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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

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Pursuant to section 395 of the Companies Act 1985

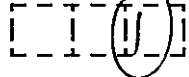
CHA 116

Please complete legibly, preferably in black type, or bold block lettering

To the Registrar of Companies

For official use

Company number



3233431

Name of company

* VALIDEXEMPTION LIMITED (the "Company")

* insert full name of company

Date of creation of the charge

17 December 1996.

Description of the instrument (if any) creating or evidencing the charge (note 2)

Floating Charge

Amount secured by the mortgage or charge

The obligation of the Company under the Business Transfer Agreement to pay to the Chargee whichever is the lesser of one third of the consideration or £95,000 on or by 7 March 1997 and (on a full indemnity basis) all costs, charges and expenses incurred by the Chargee in relation to the exercise of any of its rights, remedies and powers under this Floating Charge, by recovery of any of the sums secured by this Floating Charge or the perfection, protection or enforcement of the security constituted by or pursuant to this Floating Charge (including any stamp or other duties and taxes in respect of this Floating Charge and any additional amounts payable as a result of any failure or delay in paying the same) and interest (as well after as before any judgment) on any sum demanded of it

06

Names and addresses of the mortgagees or persons entitled to the charge

MAGNET LIMITED (Company No 2762625) of Registered Office at Royds Ings Avenue, Keighley, West Yorkshire (the "Chargee") BD21 4BY

Presenter's name address and reference (if any):

Pinsent Curtis
41 Park Square
LEEDS
LS1 2NS

MJR.096.3397.2 (MAG-2)

Time critical reference

For official use
Mortgage Section

Post room



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(i) The Company with full title guarantee (and to the intent that the security so constituted shall be continuing security in favour of the Chargee for the payment and discharge of the Secured Obligations) charges in favour of the Chargee with the payment and discharge of the Secured Obligations by way of floating charge the charged property then and in the future.

(a) The company covenants that at any time upon the written request of the Chargee and at the cost of the company to execute in favour of the Chargee (or as it may direct) and deliver all such legal or other assignments, transfers, charges, mortgages or other security as the Chargee may reasonably require for the improvement or perfection of the security intended to be conferred on the Chargee by this Floating Charge or for facilitating the realisation of security or the exercise by the Chargee or any Receiver of its powers and discretions under this Floating Charge.

(b) The Company undertakes with the Chargee that at no time during the subsistence of the security constituted by this Floating Charge will the, otherwise than:

i) in favour of the Chargee; or

Particulars as to commission allowance or discount (note 3)

NIL

Signed *R. W. Wilkey* Date *17/12/96*

On behalf of [company] [mortgagee/chargee] †

† delete as appropriate

NOTES

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,
 for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

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Particulars of a mortgage or charge (continued)

Continuation sheet No _____
to Form No 395 and 410 (Scot)

CHA 116

Please complete legibly, preferably in black type, or bold block lettering

Company Number

3233431

Name of Company

VALIDEXEMPTION LIMITED (the "Company")

Limited*

* delete if inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

under this Floating Charge from the date of demand (or, in the case of the costs, charges and expenses from the date on which the same are paid by the Chargee or any Receiver) until the date of payment calculated at the Interest Rate and compounded at such intervals as the Chargee may decide.

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In the Floating Charge "Consideration" means:-

The sums payable by the Company to the Chargee under the Business Transfer Agreement between the Company and the Charge for the transfer of the business and assets of Anderson (Denton Holme).



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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

**Please complete
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ii) with the prior written consent of the Chargee (such consent not to be unreasonably withheld or delayed) and in accordance with and subject to any conditions which the Chargee may reasonably attach to such consent,

create or permit to subsist any Security Interest on or over the Charged Property or any part of it.

(c) The Company undertakes with the Chargee that at no time during the subsistence of the security constituted by this Floating Charge will the Company part with, sell, lease, transfer or otherwise dispose of all or any part of the Charged Property or agree to do so except for market value in the ordinary and usual course of trading as now conducted and for the purpose of carrying on the Company's business with the prior written consent of the Chargee and in accordance with any conditions that may be attached to such consent.

In the Floating Charge unless the context otherwise requires:-

"Business Transfer Agreement " means the Business Transfer Agreement between the Chargee (1) and the Company (2) for the transfer of the Business and assets of Anderson (Denton Holme).

"Charged Property" means the stocks (as defined below) of the Company from time to time charged in favour of the Chargee by or pursuant to this Floating Charge;

"Floating Charge" means this Floating Charge;

"Secured Obligations" means the sum covenanted to be paid and discharged by the Company under the Business Transfer Agreement;

"Stocks" means all stocks of raw materials, consumables, work in progress and finished goods which were transferred to the Company under the Business Transfer Agreement between Magnet Limited (1) and the Company (2) for the transfer of the business and assets of Anderson (Denton Holme).

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 03233431

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A FLOATING CHARGE DATED THE 17th DECEMBER 1996 AND CREATED BY VALIDEXEMPTION LIMITED FOR SECURING THE OBLIGATION OF THE COMPANY UNDER THE BUSINESS TRANSFER AGREEMENT TO PAY TO MAGNET LIMITED WHICHEVER IS THE LESSER OF ONE THIRD OF THE CONSIDERATION OR £95,000 ON OR BY 7 MARCH 1997 AND ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO MAGNET LIMITED PURSUANT TO THIS CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 18th DECEMBER 1996.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24th DECEMBER 1996.

M. Cornelius
M. CORNELIUS

for the Registrar of Companies

PSM
24.12



COMPANIES HOUSE

HC026B