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CHFP025

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

\*insert full name  
of Company

## COMPANIES FORM No. 395

### Particulars of a mortgage or charge

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

121279152

# 395

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

[S][I][I][I]

3670191

Name of company

\* Elephant Loans Limited (the "Chargor")

Date of creation of the charge

7 September 2007

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

Debenture between Elephant Loans Limited (1) and Trafalgar Capital  
Specialized Investment Fund (2) dated 7 September 2007 (the "Debenture")

Amount secured by the mortgage or charge

Please see attached Schedule 1.

Note: all defined terms in this form 395 are defined in Schedule 2  
attached

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

Trafalgar Capital Specialized Investment Fund an investment fund registered in Luxembourg as  
represented by Trafalgar Capital SARL with its principal place of business at 8-10 Rue  
Mathias Hardt, BP 3023, Luxembourg L-1030 (the "Lender")

Postcode

Presentor's name address and  
reference (if any)

Pinsent Masons  
CityPoint  
One Ropemaker Street  
London  
EC2Y 9AH

21440225

Time critical reference

634506 07004

For official Use (02/00)

Mortgage Section

Post room

TUESDAY



A31

\*AEO08T2F\*

18/09/2007

693

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

Please see attached Schedule 3

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legibly, preferably  
in black type, or  
bold block  
lettering

01  
45

Particulars as to commission allowance or discount (note 3)

Nil

Signed

*Robert Murray*

Date 14 September 2007

On behalf of ~~XXXXXXXXXXXXXXXXXXXX~~ [chargee] †

A fee 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 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is Companies House, Crown Way, Cardiff CF14 3UZ

## SCHEDULE 1

### 1 COVENANT TO PAY

#### 1.1 Secured Liabilities

The Chargor covenanted that it will on demand of the Lender pay and discharge any or all of the Secured Liabilities when due

#### 1.2 Interest

The Chargor covenanted to pay interest to the Lender upon any sum demanded in accordance with Clause 1.1 (*Secured Liabilities*) of this Schedule until payment (both before and after any judgment) at three per cent above the rate applicable to that sum immediately before demand (or, if there was no such applicable rate, at three per cent above the Barclays Bank plc base rate)

## SCHEDULE 2

### 1.1 Definitions

In this Form 395 -

**"Account"** means any account opened or maintained by the Chargor at any bank or financial institution,

**"Charged Property"** means all the assets and undertaking of the Chargor which from time to time are, or purport to be, the subject of the security created in favour of the Lender by or pursuant to the Debenture,

**"Committed Equity Facility"** means the £250,000 committed equity facility dated on or around 7 September 2007 between the Parent and the Lender,

**"Convertible Loan Agreement"** means the £250,000 convertible loan agreement dated on or around 7 September 2007 between the Parent and the Lender,

**"Debentures"** means each of the debentures entered into between the Parent and the Lender, the Chargor and the Lender, Ivory Commercial Finance Limited and the Lender and DebtSmashers Limited and the Lender,

**"Enforcement Action"** means -

- (a) the acceleration of any Secured Liabilities or any declaration that any Secured Liabilities are prematurely due and payable or payable on demand,
- (b) the taking of any steps to enforce or require the enforcement of the Debenture (including the crystallisation of any floating charge),
- (c) the making of any demand against the Chargor in relation to any guarantee, indemnity or other assurance against loss in respect of any Secured Liabilities,

- (d) the exercise of any right of set-off against the Chargor in respect of any Secured Liabilities excluding any right of set off under a netting arrangement with the Chargor's clearing bank,
- (e) the suing for, commencing or joining of any legal or arbitration proceedings against the Chargor to recover any Secured Liabilities, or
- (f) the petitioning, applying or voting for, or the taking of any steps which may lead to any administration, winding-up, insolvency or dissolution of or in relation to the Chargor ,

<b>"Enforcement Date"</b>	means the date on which the Lender first takes Enforcement Action,
<b>"Finance Documents"</b>	means each of the Convertible Loan Agreement, the Committed Equity Facility, the Debentures and the Guarantees,
<b>"Fixed Plant and Equipment"</b>	means all plant, machinery or equipment of the Chargor of any kind which does not for any reason constitute a Fixture, but is now or at any time directly or indirectly attached by any means and for any purpose to any land or building, whether or not it is removable or intended to form part of the land or building,
<b>"Fixtures"</b>	means all things of any kind now or at any time affixed to land for any purpose, including, without limitation, trade and tenants fixtures,
<b>"Guarantees"</b>	means the guarantee and indemnity to be entered between the Chargor and the Lender, the guarantee and indemnity to be entered into between Ivory Commercial Finance Limited and the Lender and the guarantee and indemnity to be entered into between DebtSmashers Limited and the Lender dated on or around the date of the Debenture,
<b>"Insurances"</b>	means any policy of insurance or assurance in which the Chargor has an interest and all claims and rebates of premium under any such policy,
<b>"Intellectual Property"</b>	means any of the following in which the Chargor has an interest - <ul style="list-style-type: none"> <li>(a) any registered intellectual property right in any territory or jurisdiction, including, without limitation, patents, trade marks, service marks, registered designs, and any similar right in any territory or jurisdiction and any applications or right to apply for any of the above,</li> <li>(b) any invention, copyright, design right or performance right,</li> <li>(c) any trade secrets, know-how and confidential information, and</li> </ul>

- (d) the benefit of any agreement or licence for the use of any such right,

**"Land"**

means any estate, right or interest in or over land, whether legal or equitable, and wherever the land is situated including, without limitation, any buildings and Fixtures on land, and the benefit of any covenants or rights owed to any person or enforceable by him by virtue of the ownership possession or occupation of land but for these purposes **"Land"** excludes heritable property situated in Scotland,

**"Loose Plant and Equipment"**

means, in relation to the Chargor, all plant, machinery, equipment and motor vehicles now or at any time owned by the Chargor as a capital asset which is not Fixed Plant and Equipment,

**"LPA"**

means the Law of Property Act 1925,

**"Monetary Claims"**

means all book and other debts and monetary claims now or in the future owing to the Chargor (whether alone or jointly with any other person), whenever payable and whether liquidated or unliquidated, certain or contingent including, without limitation, credit balances on any Account, and together with all cheques, bills of exchange, negotiable instruments, credits and securities at any time given in relation to, or to secure payment of, any such debt,

**"Notice of Charge"**

means a notice of charge in such form as may be specified by the Lender,

**"Parent"**

means Elephant Loans and Mortgages plc (registered number 5586214) with registered office Regal House, 70 London Road, Twickenham, Middlesex TW1 3QS,

**"Receiver"**

means any receiver, receiver and manager or administrative receiver of the whole or any part of the Charged Property,

**"Related Rights"**

means in relation to any Charged Property

- (a) the proceeds of sale of any part of that Charged Property,
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that Charged Property,
- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that Charged Property, and
- (d) any moneys and proceeds paid or payable in respect of that Charged Property,

**"Secured Liabilities"**

means all present and future liabilities and obligations of the Chargor to the Lender (whether actual or contingent and whether owed jointly or severally or in any other

capacity whatsoever and whether or not the Lender was the original creditor in respect thereof) including without limitation interest, commission, costs, charges and expenses charged by the Lender at rates agreed between it and the Chargor, or in the absence of express agreement, at 3% above Barclays Bank plc base rate,

**"Securities"**

means all the right, title and interest of a Chargor, now or in the future, in any -

- (a) stocks, shares, bonds, debentures, loan stocks, or other securities issued by any person,
- (b) warrants, options or other rights to subscribe, purchase or otherwise acquire any stocks, shares, bonds, debentures, loan stocks or other securities or investments issued by any person, and
- (c) units or other interests in any unit trust or collective investment scheme, and

**"Security"**

means a mortgage, charge, pledge, lien or any other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

**SCHEDULE 3**

**1 CHARGES**

**1 1 Mortgages and Fixed Charges**

As a continuing security for payment of the Secured Liabilities, the Chargor with full title guarantee charged to the Lender all its right, title and interest from time to time in each of the following assets -

- 1 1 1 by way of first legal mortgage all Land which is described in Schedule 4 of this form (if any) and all other Land vested in the Chargor at the date of the Debenture,
- 1 1 2 by way of first fixed charge all other Land vested in the Chargor at the date of the Debenture (to the extent not effectively charged by Clause 1 1 1) and all Land acquired by the Chargor after the date of the Debenture,
- 1 1 3 by way of first fixed charge -
  - (a) the Securities,
  - (b) the Intellectual Property,
  - (c) the Monetary Claims,
  - (d) the Fixed Plant and Equipment,
  - (e) the Loose Plant and Equipment,

- (f) the Accounts,
- (g) the Insurances,
- (h) the Related Rights under or in connection with the Securities, the Accounts, the Insurances, the Intellectual Property, the Monetary Claims, the Fixed Plant and Equipment and the Loose Plant and Equipment, and
- (i) its present and future goodwill and uncalled capital

## **1 2 Floating Charge**

As continuing security for payment of the Secured Liabilities, the Chargor with full title guarantee charged by way of first floating charge the whole of the Chargor's undertaking and assets, present and future and wherever situated, which are not for any reason effectively charged (whether in law or equity) by way of fixed security by the Debenture, including, without limitation, any heritable property of the Chargor situated in Scotland

## **1 3 Trust**

If or to the extent that for any reason the assignment or charging of any Charged Property is prohibited, the Chargor shall hold it on trust for the Lender

## **1 4 Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 will apply to any floating charge created by the Debenture

# **2 PERFECTION OF SECURITY**

## **2 1 Notices of Charge**

The Chargor shall deliver to the Lender (or procure delivery of) Notices of Charge duly executed by, or on behalf of, the Chargor -

- 2 1 1 in respect of the Insurances, on the date of the Debenture and promptly upon purchasing any further Insurance after the date of the Debenture,
- 2 1 2 in respect of each Account, on the date of the Debenture and promptly upon the opening of any further Account after the date of the Debenture, and
- 2 1 3 in respect of any other asset which is the subject of a charge pursuant to Clause 1 1 3, promptly upon the request of the Lender from time to time,

and in each case shall use all reasonable endeavours to procure that each notice is acknowledged by the party to whom such Notice of Charge is addressed

## **2 2 Delivery of Documents of Title**

The Chargor shall upon the execution of the Debenture (or, if later, upon receipt or entitlement thereof), deposit with the Lender and the Lender during the continuance of the security shall be entitled to hold all deeds, certificates and other documents of title relating to Land, the Securities and the Insurances. In the case of the Securities, the Chargor shall also deliver such stock transfer forms or other instruments of transfer (stamped and executed in blank by the Chargor) as the Lender may request

## 2 3 **HM Land Registry**

The Chargor and the Lender apply to HM Land Registry for the following notices to be entered into on the register of the title to any Land now or in the future owned by the Chargor and registered under the Land Registration Act 1925 -

- 2 3 1 "No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without a written consent by the proprietor for the time being of the charge dated *[insert date]* in favour of *[insert name of Lender]* referred to in the charges register, or if appropriate, signed on such proprietor's behalf by *[the Lender]*"
- 2 3 2 "*[Description of the Lender]* is under an obligation to make further advances and the security created by the charge dated *[insert date]* in favour of *[insert name of Lender]* has been created for the purpose of securing such further advances"

## 3 **FURTHER ASSURANCE**

### 3 1 **General**

The Chargor shall, at its own expense, at any time when required by the Lender, execute and deliver to the Lender -

- 3 1 1 a valid legal mortgage of any Land at the date of the Debenture or after that date owned by the Chargor,
- 3 1 2 a fixed charge over any interest, not capable of being charged by way of legal mortgage, in any Land at the date of the Debenture or after that date belonging to the Chargor,
- 3 1 3 a legal assignment or other fixed Security over all or any of the Charged Property,
- 3 1 4 where any of its assets are situated outside England and Wales, such fixed security (or such security in that jurisdiction most closely akin to fixed security) under the law of the place where the asset is situated as the Lender may require, and
- 3 1 5 a notice to any third party of any of the charges or assignments created by or pursuant to the Debenture,

in each case, in the Lender's standard form or such other form as the Lender may require

### 3 2 **Other acts**

Without prejudice to Clause 3 1 (*General*) of this Schedule, the Chargor shall, at its own expense, at any time when required by the Lender, do and concur in all acts or things as the Lender may deem necessary or desirable for the purpose of the creation, perfection, protection or maintenance of any of the Security intended to be created by the Debenture over all or any of the Charged Property or to facilitate the enforcement of that Security, or the exercise of any powers or discretions intended to be vested in the Lender or any Receiver by the Debenture



#### 4 RESTRICTIONS ON DEALING

##### 4 1 Negative Pledge

The Chargor undertook that it shall not, at any time during the subsistence of the Debenture, create or permit to subsist any Security over all or any part of the Charged Property, except as expressly permitted under the terms of the Finance Documents

##### 4 2 Disposals

The Chargor undertook that it shall not (and shall not agree to) at any time during the subsistence of the Debenture, except as expressly permitted under the terms of the Finance Documents, sell, transfer, assign, lease or hire out, factor, discount, licence, lend, part with its interest in or otherwise dispose of any of the Charged Property or permit the same to occur, or agree to do any of the foregoing, provided that, until -

4 2 1 the floating charge created by Clause 1 2 (*Floating Charge*) of this Schedule is converted into a fixed charge, or

4 2 2 the occurrence of the Enforcement Date,

the Chargor may hold, enjoy and deal with, in accordance with the Finance Documents, the Charged Property which is not at the relevant time expressed to be subject to a fixed charge or mortgage

#### SCHEDULE 4

The Chargor did not own any land at the date of the Debenture

FILE COPY



## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No 03670191

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 7th SEPTEMBER 2007 AND CREATED BY ELEPHANT LOANS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO TRAFALGAR CAPITAL SPECIALIZED INVESTMENT FUND WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 18th SEPTEMBER 2007

GIVEN AT COMPANIES HOUSE, CARDIFF THE 20th SEPTEMBER 2007

*P-Recd.*



*Companies House*

— for the record —



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES