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CHFP041

COMPANIES FORM No. 395

Particulars of a mortgage or charge**395****A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.**Please do not
write in
this marginPlease complete
legibly, preferably
in black type or
bold block
lettering* Insert full name
of company

Pursuant to section 395 of the Companies Act 1985

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

For official use Company number



05772536

Name of company

* Avance Holdings (No.2) Limited (the "Company")

Date of creation of the charge

7 July 2006

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

5. Debenture (the "Debenture")

Amount secured by the mortgage or charge

7. See attached Schedule, Part I

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

✓ Sovereign Capital Partners LLP (in its capacity as security trustee for and on behalf of itself
25 Buckingham Gate and the Investors) (the "Security Trustee")
London

Postcode SW1E 6LD

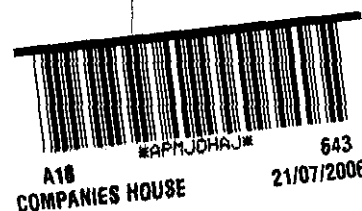
Presentor's name, address and
reference (if any):
Ref: YAZ (0907798)
Osborne Clarke, 2 Temple Back
East
Temple Quay
Bristol BS1 6EG
DX 7818 Bristol

Time critical reference

For official use (06/2005)

Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

See attached Schedule, Part II

Please do not
write in
this margin

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

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

Particulars as to commission allowance or discount (note 3)

Nil

Signed *Osborne Clarke*

Date

20 July 2006

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

Notes

†Delete as
appropriate

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 are to be made payable to **Companies House**.
6. The address of the Registrar of Companies is:- Companies House, Crown Way, Cardiff CF4 3UZ.

AVANCE HOLDINGS (NO. 2) LIMITED
(COMPANY NUMBER: 05772536)

SCHEDULE TO FORM M395

Part I: Amount secured by the mortgage or charge

Under Clause 2 of the Debenture, the Company covenanted to pay on demand to the Security Trustee or discharge (as the case may be) all the Secured Liabilities when the Secured Liabilities become due.

Under Clause 3 of the Debenture, the Company agreed to pay to the Security Trustee interest on the Secured Liabilities when due (after as well as before any demand made or judgement obtained or the liquidation or administration of the Company) at the Default Rate upon such days as the Security Trustee from time to time may determine and such interest will be compounded in the event of it not being paid punctually in accordance with the usual practice of the Security Trustee but without prejudice to the right to require payment of such interest when due.

Under Clause 12.1 of the Debenture, the Company undertook to pay on demand to the Security Trustee or the Receiver (as the case may be) and discharge all Costs payable by it pursuant to the Debenture on a full and unlimited indemnity basis, together with interest at the default rate from the date the relevant Cost was expended, incurred or suffered (whichever is the earlier) by the Security Trustee or the Receiver (as the case may be) until full discharge of such Cost.

Part II: Short particulars of all the property mortgaged or charged

Under Clause 4 of the Debenture, by way of continuing security in favour of the Security Trustee for the payment and discharge of the Secured Liabilities, the Company with full title guarantee charged or assigned to the Security Trustee (as the case may be) the property and assets set out in Clause 4 of the Debenture in the manner set out in Clause 4 of the Debenture as follows:

- (a) by way of fixed charge by way of legal mortgage, the Scheduled Property and all Rights relating to the Scheduled Property;
- (b) by way of fixed charge, the Property (except the Scheduled Property validly charged in Clause 4.1 of the Debenture) and all Rights relating to such Property;
- (c) by way of fixed charge, the Contracts;
- (d) by way of fixed charge, the Book Debts;
- (e) by way of fixed charge, all the Intellectual Property owned, possessed or controlled by the Company;
- (f) by way of fixed charge, the Plant and Machinery;
- (g) by way of fixed charge, the Shares and Derivative Assets;
- (h) by way of fixed charge, all the goodwill and uncalled capital for the time being of the Company; and

- (i) by way of floating charge, all the undertaking and assets of the Company whatsoever, wherever situate, whether movable, immovable, present or future (including, without limitation, its uncalled capital for the time being and all the undertaking and assets of the Company referred to above which are, for any reason, not validly charged or assigned (as the case may be) pursuant to Clauses 4.1 (Scheduled Property) to 4.8 (Goodwill) (inclusive) of the Debenture).

The floating charge created by the Debenture is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

N.B.

Under Clause 6 of the Debenture, the Company shall:

- (a) forthwith, at any time if so required by the Security Trustee, at its own expense, execute and deliver to the Security Trustee such further legal or other mortgages, charges, assignments, securities, authorities and documents as the Security Trustee may in its discretion require of the whole or such part of the Charged Property as the Security Trustee may specify, in such form as the Security Trustee may in its discretion require, to secure the payment or discharge of the Secured Liabilities, including, without limitation, in order to vest the whole or such part of the Charged Property in the Security Trustee, the nominee of the Security Trustee or in any purchaser from the Security Trustee or the Receiver;
- (b) pending the execution and delivery of any such assignments, hold such Charged Property upon trust for the Security Trustee subject to the provisions of the Debenture; and
- (c) pending the execution and delivery of any such mortgages, charges or other security, hold such Charged Property subject to the provisions of the Debenture.

Under Clause 8 of the Debenture, the Company shall not without the prior written consent of the Security Trustee:

- (a) create, purport to create or allow to subsist, any Security Interest over the whole or any part of the Charged Property except for any Permitted Security Interest;
- (b) convey, assign, transfer, factor, lease or otherwise dispose of, nor agree to convey, assign, transfer, factor lease or otherwise dispose of the whole or any part of the Charged Property or their rights in and to the Charged Property;
- (c) permit or agree to any variation of the rights attaching to the whole or any part of the Charged Property;
- (d) do, cause or permit to be done anything which may in the opinion of the Security Trustee, in any way depreciate, jeopardise or otherwise prejudice the value to the Security Trustee (whether monetary or otherwise) of the whole or any part of the Charged Property;

- (e) 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 save as expressly provided in the Debenture; or
- (f) take any steps for the appointment of an administrator without first giving to the Security Trustee 5 Business Days' notice of its intention to do so.

Under Clause 19.1 of the Debenture, the Company irrevocably appoints, by way of security the Security Trustee, each person deriving title from the Security Trustee and the Receiver, jointly and severally to be its attorney (with full power to appoint substitutes and to sub-delegate) for it, in its name, on its behalf and as its act and deed or otherwise to sign or execute any deed or document or do any act or thing which the Company is, or may become, obliged to sign, execute or do pursuant to the Debenture or which the Security Trustee, the Receiver or any person deriving title from the Security Trustee or the Receiver in the discretion of such person may think fit in connection with the exercise of any of the powers of such person or the realisation of any security constituted by the Debenture.

Without prejudice to the generality of Clause 19.1 of the Debenture, under Clause 19.2 of the Debenture, the Company unconditionally undertook to the Security Trustee, and separately to the Receiver and to each person deriving title from the Security Trustee or the Receiver, that it shall ratify and confirm anything done or purported to be done by any attorney appointed pursuant to Clause 19.1 of the Debenture.

Definitions

"Book Debts" means:

- (a) all book and other debts in existence from time to time (including, without limitation, any sums whatsoever owed by banks or similar institutions), both present and future, due, owing to or which may become due, owing to or purchased or otherwise acquired by the Company; and
- (b) the benefit of all rights whatsoever relating to the debts referred to above including, without limitation, any related agreements, documents, rights and remedies (including, without limitation, negotiable or non-negotiable instruments, guarantees, indemnities, legal and equitable charges, reservation of proprietary rights, rights of tracing, unpaid vendor's liens and all similar connected or related rights and assets);

"Business Day" means any day (other than a Saturday or a Sunday) on which clearing banks are open for business in the City of London;

"Charged Property" means the whole or any part of the property, assets, income and undertaking of the Company from time to time mortgaged, charged or assigned to the Security Trustee pursuant to the Debenture;

"Contracts" means all the Company's rights, title, interest and benefit in and to any contract in respect of the whole or any part of the Charged Property to which the Company is a party;

"Costs" means all costs, charges or expenses of whatsoever nature (including, without limitation, legal fees) including, without limitation, disbursements and any value added tax to be charged on such costs, charges, expenses and disbursements;

"Default Rate" means the default rate of 2% per annum above the interest rate set out in condition 2.1 of the Loan Note Instrument;

"Derivative Assets" means all stocks, shares, warrants or other securities, rights, dividends, interest or other property (whether of a capital or income nature) accruing, offered, issued or deriving at any time by way of dividend, bonus, redemption, exchange, purchase, substitution, conversion, consolidation, subdivision, preference, option or otherwise attributable to any of the Shares or any Derivative Assets previously described;

"Fixtures" means all assets of whatsoever nature, apart from land and buildings, forming part of any freehold or leasehold property owned by the Company and deemed by law to be immovable property other than tenant's fixtures;

"Insolvency Act" means the Insolvency Act 1986 unless otherwise stated;

"Intellectual Property" means all subsisting patents and subsisting rights of a similar nature held in any part of the world, applications for patents and such rights, divisions and continuations of such applications for patents, registered and unregistered trade marks, registered and unregistered service marks, registered designs, utility models (in each case for their full period and all extensions and renewals of them), applications for any of them and the right to apply for any of them in any part of the world, inventions, confidential information, Know-how, business names, trade names, brand names, copyright and rights in the nature of copyright, design rights and get-up and any similar rights existing in any country; and the benefit (subject to the burden) of any and all agreements, arrangements and licences in connection with any of the foregoing;

"Investors" means those investors whose details are set out in Schedule 2 to the Debenture (and their successors, transferees and assigns);

"Know-how" means all the body of knowledge, technical experience, expertise and skills, technical processes, secret processes, formulae and technical information held by the Company and relating to its business, which is not in the public domain;

"Loan Note Instrument" means the loan note instrument of the Company dated the same date as the Debenture constituting the Loan Notes;

"Loan Notes" means the £6,334,000 15% secured loan notes 2013 constituted and issued by the Company under and pursuant to the Loan Note Instrument;

"LPA" means the Law of Property Act 1925;

"Occupational Leases" means all leasehold interests and other occupational rights whatsoever (including, without limitation, all licences and agreements for leases) in existence from time to time relating to the whole or any part of the Property, the immediate reversion to which is vested in the Company;

"Permitted Security Interest" means:

- (a) the security constituted by the Debenture;
- (b) any security granted in favour of The Royal Bank of Scotland plc;
- (c) any security granted in favour of Jarlath McHale (as security trustee for the managers); and
- (d) liens arising by operation of law in the ordinary course of business;

"Plant and Machinery" means all plant and machinery, equipment, fittings, installations and apparatus, tools, motor vehicles and all other such assets (other than Fixtures) whatsoever, wherever situate, which are now, or at any time after the date of the Debenture become, the property of the Company;

"Property" means all estates and other interests in any freehold, leasehold or other immovable property (including, without limitation, all Fixtures on such property) which are now, or at any time after the date of the Debenture become, the property of the Company, all proceeds of sale derived from such property and the benefit of all covenants to which the Company is entitled in respect of such property;

"Receiver" means any receiver appointed pursuant to the Debenture, including, for the avoidance of doubt, a receiver and manager, a manager or an administrative receiver;

"Rights" means all the Company's rights, title and interest from time to time in any lease, licence or occupational right whatsoever together with the entire benefit of all the Company's rights, title and interest from time to time in any renewal of, replacement of or variation to any such lease, licence or occupational right (including, without limitation, all its rights, title and interest in any Occupational Lease, agreement for any Occupational Lease and any associated agreements which may be granted by the Company or any person deriving title from the Company from time to time over or in respect of the whole or any part of the Property and any other properties (freehold or leasehold) in which the Company has an interest);

"Scheduled Property" means all the property short particulars of which are set out in the Schedule (The Scheduled Property) to the Debenture (if any), including, without limitation, all Fixtures on such property;

"Secured Liabilities" means all moneys, debts and liabilities from time to time due, owing or incurred by the Company to the Security Trustee or the Investors under or in connection with the Loan Note Instrument or the Debenture, in each case:

- (a) whether present or future;
- (b) whether alone or jointly with any other person;
- (c) whether actual or contingent;
- (d) whether as principal or as surety;
- (e) in whatsoever name, form or style;
- (f) in whatsoever currency denominated; or
- (g) otherwise,

including, without limitation, under bonds, guarantees, indemnities, or any instruments from time to time entered into by the Security Trustee or the Investors for or at the request of the Company together with interest to the date of payment at such rates and upon such terms as may from time to time be agreed and all commission, fees, costs and other charges (including, without limitation, legal fees) on a full indemnity basis;

"Security Interest" means any mortgage, charge, standard security, assignation, assignment, pledge, lien, right of set-off, hypothecation, encumbrance, priority or other security interest (whether fixed or floating) including, without limitation, any **"hold-back"** or **"flawed asset"** arrangement together with any preferential right,

retention of title, deferred purchase, leasing, sale or purchase, sale and leaseback arrangement, trust agreement, declaration of trust, trust arising by operation of law, any option or agreement for any of the same or any arrangement which has substantially the same commercial or substantive effect as the creation of security; and

"Shares" means all stocks, shares and other securities owned by the Company from time to time.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 05772536

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 7th JULY 2006 AND CREATED BY AVANCE HOLDINGS (NO.2) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO SOVEREIGN CAPITAL PARTNERS LLP (IN ITS CAPACITY AS SECURITY TRUSTEE FOR AND ON BEHALF OF ITSELF AND THE INVESTORS (THE SECURITY TRUSTEE) UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 21st JULY 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 26th JULY 2006.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES