



Registration of a Charge

Company name: **MINICABIT LIMITED**

Company number: **07395202**



X6C2KU3T

Received for Electronic Filing: **03/08/2017**

Details of Charge

Date of creation: **27/07/2017**

Charge code: **0739 5202 0011**

Persons entitled: **ALAN THOMAS CARRUTHERS**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **WE CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7395202

Charge code: 0739 5202 0011

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th July 2017 and created by MINICABIT LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd August 2017 .

Given at Companies House, Cardiff on 7th August 2017

The above information was communicated by electronic means and authenticated
by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

THIS DEED is made on 27 JULY

2017 by

- (1) **MINICABIT LIMITED**, a company incorporated under the laws of England and Wales with company registration number 07395202 whose registered address is at 80-83 Long Lane, London, EC1A 9ET (the "Company")

in favour of

- (2) Alan Thomas Cannuthas.....(Insert Lender's Name) of

West Hilling, 10 Binas Hill Drive.....(Insert Lender's Address)

Orsington, Surrey

KT22 0SP

(the "Lender").

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"Account Bank" means any bank or financial institution with whom the Company holds an account, from time to time.

"Charged Property" means all the assets of the Company which from time to time are the subject of the security created or expressed to be created in favour of the Lender by or pursuant to this Deed.

"Collateral Rights" means all rights, powers and remedies of the Lender provided by or pursuant to this Deed or by law.

"Default Rate" means the rate of two per cent. per annum above the Bank of England's base rate.

"Environment" means the air (including the air within buildings and the air within other natural or man-made structures above or below ground), water (including ground and surface water) and land (including surface and sub-surface soil) and any other meaning given to the term under Environmental Law.

"Environmental Law" means any law concerning the protection of the Environment or human health, the condition of any property or of any place of work or the production, storage treatment, transport or disposal of any substance capable of causing harm to any living organism or the Environment.

"EU Regulation" means the Council of the European Union Regulation No. 1346/2000 on insolvency proceedings.

"Event of Default" has the meaning given to it in the Loan Note Instrument.

"Finance Documents" means the Loan Note Instrument, the Loan Notes, this Deed, and any other document designated as such by the Lender and the Company.

"Financial Collateral" shall have the same meaning as in the Financial Collateral Regulations.

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 (S.I. 2003/3226).

"Floating Charge Property" has the meaning given in Clause 3.2 (Floating Charges).

"Indebtedness" means any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint and any guarantee or indemnity of any of those obligations.

"Insurance Policy" means any policy of insurance and cover note in which the Company may from time to time have an interest.

"Intellectual Property" means:

- (a) all present and future patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered;
- (b) the benefit of all applications and rights to use such assets; and
- (c) all Related Rights.

"Investments" means:

- (a) any stocks or other securities, whether held directly by or to the order of a Company or by any trustee, fiduciary or clearance system on its behalf; and
- (b) all Related Rights (including all rights against any such trustee, fiduciary or clearance system).

"Investment Derivative Rights" means all dividends, interest or distributions and all other rights and benefits of an income nature accruing at any time in respect of any Investment.

"Issuer" means the issuer of any Investment.

"Loan Notes" means the convertible loan note(s) issued by the Company in favour of the Lender;

"Loan Note Instrument" means the loan note instrument entered into by the Company and dated on or about the date of this agreement.

"Material Contracts" means:

- (a) any contract entered into by the Company that may from time to time be agreed in writing between the Lender and the Company as a Material Contract; and
- (b) all Related Rights.

"Plant and Machinery" means:

- (a) all equipment, machinery and all other assets of a similar nature which are now, or at any time after the date of this Deed become, the property of the Company; and
- (b) all Related Rights.

"Real Property" means the Company's estates or interests in all freehold (including commonhold), leasehold or other immovable property (including the property specified in Schedule 1 (*Real Property*)), and any buildings, fixtures or fittings from time to time situated on or forming part of such property, and includes all Related Rights.

"Receivables" means:

- (a) all present and future book and other debts and monetary claims owing to a Company; and
- (b) all Related Rights.

"Receiver" means a receiver or receiver and manager or administrative receiver appointed pursuant to the provisions of this Deed or any applicable law.

"Related Rights" means, in relation to any asset,

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

"Secured Obligations" means all present and future obligations and liabilities of the Company to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity under or in connection with the Finance Documents, together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities except for any money or liability which, if it were so included, would cause the infringement of section 678 or 679 of the Companies Act 2006.

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

"Security Financial Collateral Arrangement" shall have the same meaning as in the Financial Collateral Regulations.

"Security Period" means the period starting on the date of this Deed and ending on the date on which all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full and no further Secured Obligations are capable of being outstanding.

1.2 Interpretation

In this Deed:

- (a) clause and schedule headings are for convenience of reference only and shall not affect the construction of this Deed;
- (b) references to Clauses and Schedules are references to the Clauses of and Schedules to this Deed;
- (c) references to this Deed or any other agreement or instrument shall be construed as references to that agreement or instrument as amended, novated, supplemented, extended or restated;
- (d) references to a person shall be construed to include that person's assigns, transferees or successors in title and shall be construed as including any individual, firm, trust, partnership, joint venture, company, corporation, unincorporated body of persons or any state or agency thereof, whether or not having separate legal personality;
- (e) references to a provision of law are references to that provision as amended or re-enacted;
- (f) words importing the singular shall include the plural and vice versa and words denoting any gender shall include all genders;
- (g) the words **"including"** shall not be construed as limiting the generality of the words preceding it.

1.3 Third Party Rights

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce or enjoy the benefit of any term of this Deed.

1.4 Incorporation of Terms

The terms of any Finance Documents and of any side letters between any of the parties thereto are incorporated in this Deed to the extent required to ensure that any disposition of Real Property contained in this Deed is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.5 Effect as a Deed

This Deed is intended to take effect as a deed, notwithstanding that the Lender may have executed it under hand only.

2. COVENANT TO PAY

The Company covenants that it will, on demand, pay and discharge the Secured Obligations to the Lender when due.

3. GRANT OF SECURITY

3.1 Fixed Charges

The Company with full title guarantee charges in favour of the Lender as continuing security for the payment and discharge of the Secured Obligations:

- (a) by way of legal mortgage, the Real Property and all Related Rights;
- (b) by way of fixed charge, any Real Property and all Related Rights now or at any time after the date of this Deed belonging to the Company (other than property mortgaged under Clause 3.1(a) above);
- (c) by way of fixed charge, all Related Rights in relation the Real Property charged pursuant to this Deed;
- (d) by way of fixed charge, all Plant and Machinery and other fixtures and fittings attached to any Real Property;
- (e) by way of fixed charge, all vehicles, computers, office and other equipment owned by the Company, both present and future;
- (f) by way of fixed charge,
 - (i) all present and future bank accounts, cash at bank and credit balances of the Company with any bank or other person;
 - (ii) all Related Rights in relation to the accounts charged pursuant to Clause 3.1(f)(i) above;
- (g) by way of fixed charge, all present and future Receivables;
- (h) by way of fixed charge:
 - (i) all present and future Investments;
 - (ii) all Investment Derivative Rights; and
 - (iii) where any Investment is held in a system for the deposit and settlement of transactions in Investments, all rights against the operator of such system or any participant in respect of such Investment;
- (i) by way of fixed charge, all present and future Intellectual Property;
- (j) by way of fixed charge, the goodwill of the Company;
- (k) by way of fixed charge, the uncalled capital of the Company;
- (l) by way of fixed charge, all rights, interests and claims in the Insurance Policies;
- (m) by way of fixed charge, all rights, interests and claims in the Material Contracts;
- (n) by way of fixed charge, the benefits of all licences, consents and authorisations held in connection with its business or the use of any Charged Property, and the right to any compensation in respect of any of them; and
- (o) by way of fixed charge, all rights, interests and claims in any pension fund now or in the future.

3.2 Floating Charges

Each Company charges and agrees to charge by way of first floating charge all of its present and future:

- (a) assets and undertaking (wherever located) not otherwise effectively charged by way of fixed mortgage or charge pursuant to Clause 3.1 (*Fixed Charges*, or any other provision of this Deed; and
- (b) (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland,

((a) and (b) above together being the "Floating Charge Property").

3.3 Qualifying Floating Charge

Paragraph 14 of schedule B1 of the Insolvency Act 1986 shall apply to any floating charge created by this Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

3.4 Financial Collateral

To the extent that the Charged Property constitutes Financial Collateral, the Company agrees that such Charged Property shall be held or designated so as to be under the control of the Lender (or by a person acting on its behalf) for the purposes of the Financial Collateral Regulations. To the extent that the Charged Property constitutes Financial Collateral and is subject to a Security Financial Collateral Arrangement created by or pursuant to this Deed, the Lender shall have the right at any time after this Deed becomes enforceable, to appropriate all or any part of that Charged Property in or towards the payment or discharge of the Secured Obligations. The value of any Charged Property appropriated in accordance with this Clause shall be (a) in the case of cash, the amount standing to the credit of any account, together with accrued but unposted interest, at the time the right of appropriation is exercised, and (b) in the case of investments, the market price of that Charged Property at the time the right of appropriation is exercised, as listed on any recognised market index, or as determined by such other method as the Lender may select (acting reasonably). The Company agrees that the methods of valuation provided for in this Clause are commercially reasonable for the purposes of Regulation 18 of the Financial Collateral Regulations.

4. CRYSTALLISATION OF FLOATING CHARGE

4.1 Conversion of Floating Charge

The Lender may at any time by notice in writing to the Company immediately convert the floating charge created by Clause 3.2 (*Floating Charges*) into a fixed charge as regards any property or assets specified in the notice if an Event of Default has occurred and is continuing.

4.2 Automatic Conversion

- (a) If, without the prior written consent of the Lender,
 - (i) the Company disposes of any of the Floating Charge Property other than in the ordinary course of trading on an arm's length basis or as otherwise with the prior written consent of the Lender; or
 - (ii) any person levies or attempts to levy any distress, execution or other process against any of the Charged Property; or
 - (iii) a resolution is passed or an order is made for the winding-up, dissolution, or re-organisation of or any steps are taken for the appointment of an administrator in respect of the Company,

the floating charge created under Clause 3.2 (*Floating Charges*) by the Company will automatically be converted (without notice) with immediate effect into a fixed charge in respect of the relevant Floating Charge Property.

- (b) At any time after the floating charge constituted under this Deed shall have crystallised as a fixed charge over all or part of the Charged Property pursuant to this Clause 4 but before the appointment of any Receiver pursuant hereto, the said fixed charge shall upon the written consent of the Lender cease to attach to the assets then subject to the fixed charge and shall again subsist as a floating charge.
- (c) The floating charge created under this Deed shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of the Company.

5. PERFECTION OF SECURITY

5.1 Deposit of Title Documents

If requested by the Lender (acting reasonably), the Company shall deposit with the Lender:

- (a) all deeds and documents of title relating to the Charged Property;
- (b) all Insurance Policies to which the Company is entitled to possession; and
- (c) at the request of the Lender, all certificates relating to the Investments together with stamped stock transfer forms executed in blank and other documents as the Lender may from time to time require for perfecting its title to the Investments or for vesting or enabling it to vest the Investments in itself or its nominees or in any purchaser and

declarations of trust in favour of the Company executed by all persons (other than the Company) in whose name the Investments are registered.

5.2 Notices of Assignment

If an Event of Default has occurred and is continuing, the Company shall, promptly following request by the Lender:

- (a) give notice, in such form notified to the Company, to each Account Bank of the charging of the Company's rights and interest in its bank accounts and shall procure that each Account Bank will promptly provide an acknowledgement to the Lender of such notice;
- (b) give notice, in such form notified to the Company, to each person with whom the Company has entered into a Material Contract of the charging of the Company's rights and interest in and under such Material Contract and shall procure that each addressee of such notice will promptly provide an acknowledgement to the Lender of such notice; and
- (c) give notice, in such form notified to the Company, to each insurer with whom the Company has an Insurance Policy of the charging of the Company's rights and interest in and under such Insurance Policy and shall procure that each addressee of such notice will promptly provide an acknowledgement to the Lender of such notice.

5.3 Registration of Intellectual Property

The Company shall, if requested by the Lender, execute all such documents and do all acts that the Lender may reasonably require to record the interest of the Lender in any registers relating to any registered Intellectual Property.

5.4 Land Registry disposal restriction

In respect of any Real Property or part of or interest in any Real Property title to which is registered at the Land Registry (or any unregistered land subject to first registration), the Company shall apply or consent to an application being made to the Chief Land Registrar to enter the following restriction on the Register of Title for such Real Property:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge, dated [] in favour of [THE LENDER] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its solicitor".

5.5 Tacking

The obligation on the part of the Lender to make further advances to the Company is deemed to be incorporated in this Deed and the Company shall apply to the Chief Land Registrar for a note of such obligation to be entered on the Register of Title of all present and future registered Real Property.

6. FURTHER ASSURANCE

- (a) The Company shall, at its own expense, promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Lender may reasonably specify (and in such form as the Lender may reasonably require):
 - (i) to perfect the Security created or intended to be created under or evidenced by this Deed (which may include the execution of a mortgage, charge, assignment, or other Security over all or any of the assets which are, or intended to be, the subject of this Deed) or for the exercise of any rights, powers and remedies of the Lender;
 - (ii) to confer on the Lender Security over any property and assets of the Company located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this Deed; and/or
 - (iii) to facilitate the realisation of the assets which are, or intended to be, the subject of this Deed.
- (b) The Company shall take all such action as is available to it (including makings all filings and registrations) as may be necessary for the purpose of the creation, perfection,

protection or maintenance of any Security conferred or intended to be conferred on the Lender.

7. UNDERTAKINGS

The Company covenants and agrees with the Lender that it will, during the Security Period, comply with the covenants in this Clause 7 (*Undertakings*).

7.1 General

(a) Notification of default

The Company shall notify the Lender of any Event of Default or event or circumstance which would, on the expiry of any grace period, the giving of notice, the making of any determination, satisfaction of any other condition or any combination thereof, constitute an Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

(b) Authorisations

The Company shall promptly obtain all material consents and authorisations necessary (and do all that is needed to maintain them in full force and effect) under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under this Deed and to ensure the legality, validity, enforceability and admissibility in evidence of this Deed in its jurisdiction of incorporation.

(c) Compliance with law

The Company shall comply in all respects with all laws to which it may be subject if failure to do so would materially impair its ability to perform its obligations under this Deed.

7.2 Charged Property Generally

(a) The Company shall:

- (i)** comply in all material respects with all obligations in relation to the Charged Property under any present or future law, regulation, order or instrument of any competent authority or other approvals, licences or consents; and
- (ii)** comply with all material covenants and obligations affecting any of the Charged Property or the manner of use of any of it.

(b) The Company shall not except with the prior written consent of the Lender, enter into any onerous or restrictive obligation affecting any of the Charged Property.

8. ENFORCEMENT OF SECURITY

8.1 Enforcement

The security constituted by this Deed shall become immediately enforceable at any time after the occurrence of an Event of Default which has not been remedied or waived by the Lender.

8.2 Powers on enforcement

At any time after the security created under this Deed becomes enforceable, the Lender may, without notice to the Company and whether or not it has appointed a Receiver, exercise:

- (a)** all or any of the powers, authorities and discretions conferred on mortgagees by the Law of Property Act 1925 (as varied or extended by this Deed);
- (b)** all of the powers conferred on the holder of a qualifying floating charge (as defined in the Insolvency Act 1986) by the Insolvency Act 1986; and
- (c)** all or any of the powers conferred by this Deed.

8.3 No Liability as Mortgagee in Possession

Neither the Lender nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission for which a mortgagee in possession might otherwise be liable.

9. POWERS OF THE LENDER

9.1 Extension of Powers

The power of sale conferred on the Lender and on any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Deed.

9.2 Restrictions

Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Deed.

9.3 Power of Leasing

At any time after the security created by this Deed becomes enforceable, the Lender may lease or make arrangements to lease, at a premium or otherwise, and accept surrenders of leases without any restriction and in particular without the need to comply with any restrictions imposed by Sections 99 and 100 of the Law of Property Act 1925.

9.4 Discretion

Any liberty or power which may be exercised or any determination which may be made hereunder by the Lender or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

9.5 Delegation

Each of the Lender and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise of such power, authority or discretion by the Lender or the Receiver itself or any subsequent delegation or revocation thereof.

9.6 Power to Remedy

If at any time the Company does not comply with any of its obligations under this Deed, the Lender may (but shall not be obliged to) rectify such default and the Company irrevocably authorises the Lender, its employees and agents, at the Company's expense, to do all such things as are necessary or desirable to rectify such default.

10. APPOINTMENT OF RECEIVER

10.1 Appointment and Removal

(a) At any time after the security created under this Deed becomes enforceable, or if requested to do so by a Company, the Lender may (by deed or otherwise and acting through its authorised officer):

- (i) appoint one or more persons jointly or severally to be a Receiver of the whole or any part of the Charged Property;
- (ii) remove (so far as it is lawfully able) any Receiver(s) so appointed;
- (iii) appoint another person(s) as an additional or replacement Receiver(s); and
- (iv) appoint one or more persons to be an administrator of that Company.

(b) Notwithstanding anything to the contrary in this Deed, neither the obtaining of a moratorium by the Company under schedule A1 to the Insolvency Act 1986 nor the doing of anything by the Company with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as:

- (i) an event under this Deed which causes any floating charge created by this Deed to crystallise;
- (ii) an event under this Deed which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by the Company; or
- (iii) a ground under this deed for the appointment of a Receiver.

10.2 Capacity of Receivers

Each Receiver shall be:

- (a) an agent of the Company which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration; and
- (b) entitled to remuneration for his services at a rate to be fixed by the Lender from time to time (without being limited to the maximum rate specified in Section 109(6) of the Law of Property Act 1925).

11. POWERS OF RECEIVER

11.1 General Powers

Every Receiver shall have all the powers:

- (a) conferred by the Law of Property Act 1925 on mortgagees in possession and receivers appointed under that Act;
- (b) set out in schedule 1 to the Insolvency Act 1986; and
- (c) conferred from time to time on receivers by statute.

11.2 Additional Powers

In addition to the powers referred to in Clause 11.1 (*General Powers*) a Receiver shall have the power, at the reasonable cost of the Company and either in his own name or in the name of the Company or (with the written approval of the Lender) in the name of the Lender:

- (a) to take possession of, collect and get in all or any part of the Charged Property;
- (b) to carry on, manage or concur in carrying on and managing all or any part of the business of the Company;
- (c) to borrow or raise money and secure the payment of any money in priority to the charges created by this Deed for the purpose of exercising his powers and/or defraying any reasonable costs or expenses incurred by him in such exercise;
- (d) without the need to comply with any restrictions imposed by Sections 99 and 100 of the Law of Property Act 1925, to sell, let, lease or concur in selling, letting or leasing and to vary the terms or determine, surrender and to accept surrenders of leases or tenancies of or grant options or licences over all or any part of the Charged Property in any manner and on such terms as he thinks fit and the consideration for any such transaction may consist of cash or of shares or securities of another company (and the amount of such consideration may be dependent on profit or turnover or be determined by a third party) and may be payable in a lump sum or in instalments; all moneys paid to the holder of such Security in accordance with such accounts shall form part of the Secured Obligations;
- (e) to sever any fixtures (including trade and tenants fixtures) from the property of which they form part, without the consent of the Company;
- (f) to exercise all powers, rights and/or obligations under any contract or agreement forming part of the Charged Property, including, without limitation, all voting and other rights attaching to the Investments;
- (g) to make and effect all repairs, renewals, improvements, and insurances;
- (h) to redeem any prior Security in respect of all or any of the Charged Property and to settle and pass the accounts of the holder of such prior Security and any accounts so settled and passed will, in the absence of manifest error, be conclusive and binding on the Company; all moneys paid to the holder of such Security in accordance with such accounts shall form part of the Secured Obligations;
- (i) to promote the formation of subsidiaries of the Company for the purpose of purchasing, leasing, licensing or otherwise acquiring interests in all or any of the assets of the Company and to arrange for any such subsidiaries to trade or cease to trade on such terms as the Receiver thinks fit;
- (j) to take such proceedings and to make any arrangement or compromise which the Lender or the Receiver may think fit;

- (k) to appoint managers, officers and agents at such salaries and for such periods as the Receiver may determine;
- (l) to exercise in relation to all or any part of the Charged Property all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Charged Property; and/or
- (m) to do all other acts and things as may be considered by the Receiver to be incidental or conducive to the above or otherwise expedient for or incidental or conducive to the preservation, improvement or realisation of the Charged Property.

12. APPLICATION OF MONEYS

12.1 Application

- (a) All moneys received or recovered by the Lender or any Receiver pursuant to this Deed shall (subject to the rights and claims of any person having security ranking in priority to the security constituted by this Deed) be applied in the following order:
 - (i) first, in satisfaction of, or provision for, all reasonable costs, charges and expenses incurred by the Lender or any Receiver and the payment of the remuneration of any Receiver;
 - (ii) second, in or towards payment of any debts or claims which are required by law to be paid in preference to the Secured Obligations, but only to the extent to which such debts or claims have such preference;
 - (iii) third, in or towards payment of all matters referred to in the first three paragraphs of Section 109(8) of the Law of Property Act 1925 (other than the remuneration of the Receiver);
 - (iv) fourth, in or towards satisfaction of the Secured Obligations; and
 - (v) fifth, any surplus shall be paid to the Company or any other person entitled thereto.
- (b) Only money actually paid by the Receiver to the Lender, or received or recovered by the Lender under this Deed, shall be capable of being applied in or towards the satisfaction of the Secured Obligations and the Company shall have no rights in respect of the application by the Lender of any sums received, recovered or realised by the Lender under this Deed.

12.2 Suspense Account

Until all Secured Obligations have been irrevocably and unconditionally paid and discharged in full, the Lender and any Receiver may place and keep for such time as it thinks prudent any moneys received, recovered or realised under or by virtue of this Deed in a separate or suspense account to the credit of either the Company or of the Lender without any obligation to apply all or any part of such moneys in or towards the discharge of the Secured Obligations. Amounts standing to the credit of such suspense account shall bear interest at a fair market rate.

12.3 Avoidance of Payments

If the Lender reasonably considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Company under this Deed and the security constituted hereby shall continue and such amount shall not be considered to have been irrevocably paid.

12.4 Use of Insurance proceeds

All moneys receivable by virtue of any of the Insurance Policies shall be paid to the Lender (or if not paid by the insurers directly to the Lender shall be held on trust for the Lender) and shall at the option of the Lender be applied in replacing, restoring or reinstating the Charged Property (any deficiency being made good by the Company) or (except where the Company is obliged (as landlord or tenant) to lay out such insurance moneys under the provisions of any lease of any Real Property) in reduction of the Secured Obligations.

13. PROTECTION OF PURCHASERS

13.1 Receipts

The receipt of the Lender or its delegate or any Receiver shall be conclusive discharge to a purchaser in any sale or disposal of any of the Charged Property.

13.2 Protection of Purchasers

No purchaser or other person dealing with the Lender or its delegate or any Receiver shall be bound to inquire whether the right of the Lender or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any notice to the contrary, or be concerned to see whether any such delegation by the Lender shall have lapsed for any reason or have been revoked.

14. POWER OF ATTORNEY

14.1 Appointment

Following an Event of Default, the Company (by way of security and to more fully secure the performance of its obligations under this Deed) irrevocably appoints the Lender, each person to whom the Lender shall from time to time have delegated the exercise of the power of attorney conferred by this Clause and any Receiver jointly and severally to be its attorney and in its name and on its behalf to execute, deliver and perfect all documents and to do all things which the attorney may consider to be necessary for:

- (a) carrying out any obligation imposed on the Company by this Deed that the Company has failed to perform (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Charged Property); and
- (b) enabling the Lender and any Receiver to exercise any of the powers conferred on them by or pursuant to this Deed or by law.

14.2 Ratification

The Company ratifies and confirms and agree to ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

15. CONTINUING SECURITY

15.1 Continuing Security

The security created by or pursuant to this Deed will be a continuing security for the Secured Obligations notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or other matter or thing whatsoever and will be without prejudice and in addition to and shall not merge with any other right, remedy or security which the Lender may hold at any time for the Secured Obligations and will not be affected by any release, reassignment or discharge of such other right, remedy or security.

15.2 Settlements conditional

Any release, discharge or settlement between the Company and the Lender shall be conditional upon no security, disposition or payment to the Lender by the Company or any other person being void, set aside or ordered to be refunded pursuant to any enactment or law relating to bankruptcy or insolvency or for any other reason whatsoever, and if such condition shall not be fulfilled the Lender shall be entitled to enforce this Deed subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.

16. SET-OFF AND CURRENCY

16.1 Consolidation of accounts and set off

In addition to any general lien or similar rights to which it may be entitled by operation of law, the Lender may at any time and without notice to the Company combine or consolidate all or any of the Company's then existing accounts with and liabilities to the Lender and set off or transfer any sum or sums standing to the credit of any one of more of such accounts in or towards satisfaction of the Secured Obligations.

16.2 Currency

For the purpose of or pending the discharge of the Secured Obligations, the Lender may, in its sole discretion, convert any moneys received, recovered or realised in any currency under this Deed (including the proceeds of any previous conversion under this Clause) from their existing currency into any other currency at such rate or rates of exchange and at such time as the Lender thinks fit.

17. EXPENSES AND INDEMNITY

17.1 Expenses

The Company shall, from time to time on demand of the Lender, pay or reimburse the Lender on a full indemnity basis for all reasonable costs and expenses (including legal fees) together with any VAT or similar taxes thereon incurred by it in connection with the preparation, execution, perfection, amendment, enforcement, discharge and/or assignment of this Deed. Such reasonable costs and expenses shall form part of the Secured Obligations and shall carry interest from the date of such demand until so paid or reimbursed at the Default Rate.

17.2 Indemnity

The Company shall, notwithstanding any release or discharge of all or any part of the security constituted by this Deed, indemnify the Lender, its agents, attorneys and any Receiver against any action, proceeding, claim, loss, liability and cost which it may sustain:

- (a) in the exercise (or purported exercise) of any of the rights, powers or discretions vested in them by this Deed (or by law); and/or
- (b) in connection with or otherwise relating to this Deed or the Charged Property.

18. MISCELLANEOUS

18.1 No Deduction

All payments to be made to the Lender under this Deed shall be made in freely available funds and shall be made clear of and without deduction for or on account of tax. If the Company is required by law to make a tax deduction, the sum payable by the Company shall be increased to the extent necessary to ensure that, after the making of such deduction, the recipient of such sum receives and retains a net sum equal to the sum which it would have received and retained had no such deduction been made or required to be made.

18.2 Assignment and disclosure of information

The Lender may, with the prior written consent of the Company, assign and transfer all or any of its rights and obligations under this Deed to any holder of a Loan Note. The Lender shall be entitled to disclose such information concerning the Company and this Deed as the Lender considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.

18.3 Perpetuity Period

The perpetuity period under the rule against perpetuities, if applicable to this Deed, shall be the period of one hundred and twenty five years from the date of this Deed.

18.4 Remedies and Waivers

No failure on the part of the Lender to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver thereof, nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

18.5 No Liability

None of the Lender, its delegate(s) nominee(s) or any Receiver shall be liable for any loss by reason of (a) taking any action permitted by this Deed or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all or any part of the Charged Property, except in the case of gross negligence or wilful default upon its part.

18.6 Partial Invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be

created by or pursuant to this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

18.7 Certificates

A certificate of the Lender specifying any amount due from the Company shall, in the absence of manifest error, be prima facie evidence of such amount.

19. NOTICES

- (a) All notices under or in connection with this Deed shall be given in writing in English and may be made by fax or letter.
- (b) The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party is:
 - (i) in the case of the Company, to its registered address for the attention of the directors.
 - (ii) in the case of the Lender, to its address first written above.or any substitute address or fax number or department or officer as the parties may notify to each other by not less than five Business Days' notice.
- (c) Any notice to the Company will be effective, if by way of letter, when it has been left at the relevant address or two Business Days after being deposited in the post, postage prepaid, in an envelope correctly addressed to the addressee.
- (d) Any notice to the Lender will be effective only when actually received by the Lender.

20. COUNTERPARTS

This Deed may be executed in any number of counterparts, each of which is an original and all of which together evidence the same agreement.

21. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with English law.

22. JURISDICTION

22.1 English Courts

The courts of England have exclusive jurisdiction to settle any disputes (a "Dispute") arising out of, or connected with this Deed (including a dispute regarding the existence, validity or termination of this Deed or the consequences of its nullity).

22.2 Convenient Forum

The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

22.3 Exclusive Jurisdiction

This Clause 22 is for the benefit of the Lender only. As a result and notwithstanding Clause 22.1 (*English Courts*), it does not prevent the Lender from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Lender may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been signed on behalf of the Lender and **EXECUTED AS A DEED** by the Company and is delivered by them on the date first specified above.

Schedule 1
REAL PROPERTY

Part A
Registered Land

Address	Title Number

Part B
Unregistered Land

	Document describing the Real Property		
	Date	Document	Parties
Address			

COMPANY

Executed as a DEED by

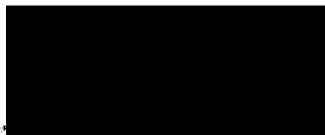
MINICABIT LIMITED by:

in the presence of:



Director

Witness signature ..

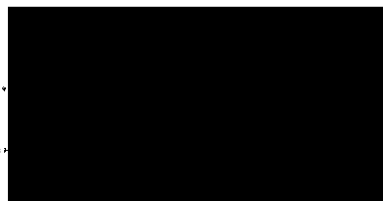


Witness name

FARRUKH MAHMUD

(block capitals)

Witness address ...



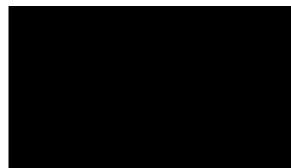
LENDER

Executed as a DEED by

Alan Carruthers

(Print Lender name)

in the presence of:



(Lender's signature)

Witness signature



Witness name

James Parker

(block capitals)

Witness address

