under any agreement expressed to be supplemental to any of the Financing Documents and all interest, fees, and costs in connection therewith;
- (b) any refinancing, novation, refunding, deferral or extension of or increase by any of the Secured Parties in any of those obligations or liabilities under or pursuant to the Financing Documents;
- (c) all costs, charges and expenses properly incurred by the Agent or any Secured Party in connection with the protection, preservation or enforcement of its respective rights under the Financing Documents;
- (d) any claim for damages or restitution against any Obligor in the event of rescission of any of those obligations or liabilities under or pursuant to the Financing Documents or otherwise in connection with the Financing Documents;
- (e) any claim against any Obligor flowing from the recovery by an Obligor of a payment or discharge in respect of any of the obligations or liabilities under or pursuant to the Financing Documents on grounds of preference or otherwise; and
- (f) any amounts which would be included in any of the foregoing but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings.


Where:

"Agent" has the same meaning as in the Facility Agreement;

"Arranger"	has the same meaning as in the Facility Agreement;
"Banks"	means the Banks as defined in the Facility Agreement and "Bank" means any one of the foregoing;
"Company"	means Education Lecturing Services (Registered Number 3009979);
"Facility Agreement"	means the facility agreement (as such agreement is amended, varied, supplemented, novated or replaced from time to time) dated on or around 20th December 1999 between the Parent (1), the various banks and financial institutions named therein (2) and The Governor and Company of the Bank of Scotland as Agent, Arranger and Issuing Bank (3) to make available to the Borrowers (as defined therein) certain credit facilities;
"Financing Documents"	means the Financing Documents as defined in the Facility Agreement;
"Group"	means the Parent and any of its subsidiaries from time to time and "member of the Group" shall be construed accordingly;
"Hedging Banks"	has the same meaning as in the Facility Agreement;
"Issuing Bank"	has the same meaning as in the Facility Agreement;
"Obligor"	means the Company and any member of the Group which has or which will have any liability (actual or contingent) and whether alone or jointly with any other person and whether as principal debtor, guarantor or surety or otherwise (or as the equivalent obligor under the laws of any other jurisdiction) to the Security Trustee and the Secured Parties or any of them for the payment or repayment of any amounts outstanding or capable of becoming outstanding under the Financing Documents;
"Parent"	means Intercede 1507 Limited (Registered Number 3875274);



- "Secured Parties"** means the Security Trustee, the Banks, the Hedging Banks and the Working Capital Bank and "Secured Party" shall be construed accordingly;
- "Security Trustee"** means The Governor and Company of the Bank of Scotland, incorporated in Scotland by Act of Parliament and having its head office at the Mound, Edinburgh EH1 1YZ as agent and security trustee for itself and for each of the Secured Parties;
- "Working Capital Bank"** means The Governor and Company of the Bank of Scotland of The Mound, Edinburgh EH1 1YZ.



EDUCATION LECTURING SERVICES

(Registered Number 3009979)

RIDER B - FORM 395 (Guarantee and Debenture)

Short Particulars of the Property Charged

1. All freehold and leasehold property of the Company both present and future together with all buildings and fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and therein;
2. All plant, machinery, vehicles and other equipment at the date of the Guarantee and Debenture or thereafter owned by the Company together with (so far as they are capable of being charged) the benefit of any obligations and warranties given by the manufacturer or supplier of such plant, machinery or other equipment and the benefit of all maintenance agreements entered into between the Company and any other person in respect of such plant, machinery and other equipment;
3. All shares and stock in the capital of any company which as at the date of the Guarantee and Debenture or at any time thereafter is owned by the Company or in which the Company otherwise has an interest together in all cases with all rights arising in relation thereto;
4. (So far as they are capable of being charged) the benefit of all present and future licences (statutory or otherwise) held in connection with the business of the Company or the user of any of the mortgaged property and the right to recover and receive all compensation which may at any time become payable to the Company in respect thereof;
5. All licences and patents (including applications and the rights to apply therefor), copyrights, rights in trademarks whether registered or not, trade names, rights in service marks whether registered or not, registered designs, know-how and rights in confidential information at the time of the Guarantee and Debenture or at any time belonging to the Company;
6. The goodwill and the uncalled capital of the Company both present and future;
7. The book debts due or owing to the Company both present and future (except to the extent such book debts are constituted by cash at bank);



8. All benefits in respect of all contracts and policies of insurance (including, for the avoidance of any doubt, all cover notes and any keyman life assurance policies other than the Keyman Policies) which are from time to time taken out by the Company or (to the extent of such interest) in which it has an interest;
9. The stock-in-trade and work-in-progress, prepayments, investments quoted on a recognised stock exchange and cash of the Company both present and future; and
10. The undertaking and all other property and assets of the Company both present and future.

The charges on the property and assets described at 1, 2, 3, 4, 5, 6, 7 and 8 above are created as fixed charges and constitutes a charge by way of legal mortgage on the property described at 1 above which is vested in the Company at the date of the Guarantee and Debenture.

The charges on the property and assets described in 9 and 10 (and also on such of the said property and assets of the Company both present and future as the Security Trustee may have agreed in writing to exclude from the fixed charge or are otherwise not effectively charged under the terms of the Guarantee and Debenture by way of fixed charge) are created as floating charges until the provisions of Condition 14 set out in the Second Schedule of the Guarantee and Debenture become operative when the floating charges shall crystallise and become fixed charges. The charges created under the terms of the Guarantee and Debenture shall be a continuing security and shall unless otherwise agreed in writing by the Security Trustee be first charges.

Under the terms of the Guarantee and Debenture the Company authorises the Security Trustee and each Secured Party to hold as security for the Secured Liabilities any balances, credits, deposits, accounts or moneys to which it is entitled on any account with the Security Trustee or that Secured Party and to apply any such balances, credits, deposits, accounts or moneys at any time without notice to the Company in satisfaction of any Secured Liabilities.

Where:

- | | |
|------------------------------|---|
| "Keyman Policies" | has the same meaning as in the Facility Agreement; |
| "Secured Liabilities" | means the amount secured under the terms of the Guarantee and Debenture and described in Rider A. |

Terms defined in Rider A shall have the same meaning in Rider B.



FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03009979

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT GUARANTEE & DEBENTURE DATED THE 20th DECEMBER 1999 AND CREATED BY EDUCATION LECTURING SERVICES FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH OBLIGOR (AS DEFINED) TO THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND (AS AGENT AND SECURITY TRUSTEE FOR ITSELF AND FOR EACH OF THE SECURED PARTIES (AS DEFINED)) AND THE SECURED PARTIES ON ANY ACCOUNT WHATSOEVER UNDER OR PURSUANT TO THE FINANCING DOCUMENTS (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 24th DECEMBER 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6th JANUARY 2000.

R. Par



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



C O M P A N I E S H O U S E