

MR01

Particulars of a charge

Oyez

005594/52

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 is not a charge. Use form MR02.



A11 07/05/2015 #235
COMPANIES HOUSE

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. **Do not send the original.**

1 Company details

Company number: 01131358

Company name in full: J.M. COMPUTING LIMITED ✓

For official use
07014
Filing 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: 01/05/2015 ✓

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: ANDREW COLIN BURGESS ✓

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

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Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Brief description

Land all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or at any time after the date of this deed owned by the Guarantor
Intellectual Property: the Guarantor's present and future patents, rights to inventions and copyright
For more details please refer to the instrument.

Please limit the description to the available space

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating 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 company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

- Yes
 No

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 Turner Patricia LLP X

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

MR01

Particulars of a charge

 **Presenter information**

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name
AS/MF

Company name
Turner Parkinson LLP

Address
Hollins Chambers

64a Bridge Street

Manchester

Post town

County/Region

Postcode
M 3 3 B A

Country
United Kingdom

DX
14373, Manchester

Telephone
0161 8331212

 **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: 1131358

Charge code: 0113 1358 0014

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st May 2015 and created by J.M COMPUTING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th May 2015.

DX

Given at Companies House, Cardiff on 14th May 2015



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Turner Parkinson

DATED

1 May

2015

J.M.COMPUTING LIMITED

and

ANDREW COLIN BURGESS (AS SECURITY TRUSTEE)

DEED OF GUARANTEE AND DEBENTURE

We hereby certify this to be a true and complete copy of the original

Signature  Date 05/05/2015

For and on behalf of
turner parkinson LLP
solicitors

Ref
Draft
Date

turner parkinson LLP
Hollins Chambers
64a Bridge Street
Manchester
M3 3BA

Tel + 44 (0) 161 833 1212
Fax + 44 (0) 161 834 9098
www tp co uk

THIS DEED is dated 1 May 2015

Parties:

- (1) **J.M. COMPUTING LIMITED** (a company incorporated and registered in England and Wales with company number 1131358) whose registered office is at Riverside, Agecroft Road, Swinton, Manchester M27 8SJ (the "**Guarantor**"), and
- (2) **ANDREW COLIN BURGESS** of 2 Gleneagles Way, Ramsbottom, Lancashire BL0 9QN (the "**Lender**") as security trustee for the Beneficiaries (as herein defined).

Background:

- (A) The Guarantor has agreed to guarantee the payment by I.T. Lab Limited (a company registered in England and Wales with number 3645998) (the "**Buyer**") of the Deferred Consideration to the Beneficiaries.
- (B) The Lender enters into this deed as security trustee for the Beneficiaries in accordance with the Security Trust Deed.
- (C) This deed provides security which the Guarantor has agreed to give in favour of the Lender (acting as security trustee for the Beneficiaries).
- (D) In connection with a senior facilities agreement between, amongst others, the Borrower as the Original Borrower, FACS S.V. as Original Lender and Five Arrows Managers S.A. as Agent and as Security Agent (on behalf of the Financial Institutions) (each term as defined therein), the Borrower has entered into an English law debenture in favour of the Security Agent.
- (E) The ranking and priority between the security created under English law debenture in favour of the Security Agent and the security created under this deed is governed by an intercreditor agreement between, amongst others, (1) IT Lab Enterprises Limited, (2) the Borrower, (3) the Debtors (as defined in the Intercreditor Agreement), (4) the Agent, (5) the Security Agent, (6) the Senior Lenders, (7) the Investor, (8) the Vendors and (8) the Intra-Group Lenders (each as defined therein)

Agreed terms:

1. Definitions and interpretation

1.1 The following definitions apply in this deed:

" Administrator "	an administrator appointed to manage the affairs, business and property of the Guarantor pursuant to paragraph 15 of Schedule 2;
" Agreement "	the agreement relating to the sale and purchase of the entire issued share capital of JMC. IT Group Limited (a company registered in England and Wales with number 4667713) to be entered into between the Beneficiaries and the Buyer on the date of this deed;
" Beneficiaries "	those persons defined as the " Sellers " in the Agreement;
" Book Debts "	all present and future book and other debts and monetary claims due or owing to the Guarantor and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Guarantor in relation to any of them,
" Business Day "	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
" Charged Property "	all the assets, property and undertaking for the time being subject to the Security created by this deed (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,
"Default Rate"	5% above the base lending rate from time to time of National Westminster Bank plc,
"Deferred Consideration"	all amounts of the Deferred Consideration (as defined in, and payable in accordance with, the Agreement) for the time being outstanding;
"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 Guarantor, including any part of it and all spare parts, replacements, modifications and additions;
"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 (<i>SI 2003/3226</i>),
"Guaranteed Obligations"	all present and future payment obligations and liabilities of the Buyer in respect of the Deferred Consideration and any interest accrued thereon;
"Intellectual Property"	the Guarantor's present and future patents, rights to inventions, copyright and related rights, trade marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world, together with 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 Guarantor, including all rights accruing or incidental to those investments from time to time;
"Properties"	all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or at any time after the date of this deed (and from time to time) owned by the Guarantor, or in which the Guarantor 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 2,
"Secured Liabilities"	all present and future monies, obligations and liabilities owed by the Guarantor to the Lender in respect of the Guaranteed Obligations;
"Security"	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 deed 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, and
"Security Trust Deed"	the trust deed entered into on the date of this deed between Andrew Colin Burgess (as security trustee) and each of the Beneficiaries.

1.2 In this deed:

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

- 1.2.12 a reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly),
- 1.2.13 a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description,
- 1 2 14 a reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1 2.15 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; and
- 1 2 16 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.
- 1.3 If the Lender considers that an amount paid by the Guarantor in respect of the Secured Liabilities is capable of being avoided, or otherwise set aside, on the liquidation or administration of the Guarantor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.
- 1.4 A reference in this deed to a **charge** or **mortgage** of any freehold, leasehold or commonhold property includes
- 1.4.1 all buildings and fixtures (including trade and tenant's fixtures) which are situated on that property at any time;
 - 1 4.2 the proceeds of the sale of any part of that property; and
 - 1.4.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Guarantor in respect of that property, and any monies paid or payable in respect of those covenants.
- 1.5 If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).
- 1 7 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 deed.
- 1 8 The Schedules form part of this deed and shall have effect as if set out in full in the body of this deed. Any reference to this deed includes the Schedules.
- 2. Guarantee**
- 2.1 The Guarantor hereby guarantees to the Lender (as security trustee for each of the Beneficiaries) that, in the event that the Buyer does not make payment of any of the Guaranteed Obligations when due, it shall pay the Guaranteed Obligations to the Beneficiaries on demand
- 2 2 The Guarantor as principal obligor and as a separate and independent obligation and liability from its obligations and liabilities under clause 2 1 agrees to indemnify and keep indemnified each of the Beneficiaries in full and on demand from and against all and any losses, costs, claims, liabilities, damages, demands and expenses suffered or incurred by a Beneficiary arising out of, or in connection with, the Guaranteed Obligations not being recoverable for any reason or any failure of the Buyer to perform or discharge any of its obligations or liabilities in respect of the Guaranteed Obligations.
- 3. Grant of security**
- 3 1 As a continuing security for the payment and discharge of the Secured Liabilities, the Guarantor, with full title guarantee.
- 3 1.1 charges to the Lender, by way of first legal mortgage, all the Properties,

- 3.1.2 charges to the Lender, by way of first fixed charge
- (a) all Properties acquired by the Guarantor after the date of this deed;
 - (b) all present and future interests of the Guarantor not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;
 - (c) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties;
 - (d) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Guarantor's business or the use of any Charged Property, and all rights in connection with them;
 - (e) all present and future goodwill and uncalled capital for the time being of the Guarantor;
 - (f) all the Equipment;
 - (g) all the Intellectual Property,
 - (h) all the Book Debts;
 - (i) all the Investments, and
 - (j) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person;
- 3 1 3 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), and
- 3 1 4 charges to the Lender, by way of first floating charge, all the undertaking, property, assets and rights of the Guarantor at any time not effectively mortgaged, charged or assigned pursuant to clause 3.1.1 to clause 3 1 3 inclusive
- 3.2 The floating charge created by clause 3.1.4 shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property if
- 3.2.1 the Guarantor:
- (a) creates, or attempts to create, a Security 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
 - (b) 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
- 3 2 2 a receiver is appointed over all or any of the Charged Property that is subject to the floating charge, or
- 3.2 3 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Charged Property; or
- 3.2 4 the Lender receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Guarantor
- 3.3 The Lender may, in its sole discretion, at any time by written notice to the Guarantor, convert the floating charge created under this deed into a fixed charge as regards any part of the Charged Property specified by the Lender in that notice.
- 3.4 Any asset acquired by the Guarantor after any crystallisation of the floating charge created under this deed 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

3.5 Any charge or assignment granted in favour of the Lender pursuant to clause 3.1 or arising by operation of clause 3.4 shall be held by the Lender as trustee for the Beneficiaries.

4. Liability of the Guarantor

4.1 The guarantee set out in clause 2.1 (the "Guarantee") is and shall at all times be a continuing security and shall cover the ultimate balance from time to time owing to the Beneficiaries by the Buyer in respect of the Guaranteed Obligations, irrespective of any intermediate payment or discharge in whole or in part of the Guaranteed Obligations

4.2 The liability of the Guarantor under the Guarantee shall not be reduced, discharged or otherwise adversely affected by:

4.2.1 any act, omission, matter or thing which would have discharged or affected the liability of the Guarantor had it been a principal debtor instead of a guarantor or indemnifier; or

4.2.2 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

4.2.3 anything done or omitted by any person which, but for this provision, might operate to exonerate or discharge the Guarantor or otherwise reduce or extinguish its liability under the Guarantee

4.3 The Guarantor hereby waives any right it may have to require the Beneficiaries (or the Lender as trustee or any agent on their behalf) to proceed against or enforce any other right or claim for payment against any person before claiming from the Guarantor under the Guarantee

4.4 Until all amounts which may be or become payable by the Buyer under or in connection with the Guaranteed Obligations have been irrevocably paid in full, and unless the Beneficiaries otherwise direct in writing, the Guarantor shall not exercise any security or other rights it may have by reason of performance by it of its obligations under the Guarantee, whether such rights arise by way of set-off, counterclaim, subrogation, indemnity or otherwise.

4.5 The Guarantee is in addition to and independent of all other security which the Beneficiaries may hold from time to time in respect of the discharge and performance by the Buyer of the Guaranteed Obligations

5. Warranty

The Guarantor warrants to the Lender that it has full power and authority to enter into this deed.

6. Powers of the Lender

The Lender shall have the powers set out in Schedule 1.

7. Enforcement

7.1 The security constituted by this deed shall be immediately enforceable in any of the circumstances set out in paragraph 1 of Schedule 2. The parties to this deed agree that the provisions of Schedule 2 shall apply to this deed and shall be binding between them

7.2 A Receiver shall have, in addition to the powers conferred on receivers by statute, the further powers set out in Schedule 3.

7.3 To the extent that the Charged Property constitutes Financial Collateral and this deed and the obligations of the Guarantor hereunder constitute a Security Financial Collateral Arrangement, the Lender shall have the right, at any time after the security constituted by this deed 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 Guarantor

agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations

8. Costs and indemnity

8.1 The Guarantor shall, promptly on demand pay to, or reimburse, the Lender and any Receiver, on a full indemnity basis, all Costs incurred by the Lender and/or any Receiver in relation to.

8.1.1 this deed or the Charged Property,

8.1.2 protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's or Receiver's rights under this deed, or

8.1.3 suing for, or recovering, any of the Secured Liabilities,

(including, without limitation, the Costs of any proceedings in relation to this deed or the Secured Liabilities), together with interest on any amount due under clause 8.1.2 and clause 8.1.3 at the Default Rate

8.2 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

8.2.1 the exercise, or purported exercise, of any of the powers, authorities or discretions vested in them under this deed,

8.2.2 any matter or thing done, or omitted to be done, in relation to the Charged Property under those powers, or

8.2.3 any default or delay by the Guarantor in performing any of its obligations under this deed

9. Release

On the expiry of the Security Period (but not otherwise) the Lender shall, at the request and cost of the Guarantor, take whatever action is necessary to release the Charged Property from the security constituted by this deed

10. Assignment and transfer

10.1 At any time, without the consent of the Guarantor, the Lender may assign or transfer any or all of its rights and obligations under this deed.

