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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 margin

*Please 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

☐ ☐ ☐ ☐

5989700

Name of company

*NFAH Limited (the "Company")

Date of creation of the charge

7 December 2006

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

Loan note debenture (the "Loan Note Debenture") made between (1) the Company and (2) Sovereign Capital Partners LLP (the "Trustee").

Amount secured by the mortgage or charge

Please see the attached continuation sheet for the definitions used in this section.

The amount secured by the Loan Note Debenture are the Secured Liabilities.

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

Sovereign Capital Partners LLP, 25 Buckingham Gate, London

Postcode SW1E 6LD

Presenter's name, address and
reference (if any):

Jones Day
21 Tudor Street
London
EC4Y 0DJ
DX 67 - London/Chancery
JP009720

Time critical reference

For official use (02/2006)
Mortgage Section

Post room

WEDNESDAY



A52

AS5VYL3

20/12/2006

115

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

Please see the attached continuation sheet.

Please do not
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*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)*

*† Delete as
appropriate*

Particulars as to commission allowance or discount (note 3)

Nil

Signed

James Day

Date

19/12/06

On behalf of ~~[company]~~ ~~[mortgage/charge]~~ †

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

Continuation Sheet 1

Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985

Company number : 5989700

Name of company : NFAH Limited

Short particulars of all the property mortgage or charged (continued):

1.1 Covenant to Pay

- (A) Pursuant to clause 2 (*Covenant to Pay*) of the Loan Note Debenture, subject to the provisions of any Deed of Priority, the Company as primary obligor covenants with the Trustee as agent for itself and the Stockholders from time to time that it will pay or discharge the Secured Liabilities on the due date(s) therefor.
- (B) Any amount not paid thereunder when due shall bear interest (as well after as before judgment, payable on demand and compounded monthly) at the relevant Default Rate from the due date until the date such amount is unconditionally and irrevocably paid and discharged in full.

1.2 Fixed Security

Pursuant to clause 3 (*Fixed Security*) of the Loan Note Debenture, subject to the terms of any Deed of Priority, the Company with full title guarantee, as security for the payment of all Secured Liabilities:

- (A) charges in favour of the Trustee as agent for itself and the Stockholders from time to time by way of legal mortgage:
 - (1) all the Mortgaged Property together with all buildings and Fixtures thereon, the proceeds of sale of all or any part thereof and the benefit of any covenants for title given or entered into by any predecessor in title of the Company and any moneys paid or payable in respect of such covenants; and ✓
 - (2) all estates or interests in any other freehold or leasehold property wheresoever situate now or after the date of the Loan Note Debenture belonging to it and all buildings and Fixtures thereon, the proceeds of sale of all or any part thereof and the benefit of any covenants for title given or entered into by any predecessor in title of the Company and any moneys paid or payable in respect of such covenants; ✓
- (B) charges to the Trustee as agent for itself and the Stockholders from time to time by way of fixed charge all Securities together with all Related Rights accruing thereto; and

- (C) to the extent not assigned under the Senior Security, assigns to the Trustee as agent for itself and the Stockholders from time to time by way of absolute assignment all of the Insurances;
- (D) subject to the Senior Security and the Deed of Priority, charges by way of fixed charge to the Trustee as agent for itself and the Stockholders from time to time all of the Company's present and future book and other debts, the proceeds of and the right to demand the same and all other moneys due and owing to the Company or which may become due and owing to it at any time in the future and the benefit of all rights, securities and guarantees of any nature whatsoever now or at any time enjoyed or held by it in relation to any of the foregoing;
- (E) (to the extent that the same are not the subject of a specific assignment or charge pursuant to paragraphs (A) – (D) above) charges to the Trustee as agent for itself and the Stockholders from time to time by way of fixed charge all of the Company's rights and benefits under any agreements entered into by it (including all rights of enforcement of the same and all causes of action in relation thereto and in relation to any representations connected therewith), any letters of credit issued in its favour and all bills of exchange and other negotiable instruments held by it, any beneficial interest, claim or entitlement of the Company in any pension fund, the Company's present and future goodwill, the benefit of all present and future licences, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any of the Premises or Mortgaged Property and the right to recover and receive all compensation which may at any time become payable to it in respect thereof, and the Company's present and future uncalled capital.

1.3 Floating Security

- (A) Pursuant to clause 4 (*Floating Security*) of the Loan Note Debenture, subject to the terms of any Deed of Priority, the Company with full title guarantee, as security for the payment and performance of the Secured Liabilities, charges in favour of the Trustee as agent for itself and the Stockholders from time to time by way of floating charge all its undertaking and assets whatsoever and wheresoever both present and future not otherwise effectively mortgaged, charged by way of fixed charge, or assigned by the Loan Note Debenture.
- (B) The Trustee by notice to the Company may convert the floating charge under the Loan Note Debenture created into a specific charge as regards:
 - (1) subject first to obtaining any consent required under any Deed of Priority, all or any of the Company's assets specified in the notice if (i) the security constituted under the Loan Note Debenture shall become immediately enforceable; or (ii) the Trustee considers such assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy; or
 - (2) subject to the terms of any Deed of Priority any Security Asset which becomes the subject of a Security Interest granted by the Company other than with the consent of the Trustee.
- (C) The floating charge created under the Loan Note Debenture shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge:

- (1) on the appointment of a trustee in bankruptcy, liquidator, administrator or similar officer to the Company or on the making of any administration application (as defined in the Enterprise Act 2002 or otherwise) ; or
- (2) on the making of any order or the passing of any resolution of the Company for the liquidation, winding-up or dissolution of the Company; or
- (3) on the appointment by the Trustee of a Receiver or Receivers of the whole or any part of the Security Assets; or
- (4) on the Company otherwise becoming insolvent or the occurrence of any other Event of Default.

1.4 Continuing Security

- (A) Pursuant to clause 5 (*Continuing Security, etc.*) of the Loan Note Debenture, the Security Interests constituted thereby shall be continuing and will extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.
- (B) If for any reason the Security Interests constituted thereby cease to be a continuing security such Security Interests shall remain effective as security in respect of the Secured Liabilities at the date of such cessation regardless of any subsequent increase or reduction in the amounts of any sums constituting Secured Liabilities.
- (C) Where any discharge (whether in respect of the obligations of the Company or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise without limitation, the liability of the Company under the Loan Note Debenture shall continue as if the discharge or arrangement had not occurred. The Trustee may concede or compromise any claim that any present security or other disposition is liable to avoidance or restoration.
- (D) Each part of the security thereby created shall be in addition to and shall not operate so as in any way to prejudice or affect (or be prejudiced or affected by) the security created by any deposit which may already have been or may after the date of the Loan Note Debenture be made with the Trustee (in whatever branch or office) of any title deeds and documents (whether relating to the Mortgaged Property or otherwise) or by any bill note guarantee mortgage charge pledge or other security or remedy or lien on any property (whether real personal or in action) which the Trustee may now or at any time after the date of the Loan Note Debenture hold for or in respect of the Secured Liabilities to the intent that the security thereby created shall not merge therein nor shall any such security merge therein.

1.5 Further assurance

Pursuant to clause 17 (*Further Assurances*) of the Loan Note Debenture, the Company shall at its own expense execute and do all such assurances, acts and things as the Trustee may require for perfecting the Security Interests intended to be created under the Loan Note Debenture over the Security Assets or any part thereof (including without limitation by executing such further security as may be required to secure the Secured Liabilities) or for facilitating the realisation of the Security Assets or any part thereof and in the exercise of all powers, authorities and discretions vested in the Trustee or any Receiver of the Security Assets or any part thereof or in any such delegate or sub-delegate as aforesaid. The Company

shall in particular but without limitation execute all transfers, conveyances, assignments and assurances of the Security Assets or any part hereof whether to the Trustee or to its nominees and give all notices, orders and directions and make all registrations which the Trustee may think expedient. The Company will at the request of the Trustee execute a legal mortgage, charge or assignment over all or any of the Security Assets subject to or intended to be subject to any fixed security created in favour of the Trustee in such form as the Trustee may require in the form of the Loan Note Debenture mutatis mutandis, incorporating such amendments as the Trustee may require having regard to the nature of the asset, the Security Interest to be created and any change in law.

1.6 **Power of attorney**

Pursuant to clause 19 (*Power of Attorney*) of the Loan Note Debenture, the Company by way of security and in order to secure the performance of its obligations under the Loan Note Debenture irrevocably appoints the Trustee and every Receiver of the Security Assets or any part thereof appointed under the Loan Note Debenture and every such delegate or sub-delegate as aforesaid to be its attorney acting severally, and on its behalf and in its name or otherwise, to execute and do all such assurances, acts and things which the Company ought to do under the covenants and provisions contained in the Loan Note Debenture (including, without limitation, to make any demand upon or to give any notice or receipt to any person owing moneys to the Company and to execute and deliver any charges, legal mortgages, assignments or other security and any transfers of securities) and generally in its name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by the Loan Note Debenture or by statute on the Trustee or any such Receiver, delegate or sub-delegate and to sell and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which it or he may deem proper in or for the purpose of exercising any of such powers, authorities and discretions. The Company hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney as is mentioned in clause 19 (*Power of Attorney*) of the Loan Note Debenture shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in that clause 19.

Definitions

"Deed of Priority" means any Deed of Priority (including without limitation the Intercreditor Deed) referred to in the Loan Stock Instrument, as from time to time amended novated or supplemented.

"Default Rate" means in relation to any outstanding amount owed by the Company, four per cent. per annum above the base rate for the time being of National Westminster Bank Plc, net of any deduction of tax required by law to be deducted from the payment.

"Event of Default" means an Event of Default for the purposes of the Loan Stock Instrument.

"Facilities Agreement" means the facility agreement dated 7 December 2006 between, amongst others, (1) The Royal Bank of Scotland and (2) NFAH Limited.

"Fixtures" means in relation to any freehold or leasehold property charged by or pursuant to the Loan Note Debenture, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon owned by the Company.

"Group" means the Company and any holding company from time to time of the Company and any subsidiary from time to time of the Company and/or any such holding company.

"Guarantor" means a guarantor which has granted a guarantee pursuant to the Loan Stock Instrument.

"Insurances" means all contracts and policies of insurance of whatever nature which are from time to time taken out by or on behalf of the Company or (to the extent of such interest) in which the Company has an interest, any proceeds thereof, all rights to demand the same and the debts represented thereby.

"Intercreditor Deed" means the intercreditor deed dated 7 December 2006 between, amongst others, (1) The Royal Bank of Scotland, (2) NFAH Limited and (3) the Obligors (as defined therein).

"Issuer" means NFAH Limited.

"Loan Stock" means the Loan Stock constituted by the Loan Stock Instrument, as the same and its conditions may from time to time be amended supplemented or novated.

"Loan Stock Instrument" means the deed dated on or about the date of this deed under which the Company constituted Series A 10% Secured Loan Stock, as such deed may from time to time be amended supplemented or novated.

"Mortgaged Property" means the freehold/leasehold property specified in the Schedule to the Loan Note Debenture and any other freehold or leasehold property for the time being comprised in the definition of Security Assets.

"Premises" means all buildings and erections for the time being comprised within the definition of **"Security Assets"**.

"RBSIF Charges" means the debentures in the agreed form between RBS Invoice Finance Limited and The National Fostering Agency Limited and The National Fostering Agency (Scotland) Limited.

"RBSIF Documents" means the RBSIF Charges, the RBSIF Facilities Agreements and the RBSIF Guarantees and any document pursuant to them.

"RBSIF Facilities Agreements" means each of the agreements dated 10 March 1997 and 7 August 2006 and made between RBS Invoice Finance Limited and The National Fostering Agency Limited and The National Fostering Agency (Scotland) Limited.

"RBSIF Guarantees" means the guarantees in the agreed form between RBS Invoice Finance Limited and The National Fostering Agency Limited and The National Fostering Agency (Scotland) Limited.

"RBSIF Liabilities" means any liability payable or owing at any time by any member of the Group to RBS Invoice Finance Limited under the RBSIF Documents.

"Receiver" means a receiver and manager, a receiver or manager appointed under this Deed or any other security document and, as the context permits, shall include administrative receiver as defined in the Insolvency Act 1986.

"Related Rights" means in relation to shares or any other securities, all dividends and interest paid or payable in relation thereto and all shares, securities, rights, moneys or property accruing or offered at any time in relation to such shares or other securities by way of redemption, substitution, exchange, bonus or preference, pursuant to option rights or otherwise any proceeds thereof, all rights to demand the same, and the debts represented thereby.

"Securities" means any stocks, shares, debentures, bonds and other securities and investments held by the Company.

"Security Assets" means subject as herein described, all property assets and undertaking of the Company which are expressed to be the subject of any Security Interest created under the Loan Note Debenture or pursuant thereto, including all property assets and undertaking more particularly described in this Form 395 continuation sheet.

"Security Interest" means any mortgage, pledge, lien, charge, security assignment, hypothecation, security trust or security interest.

"Secured Liabilities" means:

- (i) all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Company to the Trustee and the holders of or other persons entitled or prospectively entitled from time to time to the Loan Stock in respect of the Loan Stock and/or Loan Stock Instrument and/or the Guarantee and/or this deed; and/or;
- (ii) any further instruments or documents governing loan stock or other advances made or guarantees given by any present or former holders of Loan Stock (in that capacity or otherwise) to or for obligations or liabilities of the Issuer or any member(s) of the Group and under any corresponding indemnities and which in any such case by agreement of the Issuer or any Guarantor and the Trustee or by written resolution signed by the Trustee are resolved from time to time to be included within the Secured Liabilities for the purposes of the Loan Note Debenture;

together with all costs, charges and expenses on a full indemnity basis incurred by the Trustee in the protection, preservation and enforcement of its respective rights in relation thereto.

"Senior Liabilities" means any liability owing by a member of the Group in respect of the Facilities Agreement and any related and ancillary documents.

"Senior Security" means all security for the Senior Liabilities and the RBSIF Liabilities referred to in the Deed of Priority.

"Stockholder or holders" means the persons for the time being entered in the register of the Company as holders or joint holders of the Loan Stock (and individually or collectively as in the case of joint holders as "Stockholder or holder").

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 05989700

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A LOAN STOCK DEBENTURE DATED THE 7th DECEMBER 2006 AND CREATED BY NFAH LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO SOVEREIGN CAPITAL PARTNERS LLP AND THE HOLDERS OF OR OTHER PERSONS ENTITLED OR PROSPECTIVELY ENTITLED TO THE LOAN STOCK AND/OR ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY OR ANY MEMBER(S) OF THE GROUP 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 20th DECEMBER 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 28th DECEMBER 2006.

Handwritten signature



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES