



Registration of a Charge

Company name: **DAYSMITH INVESTMENTS LIMITED**

Company number: **11523323**



X8EV6J17

Received for Electronic Filing: **27/09/2019**

Details of Charge

Date of creation: **23/09/2019**

Charge code: **1152 3323 0002**

Persons entitled: **GATEHOUSE BANK PLC**

Brief description: **BASEMENT FLAT 6, FISHER STREET, MAIDSTONE, ME14 2SW AS PER
LAND REGISTRY TITLE NUMBER TT90957**

Contains fixed charge(s).

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 THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **AFREEN MEHDI COLE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11523323

Charge code: 1152 3323 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd September 2019 and created by DAYSMITH INVESTMENTS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 27th September 2019 .

Given at Companies House, Cardiff on 30th September 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**

Legal Charge relating to
Basement Flat 6, Fisher Street, Maidstone, ME14
2SW, United Kingdom

Dated 23 / 9 / 2019

Gatehouse Bank plc (1)
Daysmith Investments Ltd (2)

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23 191
THIS DEED DATED

2019

BETWEEN

- (1) Daysmith Investments Ltd registered in England & Wales with company number 11523323 whose registered office is at Day Smith Investments Ltd, Unit 8, Queenborough Business Park, Main Road, Queenborough, ME11 5DY, United Kingdom (the "Client"); and
- (2) Gatehouse Bank plc, a public limited company registered in England and Wales with company number 06260053 whose registered office is at 14 Grosvenor Street, London, W1K 4PS (the "Bank")

WITNESSES AS FOLLOWS:

1 Interpretation

- 1.1 Definitions: In this deed, unless the context requires otherwise:

Charged Property: means all the assets, property and undertaking for the time being subject to any Security created by this deed (and references to the Charged Property shall include references to any part of it).

Delegate: any person appointed by the Bank or any Receiver under clause 14 of this deed and any person appointed as attorney of the Bank, Receiver or Delegate.

Diminishing Musharakah Agreement: means the diminishing musharakah agreement entered into between the Client and the Bank on or about the date of this deed.

Insurance Policy: means each contract or policy of insurance effected or maintained by the Client from time to time in respect of the Property.

Property: means Basement Flat 6, Fisher Street, Maidstone, ME14 2SW, United Kingdom registered at the Land Registry with title number TT90957.

Receiver: a receiver or a receiver and manager of any or all of the Charged Property.

Secured Obligations: means all of the present and future obligations and liabilities of the Client to the Bank (whether actual or contingent and whether owed solely, jointly or severally or in any other capacity whatsoever) under or in connection with the Agreements.

Security Period: means the period starting on the date hereof and ending on the date on which the Bank is satisfied that all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full and no further Secured Obligations are capable of being outstanding.

1925 Act: means The Law of Property Act 1925.

- 1.2 Unless otherwise defined in this deed, a term defined in the Diminishing Musharakah Agreement has the same meaning when used in this deed.
- 1.3 Successors and assigns: The expression "Bank" and "Client" include, where the context admits, their respective successors, and, in the case of the Bank, its transferees and assignees, whether immediate or derivative.
- 1.4 Headings: Clause headings and the contents page are inserted for convenience of reference only and shall be ignored in the interpretation of this deed.
- 1.5 Construction of certain terms: In this deed, unless the context otherwise requires:

- (a) where any obligation is undertaken by two or more persons, that obligation shall apply to all such persons jointly and each of them individually;
 - (b) words importing persons include an individual, company, corporation, firm, partnership, unincorporated association or body of persons, and any state, or governmental or local division or agency of a state;
 - (c) unless otherwise provided, references to clauses are references to the relevant clause in this deed;
 - (d) references to any statute or statutory provision shall include (i) any subordinate legislation made under it, (ii) any provision which it has superseded or re-enacted (whether with or without modification), and (iii) any provision superseded it or re-enacted it (whether with or without modification);
 - (e) the descriptive headings to clauses are inserted for convenience only, have no legal effect and shall be ignored in interpreting this deed; and
 - (f) the words and phrases "other", "including" and "in particular" shall not limit the generality of the words preceding or succeeding them or be construed as limiting the succeeding words to the same class as the preceding words.
- 1.6 **Clawback:** If the Bank considers that an amount paid by the Client in respect of the Secured Obligations is capable of being avoided or otherwise set aside on the liquidation or administration of the Client or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.
- 1.7 **Nature of security over real property:** A reference in this deed to a charge or mortgage of or over the Property or Lease includes:
- (a) all buildings and fixtures and fittings (including the trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of the Property at any time;
 - (b) the proceeds of the sale of any part of the Property or Lease and any other monies paid or payable in respect of or in connection with the Property or Lease;
 - (c) the benefit of any covenants of title given, or entered into, by any predecessor in title of the Bank in respect of the Property or Lease and any monies paid or payable in respect of those covenants; and
 - (d) all rights under any licence, agreement for sale or agreement for lease in respect of the Property or Lease.
- 1.8 **Perpetuity period:** If the rule against perpetuities applies to any trust created by this deed, the perpetuity shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).
- 2 Covenant to Pay**
- The Client covenants to pay on demand to the Bank and discharge all Secured Obligations.
- 3 Grant of Security**
- Legal mortgage and fixed charges*
- 3.1 As continuing security for the payment and discharge of the Secured Obligations, the Client with full title guarantee charges to the Bank:
- (a) by way of first legal mortgage, the Lease; and

(b) by way of fixed charge:

- (i) the Diminishing Musharakah Agreement;
- (ii) any other interest the Client has in the Property including without limitation any shares in any management company which are or may be registered in or allotted to the Client, together with all rights, easements and privileged belonging to or benefitting the Property;
- (iii) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy to the extent not effectively assigned under clause 3.2;
- (iv) the benefit of all other contracts, guarantees, appointments and warranties relating to the Charged Property and other documents to which the Client is a party or which are in its favour or of which or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of the Charged Property or otherwise relating to the Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them); and
- (v) all authorisations (statutory or otherwise) held or required in connection with the Client's business carried on at the Property or the use of any Charged Property, and all rights in connection with them.

3.2 Assignment

As continuing security for the payment and discharge of the Secured Obligations, the Client with full title guarantee assigns to the Bank absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Obligations, all its rights in each Insurance Policy, including all claims, the proceeds of claims and all returns of premiums in connection with each Insurance Policy, provided that nothing in this clause 3.2 shall constitute the Bank as mortgagee in possession.

4 Perfection of Security

Registration of legal mortgage at the Land Registry

4.1 The Client agrees to the entry of the following restriction in the proprietorship register of the title to the Lease which is, or is required to be, registered at the Land Registry:

'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 22.11 2019 in favour of Gatehouse Bank plc of 14 Grosvenor Street, London, W1K 4PS referred to in the Charges Register.'

Cautions against first registration and notices

4.2 Whether or not title to the Property or Lease is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against the Client's title to the Property or Lease, the Client shall immediately provide the Bank with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this deed, the Client shall immediately, and at its own expense, take such steps as the Bank may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.

5 Liability of the Client

Liability not discharged

5.1 The Client's liability under this deed in respect of any of the Secured Obligations shall not be discharged, prejudiced or affected by:

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Bank that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- (b) the Bank 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
- (c) any other act or omission that, but for this clause 5.1, might have discharged, or otherwise prejudiced or affected, the liability of the Client.

Immediate recourse

5.2 The Client waives any right it may have to require the Bank 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 Client.

6 Representations and Warranties

The Client makes the representations and warranties set out in this clause 6 to the Bank.

No security

6.1 The Charged Property is free from any Security other than the Security created by the Agreements.

No occupation

6.2 The Client hereby declares that it intends to underlet the Property and that the Client and members of its family shall not occupy the Property.

No adverse claims

6.3 The Client has not received, or acknowledged notice of, any adverse claim by any person in respect of the Charged Property or any interest in it.

No adverse covenants

6.4 There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever that materially and adversely affect the Charged Property.

No breach of laws

6.5 There is no breach of any law or regulation that materially and adversely affects the Charged Property.

No interference in enjoyment

6.6 No facility necessary for the enjoyment and use of the Charged Property is subject to terms entitling any person to terminate or curtail its use.

No overriding interests

- 6.7 Nothing has arisen, has been created or is subsisting that would be an overriding interest in the Property.

No prohibitions or breaches

- 6.8 There is no prohibition on the Client assigning its rights in any of the Charged Property referred to in clause 3.2 and the entry into of this deed by the Client does not and will not constitute a breach of any policy, agreement, document, instrument or obligation binding on the Client or its assets.

Environmental compliance

- 6.9 The Client has, at all times, complied in all respects with all applicable Environmental Law and Environmental Licences.

Information for Valuations and Certificates of Title

- 6.10 All written information supplied by the Client or on its behalf for the purpose of each Valuation and Certificate of Title was true and accurate in all material respects at its date or at the date (if any) on which it was stated to be given.
- 6.11 The information referred to in clause 6.10 was, at its date or at the date (if any) on which it was stated to be given, complete and the Client did not omit to supply any information that, if disclosed, would adversely affect the Valuation or Certificate of Title.
- 6.12 In the case of the Initial Valuation and Certificate of Title only, nothing has occurred since the date the information referred to in clause 6.10 was supplied and the date of this deed which would adversely affect such Initial Valuation or Certificate of Title.

Avoidance of security

- 6.13 No Security expressed to be created under this deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Client or otherwise.

Enforceable security

- 6.14 This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Client and is and will continue to be effective security over all and every part of the Charged Property in accordance with this deed.

7 General Covenants

Negative pledge and disposal restrictions

- 7.1 The Client shall not at any time:
- (a) create, purport to create or permit to subsist any Security on, or in relation to, any Charged Property other than any Security created by this deed;
 - (b) 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 Charged Property; or
 - (c) create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

Preservation of Charged Property

- 7.2 The Client 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 Bank or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this deed.

Compliance with laws and regulations

- 7.3 The Client shall not use or permit the Charged Property to be used in any way contrary to law.

- 7.4 The Client shall:

- (a) comply with the requirements of any law or regulation relating to or affecting the Charged Property or the use of it or any part of it;
- (b) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Charged Property or its use or that are necessary to preserve, maintain or renew any Charged Property; and
- (c) promptly effect any maintenance, modifications, alterations or repairs to be effected on or in connection with the Charged Property that are required to be made by it under any law or regulation.

Enforcement rights

- 7.5 The Client shall use its best endeavours to:

- (a) procure the prompt observance and performance by the relevant counterparty to any agreement or arrangement with the Client and forming part of the Charged Property of the covenants and other obligations imposed on such counterparty; and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property that the Bank may require from time to time.

Notice of misrepresentations and breaches

- 7.6 The Client shall, promptly on becoming aware of any of the same, give the Bank notice in writing of:

- (a) any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- (b) any breach of any covenant set out in this deed.

Title documents

- 7.7 The Client shall, on the execution of this deed, deposit with the Bank and the Bank shall, for the duration of this deed, be entitled to hold:

- (a) all deeds and documents of title relating to the Charged Property that are in the possession or control of the Client (and if these are not within the possession and/or control of the Client, the Client undertakes to obtain possession of all these deeds and documents of title); and
- (b) each Insurance Policy.

Client's waiver of set-off

- 7.8 The Client waives any present or future right of set-off it may have in respect of the Secured Obligations (including sums payable by the Client under this deed).

8 Property Covenants

The Client shall at all times observe and perform the covenants set out in the Schedule to the Lease.

9 Powers of the Bank

Power to remedy

- 9.1 The Bank shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Client of any of its obligations contained in this deed.
- 9.2 The Client irrevocably authorises the Bank and its agents to do all things that are necessary or desirable for that purpose.
- 9.3 Any monies expended by the Bank in remedying a breach by the Client of its obligations contained in this deed shall be reimbursed by the Client to the Bank on a full indemnity basis within fourteen (14) Business Days of demand by the Bank.
- 9.4 In remedying any breach in accordance with this clause 9.1 the Bank, its agents and their respective officers, agents and employees shall be entitled to enter onto the Property and to take any action as the Bank may reasonably consider necessary or desirable including, without limitation, carrying out any repairs, other works or development.

Exercise of rights

- 9.5 The rights of the Bank under clause 9.1 are without prejudice to any other rights of the Bank under this deed. The exercise of any rights of the Bank under this deed shall not make the Bank liable to account as a mortgagee in possession.

Bank has Receiver's powers

- 9.6 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 Bank in relation to any of the Charged Property whether or not it has taken possession of any Charged Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

Conversion of currency

- 9.7 For the purpose of, or pending, the discharge of any of the Secured Obligations, the Bank may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this clause 9.7) from their existing currencies of denomination into any other currencies of denomination that the Bank may think fit.
- 9.8 Any such conversion shall be effected at the then prevailing spot selling rate of exchange for such other currency against the existing currency.
- 9.9 Each reference in clauses 9.7 to 9.9 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

New accounts

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

- 9.11 If the Bank does not open a new account immediately on receipt of the notice, or deemed notice, referred to in clause 9.10, then, unless the Bank gives express written notice to the contrary to the Client, all payments made by the Client to the Bank shall be treated as having been credited to a new account of the Client and not as having been applied in reduction of the Secured Obligations, as from the time of receipt or deemed receipt of the relevant notice by the Bank.

Bank's set-off rights

- 9.12 If the Bank has more than one account for the Client in its books, the Bank may at any time after:

- (a) the security constituted by this deed has become enforceable; or
- (b) the Bank has received, or is deemed to have received, notice of any subsequent Security or other interest affecting all or any part of the Charged Property,

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account that may be in debit. After making any such transfer, the Bank shall notify the Client of that transfer.

Indulgence

- 9.13 The Bank 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 person is jointly liable with the Client) in respect of any of the Secured Obligations or of any other security for them without prejudice either to this deed or to the liability of the Client for the Secured Obligations.

10 When security becomes enforceable

Security becomes enforceable on Event of Default

- 10.1 The security constituted by this deed shall be immediately enforceable if an Event of Default occurs.

Discretion

- 10.2 After the security constituted by this deed has become enforceable, the Bank may, in its 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 Charged Property.

11 Enforcement of security

Enforcement powers

- 11.1 The power of sale and other powers conferred by section 101 of the 1925 Act (as varied or extended by this deed) shall, as between the Bank and a purchaser from the Bank, arise on and be exercisable at any time after the execution of this deed, but the Bank shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable under clause 10.1.

- 11.2 Section 103 of the 1925 Act does not apply to the security constituted by this deed.

Protection of third parties

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

- (a) whether any of the Secured Obligations have become due or payable, or remain unpaid or undischarged;
- (b) whether any power the Bank, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- (c) how any money paid to the Bank, any Receiver or any Delegate is to be applied.

Privileges

- 11.4 Each Receiver and the Bank is entitled to all the rights, powers, privileges and immunities conferred by the 1925 Act on mortgagees and receivers.

No liability as mortgagee in possession

- 11.5 Neither the Bank, any Receiver nor any Delegate shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Property for which a mortgagee in possession might be liable as such.

Relinquishing possession

- 11.6 If the Bank, any Receiver or Delegate enters into or takes possession of the Charged Property, it or he may at any time relinquish possession.

Conclusive discharge to purchasers

- 11.7 The receipt of the Bank 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 Charged Property or in making any acquisition in the exercise of their respective powers, the Bank, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

12 Receivers

Appointment

- 12.1 At any time after the security constituted by this deed has become enforceable, or at the request of the Client, the Bank may, without further notice, appoint by way of deed, or otherwise in writing, any one or more person or persons to be a Receiver of all or any part of the Charged Property.

Removal

- 12.2 The Bank may, without further notice (subject to section 45 of the Insolvency Act 1986), 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.

Remuneration

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

Power of appointment additional to statutory powers

- 12.4 The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Bank under the Insolvency Act 1986, the 1925 Act or otherwise, and shall

be exercisable without the restrictions contained in sections 103 and 109 of the 1925 Act or otherwise.

Powers of appointment exercisable despite prior appointments

- 12.5 The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Bank despite any prior appointment in respect of all or any part of the Charged Property.

Agent of the Client

- 12.6 Any Receiver appointed by the Bank under this deed shall be the agent of the Client and the Client 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 Client goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Bank.

13 Powers of Receiver

Powers additional to statutory powers

- 13.1 Any Receiver appointed by the Bank under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 13.2 to clause 13.18.
- 13.2 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.
- 13.3 Any exercise by a Receiver of any of the powers given by clause 13 may be on behalf of the Client, the directors of the Client or himself.

Repair and develop the Property

- 13.4 A Receiver may undertake or complete any works of repair, alteration, building or development on the Property 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.

Grant or accept surrenders of leases

- 13.5 A Receiver may grant, or accept, surrenders of any leases or tenancies affecting the Property on any terms and subject to any conditions that he thinks fit.

Employ personnel and advisers

- 13.6 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 Client.

Charge for remuneration

- 13.7 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 Bank may prescribe or agree with him.

Realise Charged Property

- 13.8 A Receiver may collect and get in the Charged Property or any part of it 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 Charged Property with like rights.

Dispose of Charged Property

- 13.9 A Receiver may grant options and licences over all or any part of the Charged Property, grant any other interest or right over, sell, assign or lease (or concur in granting options and licences over all or any part of the Charged Property, granting any other interest or right over, selling, assigning or leasing) all or any of the Charged Property in respect of which he is appointed for such consideration and in such manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions that he thinks fit. A Receiver may promote, or concur in promoting, a company to purchase the Charged Property to be disposed of by him.

Sever fixtures and fittings

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

Give valid receipts

- 13.11 A Receiver may give valid receipts for all monies and execute all assurances and things that may be proper or desirable for realising any of the Charged Property.

Make settlements

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

Bring proceedings

- 13.13 A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Charged Property that he thinks fit.

Insure

- 13.14 A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 16.2, 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 Client under this deed.

Powers under the 1925 Act

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

Redeem prior Security

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

Delegation

- 13.17 A Receiver may delegate his powers in accordance with this deed.

Absolute beneficial owner

- 13.18 A Receiver may, in relation to any of the Charged Property, 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 Charged Property or any part of the Charged Property.

Incidental powers

- 13.19 A Receiver may do any other acts and things:
- (a) that he may consider desirable or necessary for realising any of the Charged Property;
 - (b) that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed; or
 - (c) that he lawfully may or can do as agent for the Client.

14 Delegation

Delegation

- 14.1 The Bank 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 18.1).

Terms

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

Liability

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

15 Application of proceeds

Order of application of proceeds

- 15.1 All monies received by the Bank, a Receiver or a Delegate under this deed after the security constituted by this deed has become enforceable (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the 1925 Act) be applied in the order of priority set out in clause 6.3 of the Diminishing Musharakah Agreement.

Appropriation

- 15.2 Neither the Bank, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the 1925 Act, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment in any particular order between any of the Secured Obligations.

Suspense account

- 15.3 All monies received by the Bank, a Receiver or a Delegate under this deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Obligations):

- (a) may, at the discretion of the Bank, Receiver or Delegate, be credited to any suspense or securities realised account; and
- (b) may be held in that account for so long as the Bank, Receiver or Delegate thinks fit.

16 Costs and indemnity

Costs

16.1 The Client shall, promptly on demand, pay to, or reimburse, the Bank 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 Bank, any Receiver or any Delegate in connection with:

- (a) this deed or the Charged Property;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Bank's, a Receiver's or a Delegate's rights under this deed; or
- (c) taking proceedings for, or recovering, any of the Secured Obligations.

Indemnity

16.2 The Client shall indemnify the Bank, each Receiver and each Delegate, and their respective employees and agents against all liabilities, actual costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all 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:

- (a) 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 Charged Property;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
- (c) any default or delay by the Client in performing any of its obligations under this deed.
- (d) Any past or present employee or agent may enforce the terms of this clause 16.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

17 Further assurance

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

- (a) creating, perfecting or protecting the security intended to be created by this deed;
- (b) facilitating the realisation of any of the Charged Property; or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Bank or any Receiver in respect of any of the Charged Property,

including, without limitation (if the Bank 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 Charged Property and the giving of any notice, order or direction and the making of any registration.

18 Power of attorney

Appointment of attorneys

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

- (a) the Client is required to execute and do under this deed; or
- (b) 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 Bank, any Receiver or any Delegate.

Ratification of acts of attorneys

18.2 The Client 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 18.1.

19 Release

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

- 19.1 release the Charged Property from the security constituted by this deed; and
- 19.2 reassign the Charged Property to the Client.

20 Assignment and transfer

Assignment by Bank

- 20.1 At any time, without the consent of the Client, the Bank may assign or transfer any or all of its rights and obligations under this deed.
- 20.2 The Bank may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Client, the Charged Property and this deed that the Bank considers appropriate.

Assignment by Client

- 20.3 The Client may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

21 Set-off

The Bank may at any time set off any liability of the Client to the Bank against any liability of the Bank to the Client, 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 Bank may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Bank of its rights under this clause 21 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

22 Amendments, waivers and consents

Amendments

- 22.1 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).

Waivers and consents

- 22.2 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.
- 22.3 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 Bank shall be effective unless it is in writing.

Rights and remedies

- 22.4 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.

23 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.

24 Third party rights

No term of this deed is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this deed.

25 Further Provisions

Independent security

- 25.1 The security constituted by this deed shall be in addition to, and independent of, any other security or guarantee that the Bank may hold for any of the Secured Obligations at any time. No prior security held by the Bank over the whole or any part of the Charged Property shall merge in the security created by this deed.

Continuing security

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

Discharge conditional

- 25.3 Any release, discharge or settlement between the Client and the Bank shall be deemed conditional on no payment or security received by the Bank in respect of the Secured Obligations being avoided, reduced or ordered to be refunded under any law relating to

insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

- (a) the Bank or its nominee may retain this deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Charged Property, for any period that the Bank deems necessary to provide the Bank with security against any such avoidance, reduction or order for refund; and
- (b) the Bank may recover the value or amount of such security or payment from the Client subsequently as if the release, discharge or settlement had not occurred.

Certificates

- 25.4 A certificate or determination by the Bank as to any amount for the time being due to it from the Client under this deed shall be, in the absence of any manifest error, conclusive evidence of the amount due.

Consolidation

- 25.5 The restriction on the right of consolidation contained in section 93 of the 1925 Act shall not apply to this deed.

26 Notices

- 26.1 Any notice to be served on the Bank under this deed must be served on the Bank in writing at its registered office or if the Bank moves to a new address, the new address. The Bank will notify the Client of any new address that it moves to.
- 26.2 Any notice to be served on the Client under this deed must be in writing and shall be deemed sufficiently served if it is sent:
- (a) by post to the Property and shall be deemed to be received forty eight (48) hours after posting; and
 - (b) to one individual only in circumstances where the Client comprises more than one individual.

27 Counterparts

This deed may be executed in any number of counterparts, which shall have the same effect as if the signatories in the counterparts were on a single copy of this deed.

28 Governing law and jurisdiction

- 28.1 The Client and the Bank agree that they have reviewed this deed for the purposes of its compliance with Shariah and:
- (a) have, to the extent that the Client or the Bank consider necessary, taken independent advice from advisers specialising in matters of Shariah;
 - (b) confirm that they are each satisfied that the provisions of this deed do not contravene Shariah; and
 - (c) neither of them have any objection, nor will the Client or the Bank raise any objection as to matters of Shariah compliance in respect of or otherwise in relation to the provisions of this deed.
- 28.2 The Client and the Bank recognise and agree that the principle of the payment of interest is repugnant to Shariah and accordingly, to the extent that any legal system would (but for the provisions of this clause) impose (whether by contract or by statute) any obligation to pay


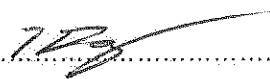
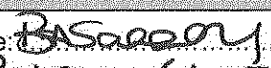

interest, the parties hereby irrevocably and unconditionally expressly waive and reject any entitlement to recover interest from each other.

28.3 This deed shall be governed by and construed in accordance with English law and the parties submit to the exclusive jurisdiction of the English Courts.

28.4 The English Courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute regarding the existence, validity or termination of it) (a "Dispute"). The Bank and the Client agree that the English Courts are the most appropriate and convenient courts to settle a Dispute and accordingly neither the Client nor the Bank will argue the contrary.

IN WITNESS whereof this deed has been executed and delivered by or on behalf of the parties on the date stated at the beginning of this deed.

Execution Page

Bank Execution	
<p>SIGNED as a deed by as attorney for and on behalf of and in the name of Gatehouse Bank Plc in the presence of;</p> <p>..... Signature of Attorney</p>	<p>Witness signature:</p> <p>Witness name:</p> <p>Witness address:</p> <p>.....</p> <p>Witness occupation:</p>
Client Execution	
<p>EXECUTED as a deed by Daysmith Investments Ltd acting by Daniel Robert Smith, a director and James Andrew Day, a director</p> <p>Director : </p> <p>Name: <i>Daniel Robert Smith</i></p> <p>Director : </p> <p>Name: <i>James Andrew Day</i></p>	<p>Witness signature: </p> <p>Witness name: <i>BASIL SAIFER</i></p> <p>Witness address: <i>13 RICHARD ST</i></p> <p><i>ROCHESTER ME1 2EB</i></p> <p>Witness occupation: <i>MANAGER</i></p> <p>Witness signature: </p> <p>Witness name: <i>BASIL SAIFER</i></p> <p>Witness address: <i>13 RICHARD ST</i></p> <p><i>ROCHESTER ME1 2EB</i></p> <p>Witness occupation: <i>MANAGER</i></p>