

# MG01

## Particulars of a mortgage or charge



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**A fee is payable with this form.**

We will not accept this form unless you send the correct fee

Please see 'How to pay' on the last page



**What this form is for**

You may use this form to register particulars of a mortgage or charge in England and Wales or Northern Ireland



**What this form is NOT for**

You cannot use this form to register particulars of a charge for a Scottish company. To do this, please use form MG01s

FRIDAY



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24/09/2010

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COMPANIES HOUSE

1

### Company details

Company number

5 4 5 6 3 3 2

Company name in full

Sofa Brands International Limited

(a "Chargor")

2

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

### Date of creation of charge

Date of creation

d1 d7 m0 m9 y2 y0 y1 y0

3

### Description

Please give a description of the instrument (if any) creating or evidencing the charge, e.g. 'Trust Deed', 'Debenture', 'Mortgage', or 'Legal charge'

Description

Debenture (the "Debenture")

4

### Amount secured

Please give us details of the amount secured by the mortgage or charge

Amount secured

The actual, contingent, present and/or future obligations and liabilities of each Chargor to the Pension Trustee under or pursuant to the Loan Notes together with any costs, charges and expenses incurred by the Pension Trustee in connection with the protection, preservation or enforcement of its rights under the Debenture and/or the Loan Notes (the "Secured Obligations")

**Continuation page**

Please use a continuation page if you need to enter more details

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## Particulars of a mortgage or charge

### 5 Mortgagee(s) or person(s) entitled to the charge (if any)

Please give the name and address of the mortgagee(s) or person(s) entitled to the charge

#### Continuation page

Please use a continuation page if you need to enter more details

Name Christie-Tyler Pensions Trustees Limited ("CTPTL")

Address Severn Road, Treforest Industrial Estate,  
Pontypridd

Postcode C F 3 7 5 Y H

Name The Board of the Pension Protection Fund ("PPF")

Address Knollys House, 17 Addiscombe Road, Croydon

Postcode C R 0 6 S R

### 6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

#### Continuation page

Please use a continuation page if you need to enter more details

Short particulars Please see continuation form attached

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## Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p>1 1 Each Chargor, with full title guarantee, as continuing security for the payment of the Secured Obligations hereby (subject only to the First Ranking Security) charges in favour of the Pension Trustee.</p> <p>1 1 1 by way of legal mortgage all estates or interests in the freehold, leasehold and other immovable property now owned by each of them respectively including in particular the Property and the proceeds of sale thereof and all buildings and trade and other fixtures on any such property belonging to or charged to such Chargor (the "<b>Legally Mortgaged Property</b>");</p> <p>1.1 2 by way of fixed charge all estates or interests in any freehold, leasehold and other immovable property now or at any time during the continuance of this security belonging to such Chargor (other than the Legally Mortgaged Property) and the proceeds of sale thereof and all buildings and trade and other fixtures from time to time on any such property belonging to or charged to such Chargor;</p> <p>1.1 3 by way of fixed charge all plant, machinery, vehicles, computers and office and other equipment owned by such Chargor both present and future;</p> <p>1 1 4 by way of fixed charge all book debts and other debts now and from time to time due or owing to such Chargor (the "<b>Debts</b>") and (subject to the provisions of Clause 5 of the Debenture) all moneys which such Chargor receives in respect thereof;</p> <p>1 1 5 by way of fixed charge (but subject to the provisions of Clause 5 of the Debenture) all balances standing to the credit of any current, deposit or other account of such Chargor with the Security Trustee or any other Finance Party (including <i>inter alia</i> any account designated a realisations account for the proceeds of disposals of any of the assets of such Chargor) or with other bankers, financial institutions or similar third parties (the "<b>Credit Balances</b>");</p> <p>1 1.6 by way of fixed charge all stocks, shares, debentures, bonds, notes and loan capital of</p> <p>(a) any Subsidiary, and</p> <p>(b) any other body corporate;</p> <p>and all rights to subscribe for, redeem, convert other securities into or otherwise acquire any of the same which may now or hereafter belong to such Chargor, together with all dividends, interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the foregoing,</p> <p>1 1 7 by way of fixed charge the goodwill of such Chargor and its uncalled capital now or at any time hereafter in existence;</p> <p>1 1.8 by way of fixed charge all copyrights, patents, patent applications, licences, trade marks, tradenames, know-how and inventions or other rights of every kind deriving therefrom now or at any time hereafter belonging to such Chargor and all</p>	

