



Registration of a Charge

Company name: **ASTRA CARPETS (EAST MIDLANDS) LIMITED**

Company number: **08437317**

Received for Electronic Filing: **04/01/2019**



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Details of Charge

Date of creation: **04/01/2019**

Charge code: **0843 7317 0002**

Persons entitled: **PATRICK JOSEPH GALLIGAN
HEATHER MARIE GALLIGAN
PAUL RICHARD JEFFERY**

Brief description: **ALL FREEHOLD AND LEASEHOLD PROPERTIES NOW OR IN THE
FUTURE OWNED BY THE COMPANY**

Contains fixed charge(s).

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

Contains negative pledge.

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 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.**

Certified by: **DAVID KAPLAN**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8437317

Charge code: 0843 7317 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 4th January 2019 and created by ASTRA CARPETS (EAST MIDLANDS) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 4th January 2019 .

Given at Companies House, Cardiff on 8th January 2019

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

DATED

4 JANUARY

2019

- (1) ASTRA CARPETS (EAST MIDLANDS) LIMITED
- (2) PATRICK JOSEPH GALLIGAN, HEATHER MARIE
GALLIGAN AND PAUL RICHARD JEFFERY

DEBENTURE

*We certify this
document to be a
true redacted copy of
the original
Nelsons*

Nelsons Solicitors
Sterne House
Lodge Lane
Derby DE1 3WD

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THIS DEED is dated

4 JANUARY

2019

PARTIES

- 1) **ASTRA CARPETS (EAST MIDLANDS) LIMITED** (registered number 08437317) whose registered office is at 244 Osmaston Road, Derby, Derbyshire, DE23 8LB (the “Company”); and
- 2) **PATRICK JOSEPH GALLIGAN AND HEATHER MARIE GALLIGAN** both of [REDACTED] and **PAUL RICHARD JEFFERY** of [REDACTED] (the “Sellers”).

BACKGROUND

- A) BZ Astra Holdings Limited (registered number 11691935) (the “Buyer”) has agreed to purchase the entire issued share capital of the Company from the Sellers.
- B) Pursuant to the Guarantee, the Company has agreed to guarantee certain payment obligations of the Buyer to the Sellers.
- C) Under this Deed, the Company provides security to the Sellers for its obligations and liabilities pursuant to the Guarantee.

AGREED TERMS

1. Definitions and interpretation

1.1 Definitions

The following definitions apply in this Deed:

“Administrator”	an administrator appointed to manage the affairs, business and property of the Company pursuant to clause 8.7
“Book Debts”	all present and future book and other debts, and monetary claims due or owing to the Company, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Company in relation to any of them
“Business Day”	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business
“Delegate”	any person appointed by the Sellers or any Receiver pursuant to clause 13 and any person appointed as attorney of the Sellers, Receiver or Delegate

“Environment”	the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media
“Equipment”	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Company, including any part of it and all spare parts, replacements, modifications and additions
“Event of Default”	breach by the Company of any of the provisions of clause 2 of the Guarantee
“Guarantee”	a deed of guarantee made between the Company (1) and the Sellers (2) on or about the date of this deed pursuant to which the Company guarantees the obligations and liabilities of the Buyer
“Insurance Policy”	each contract and policy of insurance effected or maintained by the Company from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Properties or the Equipment)
“Intellectual Property”	the Company's present and future patents, trade marks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, confidential information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights
“Investments”	all certificated shares, stock, debentures, bonds or other securities or investments (whether or not marketable) from time to time legally or beneficially owned by or on behalf of the Company

“LPA 1925”	Law of Property Act 1925
“Properties”	all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Company, or in which the Company holds an interest and Property means any of them
“Receiver”	a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Sellers under clause 11
“Secured Assets”	all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this Deed (and references to the Secured Assets shall include references to any part of them)
“Secured Liabilities”	the liabilities and obligations of the Company pursuant to the Guarantee and all present and future monies, obligations and liabilities of the Company to the Sellers, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with this Deed (including, without limitation, those arising under clause 25.3.2), together with all interest (including, without limitation, default interest) accruing in respect of those monies, obligations or liabilities
“Security”	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect
“Security Period”	the period starting on the date of this Deed and ending on the date on which the Sellers are satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding

1.2 Interpretation

In this Deed:

- 1.2.1 clause, Schedule and paragraph headings shall not affect the interpretation of this Deed;
- 1.2.2 a reference to a person shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this deed shall be binding on, and enure to the benefit of, the parties to this deed and their respective personal representatives, successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.8 a reference to writing or written includes e-mail but not fax;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 a reference to this Deed (or any provision of it) or to any other agreement or document referred to in this Deed is a reference to this Deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this Deed) from time to time;
- 1.2.11 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this Deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- 1.2.12 any words following the terms "including", "include", "in particular", "for example" or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;

- 1.2.13 a reference to an amendment includes a novation, re-enactment, supplement or variation (and amend and amended shall be construed accordingly);
- 1.2.14 a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.15 a reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.2.16 a reference to continuing in relation to an Event of Default means an Event of Default that has not been waived;
- 1.2.17 a reference to determines or determined means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- 1.2.18 a reference to a regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 Clawback

If the Sellers consider that an amount paid by the Company in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Company or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.

1.4 Nature of security over real property

A reference in this Deed to a charge or mortgage of or over any Property includes:

- 1.4.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) that are situated on or form part of that Property at any time;
- 1.4.2 the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property;
- 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Company in respect of that Property, and any monies paid or payable in respect of those covenants; and
- 1.4.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Property.

1.5 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of **section 2** of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Guarantee and of any side letters between any parties in relation to the Guarantee are incorporated into this Deed.

1.6 Perpetuity period

If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

1.7 Schedules

The Schedules form part of this Deed and shall have effect as if set out in full in the body of this Deed. Any reference to this Deed includes the Schedules.

2. Covenant to pay

The Company shall, on demand, pay to the Sellers and discharge the Secured Liabilities when they become due.

3. Grant of security

3.1 Fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee charges to the Sellers by way of first fixed charge:

- 3.1.1 all Properties acquired by the Company in the future;
- 3.1.2 all present and future estates or interests of the Company in, or over, any freehold, leasehold or commonhold property (other than any such property effectively mortgaged under this **clause 3**);
- 3.1.3 all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
- 3.1.4 all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Company's business or the use of any Secured Asset, and all rights in connection with them;
- 3.1.5 all its present and future goodwill;
- 3.1.6 all its uncalled capital;
- 3.1.7 all the Equipment;
- 3.1.8 all the Intellectual Property;
- 3.1.9 all the Book Debts;
- 3.1.10 all the Investments;

- 3.1.11 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account), together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest); and
- 3.1.12 all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy.

3.2 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee charges to the Sellers, by way of first floating charge, all the undertaking, property, assets and rights of the Company at any time not effectively mortgaged, charged or assigned pursuant to **clause 3.1.1** to **clause 3.1.12** inclusive.

3.3 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by **clause 3.2**.

3.4 Automatic crystallisation of floating charge

The floating charge created by **clause 3.2** shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:

- 3.4.1 the Company:
 - 3.4.1.1 creates, or attempts to create, without the prior written consent of the Sellers, a Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this Deed); or
 - 3.4.1.2 disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);
- 3.4.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or
- 3.4.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Company.

3.5 Crystallisation of floating charge by notice

The Sellers may, in their sole discretion, by written notice to the Company, convert the floating charge created under this Deed into a fixed charge as regards any part of the Secured Assets specified by the Sellers in that notice if an Event of Default occurs and is continuing.

3.6 Assets acquired after any floating charge has crystallised

Any asset acquired by the Company after any crystallisation of the floating charge created under this Deed that, but for that crystallisation, would be subject to a floating charge under this Deed, shall (unless the Sellers confirms otherwise to the Company in writing) be charged to the Sellers by way of first fixed charge.

4. Liability of the Company

4.1 Liability not discharged

The Company's liability under this Deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Sellers that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;

4.1.2 the Sellers renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or

4.1.3 any other act or omission that, but for this **clause 4.1**, might have discharged, or otherwise prejudiced or affected, the liability of the Company.

4.2 Immediate recourse

The Company waives any right it may have to require the Sellers to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this Deed against the Company.

5. Representations and warranties

5.1 Representations and warranties

The Company makes the representations and warranties set out in this **clause 5** to the Sellers.

5.2 Ownership of Secured Assets

The Company is the sole legal and beneficial owner of the Secured Assets.

5.3 No Security

The Secured Assets are free from any Security other than the Security created by this Deed.

5.4 No adverse claims

The Company has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.

5.5 Enforceable security

This Deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Company, and is, and will continue to be, effective security over all and every part of the Secured Assets in accordance with its terms.

6. General covenants

6.1 Negative pledge and disposal restrictions

The Company shall not at any time, except with the prior written consent of the Sellers:

6.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this Deed;

6.1.2 sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or

6.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

6.2 Preservation of Secured Assets

The Company shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Sellers, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this Deed.

6.3 Company's waiver of set-off

The Company waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Company under this Deed).

6.4 Compliance with laws and regulations

6.4.1 The Company shall not, without the Sellers' prior written consent, use or permit the Secured Assets to be used in any way contrary to law.

6.4.2 The Company shall:

6.4.2.1 comply with the requirements of any law and regulation relating to or affecting the Secured Assets or the use of it or any part of them;

6.4.2.2 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and

6.4.2.3 promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

6.5 Notice of misrepresentation and breaches

The Company shall, promptly on becoming aware of any of the same, notify the Sellers in writing of:

6.5.1 any representation or warranty set out in **clause 5** which is incorrect or misleading in any material respect when made or deemed to be repeated; and

6.5.2 any breach of any covenant set out in this Deed.

6.6 Payment of outgoings

The Company shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Sellers.

7. Property covenants

7.1 Maintenance

The Company shall keep all buildings and all fixtures on each Property in good and substantial repair and condition.

7.2 Property information

The Company shall inform the Sellers promptly of any acquisition by the Company of, or contract made by the Company to acquire, any freehold, leasehold or other interest in any property.

7.3 Registration at the Land Registry

The Company consents to an application being made by the Sellers to the Land Registrar for the following restriction in Form P to be registered against its title to each Property:

“No disposition of the registered estate by the proprietor of the registered estate [or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction] is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE] in favour of [NAME OF PARTY] referred to in the charges register [or [their conveyancer or specify appropriate details]].”

7.4 Registration restrictions and cautions against first registration and notices

If the title to any Property is not registered at the Land Registry, the Company shall procure that no person (other than itself) shall be registered under the Land Registration Act 2002 as proprietor of all or any part of any Property, without the prior written consent of the Sellers.

8. Powers of the Sellers

8.1 Power to remedy

8.1.1 The Sellers shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Company of any of its obligations contained in this Deed.

8.1.2 The Company irrevocably authorises the Sellers and its agents to do all things that are necessary or desirable for that purpose.

8.1.3 Any monies expended by the Sellers in remedying a breach by the Company of its obligations contained in this Deed shall be reimbursed by the Company to the Sellers on a full indemnity basis and shall carry interest in accordance with **clause 15.1**.

8.2 Exercise of rights

8.2.1 The rights of the Sellers under **clause 8.1** are without prejudice to any other rights of the Sellers under this Deed.

8.2.2 The exercise of any rights of the Sellers under this Deed shall not make the Sellers liable to account as a mortgagee in possession.

8.3 Power to dispose of chattels

8.3.1 At any time after the security constituted by this Deed has become enforceable, the Sellers or any Receiver may, as agent for the Company, dispose of any chattels or produce found on any Property.

8.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under **clause 8.3.1**, the Company shall

indemnify the Sellers and any Receiver against any liability arising from any disposal made under **clause 8.3.1**.

8.4 Sellers has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this Deed on a Receiver may, after the security constituted by this Deed has become enforceable, be exercised by the Sellers in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

8.5 New accounts

8.5.1 If the Sellers receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Sellers may open a new account for the Company in the Sellers' books. Without prejudice to the Sellers' right to combine accounts, no money paid to the credit of the Company in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

8.5.2 If the Sellers does not open a new account immediately on receipt of the notice, or deemed notice, under **clause 8.5.1**, then, unless the Sellers gives express written notice to the contrary to the Company, all payments made by the Company to the Sellers shall be treated as having been credited to a new account of the Company and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt or deemed receipt of the relevant notice by the Sellers.

8.6 Indulgence

The Sellers may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this Deed (whether or not any such person is jointly liable with the Company) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this Deed or to the liability of the Company for the Secured Liabilities.

8.7 Appointment of an Administrator

8.7.1 The Sellers may, without notice to the Company, appoint any one or more persons to be an Administrator of the Company pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this Deed becomes enforceable.

8.7.2 Any appointment under this **clause 8.7** shall:

8.7.2.1 be in writing signed by a duly authorised signatory of the Sellers; and

8.7.2.2 take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.

8.7.3 The Sellers may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this **clause 8.7** appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

9. When security becomes enforceable

9.1 Security becomes enforceable on Event of Default

The security constituted by this Deed shall become immediately enforceable if an Event of Default occurs.

9.2 Discretion

After the security constituted by this Deed has become enforceable, the Sellers may, in their absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets.

10. Enforcement of security

10.1 Enforcement powers

10.1.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Deed.

10.1.2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall be immediately exercisable at any time after the security constituted by this Deed has become enforceable under **clause 9.1**.

10.1.3 Section 103 of the LPA 1925 does not apply to the security constituted by this Deed.

10.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Sellers and any Receiver, at any time after the security constituted by this Deed has become enforceable, whether in their own name or in that of the Company, to:

10.2.1 grant a lease or agreement to lease;

10.2.2 accept surrenders of leases; or

- 10.2.3 grant any option of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Company, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Sellers or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

10.3 Access on enforcement

- 10.3.1 At any time after the Sellers has demanded payment of the Secured Liabilities or if the Company defaults in the performance of its obligations under this Deed or the Guarantee, the Company will allow the Sellers or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Sellers or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Company for, or by any reason of, that entry.

- 10.3.2 At all times, the Company must use its best endeavours to allow the Sellers or its Receiver access to any premises for the purpose of **clause 10.3.1** (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

10.4 Prior Security

At any time after the security constituted by this Deed has become enforceable, or after any powers conferred by any Security having priority to this Deed shall have become exercisable, the Sellers may:

- 10.4.1 redeem that or any other prior Security;
- 10.4.2 procure the transfer of that Security to itself; and
- 10.4.3 settle and pass any account of the holder of any prior Security.

The settlement and passing of any such account passed shall, in the absence of any manifest error, be conclusive and binding on the Company. All monies paid by the Sellers to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Sellers, be due from the Company to the Sellers on current account and shall bear interest at the default rate of interest specified in the Guarantee and be secured as part of the Secured Liabilities.

10.5 Protection of third parties

No purchaser, mortgagee or other person dealing with the Sellers, any Receiver or Delegate shall be concerned to enquire:

- 10.5.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 10.5.2 whether any power the Sellers, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- 10.5.3 how any money paid to the Sellers, any Receiver or any Delegate is to be applied.

10.6 Privileges

Each Receiver and the Sellers is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

10.7 No liability as mortgagee in possession

Neither the Sellers, any Receiver, any Delegate nor any Administrator shall be liable, by reason of entering into possession of a Security Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any act, neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

10.8 Conclusive discharge to purchasers

The receipt of the Sellers, or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Sellers, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

11. Receiver

11.1 Appointment

At any time after the security constituted by this Deed has become enforceable, or at the request of the Company, the Sellers may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

11.2 Removal

The Sellers may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

11.3 Remuneration

The Sellers may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this Deed, to the extent not otherwise discharged.

11.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Sellers under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

11.5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this Deed or by statute) shall be, and remain, exercisable by the Sellers despite any prior appointment in respect of all or any part of the Secured Assets.

11.6 Agent of the Company

Any Receiver appointed by the Sellers under this Deed shall be the agent of the Company and the Company shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each

Receiver shall continue until the Company goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Sellers.

12. Powers of Receiver

12.1 General

12.1.1 Any Receiver appointed by the Sellers under this Deed shall, in addition to the powers conferred on him by statute, have the powers set out in **clause 12.2** to **clause 12.23**.

12.1.2 A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether it is an administrative receiver or not.

12.1.3 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

12.1.4 Any exercise by a Receiver of any of the powers given by **clause 12** may be on behalf of the Company, the directors of the Company (in the case of the power contained in **clause 12.16**) or himself.

12.2 Repair and develop Properties

A Receiver may undertake or complete any works of repair, building or development on the Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

12.3 Surrender leases

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that he thinks fit.

12.4 Employ personnel and advisers

A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Company.

12.5 Make VAT elections

A Receiver may make, exercise or revoke any value added tax option to tax as he thinks fit.

12.6 Remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Sellers may prescribe or agree with him.

12.7 Realise Secured Assets

A Receiver may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights.

12.8 Manage or reconstruct the Company's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Company.

12.9 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which he is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

12.10 Sever fixtures and fittings

A Receiver may sever and sell separately any fixtures or fittings from any Property without the consent of the Company.

12.11 Sell Book Debts

A Receiver may sell and assign all or any of the Book Debts in respect of which he is appointed in any manner, and generally on any terms and conditions, that he thinks fit.

12.12 Valid receipts

A Receiver may give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.

12.13 Make settlements

A Receiver may make any arrangement, settlement or compromise between the Company and any other person that he may think expedient.

12.14 Bring proceedings

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as he thinks fit.

12.15 Improve the Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as he may think expedient.

12.16 Make calls on Company members

A Receiver may make calls conditionally or unconditionally on the members of the Company in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Company on its directors in respect of calls authorised to be made by them.

12.17 Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in **clause 15**, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Company under this Deed.

12.18 Powers under the LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.

12.19 Borrow

A Receiver may, for any of the purposes authorised by this **clause 12**, raise money by borrowing from the Sellers (or from any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Sellers consents, terms under which that security ranks in priority to this Deed).

12.20 Redeem prior Security

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Company, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

12.21 Delegation

A Receiver may delegate his powers in accordance with this Deed.

12.22 Absolute beneficial owner

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Secured Assets or any part of the Secured Assets.

12.23 Incidental powers

A Receiver may do any other acts and things that he:

12.23.1 may consider desirable or necessary for realising any of the Secured Assets;

12.23.2 may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Deed or law; or

12.23.3 lawfully may or can do as agent for the Company.

13. Delegation

13.1 Delegation

The Sellers or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney granted under **clause 17.1**).

13.2 Terms

The Sellers and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

13.3 Liability

Neither the Sellers nor any Receiver shall be in any way liable or responsible to the Company for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

14. Application of proceeds

14.1 Order of application of proceeds

All monies received by the Sellers, a Receiver or a Delegate pursuant to this Deed, after the security constituted by this Deed has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority:

- 14.1.1 in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Sellers (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this Deed, and of all remuneration due to any Receiver under or in connection with this Deed;
- 14.1.2 in or towards payment of or provision for the Secured Liabilities in any order and manner that the Sellers determines; and
- 14.1.3 in payment of the surplus (if any) to the Company or other person entitled to it.

14.2 Appropriation

Neither the Sellers, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

14.3 Suspense account

All monies received by the Sellers, a Receiver or a Delegate under this Deed:

- 14.3.1 may, at the discretion of the Sellers, Receiver or Delegate, be credited to any suspense or securities realised account;
- 14.3.2 shall bear interest, if any, at the rate agreed in writing between the Sellers and the Company; and
- 14.3.3 may be held in that account for so long as the Sellers, Receiver or Delegate thinks fit.

15. Costs and indemnity

15.1 Costs

The Company shall, promptly demand, pay to, or reimburse, the Sellers and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Sellers, any Receiver or any Delegate in connection with:

- 15.1.1 this Deed or the Secured Assets;
- 15.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Sellers', a Receiver's or a Delegate's rights under this Deed; or
- 15.1.3 taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Company) at the rate and in the manner specified in the Guarantee.

15.2 Indemnity

The Company shall indemnify the Sellers, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

- 15.2.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Deed or by law in respect of the Secured Assets;
- 15.2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Deed; or
- 15.2.3 any default or delay by the Company in performing any of its obligations under this Deed.

Any past or present employee or agent may enforce the terms of this **clause 15.2** subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

16. Further assurance

16.1 Further assurance

The Company shall, at its own expense, take whatever action the Sellers or any Receiver may reasonably require for:

- 16.1.1 creating, perfecting or protecting the security intended to be created by this Deed;
- 16.1.2 facilitating the realisation of any Secured Asset; or
- 16.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Sellers or any Receiver in respect of any Secured Asset,

including, without limitation (if the Sellers or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Sellers or to its nominee) and the giving of any notice, order or direction and the making of any registration.

17. Power of attorney

17.1 Appointment of attorneys

By way of security, the Company irrevocably appoints the Sellers, every Receiver and every Delegate separately to be the attorney of the Company and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

17.1.1 the Company is required to execute and do under this Deed; or

17.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Deed or by law on the Sellers, any Receiver or any Delegate.

17.2 Ratification of acts of attorneys

The Company ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in **clause 17.1**.

18. Release

Subject to **clause 25.3**, on the expiry of the Security Period (but not otherwise), the Sellers shall, at the request and cost of the Company, take whatever action is necessary to:

18.1 release the Secured Assets from the security constituted by this Deed; and

18.2 reassign the Secured Assets to the Company.

19. Assignment and transfer

19.1 Assignment by Company

The Company may not assign any of its rights, or transfer any of its rights or obligations, under this Deed.

20. Set-off

20.1 Sellers' right of set-off

The Sellers may at any time set off any liability of the Company to the Sellers against any liability of the Sellers to the Company, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Deed. If the liabilities to be set off are expressed in different currencies, the Sellers may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Sellers of its rights under this **clause 20** shall not limit or affect any other rights or remedies available to it under this Deed or otherwise.

20.2 No obligation to set off

The Sellers are not obliged to exercise its rights under **clause 20.1**. If, however, it does exercise those rights it must promptly notify the Company of the set-off that has been made.

20.3 Exclusion of Company's right of set-off

All payments made by the Company to the Sellers under this Deed shall be made without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

21. Amendments, waivers and consents

21.1 Amendments

No amendment of this Deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

21.2 Waivers and consents

21.2.1 A waiver of any right or remedy under this Deed or by law, or any consent given under this Deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

21.2.2 A failure to exercise, or a delay in exercising, any right or remedy provided under this Deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this Deed. No single or partial exercise of any right or remedy provided under this Deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this Deed by the Sellers shall be effective unless it is in writing.

21.3 Rights and remedies

The rights and remedies provided under this Deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

22. Severance

22.1 Severance

If any provision (or part of a provision) of this Deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed

deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this Deed.

23. Counterparts

23.1 Counterparts

23.1.1 This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

23.1.2 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

24. Third party rights

24.1 Third party rights

Except as expressly provided in **clause 15.2** in this Deed, a person who is not a party to this Deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this Deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

25. Further provisions

25.1 Independent security

The security constituted by this Deed shall be in addition to, and independent of, any other security or guarantee that the Sellers may hold for any of the Secured Liabilities at any time. No prior security held by the Sellers over the whole or any part of the Secured Assets shall merge in the security created by this Deed.

25.2 Continuing security

The security constituted by this Deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Sellers discharges this Deed in writing.

25.3 Discharge conditional

Any release, discharge or settlement between the Company and the Sellers shall be deemed conditional on no payment or security received by the Sellers in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

- 25.3.1 the Sellers or its nominee may retain this Deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Sellers deems necessary to provide the Sellers with security against any such avoidance, reduction or order for refund; and
- 25.3.2 the Sellers may recover the value or amount of such security or payment from the Company subsequently as if the release, discharge or settlement had not occurred.

25.4 Certificates

A certificate or determination by the Sellers as to any amount for the time being due to it from the Company under this Deed and the Guarantee shall be, in the absence of any manifest error, conclusive evidence of the amount due.

25.5 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this Deed.

26. Small company moratorium

- 26.1 Notwithstanding anything to the contrary in this Deed, neither the obtaining of a moratorium by the Sellers 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:

- 26.1.1 an event under this deed which causes any floating charge created by this Deed to crystallise;
- 26.1.2 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 Sellers; or
- 26.1.3 a ground under this Deed for the appointment of a Receiver.

27. Notices

27.1 Delivery

Each notice or other communication required to be given to a party under or in connection with this Deed shall be:

- 27.1.1 in writing;
- 27.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service; and

27.1.3 sent to the address of the recipient set out in this agreement or to any other address as is notified in writing by one party to the other from time to time.

27.2 Receipt by Company

Any notice or other communication that the Sellers gives to the Company shall be deemed to have been received:

27.2.1 if delivered by hand, at the time it is left at the relevant address; and

27.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting;

A notice or other communication given as described in **clause 27.2.1** on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

27.3 Service of proceedings

This **clause 27** does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

27.4 No notice by e-mail

A notice or other communication given under or in connection with this Deed is not valid if sent by e-mail or fax.

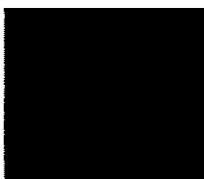
28. Governing law and jurisdiction

28.1 Governing law

This Deed 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.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SIGNED as a **DEED** by)
PATRICK JOSEPH)
GALLIGAN)
in the presence of:)



Witness's signature:



Witness's name:

Address:

David Kaplan
Sterne House
Lodge Lane
Derby
DE1 3WD

Occupation:

Solicitor

SIGNED as a **DEED** by)
HEATHER MARIE)
GALLIGAN)
in the presence of:)



Witness's signature:



Witness's name:

Address:

David Kaplan
Sterne House
Lodge Lane
Derby
DE1 3WD

Occupation:

Solicitor

SIGNED as a DEED by)
PAUL RICHARD JEFFERY)
in the presence of:)

Witness's signature:

Witness's name:

Address: David Kaplan
Sterne House
Lodge Lane
Derby
DE1 3WD
Occupation: Solicitor

EXECUTED as a DEED by)
ASTRA CARPETS (EAST)
MIDLANDS) LIMITED)
acting by a director)
in the presence of:)

Witness's signature:

Witness's name: Mark Wilcock

Address: 40 Smith Partnership
Norman House, Derby

Occupation: Solicitor