



Companies House

MR01(ef)

Registration of a Charge

Company name: **PREMIER CHILDREN SERVICES LIMITED**

Company number: **08074070**

Received for Electronic Filing: **10/09/2013**



Details of Charge

Date of creation: **22/08/2013**

Charge code: **0807 4070 0001**

Persons entitled: **HAROLD SHARP LIMITED**

Brief description: **ALL PRESENT AND FUTURE PROPERTIES NOW OR FROM TIME TO TIME
HEREAFTER OWNED BY THE COMPANY OR IN WHICH THE COMPANY
HAS AN INTEREST. ALL INTELLECTUAL PROPERTY NOW OR FROM
TIME TO TIME HEREAFTER OWNED BY THE COMPANY OR IN WHICH
THE COMPANY HAS AN INTEREST.**

Contains fixed charge(s).

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

Notification of addition to or amendment of charge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **JMW SOLICITORS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8074070

Charge code: 0807 4070 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd August 2013 and created by PREMIER CHILDREN SERVICES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 10th September 2013 .

Given at Companies House, Cardiff on 10th September 2013



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 22 August 2013

- (1) PREMIER CHILDREN SERVICES LIMITED
- and -
- (2) HAROLD SHARP LIMITED (AS SECURITY TRUSTEE)

MORTGAGE DEBENTURE

jmw

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THIS MORTGAGE DEBENTURE is made the 22 day of August 2013
BETWEEN:

- (1) **PREMIER CHILDREN SERVICES LIMITED** (registered number 8074070) whose registered office is at Holland House, 1 - 5 Oakfield, Sale, Cheshire M33 6TT (the "**Chargor**"); and
- (2) **HAROLD SHARP LIMITED** (registered number 4917154) whose registered office is at 114 Washway Road, Sale M33 7RF (the "**Security Trustee**").

THIS DEED WITNESSES THAT:

1. Interpretation

1.1 In this deed, unless the context otherwise requires:

"Account"	means each account from time to time opened or maintained by the Chargor and all rights, benefits and proceeds in respect of such account;
"Administrator"	means any person appointed under Schedule B1 Insolvency Act 1986 to manage the Chargor's affairs, business and property;
"Assigned Agreement"	each agreement to which the Chargor is or may become a party;
"Charged Assets"	means all assets of the Chargor described in clause 3.1;
"Collateral Instruments"	means notes, bills of exchange, certificates of deposit and other negotiable and non-negotiable instruments, guarantees and any other documents or instruments which contain or evidence an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for, any liabilities of any person and includes any document or instrument creating or evidencing an Encumbrance;
"Debts"	means book and other debts, revenues and claims, whether actual or contingent, whether arising under contracts or in any other manner whatsoever and all things in action which may give rise to any debt, revenue or claim, together with the full benefit of any Encumbrances, Collateral Instruments and any other rights relating thereto (whether as creditor or beneficiary) including, without limitation, reservations of proprietary rights, rights of tracing and unpaid vendor's liens and associated rights;
"Default Rate"	means 4% above the base rate of Barclays Bank plc from time to time;
"Encumbrance"	means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, standard security, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind securing or preferring any obligation of any person or any other arrangement having the effect of conferring rights of retention or set-off or other disposal rights over an asset (including, without limitation, title transfer and/or retention arrangements having a similar effect) and includes any agreement to create any of the foregoing;

"Enforcement Date"	means the date on which an Event of Default occurs;
"Equipment"	means machinery, equipment, furniture, furnishings, fittings and fixtures and other tangible personal property (other than Inventory), including, without limitation, data processing hardware and software, motor vehicles, aircraft, dies, tools, jigs and office equipment, together with all present and future additions thereto, replacements or upgrades thereof, components and auxiliary parts and supplies used or to be used in connection therewith and all substitutes for any of the foregoing, and all manuals, drawings, instructions, warranties and rights with respect thereto wherever any of the foregoing is located;
"Event of Default"	means: <ul style="list-style-type: none"> a) the Chargor failing to pay or discharge any of the Secured Obligations when the same ought to be paid or discharged (whether on demand or at scheduled maturity or by acceleration or otherwise as the case may be); or b) the Chargor becoming subject to any Insolvency Proceeding;
"Fixed Charge Assets"	means the assets of the Chargor described in clauses 3.1.1 to 3.1.3;
"Fixtures"	means, in relation to a Property, all fixtures and fittings (including trade fixtures and fittings), fixed plant and machinery and other items attached to that property, whether or not constituting a fixture at law;
"Incapacity"	means, in relation to a person, the insolvency, liquidation, dissolution, winding-up, administration, receivership, amalgamation, reconstruction or other incapacity of that person whatsoever;
"Indebtedness"	means any obligation for the payment or repayment of money, whether as principal or surety and whether present or future, actual or contingent;
"Insolvency Proceeding"	where: <ul style="list-style-type: none"> a) any person stops or suspends payment of any of its debts, or is unable to, or admits its inability to, pay its debts as they fall due; b) any person suspends or ceases or threatens to suspend or cease to carry on their business; c) any person commences negotiations, or enters into any composition or arrangement, with one or more of its creditors with a view to rescheduling any of its indebtedness (because of actual or anticipated financial difficulties); d) possession is taken by an encumbrancer or a receiver, trustee, administrator or similar officer is appointed of the whole or a substantial part of any of the person's undertaking or property or any other steps are taken to

enforce any encumbrance over all or any part of their assets;

- e) a distress, attachment, execution, expropriation, sequestration or other legal process is levied, enforced or sued out on, or against, any of the person's assets which is not discharged or stayed within 30 days;
- f) in relation to a company or limited liability partnership:
 - i) any petition is presented or other step is taken for the purpose of its winding up or an order is made or resolution passed for its winding up or a notice is issued convening a meeting for the purpose of passing any such resolution; or
 - ii) it receives from any person a notice of intention to appoint an administrator (under Schedule B1 Insolvency Act 1986), it requests the appointment of an administrator, an application is made for the appointment of an administrator, or a petition is presented for an administration order;
- g) in relation to a sole trader or any partner in a partnership:
 - i) a petition is presented or an order is made for his bankruptcy or sequestration; or
 - ii) a trust deed is granted for his creditors;
- h) in relation to a partnership a petition is presented or an order is made for the winding up or administration of the partnership;

"Insurances"

means all present and future contracts or policies of insurance (including life assurance policies) taken out by the Chargor in which the Chargor from time to time has an interest;

"Intellectual Property"

means all patents (including applications for and rights to apply for patents), trade marks and service marks (whether registered or not) and applications for the same, trade names, registered designs, design rights, semi-conductor topography rights, database rights, copyrights, computer programs, customer lists, know-how and trade secrets and all other intellectual or intangible property or rights and all licences, agreements and ancillary and connected rights relating to intellectual and intangible property, in each case now or from time to time hereafter owned by the Mortgagor, including any renewals, revivals or extensions thereof and wherever in the world subsisting;

"Inventory"

means inventory, goods and merchandise, wherever located, raw materials, work-in-progress, finished goods, returned goods and materials and supplies of any kind, nature or description used in connection with the Mortgagor's business or used in connection with the manufacture, packing, shipping, advertising, selling or finishing of such goods, merchandise and such other specified property, and all documents of title or other documents representing them;

- | | |
|-------------------------------|---|
| "Loan Note Documents" | the Loan Note Instrument and the loan note certificates issued in accordance with and pursuant to the Loan Note Instrument together with any other loan note instrument and its associated loan note certificates created by the Chargor after the date of this deed constituting further loan notes being issued solely to the Noteholders; |
| "Loan Note Instrument" | the loan note instrument dated on or around the date of this deed; |
| "Noteholders" | the holders of Loan Note certificates and their successors, assigns or transferees under any of the Loan Note instrument or Loan Note certificate from time to time |
| "Property" | means freehold and leasehold property wherever situate (other than any heritable property in Scotland), and includes all liens, charges, options, agreements, rights and interests in or over such property or the proceeds of sale of such property and all buildings and Fixtures thereon and all rights, easements and privileges appurtenant to, or benefiting, the same and "Properties" means all or any of the same, as the context requires; |
| "Receiver" | means any receiver and/or manager not being an administrative receiver (within the meaning of section 29(2) Insolvency Act 1986) appointed by the Security Trustee pursuant to clause 9.1; |
| "Receivership Assets" | has the meaning given to it in clause 9.1; |
| "Secured Obligations" | means all monies, obligations and liabilities covenanted to be paid or discharged under or pursuant to clause 2.1; and |
| "Securities" | means stocks, shares, bonds and securities of any kind whatsoever (including warrants, options and other rights to acquire or subscribe any of the same) whether marketable or otherwise and all interests (including but not limited to loan capital) in any person, including all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest, or otherwise in respect thereof. |
- 1.2 The expressions **"Security Trustee"** and **"Chargor"** include, where the context admits, their respective successors and, in the case of the Security Trustee, its transferees and assignees, whether immediate or derivative.
- 1.3 Clause headings and the contents page are inserted for convenience of reference only and shall be ignored in the interpretation of this deed.
- 1.4 In this deed, unless the context otherwise requires:
- 1.4.1 references to clauses and the schedule are to be construed as references to the clauses of, and the schedule to, this deed and references to this deed include its schedule;
- 1.4.2 references to (or to any specified provision of) this deed or any other document shall be construed as references to this deed, that provision or that document as in force for the time being and as amended, supplemented, replaced or novated in accordance with the terms thereof or, as the case may be, with the agreement of

the relevant parties and (where such consent is, by the terms of this deed or the relevant document, required to be obtained as a condition to such amendment being permitted) the prior written consent of the Security Trustee;

- 1.4.3 words importing the plural shall include the singular and vice versa;
 - 1.4.4 references to "**assets**" include all or part of any business, undertaking, real property, personal property, uncalled capital and any rights (whether actual or contingent, present or future) to receive, or require delivery of, or otherwise in respect of, any of the foregoing;
 - 1.4.5 references to a "**person**" shall be construed as including references to an individual, firm, company, corporation, unincorporated body of persons or any State or any of its agencies;
 - 1.4.6 references to a "**regulation**" include any present or future regulation, rule, directive, requirement, request or guideline (whether or not having the force of law) of any agency, authority, central bank or government department or any self-regulatory or other national or supra-national authority;
 - 1.4.7 references to any enactment shall be deemed to include references to such enactment as re-enacted, amended or extended;
 - 1.4.8 in relation to any Properties in Northern Ireland, references to the Law of Property Act 1925 shall be construed as references to the corresponding provisions of the Conveyancing and Law of Property Act 1881.
- 1.5 This deed is intended to take effect as a deed notwithstanding that the Security Trustee may have executed it under hand only.

2. Secured obligations

- 2.1 The Chargor hereby covenants that it will on demand pay to:
- 2.1.1 the Noteholders (or any of them) pursuant to the Loan Note Documents or otherwise; and/or
 - 2.1.2 to the Security Trustee under this deed or otherwise,
- all monies and discharge all obligations and liabilities now or hereafter due, owing or incurred by it to the Noteholders whether express or implied, present, future or contingent, joint or several, incurred as principal or surety, originally owing to the Noteholder or otherwise acquired by the Noteholder, denominated in whatever currency or incurred on any account or in any manner whatsoever (including any amounts due under this deed) when the same became due for payment or discharge and all commission, fees, expenses and other charges and all legal and other costs on a full and unqualified indemnity basis.
- 2.2 Any statement of account of the Chargor, signed as correct by the Security Trustee, showing the amount of the Secured Obligations, shall, in the absence of manifest error, be binding and conclusive on and against the Chargor.

3. Charges

- 3.1 The Chargor, with full title guarantee, as a continuing security for the payment and discharge of the Secured Obligations hereby:
- 3.1.1 charges to the Security Trustee by way of legal mortgage:
 - (a) the Properties (if any) specified in the Schedule;

- (b) all Properties (other than any Properties specified in the Schedule) now owned by the Chargor or in which the Chargor has an interest;
- 3.1.2 charges to the Security Trustee by way of fixed charge:
 - (a) (to the extent not the subject of a legal mortgage by virtue of clause 3.1.1) all present and future Properties now or from time to time hereafter owned by the Chargor or in which the Chargor may have an interest;
 - (b) all Equipment now, or from time to time hereafter owned by the Chargor or in which the Chargor has an interest and the benefit of all contracts and warranties relating to the same;
 - (c) all Securities now or from time to time owned by the Chargor or in which the Chargor has an interest;
 - (d) all Debts now or from time to time hereafter owned by the Chargor or in which the Chargor has an interest (whether originally owing to the Chargor or purchased or otherwise acquired by it);
 - (e) the proceeds of collection of all Debts and all monies standing to the credit of any Account;
 - (f) all monies from time to time payable to the Chargor under or pursuant to the Insurances including without limitation the right to the refund of any premiums;
 - (g) the proceeds of all other sums of money received by the Mortgagor, other than those specified in clauses 3.1.2(c), 3.1.2(d) or 3.1.2(e);
 - (h) the goodwill and uncalled capital of the Mortgagor; and
 - (i) all Intellectual Property now or from time to time hereafter owned by the Chargor or in which the Chargor may have an interest.
- 3.1.3 assigns to the Security Trustee by way of fixed charge:
 - (a) to the extent the same are assignable, the benefit of the Assigned Agreements and the benefit of any guarantee or security for the performance of the Assigned Agreements; and
 - (b) all its rights in any Insurances or assurance present or future (including, without limitation, any Insurances relating to the Properties or the Equipment); and
- 3.1.4 charges to the Security Trustee by way of floating charge its undertaking and all its property, assets and rights whatsoever and wheresoever both present and future including, without limitation, its Inventory, other than any property or assets from time to time effectively charged by way of legal mortgage or fixed charge or assignment pursuant to clause 3.1.1 to 3.1.3 or otherwise pursuant to this deed but including (without limitation and whether or not so effectively charged) any of its property and assets situated in Scotland.
- 3.2 The provisions of paragraph 14 of Schedule B1 Insolvency Act 1986 apply to the floating charge in clause 3.1.4, which shall be enforceable at any time on or after the Enforcement Date.
- 3.3 So far as permitted by law and notwithstanding anything expressed or implied in this deed:
 - 3.3.1 if the Chargor creates or attempts to create any Encumbrance over all or any of the

Charged Assets without the prior written consent of the Security Trustee or if any person levies or attempts to levy any distress, execution, sequestration or other process or does or attempts to do any diligence in execution against any of the Charged Assets, the floating charge created by clause 3.1.4 over the property or asset concerned shall thereupon automatically without notice be converted into a fixed charge; and

- 3.3.2 the floating charge created by clause 3.1.4 shall automatically be converted into a fixed charge on the Enforcement Date.
- 3.4 Notwithstanding anything expressed or implied in this deed but without prejudice to clause 3.3, the Security Trustee shall be entitled at any time by giving notice in writing to that effect to the Chargor to convert the floating charge over all or any part of the Charged Assets into a fixed charge as regards the assets specified in such notice.
- 3.5 In respect of any Property charged pursuant to clauses 3.1.1 or 3.1.2 title to which is registered at the Land Registry, the Chargor hereby represents and warrants that the security created by this deed does not contravene any of the provisions of the articles of association or any other constitutional documents of the Chargor.
- 3.6 The Chargor consents and will procure the consent of the proprietor of any charge registered against any title to any Property, to the Security Trustee's application to the Chief Land Registrar for the registration of the following restriction against such registered charges and against any title to any unregistered Property which is or ought to be the subject of a first registration at the Land Registry at the date of this deed.

"RESTRICTION:

No disposition by the proprietor of the registered charge dated [date] (referred to above) is to be registered without a written consent signed by [●] Limited."

4. Further assurance

- 4.1 The Chargor shall if and when at any time required by the Security Trustee execute such further Encumbrances and assurances in favour or for the benefit of the Security Trustee and do all such acts and things as the Security Trustee shall from time to time require over or in relation to all or any of the Charged Assets to secure the Secured Obligations or to perfect or protect the Security Trustee's security over the Charged Assets or any part thereof or to facilitate the realisation of the same.
- 4.2 The provisions of clause 4.1 shall be in addition to and not in substitution for the covenants for further assurance deemed to be included in this deed by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.

5. Representations and warranties

- 5.1 The Chargor represents and warrants to the Security Trustee that:
- 5.1.1 the Chargor is the legal and beneficial owner of the Charged Assets;
 - 5.1.2 the Charged Assets are free from any Encumbrance other than the Encumbrances created by this debenture;
 - 5.1.3 the Chargor has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Assets or any interest in it;
 - 5.1.4 there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever, which materially adversely affect the Charged Assets;
 - 5.1.5 there is no breach of any law or regulation which materially adversely affects the

Charged Assets;

- 5.1.6 no facility necessary for the enjoyment and use of the Charged Assets is subject to terms entitling any person to terminate or curtail its use;
 - 5.1.7 nothing has arisen, has been created or is subsisting which would be an overriding interest in any Property;
 - 5.1.8 no Encumbrance expressed to be created under this debenture is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Chargor or otherwise; and
 - 5.1.9 there is no prohibition on assignment in any Insurances or Assigned Agreements or the relevant clauses of any of them, and the entry into this debenture by the Chargor does not and will not constitute a breach of any Insurances, Assigned Agreements or any other agreement or instrument binding on the Chargor or its assets.
- 5.2 The representations and warranties set out in clause 5.1 are made on the date of this debenture and shall be deemed to be made on each day that the Secured Obligations are outstanding with reference to the facts and circumstances then existing.

6. Covenants

6.1 General

- 6.1.1 The Chargor hereby covenants that it will not, without the prior written consent of the Security Trustee:
 - (a) dispose of all or any of the Fixed Charge Assets (in whole or in part);
 - (b) create or attempt to create or permit to subsist in favour of any person other than the Security Trustee any Encumbrance on or affecting the Charged Assets or any part thereof; and
 - (c) do, or permit to be done, any act or thing which would or might depreciate, jeopardise or otherwise prejudice the security held by the Security Trustee or materially diminish the value of any of the Charged Assets or the effectiveness of the security created by this debenture.
- 6.1.2 The Chargor shall promptly on becoming aware of any of the same give the Security Trustee notice in writing of any breach of:
 - (a) any representation or warranty set out in clause 5; and
 - (b) any covenant set out in this clause 6.
- 6.1.3 The Chargor shall, on the execution of this debenture (or, if later, the date of acquisition of the relevant Charged Asset), deposit with the Security Trustee and the Security Trustee shall, for the duration of this debenture be entitled to hold all deeds and documents of title relating to the Charged Assets which are in the possession or control of the Chargor (and if these are not within the possession and/or control of the Chargor, the Chargor undertakes to obtain possession of all such deeds and documents of title).

6.2 Insurances

- 6.2.1 The Chargor has not done or omitted to do, and shall not do or omit to do, any act or thing that may invalidate or otherwise prejudice the Insurances.

6.2.2 All sums payable under any of the Insurances at any time shall be applied in making good or recouping expenditure in respect of the loss or damage for which such monies are received or in or towards discharge or reduction of the Secured Obligations.

6.3 Debts

The Chargor shall not release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Debts.

6.4 Property

6.4.1 The Chargor shall:

- (a) keep all buildings and all fixtures on each Property in good and substantial repair and condition;
- (b) insure, and keep insured, those buildings and fixtures with such insurer and against such risks and in such amounts and otherwise on such terms as the Security Trustee may require (and, failing such requirement, in accordance with the practice in respect of items of the same type current amongst prudent businessmen from time to time); and
- (c) procure that the interest of the Security Trustee is noted on all those insurance policies or, at the option of the Security Trustee, that those insurance policies are issued in the joint names of the Security Trustee and the Mortgagor.

6.4.2 The Chargor shall not, without the prior written consent of the Security Trustee:

- (a) pull down or remove the whole or any part of any building forming part of any Property; or
- (b) make any material alterations to any Property or sever or remove any of its fixtures; or
- (c) remove or make any material alterations to any of the Equipment belonging to, or in use by, the Chargor on any Property (except to affect necessary repairs or replace them with new or improved models or substitutes); or
- (d) whenever any Equipment is destroyed, damaged or deteriorates, immediately repair, replace and make good the same.

6.4.3 The Chargor shall carry on its trade and business in accordance with the standards of good management from time to time current in such trade or business on those parts (if any) of the Properties as are or may be used for the purposes of trade or business.

6.4.4 The Chargor shall:

- (a) observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected and (if the Security Trustee so requires) produce to the Security Trustee evidence sufficient to satisfy the Security Trustee that those covenants, stipulations and conditions have been observed and performed; and
- (b) (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time and perform and observe all the tenant's covenants and

conditions.

6.4.5 The Chargor shall not, without the prior written consent of the Security Trustee:

- (a) grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise the statutory powers of leasing (or agreeing to lease) or of accepting (or agreeing to accept) surrenders under sections 99 or 100 of the Law of Property Act 1925; or
- (b) in any other way dispose of, or agree to dispose of, surrender or create any legal or equitable estate or interest in the whole or any part of any Property.

6.4.6 The Chargor shall not, without the prior written consent of the Security Trustee, carry out or permit or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 or change or permit or suffer to be changed the use of any Property.

6.4.7 The Chargor shall inform the Security Trustee promptly of any acquisition by the Chargor of, or contract made by the Chargor to acquire, any freehold, leasehold or other interest in any property.

6.5 Securities

6.5.1 The Chargor shall not exercise any rights under sections 145 and 146 of the Companies Act 2006 to nominate any person in respect of any of the Securities.

6.5.2 The Chargor shall:

- (a) procure all consents, waivers, approvals and permissions which are necessary under the articles of association for the transfer of the Securities to the Security Trustee or its nominee, or to a purchaser on enforcement of this debenture; and
- (b) procure the amendment of the share transfer provisions of the articles of association in such manner as the Security Trustee may require in order to permit such a transfer.

6.5.3 After the security constituted by this debenture has become enforceable:

- (a) all dividends and other distributions paid in respect of the Securities and received by the Chargor shall be held on trust for the Security Trustee or, if received by the Security Trustee, shall be retained by the Security Trustee; and
- (b) all voting and other rights and powers attaching to the Securities shall be exercised by, or at the direction of, the Security Trustee and the Chargor shall, and shall procure that its nominees shall, comply with any directions the Security Trustee may, in its absolute discretion, give concerning the exercise of those rights and powers.

6.5.4 The Chargor shall duly and promptly pay all calls, instalments and other monies which may be payable from time to time in respect of the Securities. The Chargor acknowledges that the Security Trustee shall not be under any liability in respect of any such calls, instalments or other monies.

6.6 Equipment

6.6.1 The Chargor shall:

- (a) maintain the Equipment in good and serviceable condition (except for expected fair wear and tear); and
- (b) not to permit any Equipment to be used or handled, other than by properly qualified and trained persons or to be overloaded or used for any purpose for which it is not designed or reasonably suitable.

6.7 Intellectual Property

6.7.1 The Chargor shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation), observing all covenants and stipulations relating to such rights and paying all applicable renewal fees, licence fees and other outgoings.

6.7.2 The Chargor shall not permit any Intellectual Property to be abandoned, cancelled or to lapse.

7. Enforcement

7.1 At any time on or after the Enforcement Date the Security Trustee shall be entitled to make demand for payment of the Secured Obligations and if such demand is not met in full, to enforce the security (in whole or in part) created by this deed.

7.2 At any time on or after the Enforcement Date the Security Trustee may, without further notice, without the restrictions contained in section 103 Law of Property Act 1925 and whether or not an Administrator or a Receiver shall have been appointed, exercise all the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this deed and all the powers and discretions conferred by this deed on a Receiver expressly, by law or by reference.

7.3 Without limiting the generality of clause 7.2 the Security Trustee and its nominees at the discretion of the Security Trustee may at any time on or after the Enforcement Date exercise without further notice to or any authority from the Chargor in respect of the Securities any voting rights and all powers given to trustees by the Trustee Act 2000 in respect of securities or property subject to a trust and any powers or rights which may be exercisable by the person in whose name any of the Securities is from time to time registered or by the bearer thereof for the time being.

7.4 The Security Trustee shall have the power to lease and make agreements for leases at a premium or otherwise, to accept surrenders of leases and to grant options on such terms as the Security Trustee shall consider expedient and without the need to observe any of the provisions of sections 99 and 100 Law of Property Act 1925.

7.5 At any time on or after the Enforcement Date or if requested by the Chargor the Security Trustee may sever, and sell separately, any Fixtures from any of the Properties to which they are attached.

8. Appointment of Administrator

At any time on or after the Enforcement Date the Security Trustee may appoint an Administrator of the Chargor for the purposes and upon the terms contained in Schedule B1 Insolvency Act 1986.

9. Appointment and powers of Receiver

9.1 At any time on or after the Enforcement Date the Security Trustee may, save as mentioned in this clause 9.1, by instrument in writing executed as a deed or under the hand of any director or other duly authorised officer appoint any person to be a Receiver of such part of the Charged Assets, not being the whole or substantially the whole of the Chargor's property within the meaning of section 29 Insolvency Act 1986 as the Security Trustee may specify

(the "**Receivership Assets**"). Any such appointment may be made subject to such qualifications, limitations and/or exceptions (either generally or in relation to specific assets or classes of asset) as may be specified in the instrument effecting the appointment. Where more than one Receiver is appointed, each joint Receiver shall have power to act severally, independently of any other joint Receivers, except to the extent that the Security Trustee may specify to the contrary in the appointment. The Security Trustee may remove any Receiver so appointed and appoint another in his place. The Security Trustee shall not, however, be entitled to appoint a Receiver solely as a result of the obtaining of a moratorium, or of anything done with a view to obtaining a moratorium, under the Insolvency Act 2000, without the leave of the court.

- 9.2 A Receiver shall be the agent of the Chargor and the Chargor shall be solely responsible for his acts or defaults and for his remuneration.
- 9.3 A Receiver shall have the power to do or omit to do on behalf of the Chargor anything which the Chargor itself could do or omit to do if the Receiver had not been appointed, notwithstanding the liquidation of the Chargor. In particular (but without limitation) a Receiver shall have power to:
- 9.3.1 take possession of, collect and get in the Receivership Assets and, for that purpose, to take such proceedings as may seem to him expedient;
 - 9.3.2 sell or otherwise dispose of the Receivership Assets by public auction or private auction or private contract or, in Scotland, to sell, hire out or otherwise dispose of the Receivership Assets by public auction or private bargain;
 - 9.3.3 raise or borrow money and grant security therefor over the Receivership Assets;
 - 9.3.4 appoint a solicitor or accountant or other professionally qualified person to assist him in the performance of his functions;
 - 9.3.5 bring or defend any action or other legal proceedings in the name and on behalf of the Mortgagor;
 - 9.3.6 refer to arbitration any question affecting the Mortgagor;
 - 9.3.7 effect and maintain insurances in respect of the business and Properties of the Mortgagor;
 - 9.3.8 do all acts and execute in the name and on behalf of the Chargor any deed, receipt or other document;
 - 9.3.9 draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the Mortgagor;
 - 9.3.10 appoint any agent to do any business which he is unable to do himself or which can more conveniently be done by an agent and employ and dismiss employees;
 - 9.3.11 do all such things (including the carrying out of works) as may be necessary for the realisation of the Receivership Assets;
 - 9.3.12 make any payment which is necessary or incidental to the performance of his functions;
 - 9.3.13 carry on the business of the Chargor;
 - 9.3.14 establish subsidiaries of the Chargor;
 - 9.3.15 transfer to subsidiaries of the Chargor the whole or any part of the business or Receivership Assets;

- 9.3.16 grant or accept a surrender of a lease or tenancy of any of the Receivership Assets and to take a lease or tenancy of any Properties required or convenient for the business of the Chargor;
- 9.3.17 make any arrangement or compromise on behalf of the Chargor in respect of the Receivership Assets;
- 9.3.18 call up any uncalled capital of the Chargor; and
- 9.3.19 rank and claim in the bankruptcy, insolvency, sequestration or liquidation of any person indebted to the Chargor and receive dividends and accede to trust deeds for the creditors of any such person.

The Receiver shall also have all powers from time to time conferred on receivers by statute without, in the case of powers conferred by the Law of Property Act 1925, the restrictions contained in Section 103 of that Act.

- 9.4 The Security Trustee may from time to time determine the remuneration of any Receiver and section 109(6) Law of Property Act 1925 shall be varied accordingly. A Receiver shall be entitled to remuneration appropriate to the work and responsibilities involved upon the basis of charging from time to time adopted by the Receiver in accordance with the current practice of his firm.
- 9.5 Any insurance monies received by a Receiver shall be applied in accordance with clause 10.2 and accordingly section 109(8) Law of Property Act 1925 shall not apply.

10. Application of proceeds: purchasers

- 10.1 All monies received by the Security Trustee or by any Receiver shall, be applied, after the discharge of the remuneration and expenses of the Receiver and all liabilities having priority to the Secured Obligations, in or towards satisfaction of the Secured Obligations in such manner and order as the Security Trustee may determine.
- 10.2 All insurance monies (including any received by a Receiver) deriving from any of the Insurances (whether before or after the Enforcement Date) shall be paid to the Security Trustee (or if not paid by the insurers directly to the Security Trustee shall be held on trust for the Security Trustee) and shall be applied:
 - 10.2.1 unless an Event of Default shall have occurred and be continuing, in replacing, restoring or reinstating the property or assets destroyed, damaged or lost (any deficiency being made good by the Chargor); or
 - 10.2.2 if an Event of Default has occurred and is continuing, in reduction of the Secured Obligations in such manner and order as the Security Trustee may determine except where the Chargor is required (as landlord or tenant) to apply such insurance monies in accordance with any lease of any of the Charged Assets in which event they shall be so applied.
- 10.3 No purchaser or other person shall be bound or concerned to see or enquire whether the right of the Security Trustee or any Administrator or Receiver to exercise any of the powers conferred by this deed has arisen or be concerned with notice to the contrary or with the propriety of the exercise or purported exercise of such powers.

11. New accounts

- 11.1 If the Chargor receives notice of any subsequent Encumbrance, or other interest, affecting all or part of the Charged Assets, the Security Trustee may open a new account for the Chargor in the Security Trustee's books. Without prejudice to the Security Trustee's right to combine accounts, no money paid to the credit of the Chargor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Obligations.

- 11.2 If the Security Trustee does not open a new account, then, unless the Security Trustee gives express written notice to the contrary to the Mortgagor, all payments made by the Chargor to the Security Trustee shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations, as from the time of receipt of the relevant notice by the Security Trustee.

12. Indemnities: exclusion of liability: costs and expenses

- 12.1 The Chargor hereby undertakes with the Security Trustee to pay on demand all costs, charges and expenses incurred by or on behalf of the Security Trustee or by any Administrator or Receiver in or about the enforcement or preservation or attempted enforcement or preservation of any of the security created by or pursuant to this deed or any of the Charged Assets on a full indemnity basis, together with interest at the Default Rate from the date on which such costs, charges or expenses are so incurred until the date of payment by the Chargor (as well after as before judgment).
- 12.2 Neither the Security Trustee nor any Administrator or Receiver shall be liable to account as mortgagee in possession in respect of all or any of the Charged Assets or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever for which a mortgagee may be liable as such.
- 12.3 Neither the Security Trustee nor any Administrator or Receiver shall have any liability or responsibility of any kind to the Chargor arising out of the exercise or non-exercise of the right to enforce recovery of the Debts or shall be obliged to make any enquiry as to the sufficiency of any sums received in respect of any Debts or to make any claims or take any other action to collect or enforce the same.
- 12.4 The Chargor hereby undertakes to indemnify and keep indemnified the Security Trustee, any Administrator or Receiver and any attorney, agent or other person appointed by the Security Trustee under this deed (each an "**Indemnified Party**") in respect of all costs, losses, actions, claims, expenses, demands or liabilities whether in contract, tort or otherwise and whether arising at common law, in equity or by statute which may be incurred by, or made against, any of the Indemnified Parties (or by or against any manager, agent, officer or employee for whose liability, act or omission any of them may be answerable) at any time relating to or arising directly or indirectly out of or as a consequence of:
- 12.4.1 anything done or omitted in the exercise or purported exercise of the powers contained in this deed; or
- 12.4.2 any breach by the Chargor of any of its obligations under this deed.
- 12.5 Each Indemnified Party referred to in clause 12.4 shall have the benefit and may enforce the terms of this deed in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.
- 12.6 Subject to clause 12.5, a person who is not a party to this deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this deed.
- 12.7 Notwithstanding clause 12.5 or any other provision of this deed, the Security Trustee and the Chargor shall be entitled to agree variations to this deed without notifying the other Indemnified Parties or seeking the consent of such Indemnified Parties or any of them to the variation.
- 12.8 All fees, costs and expenses payable under or pursuant to this deed shall be paid together with an amount equal to any value added tax payable by any of the Security Trustee in respect of the same. Any value added tax chargeable in respect of any services supplied by any of the Security Trustee under this deed shall, on delivery of a value added tax invoice, be paid in addition to any sum agreed to be paid under this deed.

13. Power of attorney

13.1 The Chargor by way of security hereby irrevocably appoints the Security Trustee and any Receiver severally to be its attorney in its name and on its behalf:

- 13.1.1 to do all things which the Chargor may be required to do under this deed;
- 13.1.2 to execute and complete any documents or instruments which the Security Trustee or such Receiver may require for perfecting the title of the Security Trustee to the Charged Assets or for vesting the same in the Security Trustee, its nominees or any purchaser;
- 13.1.3 to sign, execute, seal and deliver and otherwise perfect any further security document referred to in clause 4; and
- 13.1.4 otherwise generally to sign, seal, execute and deliver all deeds, assurances, agreements and documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on the Security Trustee or a Receiver under this deed or which may be deemed expedient by the Security Trustee or a Receiver in connection with any disposition, realisation or getting in by the Security Trustee or such Receiver of the Receivership Assets or in connection with any other exercise of any power under this deed and including, but not limited to a power in favour of any Receiver to dispose for value of any of the assets of the Chargor over which such Receiver may not have been appointed and which are located at a Property over which he has been appointed, without being liable for any losses suffered by the Mortgagor, or any part thereof.

13.2 The Chargor ratifies and confirms (and agrees to do so) whatever any such attorney shall do, or attempt to do, in the exercise of all or any of the powers, authorities and discretions pursuant to clause 13.1.

14. Continuing security and other matters

14.1 This deed and the obligations of the Chargor under this deed shall extend to the ultimate balance from time to time owing in respect of the Secured Obligations and shall be a continuing security notwithstanding any intermediate payment, partial settlement or other matter whatsoever.

14.2 The Security Trustee shall not be obliged to make any claim or demand on the Chargor or any other person liable or to resort to any Collateral Instrument or other means of payment before enforcing this deed and no action taken or omitted in connection with any such Collateral Instrument or other means of payment shall discharge, reduce, prejudice or affect the liability of the Mortgagor. The Security Trustee shall not be obliged to account for any money or other property received or recovered in consequence of any enforcement or realisation of any such Collateral Instrument or other means of payment.

14.3 Any money received pursuant to the realisation of any security created pursuant to this deed (whether before or after any Incapacity of the Chargor or any other person liable) may be placed to the credit of an interest-bearing suspense account with a view to preserving the rights of the Security Trustee to prove for the whole of its claims against the Chargor or any other person liable.

14.4 Any release, discharge or settlement between the Chargor and the Security Trustee shall be conditional upon no security, disposition or payment to the Security Trustee by the Chargor or any other person being void, set aside or ordered to be refunded pursuant to any enactment or law relating to liquidation, administration or insolvency or for any other reason whatsoever and if such condition is not fulfilled the Security Trustee shall be entitled to enforce this deed as if such release, discharge or settlement had not occurred and any such payment had not been made.

- 14.5 The Chargor expressly confirms that the security created by this deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to this deed.
- 14.6 The Security Trustee may, at its discretion, grant time or other indulgence or make any other arrangement, variation or release with any person or persons not being a party to this debenture (whether or not such person or persons is jointly liable with the Mortgagor) in respect of any of the Secured Obligations, or of any other security for them without prejudice either to this debenture or to the liability of the Chargor for the Secured Obligations.
- 15. Miscellaneous**
- 15.1 The Chargor agrees to be bound by this deed notwithstanding that any charges contained in this deed may be terminated or released or may be or become invalid or unenforceable against the Chargor whether or not the deficiency is known to the Security Trustee.
- 15.2 No failure or delay on the part of the Security Trustee to exercise any power, right or remedy shall operate as a waiver thereof nor shall any single or any partial exercise or waiver of any power, right or remedy preclude its further exercise or the exercise of any other power, right or remedy.
- 15.3 The Security Trustee shall be entitled (but shall not be bound) to remedy a breach at any time by the Chargor of any of its obligations contained in this debenture and the Chargor irrevocably authorises the Security Trustee and its agents to do all such things as are necessary or desirable for that purpose.
- 15.4 During the continuance of this security the statutory and any other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by the Chargor in relation to the Charged Assets or any part thereof.
- 15.5 Any appointment or removal of a Receiver under clause 9 and any consents under this deed may be made or given in writing signed or sealed by any personal representatives, successors or assigns of the Security Trustee and accordingly the Chargor hereby irrevocably appoints each personal representative, successor and assign of the Security Trustee to be its attorney in the terms and for the purposes set out in clause 13.
- 15.6 Section 93 Law of Property Act 1925 shall not apply to the security created by this deed or to any security given to the Security Trustee pursuant to this deed.
- 15.7 The security granted by this deed shall remain valid and effective in all respects in favour of the Security Trustee and any assignee, transferee or other successor in title of the Security Trustee in the same manner as if such assignee, transferee or other successor in title had been named in this deed as a party instead of, or in addition to, the Security Trustee.
- 15.8 The invalidity, unenforceability or illegality of any provision (or part of a provision) of this debenture under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.
- 15.9 Any right or power which may be exercised or any determination which may be made under this deed by the Security Trustee may be exercised or made in its absolute and unfettered discretion and it shall not be obliged to give reasons therefor.
- 15.10 This deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this deed.

16. Notices

- 16.1 A notice or other communication given to a party under or in connection with this deed:
- 16.1.1 shall be signed by or on behalf of the party giving it;
- 16.1.2 shall:
- (a) if sent to the Chargor be sent for the attention of Victoria Breeze at Holland House, 1 - 5 Oakfield, Sale, Cheshire M33 6TT; or
 - (b) if sent to the Security Trustee be sent for the attention of Andrew Copping at 114 Washway Road, Sale M33 7RF,
- (or to such other postal address or person as a party may notify to the other in accordance with the provisions of this clause);
- 16.1.3 shall be:
- (a) delivered personally; or
 - (b) sent by commercial courier; or
 - (c) sent by pre-paid first-class post or recorded delivery.
- 16.2 If a notice or other communication has been properly sent or delivered in accordance with this clause, it will be deemed to have been received:
- 16.2.1 if delivered personally, at the time of delivery; or
- 16.2.2 if delivered by commercial courier, at the time of signature of the courier's receipt; or
- 16.2.3 if sent by pre-paid first-class post or recorded delivery, at 9:00 am on the second day after posting.
- 16.3 For the purposes of this clause if deemed receipt under this clause is not within business hours (meaning 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt), the notice or other communication is deemed to have been received when business next starts in the place of receipt.
- 16.4 To prove delivery, it is sufficient to prove that, if sent by pre-paid first class post, the envelope containing the notice was properly addressed and posted.
- 16.5 The provisions of this clause 16 shall not apply to the service of any process in any legal action or proceedings.

17. Law

This debenture and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

IN WITNESS of which this deed has been executed and, on the date set out above, delivered as a deed.

**THE SCHEDULE
PROPERTIES**

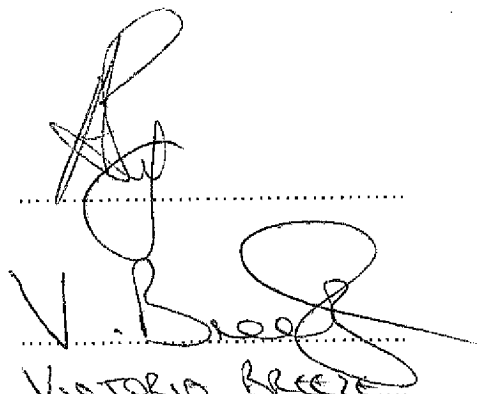
**SIGNED as a DEED by PREMIER
CHILDREN SERVICES LIMITED**
acting by a director in the presence of:

Witness signature

Witness name

Witness address

Witness occupation


.....
VICTORIA BREESE
FLAT 5, 7 WHITELOW ROAD,
MANCHESTER M21 9HQ
.....
FINANCE DIRECTOR


**SIGNED as a DEED by HAROLD
SHARP LIMITED** acting by a director in
the presence of:

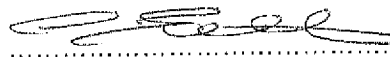
Witness signature

Witness name

Witness address

Witness occupation


.....
ANDREW COPPING


.....
CHARLOTTE EASTHAM
1-5 OAKFIELD
SALF
CHESHIRE M33 6TT
.....
CHARTERED ACCOUNTANT