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## Particulars of a mortgage or charge

### 6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

fees, royalties and other rights of every kind deriving from such copyrights, patents, trade marks, tradenames, know-how and inventions; and

1.1 9 by way of floating charge the whole of such Chargor's undertaking and all its property, assets and rights, whatsoever and wheresoever, present and future, other than any property or assets from time to time or for the time being effectively mortgaged, assigned or charged to the Pension Trustee by way of fixed charge by this Clause 1.1 and Clause 1.2 below (hereinafter collectively referred to as the "Floating Charge Property")

1.2 Subject to the DRAG, the legal mortgages and charges created or purported to be created pursuant to Clause 1.1 above are agreed to be second ranking only in respect of the First Ranking Security, and shall be first ranking security having priority over all other Security that may now or in the future exist in respect of the Charged Property.

1.3 The security constituted by or pursuant to the Debenture shall be in addition to and shall be independent of every bill, note, guarantee, mortgage, pledge or other security which the Pension Trustee may at any time hold in respect of any of the Secured Obligations.

#### 2 NEGATIVE PLEDGE

Each Chargor jointly and severally covenants that it shall not nor shall it agree or purport to

2.1 at any time during the subsistence of the Debenture, create or permit to subsist any Encumbrance over all or any part of the Charged Property other than as permitted pursuant to the DRAG and the Senior Credit Agreement, or

2.2 sell, discount, factor, transfer, lease, lend or otherwise dispose of, whether by means of one or a number of transactions related or not and whether at one time or over a period of time, the whole or any part of its undertaking or assets except as permitted under any Document

#### DEFINITIONS

In this form, the following terms have the following meanings:

"Assumptions" means the following assumptions on the basis of which the PPF is entering into the DRAG pursuant to section 111 of the Pensions Act

- (a) the Pensions Regulator has given its clearance for the proposed restructuring of the Chargors (other than SBIL), together with its subsidiaries,
- (b) the Pension Scheme is an eligible scheme for the purpose of section 126 of the Pensions Act; and

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## Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged
Short particulars	<p data-bbox="323 353 1043 387">Please give the short particulars of the property mortgaged or charged</p> <p data-bbox="323 450 1139 483">(c) it is intended that prior to 1 September 2010</p> <p data-bbox="421 510 1493 566">(1) Newco will be the sole employer in relation to the Pension Scheme for the purposes of section 318 of the Pensions Act;</p> <p data-bbox="421 593 1509 649">(11) a qualifying insolvency event for the purposes of section 127 of the Pensions Act will occur in relation to Newco; and</p> <p data-bbox="421 676 1509 788">(111) the Pension Scheme will enter an Assessment Period and consequently rights in relation to debts owed to the Pension Trustee will pass pursuant to section 137 of the Pensions Act</p> <p data-bbox="323 815 544 848"><b>"Banks"</b> means:</p> <p data-bbox="323 875 868 909">Banc of America Securities Limited</p> <p data-bbox="323 936 751 969">Merrill Lynch International</p> <p data-bbox="323 996 544 1030">NIBC Bank N V.</p> <p data-bbox="323 1057 596 1090">Brookwood S A R L</p> <p data-bbox="323 1117 751 1151">Banco Espirito Santon, S A.</p> <p data-bbox="323 1178 719 1211">North Westerly CLO I B V.</p> <p data-bbox="323 1238 1139 1272">Bluebay High Yield Investments (Luxembourg) S A R L</p> <p data-bbox="323 1299 1043 1332">Blue Bay Multi-Strategy (Master) Fund Limited</p> <p data-bbox="323 1359 1394 1415">Blue Bay European Distressed Opportunities Investments (Luxembourg) S A R L</p> <p data-bbox="323 1442 1509 1554"><b>"Charged Property"</b> means the property, assets and income of each Chargor mortgaged, assigned or charged to the Pension Trustee (whether by way of legal mortgage, assignment, fixed or floating charge) by or pursuant to the Debenture and each and every part thereof</p> <p data-bbox="323 1581 576 1615"><b>"Chargor"</b> means.</p> <p data-bbox="323 1641 1509 1697">Sofa Brands International Limited a company incorporated in England and Wales with registered number 5456332 ("SBIL"),</p> <p data-bbox="323 1724 1509 1780">Duresta Upholstery Limited a company incorporated in England and Wales with registered number 00341415 ("Duresta Upholstery"),</p> <p data-bbox="323 1807 1509 1863">G Plan Upholstery Limited a company incorporated in England and Wales with registered number 00149073 ("G Plan Upholstery");</p> <p data-bbox="323 1890 1509 1946">Derwent Upholstery Limited a company incorporated in England and Wales with registered number 01121102 ("Derwent Upholstery"), and</p> <p data-bbox="323 1973 1509 2029">Leabrooks Upholstery Limited a company incorporated in England and Wales with registered number 01207655 ("Leabrooks Upholstery" and together with</p>

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## Particulars of a mortgage or charge

### 6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

SBIL, Duresta Upholstery, G Plan Upholstery and Derwent Upholstery, the "Chargors" and each a "Chargor")

"DRAG" means a debt restructuring agreement dated 17 September 2010 and made between, amongst others, SBIL, the PPF, CTPTL, Barclays Bank PLC, the Banks (as defined therein)

"Documents" means the Financing Documents and the Transaction Documents

"Encumbrance" means any mortgage, standard security, charge, assignment or assignation by way of security, pledge, hypothecation, lien, right of set-off, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same, or any agreement to sell or otherwise dispose of any asset on terms whereby such asset is or may be leased to or re-acquired or acquired by any Chargor

"Facility Agent" means Barclays Bank plc

"Finance Parties" means all and each of the Facility Agent, the Security Trustee, the Issuing Bank and the Banks (including for the avoidance of doubt, any Bank in its capacity as Ancillary Bank and any Bank that has acceded to the DRAG pursuant to the terms thereof; and a "Finance Party" shall be construed accordingly

"Financing Documents" has the meaning ascribed to such term in the Senior Credit Agreement

"First Ranking Debenture" means the composite guarantee and debenture dated 1 July 2005 granted by the Chargors and Cameo Sofa Company Limited (formerly known as Crimsontrail Limited) in favour of Barclays Bank PLC as security trustee.

"First Ranking Security" means the First Ranking Debenture and any other security interests from time to time created by the Chargors pursuant to the First Ranking Debenture or otherwise to secure the obligations and liabilities of the Chargors to the Finance Parties under or pursuant to the Financing Documents

"Issuing Bank" means Barclays Bank plc

"Loan Note Instrument" means the instrument in the agreed form under which the Loan Notes are constituted

"Loan Note Security Documents" means the Debenture and any other document creating security to secure the Loan Notes

"Loan Notes" means the £1,000,000 guaranteed floating rate loan notes due 2040 in the agreed form issued or to be issued by SBIL to the Pension Trustee

"Newco" means CTRLBS Principal Employer Limited (registered in England No 0693069) whose registered office is at Wilson House, Unit 5 Ashtree Court,

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## Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p>Woodsy Close, Cardiff Gate Business Park, Cardiff, CF23 8RW.</p> <p><b>"New Shareholders Agreement"</b> means the new shareholders agreement in the agreed form made or to be made, among others, between SBIL and CTPTL</p> <p><b>"Pension Deed"</b> means the deed of amendment, adherence and substitution and regulated apportionment arrangement relating to the Pension Scheme in the agreed form and made between, amongst others, the Chargors, Newco and CTPTL</p> <p><b>"Pension Scheme"</b> means the Christie-Tyler plc Retirement Benefits Scheme</p> <p><b>"Pension Trustee"</b> means CTPTL (acting, in relation to any debt due by Newco to the Pension Scheme by or with the consent of the PPF from the commencement of an Assessment Period and so long as the Assessment Period continues and/or the provisions of s137(2) of the Pensions Act 2004 apply in relation to such Pension Scheme and <b>provided that</b> the Assumptions remain true and accurate) or the PPF if the PPF assumes responsibility for the Pension Scheme pursuant to the relevant legislation</p> <p><b>"Property"</b> means</p> <p>(a) Bays 1-9 Unit A, Fields Farm Road, Long Eaton Industrial Estate, Long Eaton, Nottinghamshire owned by Duresta Upholstery Limited (Legal Owner) as comprised in two leases dated 1 June 1987 and 21 July 1989 respectively and registered with title absolute under numbers DY348189 and DY195689,</p> <p>(b) Unit 7/8, Severn Road, Treforest Industrial Estate, Treforest, Mid Glamorgan owned by G. Plan Upholstery Limited (Legal Owner) as comprised in a lease dated 5 April 1988 (which commenced 1 July 1987) and a subsequent assignment dated 28 September 2005 and registered with title absolute under title no WA670475.</p> <p><b>"Restated Agreement"</b> means the Senior Credit Agreement, as amended in the form set out in the DRAG.</p> <p><b>"Security"</b> means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect</p> <p><b>"Security Trustee"</b> means Barclays Bank plc</p> <p><b>"Senior Credit Agreement"</b> means a credit agreement dated 1 July 2005 made between SBIL, certain banks and Barclays Bank PLC as facility agent, security trustee and issuing bank, as amended and restated by amendment and restatement agreements dated 16 February 2007 and 31 March 2008 respectively and the DRAG (as so amended and restated, the <b>"Senior Credit Agreement"</b>) certain facilities were made available on the terms and conditions contained in the Senior Credit Agreement.</p> <p><b>"Subsidiary"</b> means a subsidiary within the meaning of sections 1159 and 1160 of the Companies Act 2006</p> <p><b>"Transaction Documents"</b> means the DRAG, the Pension Deed, the Restated Agreement, the New Shareholders Agreement, the Loan Note Instrument, the</p>	

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Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p>Loan Notes and the Loan Note Security Documents.</p>	



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## Particulars of a mortgage or charge

### 7 Particulars as to commission, allowance or discount (if any)

Please insert the amount or rate percent of any commission, allowance or discount paid or made either directly or indirectly by the company to any person on consideration of his

- subscribing or agreeing to subscribe, whether absolutely or conditionally, or
- procuring or agreeing to procure subscriptions, whether absolute or conditional,

for any debentures included in this return The rate of interest payable under the terms of the debentures should not be entered

Commission allowance  
or discount

N/A

### 8 Delivery of instrument

You must deliver the original instrument (if any) creating or evidencing the charge and these prescribed particulars to the Registrar of Companies within 21 days after the date of creation of the charge (section 860) If the property is situated and the charge was created outside the United Kingdom (UK), you must deliver the information to the Registrar within 21 days after the date on which the instrument could have been received in the UK in the normal course of post and assuming you had posted it promptly (section 866)

We will accept a verified copy of the instrument creating the charge where the property charged is situated and the charge was created outside the UK (section 870) The company or the person who has delivered the copy to the Registrar must verify it to be a correct copy and sign it Where a body corporate gives the verification, an officer of that body must sign it We will also accept a verified copy where section 867(2) applies (property situated in another part of UK)

### 9 Signature

Please sign the form here

Signature

Signature

X Everheds LLP

X

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

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## Particulars of a mortgage or charge



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form and will establish where we return the original documents. The contact information you give will be visible to searchers of the public record.

Contact name Lowri Gwyn

Company name Eversheds LLP

Address 1 Callaghan Square

Post town Cardiff

County/Region

Postcode C F 1 0 S B T

Country

DX DX 33016 Cardiff

Telephone 0845 497 9797



### 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 the original deed with this form
- ☐ You have entered the date the charge was created
- ☐ You have supplied the description of the instrument
- ☐ You have given details of the amount secured by the mortgagee or chargee
- ☐ You have given details of the mortgagee(s) or person(s) entitled to the charge
- ☐ You have entered the short particulars of all the property mortgaged or charged
- ☐ You have signed the form
- ☐ You have enclosed the correct fee



### 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.

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](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.companieshouse.gov.uk)



## **CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE**

**Pursuant to section 869(5) & (6) of the Companies Act 2006**

**COMPANY NO. 5456332  
CHARGE NO. 2**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES  
HEREBY CERTIFIES THAT A DEBENTURE DATED 17  
SEPTEMBER 2010 AND CREATED BY SOFA BRANDS  
INTERNATIONAL LIMITED FOR SECURING ALL MONIES DUE  
OR TO BECOME DUE FROM EACH CHARGOR TO THE PENSION  
TRUSTEE ON ANY ACCOUNT WHATSOEVER UNDER THE  
TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING  
OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT  
TO CHAPTER 1 PART 25 OF THE COMPANIES ACT 2006 ON THE  
24 SEPTEMBER 2010

GIVEN AT COMPANIES HOUSE, CARDIFF THE 27 SEPTEMBER  
2010

D9



*Companies House*  
— for the record —



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES