

MR01

Particulars of a charge

054554 / 13

A fee is payable with this form.
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where the
instrument Use form MR08

For further information, please
refer to our guidance at

This form **must be delivered to the Registrar for registration within
21 days** beginning with the day after the date of creation of the charge.
If delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery

☒ You **must** enclose a certified copy of the instrument with this form. This will be
scanned and placed on the public record



A04

A3A7L96P

17/06/2014

#225

COMPANIES HOUSE

TUESDAY

1 Company details

Company number 0 7 8 9 3 4 5 0

Company name in full The Chapar Limited

For official use

→ **Filling in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 2 9 0 5 2 0 1 4

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name Joseph Middleton

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

MR01

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4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

Please use a continuation page if you need to enter more details

Description

All assets, property and undertaking of the Company

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ **Yes**

☐ **No**

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ **Yes** Continue

☐ **No** Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ **Yes**

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ **Yes**

☐ **No**

MR01

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8

Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X



X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name Tom Gray

Company name Actons Solicitors

Address 20 Regent Street

Post town Nottingham

County/Region

Postcode N G 1 5 B Q

Country

DX 10001 Nottingham 1

Telephone +44 (0) 115 9100 200



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7893450

Charge code: 0789 3450 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th May 2014 and created by THE CHAPAR LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th June 2014

Given at Companies House, Cardiff on 20th June 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED

29th May

2014

DEBENTURE

JOSEPH MIDDLETON (1)

AND

THE CHAPAR LIMITED (2)

acton's
solicitors

20 Regent Street
Nottingham
NG1 5BQ

T 0115 9 100 200

F 0115 9 101 301

Ref TG 43143 1 2

We hereby certify
this to be a true copy
of the original
AC
16/6/14

CONTENTS

CLAUSE

1	DEFINITIONS AND INTERPRETATION	1
2	COVENANT TO PAY	6
3	GRANT OF SECURITY	6
4	LIABILITY OF THE CHARGOR	9
5	REPRESENTATIONS AND WARRANTIES	10
6	COVENANTS	10
7	POWERS OF THE LENDER	10
8	ENFORCEMENT	10
9	COSTS AND INDEMNITY	11
10	RELEASE	12
11	ASSIGNMENT AND TRANSFER	12
12	FURTHER PROVISIONS	12
13	NOTICES	14
14	GOVERNING LAW AND JURISDICTION	15

SCHEDULES

THIS AGREEMENT is dated

28th May 2014

PARTIES

- (1) **The Chapar Limited** incorporated and registered in England and Wales with company number 07893450 whose registered office is at 15 Victoria Street, Nottingham NG1 2JZ ("**Chargor**")
- (2) **Mr Joseph Middleton** of 36 Lucas House 552 Kings Road London SW10 0RE ("**Lender**")

BACKGROUND

- (A) The Lender has made available secured loan facilities to the Chargor
- (B) This debenture provides security which the Chargor has agreed to give the Lender for the lending

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

- 1.1 The following definitions apply in this debenture

Administrator: an administrator appointed to manage the affairs, business and property of the Chargor pursuant to paragraph 15 of Schedule 4

Assigned Agreements: all material contracts and agreements of the Chargor held as at the date of this debenture and entered into thereafter, the rights under which are assigned pursuant to clause 3 1(d)

Book Debts: all present and future book and other debts and monetary claims due or owing to the Chargor and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Chargor in relation to any of them

Borrower: means the Chargor

Business Day: a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London and deposits are dealt with on the London Interbank Market

Charged Property: all the assets, property and undertaking of the Chargor for the time being subject to the security interests created by this debenture (and references to the Charged Property shall include references to any part of it)

Costs: all costs, charges, expenses and liabilities of any kind including, without limitation, costs and damages in connection with litigation, professional fees, disbursements and any value added tax charged on Costs

Designated Account: any account nominated by the Lender as a designated account for the purposes of this debenture

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

Environmental Law: all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment

Equipment: all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations, apparatus and other tangible moveable property for the time being owned by the Chargor, including any part of it and all spare parts, replacements, modifications and additions

Excluded Property: any leasehold property held by the Chargor under a lease which precludes, either absolutely or conditionally (including requiring the consent of any third party), the Chargor from creating any charge over its leasehold interest in that property

Financial Collateral: shall have the meaning given to that expression in the Financial Collateral Regulations

Financial Collateral Regulations: the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*)

Insurance Policies: the insurance policies referred to in clause 3 1(c)

Intellectual Property: the Chargor'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 present and future stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Chargor, including all rights accruing or incidental to those investments from time to time

Lending Agreements: means the various loan agreements entered into between the Lender and the Chargor

Permitted Security Interest: any Security Interest that is created over the Charged Property with the prior written consent of the Lender

Properties: all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or at any time after the date of this debenture (and from time to time) owned by the Chargor, or in which the Chargor holds an interest and **Property** means any of them

Receiver: a receiver and/or manager of any or all of the Charged Property appointed under paragraph 6 of Schedule 4

Secured Liabilities: all past, present and future monies, obligations and liabilities owed by the Chargor to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity under or in connection with the Lending Agreements between the Lender and the Borrower, including the Secured Sums, together with all interest (including, without limitation, default interest) accruing in respect of such monies or liabilities

Secured Sums: all sums due, owing and outstanding from time to time

Security Interest: any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, hypothecation, assignment as security, title retention or any other type of arrangement that has a similar effect to any of them

Security Financial Collateral Arrangement: shall have the meaning given to that expression in the Financial Collateral Regulations

Security Period: the period starting on the date of this debenture and ending on the date on which 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 In this debenture

- (a) a reference to the **Chargor** or to the **Lender** shall include their successors in title, permitted assigns and permitted transferees,
- (b) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description,
- (c) a reference to an **amendment** includes a supplement, restatement, variation, novation or re-enactment (and **amended** shall be construed accordingly),
- (d) a reference to an **authorisation** includes an authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation,
- (e) a reference to **this debenture** (or any specified provision of it) or any other document shall be construed as a reference to this debenture, that provision or that document as in force for the time being and as amended from time to time,
- (f) a reference to **indebtedness** includes any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent,
- (g) a reference to a **person** shall include a reference to an individual, firm, corporation, unincorporated body of persons or any state or any agency of a person,
- (h) a reference to a **statute** or **statutory provision** includes a reference to any subordinate legislation made under that statute or statutory provision, to any modification, re-enactment or extension of that

statute or statutory provision and any former statute or statutory provision which it consolidated or re-enacted before the date of this debenture,

- (i) a reference to transactions entered into **in the ordinary course of business** excludes
 - (a) any unprecedented or exceptional transactions,
 - (b) any transaction entered into in breach of directors' duties, and
 - (c) any transaction that may be classified as being a preference or at an undervalue,
- (j) a reference to a time of day is a reference to London time,
- (k) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders,
- (l) unless the context otherwise requires, words in the singular include the plural and in the plural include the singular,
- (m) a reference to a clause or Schedule is to a clauses of or Schedule to this debenture and references to paragraphs are to paragraphs of the relevant Schedule unless the context requires otherwise, and
- (n) clause, schedule and paragraph headings shall not affect the interpretation of this debenture

13 If the Lender considers that an amount paid by the Chargor in respect of the Secured Liabilities is capable of being avoided, or otherwise set aside, on the liquidation or administration of the Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this debenture

14 A reference in this debenture to a **charge** or **mortgage** of any freehold, leasehold or commonhold property includes

- (a) all buildings and fixtures (including trade and tenant's fixtures) which are situated on that property at any time,

- (b) the proceeds of the sale of any part of that property, and
- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of the Chargor in respect of that property, and any monies paid or payable in respect of those covenants

1 5 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Agreement and of any side letters between any parties in relation to the Agreement are incorporated into this debenture

1 6 A third party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this debenture

1 7 If the rule against perpetuities applies to any trust created by this debenture, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009)

1 8 Paragraph 14 of Schedule B1 of the Insolvency Act 1986 (as inserted by section 248 of, and Schedule 16 to, the Enterprise Act 2002) applies to the floating charge created by this debenture

1 9 The Schedules form part of this debenture and shall have effect as if set out in full in the body of this debenture. Any reference to this debenture includes the Schedules

2. COVENANT TO PAY

The Chargor shall, on demand, pay to the Lender and discharge the Secured Liabilities when they become due

3. GRANT OF SECURITY

3 1 As a continuing security for the payment and discharge of the Secured Liabilities and in consideration of the Lender agreeing not to act upon the Company's default hitherto under various of the Lending Agreements in return for entry into of this security deed, the Chargor, with full title guarantee

- (a) charges to the Lender, by way of first legal mortgage, all the Properties,

- (b) charges to the Lender, by way of first fixed charge
- (i) all Properties acquired by the Chargor after the date of this debenture,
 - (ii) all present and future interests of the Chargor not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property,
 - (iii) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties,
 - (iv) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Chargor's business or the use of any Charged Property, and all rights in connection with them,
 - (v) all present and future goodwill and uncalled capital for the time being of the Chargor,
 - (vi) all the Equipment,
 - (vii) all the Intellectual Property, including "The Chapar" registered trademark,
 - (viii) all the Book Debts,
 - (ix) all the Investments, and
 - (x) 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)
- (c) assigns to the Lender, by way of first fixed mortgage, all its rights in any policies of insurance or assurance present or future (including, without limitation, any insurances relating to the Properties or the Equipment),
- (d) assigns to the Lender, by way of first fixed charge, to the extent the same are assignable, the benefit of the Assigned Agreements and the

benefit of any guarantee or security for the performance of the Assigned Agreements, and

- (e) charges to the Lender, by way of first floating charge, all the undertaking, property, assets and rights of the Chargor at any time not effectively mortgaged, charged or assigned pursuant to clause 3 1(a) to clause 3 1(d) inclusive

3 2 The charges created by clause 3 1 shall not apply to Excluded Property so long as any relevant consent or waiver of prohibition has not been obtained, but

- (a) for each Excluded Property, the Chargor undertakes to
 - (i) apply for the relevant consent or waiver of prohibition or conditions within five Business Days of the date of this debenture and to use its best endeavours to obtain that consent or waiver of prohibition as soon as possible,
 - (ii) keep the Lender informed of its progress in obtaining such consent or waiver, and
 - (iii) immediately on receipt of such consent or waiver, provide the Lender with a copy, and
 - (iv) immediately on receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Lender under clause 3 1 If required by the Lender at any time following receipt of that waiver or consent, the Chargor shall execute a valid fixed charge in such form as the Lender requires

3 3 The floating charge created by clause 3 1(e) shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property if

- (a) the Chargor
 - (i) creates, or attempts to create, a Security Interest without the prior written consent of the Lender, or any trust in favour of

another person, over all or any part of the Charged Property,
or

- (ii) disposes, or attempts to dispose of, all or any part of the Charged Property (other than property that is only subject to the floating charge while it remains uncrystallised which property may be disposed of in the ordinary course of business), or
- (iii) a receiver is appointed over all or any of the Charged Property that is subject to the floating charge, or
- (iv) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Charged Property, or
- (v) the Lender receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Chargor

3 4 The Lender may, in its sole discretion, at any time by written notice to the Chargor, convert the floating charge created under this debenture into a fixed charge as regards any part of the Charged Property specified by the Lender in that notice

3 5 Any asset acquired by the Chargor after any crystallisation of the floating charge created under this debenture which, but for such crystallisation, would be subject to a floating charge shall (unless the Lender confirms in writing to the contrary) be charged to the Lender by way of first fixed charge

4. LIABILITY OF THE CHARGOR

4 1 The Chargor's liability under this debenture in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender being or becoming wholly or partially illegal, void or unenforceable on any ground, or
- (b) the Lender 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 which but for this clause 4.1 might have discharged or otherwise prejudiced or affected the liability of the Chargor

- 4.2 The Chargor waives any right it may have to require the Lender to enforce any security or other right or claim any payment from or otherwise proceed against any other person before enforcing this debenture against the Chargor

5. REPRESENTATIONS AND WARRANTIES

The Chargor represents and warrants to the Lender in the terms set out in Schedule 1. The representations and warranties set out in Schedule 1 are made on the date of this debenture.

6. COVENANTS

The Chargor covenants with the Lender in the terms set out in Schedule 2.

7. POWERS OF THE LENDER

The Lender shall have the powers set out in Schedule 3.

8. ENFORCEMENT

- 8.1 The security constituted by this debenture shall be immediately enforceable in any of the circumstances set out in paragraph 1 of Schedule 4. The parties to this debenture agree that the provisions of Schedule 4 shall apply to this debenture and shall be binding between them.

- 8.2 A Receiver shall have, in addition to the powers conferred on receivers by statute, the further powers set out in Schedule 5.

- 8.3 To the extent that the Charged Property constitutes Financial Collateral and this debenture and the obligations of the Chargor hereunder constitute a Security Financial Collateral Arrangement, the Lender shall have the right, at any time after the security constituted by this debenture has become enforceable, to appropriate all or any of that Charged Property in or towards the payment and/or discharge of the Secured Liabilities in such order as the

Lender in its absolute discretion may from time to time determine The value of any Charged Property appropriated in accordance with this clause shall be the price of that Charged Property at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as the Lender may select (including independent valuation) The Chargor agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations

9. COSTS AND INDEMNITY

9 1 The Chargor shall pay to, or reimburse, the Lender and any Receiver on demand, on a full indemnity basis, all Costs incurred by the Lender and/or any Receiver in relation to

- (a) this debenture or the Charged Property,
- (b) protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's or Receiver's rights under this debenture, and
- (c) suing for, or recovering, any of the Secured Liabilities,

(including, without limitation, the Costs of any proceedings in relation to this debenture or the Secured Liabilities), together with interest on any amount due under clause 9 1(b) and clause 9 1(c) at the rate of 8% above the Bank of England base rate from time to time

9 2 The Lender, any Receiver and their respective employees and agents shall be indemnified on a full indemnity basis out of the Charged Property in respect of all actions, liabilities and Costs incurred or suffered in or as a result of

- (a) the exercise, or purported exercise, of any of the powers, authorities or discretions vested in them under this debenture,
- (b) any matter or thing done, or omitted to be done, in relation to the Charged Property under those powers, or
- (c) any default or delay by the Chargor in performing any of its obligations under this debenture

10. RELEASE

Subject to clause 12.3, on the expiry of the Security Period (but not otherwise) the Lender shall, at the request and cost of the Chargor, take whatever action is necessary to release the Charged Property from the security constituted by this debenture

11. ASSIGNMENT AND TRANSFER

11.1 At any time, without the consent of the Chargor, the Lender may assign or transfer the whole or any part of its rights and/or obligations under this debenture to any person

11.2 The Chargor may not assign any of its rights or transfer any of its obligations under this debenture, or enter into any transaction which would result in any of those rights or obligations passing to another person

12. FURTHER PROVISIONS

12.1 This debenture shall be in addition to, and independent of, every other security or guarantee which the Lender may hold for any of the Secured Liabilities at any time. No prior security held by the Lender over the whole or any part of the Charged Property shall merge in the security created by this debenture

12.2 This debenture 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 Lender discharges this debenture in writing

12.3 Any release, discharge or settlement between the Chargor and the Lender shall be deemed conditional on no payment or security received by the Lender 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

(a) the Lender or its nominee may retain this debenture and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Charged Property, for such

period as the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund, and

- (b) the Lender may recover the value or amount of such security or payment from the Chargor subsequently as if such release, discharge or settlement had not occurred

12 4 A certificate or determination by the Lender as to any amount for the time being due to it from the Chargor shall (in the absence of any manifest error) be conclusive evidence of the amount due

12 5 The rights and powers of the Lender conferred by this debenture are cumulative, may be exercised as often as the Lender considers appropriate, and are in addition to its rights and powers under the general law

12 6 Any waiver or variation of any right or remedy (whether arising under this debenture or under the general law), or any consent given under this debenture, is only be effective if it is in writing and signed by the waiving, varying or consenting party, and applies only in the circumstances for which it was given, and shall not prevent the party giving it from subsequently relying on the relevant provision

12 7 No act or course of conduct or negotiation by or on behalf of the Lender shall, in any way, preclude the Lender from exercising any right or remedy under this debenture or constitute a suspension or variation of any such right or remedy

12 8 No delay or failure to exercise any right or remedy under this debenture shall operate as a waiver of such right or remedy or constitute an election to affirm this debenture No election to affirm this debenture on the part of the Lender shall be effective unless it is in writing

12 9 No single or partial exercise of any right or remedy under this debenture shall prevent any further or other exercise of that right or remedy, or the exercise of any other right or remedy under this debenture

12 10 The restriction on the right of consolidation contained in section 93 of the Law of Property Act 1925 shall not apply to this debenture

12 11 The invalidity, unenforceability or illegality of any provision (or part of a provision) of this debenture under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.

12 12 This debenture may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

13. NOTICES

13 1 Each notice or other communication required to be given under, or in connection with, this debenture shall be

- (a) in writing, delivered personally or sent by pre-paid first-class letter, and
- (b) sent to the address and for the attention, of the relevant party as set out in this debenture, or to such other address or fax number as is notified in writing by one party to the other from time to time.

13 2 Any notice or other communication that the Lender gives shall be deemed to have been received

- (a) if given by hand, at the time of actual delivery, and
- (b) if posted, on the second Business Day after the day it was sent by pre-paid first-class post.

A notice or other communication given as described in clause 13 2(a) on a day which 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.

13 3 Any notice or other communication given to the Lender shall be deemed to have been received only on actual receipt.

14. GOVERNING LAW AND JURISDICTION

- 14.1 This debenture and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales
- 14.2 The parties to this debenture irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this debenture or its subject matter or formation (including non-contractual disputes or claims) Nothing in this clause shall limit the right of the Lender to take proceedings against the Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction
- 14.3 The Chargor irrevocably consents to any process in any proceedings being served on it in accordance with the provisions of this debenture relating to service of notices Nothing contained in this debenture shall affect the right to serve process in any other manner permitted by law

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

SCHEDULE 1 REPRESENTATIONS AND WARRANTIES

1. OWNERSHIP OF CHARGED PROPERTY

The Chargor is the legal and beneficial owner of the Charged Property

2. NO SECURITY INTEREST

The Charged Property is free from any Security Interest other than Permitted Security Interests and the Security Interests created by this debenture

3. ADVERSE CLAIMS

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

4. ADVERSE COVENANTS

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

5. NO BREACH OF LAWS

There is no breach of any law or regulation which materially adversely affects the Charged Property

6. NO INTERFERENCE IN ENJOYMENT

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

7. NO OVERRIDING INTERESTS

Nothing has arisen, has been created or is subsisting which would be an overriding interest in any Property

8. AVOIDANCE OF SECURITY

No Security Interest expressed to be created under this debenture is liable to be avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise

9. NO PROHIBITIONS OR BREACHES

There is no prohibition on assignment in any Insurance Policies or Assigned Agreements, or the relevant clauses of any of them, and the entry into this debenture by the Chargor does not and will not constitute a breach of any Insurance Policies, Assigned Agreements or any other agreement or instrument binding on the Chargor or its assets

10. ENVIRONMENTAL COMPLIANCE

The Chargor has, at all times, complied in all material respects with all applicable Environmental Law

SCHEDULE 2 COVENANTS

PART 1. GENERAL COVENANTS

1. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

The Chargor shall not, at any time, except with the prior written consent of the Lender

- (a) create, purport to create or permit to subsist any Security Interest other than Permitted Security Interests on or in relation to the Charged Property other than this debenture, or
- (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 except disposals in the ordinary course of business of assets which are only subject to the floating charge under clause 3 1(e) at a time when the floating charge has not crystallised, or
- (c) create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party

2. PRESERVATION OF CHARGED PROPERTY

The Chargor shall not do, or permit to be done, any act or thing which would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this debenture

3. ENFORCEMENT OF RIGHTS

The Chargor shall use its best endeavours to

- (a) procure the prompt observance and performance of the covenants and other obligations imposed on the Chargor's counterparties, and

- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property which the Lender may require from time to time

4. NOTICE OF BREACHES

The Chargor shall promptly on becoming aware of any of the same give the Lender notice in writing of any breach of

- (a) any representation or warranty set out in Schedule 1, and
- (b) any covenant set out in this Schedule 2

5. TITLE DOCUMENTS

The Chargor shall, on the execution of this debenture (or, if later, the date of acquisition of the relevant Charged Property), deposit with the Lender and the Lender shall, for the duration of this debenture, be entitled to hold

- (a) all deeds and documents of title relating to the Charged Property which are in the possession or control of the Chargor (if these are not within the possession and/or control of the Chargor, the Chargor undertakes to obtain possession of all such deeds and documents of title),
- (b) all Insurance Policies and any other insurance policies relating to any of the Charged Property to which the Chargor is entitled to possession,
- (c) copies of all the Assigned Agreements, certified to be true copies by either a director of the Chargor or by the Chargor's solicitors,
- (d) all certificates relating to the Investments and such instruments of transfer in blank and other documents as the Lender may, from time to time, require for perfecting its title to the Investments or for vesting, or enabling it to vest, the Investments in itself or its nominee or in any purchaser, and

- (e) declarations of trust in favour of the Chargor executed by all persons (other than the Chargor) in whose name the Investments are registered

6. FURTHER ASSURANCE

The Chargor, at its own cost, shall prepare and execute such further legal or other mortgages, charges or transfers (containing a power of sale and such other provisions as the Lender may reasonably require) in favour of the Lender as the Lender, in its absolute discretion, requires from time to time over all or any part of the Charged Property and give all notices, orders and directions which the Lender may require in its absolute discretion for perfecting, protecting or facilitating the realisation of its security over the Charged Property

7. APPOINTMENT OF ACCOUNTANTS

7.1 The Chargor shall

- (a) at its own cost, if at any time so required by the Lender, appoint an accountant or firm of accountants nominated by the Lender to investigate the financial affairs of the Chargor and report to the Lender, and
- (b) co-operate fully with any accountants so appointed and immediately provide such accountants with all information requested

7.2 The Chargor authorises the Lender to make such appointment as it shall think fit at any time, without further authority from the Chargor. In every such case, the fees and expenses of those accountants shall be paid by the Chargor but, if paid by the Lender on the Chargor's behalf, those fees and expenses shall be fully reimbursed to the Lender under clause 9

8. CHARGOR'S WAIVER OF SET-OFF

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

9. DISCLOSURE

The Chargor consents to the disclosure by the Lender of any information about the Chargor, this debenture, the Charged Property and the Secured Liabilities to

- (a) any person to whom the Lender has assigned or transferred, or proposes or may propose to assign or transfer, all or any of its rights and benefits under this debenture or the Secured Liabilities, or
- (b) any person with whom the Lender has entered into, or proposes or may propose to enter into, any contractual arrangements in connection with this debenture or the Secured Liabilities, or
- (c) any subsidiary or agent of the Lender, or
- (d) any other person if required or permitted by law to do so

PART 2. BOOK DEBTS, INSURANCE AND ASSIGNED AGREEMENTS COVENANTS

1. PRESERVATION OF BOOK DEBTS

The Chargor shall not (except as provided by paragraph 2 of Part 2 of Schedule 2 or with the prior written consent of the Lender) release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts

2. REALISING BOOK DEBTS

The Chargor shall

- (a) as an agent for the Lender, collect in and realise all Book Debts, pay the proceeds into a Designated Account immediately on receipt and, pending that payment, hold those proceeds in trust for the Lender,
- (b) not, without the prior written consent of the Lender, withdraw any amounts standing to the credit of any Designated Account, and

- (c) if called on so to do by the Lender, execute a legal assignment of the Book Debts to the Lender in such terms as the Lender may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred

3. INSURANCE COVENANT

The Chargor

- (a) shall (if the Lender so requires) produce to, or deposit with, the Lender all Insurance Policies and the receipts for all premiums and other payments necessary for effecting and keeping up such policies, and
- (b) has not done or omitted to do, and shall not do or omit to do, any act or thing that may invalidate or otherwise prejudice the Insurance Policies

4. INSURANCE POLICIES' PROCEEDS

All sums payable under any of the Insurance Policies at any time (whether or not the security constituted by this debenture has become enforceable) shall

- (a) immediately be paid into a Designated Account,
- (b) if they are not paid directly to the Lender by the insurers, be held by the Chargor as trustee of the same for the benefit of the Lender (and the Chargor shall account for them to the Lender), and
- (c) at the option of the Lender, be applied in making good or recouping expenditure in respect of the loss or damage for which such monies are received or in or towards discharge or reduction of the Secured Liabilities (but subject to paragraph 10 of Schedule 4)

5. ASSIGNED AGREEMENTS

The Chargor shall not, without the prior written consent of the Lender

- (a) waive any of its rights under any Assigned Agreement, or

- (b) supplement, amend, novate, terminate or permit termination of any Assigned Agreement

PART 3. PROPERTY COVENANTS

1. MAINTENANCE AND INSURANCE

The Chargor shall

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

2. PRESERVATION OF PROPERTY, FIXTURES AND EQUIPMENT

The Chargor shall not, without the prior written consent of the Lender

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

3. CONDUCT OF BUSINESS ON PROPERTIES

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

4. PLANNING INFORMATION

The Chargor shall

- (a) give full particulars to the Lender of any notice, order, direction, designation, resolution or proposal given or made by any planning authority or other public body or authority (**Planning Notice**) that specifically applies to any Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Planning Notice, and
- (b) (if the Lender so requires) immediately, and at the cost of the Chargor, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with the Lender in making, such objections or representations in respect of any such Planning Notice as the Lender may desire

5. COMPLIANCE WITH COVENANTS AND PAYMENT OF RENT

The Chargor shall

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

6. MAINTENANCE OF INTERESTS IN PROPERTIES

The Chargor shall not, without the prior written consent of the Lender

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

7. REGISTRATION RESTRICTIONS

The Chargor shall procure that no person shall be registered under the Land Registration Acts 1925 to 2002 as proprietor of any Property without the prior written consent of the Lender. The Chargor shall be liable for the Costs of the Lender in lodging cautions against the registration of the title to the whole or any part of any Property from time to time.

8. DEVELOPMENT RESTRICTIONS

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

9. ENVIRONMENT

The Chargor shall

- (a) comply with all the requirements of Environmental Law both in the conduct of its general business and in the management, possession or occupation of each Property, and
- (b) obtain and comply with all authorisations, permits and other types of licences necessary under Environmental Law

10. NO RESTRICTIVE OBLIGATIONS

The Chargor shall not, without the prior written consent of the Lender, enter into any onerous or restrictive obligations affecting the whole or any part of any Property or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property

11. PROPRIETARY RIGHTS

The Chargor shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Property, without the prior written consent of the Lender

12. INSPECTION

The Chargor shall permit the Lender and any Receiver and any person appointed by either of them, to enter on and inspect any Property on reasonable prior notice

13. PROPERTY INFORMATION

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

14. HM LAND REGISTRY DISPOSAL RESTRICTION

In respect of any Property, or part of or interest in any Property title, which is registered at HM Land Registry, the Chargor applies to HM Chief Registrar to enter the following restriction on the Proprietorship Register of the title to such Property

"Except under an order of the Registrar, no disposition or dealing is to be registered without the consent of the proprietor for the time being of the deed dated [DATE] in favour of [FULL NAME OF LENDER]"

15. PAYMENT OF PROPERTY TAXES

The Chargor shall promptly pay all taxes, fees, duties, rates, charges and other outgoings in respect of the Properties and, if so requested by the Lender, produce to the Lender evidence of payment

PART 4. INVESTMENT COVENANTS

1. REGISTRATION OF INVESTMENTS

1.1 The Chargor shall

- (a) terminate with immediate effect all nominations it may have made under sections 145 and 146 of the Companies Act 2006 in respect of any Investments and pending such termination procure that any person so nominated
 - (i) does not exercise any rights in respect of any Investments without the prior written approval of the Lender, and
 - (ii) immediately upon receipt, forward to the Lender all communications or other information received in respect of any Investments for which it has been so nominated, and
- (b) at the direction of the Lender given at any time, immediately execute and deliver to the Lender all transfers and other documents and do all such things as may be necessary or desirable to register all or any of the Investments in the name of the Lender or its nominee

1.2 The Chargor shall not during the Security Period exercise any rights under sections 145 and 146 of the Companies Act 2006 to nominate any person in respect of any of the Investments

2. ADDITIONAL REGISTRATION OBLIGATIONS

The Chargor shall

- (a) procure all consents, waivers, approvals and permissions which are necessary, under the articles of association of any issuer that is not a public company or otherwise, for the transfer of the Investments to

the Lender or its nominee, or to a purchaser, on enforcement of this debenture, and

- (b) procure the amendment of the share transfer provisions of the articles of association of each issuer that is not a public company in such manner as the Lender may require in order to permit such a transfer

3. DIVIDENDS AND VOTING RIGHTS POST ENFORCEMENT

After the security constituted by this debenture has become enforceable

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

4. CALLS ON INVESTMENTS

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

5. NO ALTERATION OF INVESTMENTS

The Chargor shall not, without the prior written consent of the Lender, amend, or agree to the amendment of, the memorandum or articles of association or any other constitutional documents of any issuer that is not a public company or the rights or liabilities attaching to any of the Investments

6. PRESERVATION OF INVESTMENTS

The Chargor shall ensure (insofar as it is able, by the exercise of all voting rights, powers of control and other means available to it to do so) that no issuer, that is not a public company shall

- (a) consolidate or subdivide any of its Investments, or reduce or re-organise its share capital in any way, or
- (b) issue any new shares or stock, or
- (c) refuse to register any transfer of any of its Investments which may be lodged for registration by, or on behalf of, the Lender or the Chargor in accordance with this debenture

7. INVESTMENTS INFORMATION

The Chargor shall send to the Lender copies of all notices, circulars, reports, accounts and other documents which are sent to holders of any Investments, promptly following receipt

PART 5. EQUIPMENT COVENANTS

1. MAINTENANCE OF EQUIPMENT

The Chargor shall

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

2. PAYMENT OF EQUIPMENT TAXES

The Chargor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of payment to the Lender

3. EQUIPMENT INFORMATION

The Chargor shall

- (a) give the Lender such information concerning the location, condition, use and operation of the Equipment as the Lender may require, and
- (b) permit any persons designated by the Lender to inspect and examine the Equipment, and the records relating to the Equipment, at all reasonable times

4. EQUIPMENT INSURANCE

The Chargor shall

- (a) at its own expense, procure that the Equipment is covered, and kept covered, by insurance of a kind satisfactory to the Lender with insurers approved by the Lender (such approval not to be unreasonably withheld) for full comprehensive insurance cover, which shall include (but not be limited to) fire, theft and accident, for an amount which is not less than the aggregate cost of reinstating or replacing such Equipment,
- (b) if the Lender so requires, procure that the interest of the Lender is noted on all such insurance policies or, at the option of the Lender, that such insurance policies are issued in the joint names of the Lender and the Chargor, and
- (c) maintain insurance for third party liabilities in such amount, and on such terms, as is usual for users of equipment of the same type as the Equipment

5. NOTICE OF CHARGE

The Chargor shall, if so requested by the Lender, place and maintain on each item of Equipment, in a conspicuous place, a clearly legible identification plate containing the following wording

"NOTICE OF CHARGE

This [DESCRIPTION OF ITEM] and ancillary equipment is subject to a fixed charge dated [DATE] in favour of [LENDER]"

PART 6. INTELLECTUAL PROPERTY COVENANTS

1. PRESERVATION OF RIGHTS

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

2. REGISTRATION OF INTELLECTUAL PROPERTY

The Chargor shall use all reasonable efforts to effect registration of applications for registration of any Intellectual Property and keep the Lender informed of all matters relating to such registration

3. MAINTENANCE OF INTELLECTUAL PROPERTY

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

SCHEDULE 3 POWERS OF THE LENDER

1. POWER TO REMEDY

The Lender shall be entitled (but shall not be bound) to remedy a breach at any time by the Chargor of any of its obligations contained in this debenture and the Chargor irrevocably authorises the Lender and its agents to do all such things as are necessary or desirable for that purpose

2. EXERCISE OF RIGHTS

The rights of the Lender under paragraph 1 of this Schedule 3 are without prejudice to any other rights of the Lender under this debenture. The exercise of those rights shall not make the Lender liable to account as a mortgagee in possession

3. POWER TO DISPOSE OF CHATTELS

At any time after the security constituted by this debenture has become enforceable, the Lender or any Receiver

- (a) may dispose of any chattels or produce found on any Property as agent for the Chargor, and
- (b) without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce, shall be indemnified by the Chargor against any liability arising from such disposal

4. PRIOR SECURITY INTERESTS

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

- (a) redeem such or any other prior Security Interest or procure its transfer to itself, and
- (b) settle any account of the holder of any prior Security Interest

Any accounts shall be, in the absence of any manifest error, conclusive and binding on the Chargor. All monies paid by the Lender to an encumbrancer in settlement of such an account shall, as from its payment by the Lender, be due from the Chargor to the Lender on current account and shall bear interest at the rate of 8% above the Bank of England base rate from time to time and be secured as part of the Secured Liabilities.

5. NEW ACCOUNTS

5.1 If the Lender receives notice of any subsequent Security Interest, or other interest, affecting all or part of the Charged Property, the Lender may open a new account for the Chargor. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Chargor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

5.2 If the Lender does not open a new account immediately on receipt of notice under paragraph 5.1 of this Schedule 3, then, unless the Lender gives express written notice to the contrary to the Chargor, all payments made by the Chargor to the Lender shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities as from the time of receipt of the relevant notice by the Lender.

6. LENDER'S SET-OFF RIGHTS

If the Lender has more than one account for the Chargor in its books, the Lender may, at any time after

- (a) the security constituted by this debenture has become enforceable, or
- (b) the Lender has received notice of any subsequent Security Interest 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 which may be in debit (but the Lender shall notify the Chargor of the transfer once made).

7. INDULGENCE

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

SCHEDULE 4 ENFORCEMENT

1. ENFORCEMENT EVENTS

This debenture shall be enforceable if

- (a) any of the Secured Liabilities are not paid or discharged when the same ought to be paid or discharged by the Chargor (whether on demand, at scheduled maturity, or by acceleration or otherwise, as the case may be), or
- (b) the Chargor is in breach of any of its obligations under this debenture or under any other agreement between the Chargor and the Lender, and that breach (if capable of remedy) has not been remedied to the satisfaction of the Lender within 14 days of notice by the Lender to the Chargor to remedy the breach, or
- (c) the Chargor
 - (i) becomes unable to pay its debts as they fall due (and/or the value of the Chargor's assets is less than the amount of its liabilities, taking into account the Chargor's contingent and prospective liabilities), or
 - (ii) commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness, or
 - (iii) makes a general assignment for the benefit of or a composition with its creditors, or
- (d) the Chargor passes any resolution or takes any corporate action, or a petition is presented or proceedings are commenced, or any action is taken by any person for its winding-up, dissolution, administration or re-organisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues or assets, or

- (e) a distress, execution, attachment or other legal process is levied or enforced on, or sued out against, all or any part of the assets of the Chargor and remains undischarged for seven days, or
- (f) any event occurs in relation to the Chargor that is analogous to those set out in paragraph 1(c), paragraph 1(d) or paragraph 1(e) of this Schedule 4, or
- (g) any representation, warranty or statement made or deemed to be made by the Chargor under this debenture is or proves to have been incorrect or misleading in any material respect when made or deemed to be made, or

and in any such event (whether or not the event is continuing), without prejudice to any other rights of the Lender, the powers of sale under the Law of Property Act 1925 shall immediately be exercisable and the Lender may, in its absolute discretion, enforce all or any part of the security created by this debenture as it sees fit

2. STATUTORY POWER OF SALE

The statutory powers of sale conferred by the Law of Property Act 1925 shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after, the execution of this debenture but the Lender shall not exercise such power of sale until the security constituted by this debenture has become enforceable under paragraph 1 of this Schedule 4

3. EXTENSION OF STATUTORY POWERS

The statutory powers of sale, leasing and accepting surrenders conferred on mortgagees under the Law of Property Act 1925 and/or by any other statute shall be exercisable by the Lender under this debenture and are extended so as to authorise the Lender, whether in its own name or in that of the Chargor, to grant a lease or agreement to lease, accept surrenders of lease or grant any option of the whole or any part of the freehold and leasehold property of the Chargor with whatever rights relating to other parts of it, containing whatever covenants on the part of the Chargor, generally on such terms and

conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium, as the Lender thinks fit

4. PROTECTION OF THIRD PARTIES

No purchaser, mortgagee or other person dealing with the Lender or any Receiver shall be concerned

- (a) to enquire whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged, or whether the power the Lender or a Receiver is purporting to exercise has become exercisable, or
- (b) to see to the application of any money paid to the Lender or any Receiver

5. NO LIABILITY AS MORTGAGEE IN POSSESSION

Neither the Lender, nor any Receiver nor any Administrator 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

6. APPOINTMENT OF RECEIVER

- 6.1 At any time after the security constituted by this debenture has become enforceable, or at the request of the Chargor, the Lender may, without further notice

- (a) appoint by way of deed, or otherwise in writing, any one or more person or persons to be a receiver or a receiver and manager, of all or any part of the Charged Property, and
- (b) (subject to section 45 of the Insolvency Act 1986) from time to time, by way of deed, or otherwise in writing, remove any person

appointed to be Receiver and may, in a similar manner, appoint another in his place

6.2 Where more than one person is appointed Receiver, they shall have power to act separately (unless the appointment by the Lender specifies to the contrary)

6.3 The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the Law of Property Act 1925 and the remuneration of the Receiver shall be a debt secured by this debenture which shall be due and payable immediately upon its being paid by the Lender

7. POWER OF SALE ADDITIONAL

7.1 The powers of sale and appointing a Receiver conferred by this debenture shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the Law of Property Act 1925 or otherwise, and shall be exercisable without the restrictions contained in Sections 103 and 109 of the Law of Property Act 1925 or otherwise

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

8. AGENT OF THE CHARGOR

Any Receiver appointed by the Lender under this debenture shall be the agent of the Chargor and the Chargor shall be solely responsible for his acts and remuneration, as well as for any defaults committed by him

9. POWERS OF RECEIVER

Any Receiver appointed by the Lender under this debenture shall, in addition to the powers conferred on him by the Law of Property Act 1925 and the Insolvency Act 1986, have the power to do all such acts and things as an absolute owner could do in the management of such of the Charged Property

over which the Receiver is appointed and, in particular, the powers set out in Schedule 5

10. ORDER OF APPLICATION OF PROCEEDS

All monies received by the Lender or a Receiver in the exercise of any enforcement power conferred by this debenture shall be applied

- (a) first, in paying all unpaid fees, costs and other liability incurred by or on behalf of the Lender (and any Receiver, attorney or agent appointed by it),
- (b) second, in paying the remuneration of any Receiver (as agreed between the Receiver and the Lender),
- (c) third, in or towards discharge of the Secured Liabilities in such order and manner as the Lender determines, and
- (d) finally, in paying any surplus to the Chargor or any other person entitled to it

11. APPROPRIATION

Neither the Lender nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 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

12. SUSPENSE ACCOUNT

All monies received by the Lender or a Receiver under this debenture may, at the discretion of the Lender or Receiver, be credited to any suspense or securities realised account and shall bear interest at such rate, if any, as may be agreed in writing between the Lender and the Chargor, and may be held in such account for so long as the Lender or Receiver thinks fit

13. POWER OF ATTORNEY

By way of security, the Chargor irrevocably appoints the Lender and every Receiver separately, to be the attorney of the Chargor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things which

- (a) the Chargor is required to execute and do under this debenture, including execute any document required by the Lender under paragraph 5 of Part 1 of Schedule 2, and
- (b) any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this debenture or by law on the Lender or any Receiver

14. RATIFICATION OF ACTS OF ATTORNEY

The Chargor ratifies and confirms, and agrees to ratify and confirm, anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in paragraph 13 of this Schedule 4

15. APPOINTMENT OF AN ADMINISTRATOR

15 1 The Lender may, without notice to the Chargor, appoint any one or more persons to be an administrator of the Chargor pursuant to Paragraph 14 Schedule B1 of the Insolvency Act 1986 if this debenture becomes enforceable

15 2 Any appointment under this paragraph 15 of Schedule 4 shall

- (a) be in writing signed by a duly authorised signatory of the Lender, and
- (b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986, when the requirements of paragraph 18 of that Schedule B1 are satisfied

15 3 The Lender may (subject to any necessary approval from the court) end the appointment of an Administrator by notice in writing in accordance with this

paragraph 15 of Schedule 4 and appoint a replacement for any Administrator whose appointment ends for any reason under that paragraph

SCHEDULE 5 FURTHER POWERS OF A RECEIVER

1. POWER TO REPAIR AND DEVELOP PROPERTIES

A Receiver may undertake or complete any works of repair, building or development on the Properties

2. POWER TO SURRENDER LEASES

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting the Properties on such terms and subject to such conditions as he thinks fit

3. POWER TO EMPLOY PERSONNEL AND ADVISORS

A Receiver may provide services and employ or engage such managers, contractors, and other personnel and professional advisors on such terms as he deems expedient

4. POWER TO MAKE VAT ELECTIONS

A Receiver may make such elections for value added tax purposes as he thinks fit

5. POWER TO CHARGE FOR REMUNERATION

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

6. POWER TO REALISE CHARGED PROPERTY

A Receiver may collect and get in the Charged Property, or any part of it, in respect of which he is appointed and make such demands and take such proceedings as may seem expedient for that purpose, and to take possession of the Charged Property with like rights

7. POWER TO MANAGE OR RECONSTRUCT THE CHARGOR'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 Chargor

8. POWER TO DISPOSE OF CHARGED PROPERTY

A Receiver may grant options and licences over all or any part of the Charged Property, sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases of all or any of the property of the Chargor in respect of which he is appointed in such manner, and generally on such terms and conditions, as he thinks fit (fixtures and plant and machinery may be severed and sold separately from the premises in which they are contained without the consent of the Chargor), and to carry any such sale, assignment, leasing or surrender into effect Any such sale may be for such consideration as the Receiver thinks fit and he may promote, or concur in promoting, a company to purchase the property to be sold

9. POWER TO SELL BOOK DEBTS

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

10. POWER TO MAKE SETTLEMENTS

A Receiver may make any arrangement, settlement or compromise between the Chargor and any other person which he may think expedient

11. POWER TO IMPROVE THE EQUIPMENT

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

12. POWER TO MAKE CALLS ON CHARGOR MEMBERS

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

13. POWER TO APPOINT

A Receiver may appoint managers, officers, servants, workmen and agents for the purposes of this Schedule 5 at such salaries, for such periods and on such terms as he may determine

14. POWER TO INSURE

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 9 2, effect with any insurer any policy of insurance, either in lieu or satisfaction of, or in addition to, such insurance

15. POWERS UNDER LAW OF PROPERTY ACT 1925

A Receiver may exercise all powers provided for in the Law of Property Act 1925 in the same way as if he had been duly appointed under that act, and exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986

16. POWER TO BORROW

A Receiver may, for any of the purposes authorised by this Schedule 5, raise money by borrowing from the Lender (or from any other person) on the security of all or any of the Charged Property in respect of which he is appointed on such terms as he shall think fit (including, if the Lender consents, terms under which such security ranks in priority to this debenture)

17. POWER TO REDEEM PRIOR SECURITY INTERESTS

A Receiver may redeem any prior Security Interest and settle and pass the accounts to which the Security Interest relates Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding

on the Chargor and the monies so paid shall be deemed to be an expense properly incurred by him

18. INCIDENTAL POWERS

A Receiver may do all such other acts and things as he may consider incidental or conducive to any of the matters or powers in this Schedule 5 or which he lawfully may or can do as agent for the Chargor

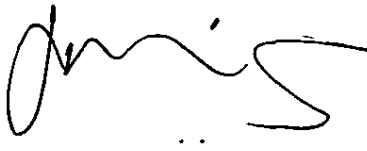
19. SCOPE OF POWERS

Any exercise of any of the powers given by this Schedule 5 may be on behalf of the Chargor, the directors of the Chargor (in the case of the power contained in paragraph 12 of this Schedule 5) or himself

SIGNED as a DEED by

THE CHAPAR LIMITED

Acting by a director

) 
)

) Director

in the presence of

Name of Witness

Morgan HAY

Signature

Morgan Hay

Address of Witness

2 SKIDDAW CLOSE

NOTTINGHAM

Occupation

F.D

SIGNED as a DEED by

JOSEPH MIDDLETON

in the presence of

) 
)
)

Name of Witness

Morgan HAY

Signature

Morgan Hay

Address of Witness

2 SKIDDAW CLOSE

NOTTINGHAM

Occupation

F.D