10.2 The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Guarantor, the Secured Assets and this deed that the Lender considers appropriate.

10.3 The Guarantor may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

11. Set-off

11.1 The Lender may at any time set off any liability of the Guarantor to the Lender against any liability of the Lender to the Guarantor, 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 Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause 11 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

11.2 The Lender is not obliged to exercise its rights under clause 11.1. If, however, it does exercise those rights it must promptly notify the Guarantor of the set-off that has been made

12. Amendments, waivers and consents

12.1 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).

12.2 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.

- 12.3 A failure or delay by a party to exercise 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 Lender shall be effective unless it is in writing.
- 12.4 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.

13. 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.

14. Counterparts

- 14.1 This deed may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one deed
- 14.2 No counterpart shall be effective until each party has executed at least one counterpart

15. Third party rights

A person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act

16. Further provisions

- 16.1 This deed 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 deed
- 16.2 This deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account or intermediate payment or other matter or thing, unless and until the Lender discharges this deed in writing.
- 16.3 Any release, discharge or settlement between the Guarantor 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
- 16.3.1 the Lender or its nominee may retain this deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Charged Property, for the maximum period within which such payment or security can be avoided, reduced or ordered to be refunded; and
- 16.3.2 the Lender may recover the value or amount of such security or payment from the Guarantor subsequently as if such release, discharge or settlement had not occurred.
- 16.4 A certificate or determination by the Lender as to any amount for the time being due to it from the Guarantor shall (in the absence of any manifest error) be conclusive evidence of the amount due

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

16.6 The invalidity, unenforceability or illegality of any provision (or part of a provision) of this deed 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.

17. Notices

17.1 Any notice or other communication given to a party under or in connection with this deed shall be in writing and delivered by hand, by pre-paid first-class post or other next working day delivery service to the relevant party at the address first set out in this deed or to such other address as is notified in writing by one party to the other from time to time.

17.2 Any notice or other communication that either party gives to the other shall be deemed to have been received:

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

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

A notice or other communication given as described in clause 17.2.1 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

17.3 This clause 17 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution

18. Governing law and jurisdiction

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

18.2 Each party irrevocably agrees that, subject as provided in this clause, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this deed 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 Guarantor 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.

18.3 The Guarantor irrevocably consents to any process in any legal action or proceedings being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed 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 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 Guarantor of any of its obligations contained in this deed and the Guarantor 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 1 are without prejudice to any other rights of the Lender under this deed. 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 deed has become enforceable, the Lender or any Receiver:

3.1 may dispose of any chattels or produce found on any Property as agent for the Guarantor, and

3.2 without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce, shall be indemnified by the Guarantor against any liability arising from such disposal

4. Prior Security

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

4.1 redeem such or any other prior Security or procure its transfer to itself; and

4.2 settle any account of the holder of any prior Security

Any accounts shall be, in the absence of any manifest error, conclusive and binding on the Guarantor. 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 Guarantor to the Lender on current account and shall bear interest at the Default Rate and be secured as part of the Secured Liabilities.

5. 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 deed (whether or not such person or persons is jointly liable with the Guarantor) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this deed, or to the liability of the Guarantor for the Secured Liabilities.

6. Investments: voting rights prior to enforcement

Until the security constituted by this deed becomes enforceable the Lender shall, in exercising all voting and other rights and powers of the Lender or its nominee attaching to the Investments, act in accordance with the directions of the Guarantor from time to time, if acting in accordance with those directions would not, in the Lender's opinion, prejudice the Lender's security under this deed or the value of the Investments or contravene any agreement between the Lender and the Guarantor.

Schedule 2 Enforcement

1. Enforcement events

This deed shall be enforceable if

- 1.1 any of the Secured Liabilities are not paid or discharged when the same ought to be paid or discharged by the Guarantor (whether on demand, at scheduled maturity, or by acceleration or otherwise, as the case may be), or
- 1.2 the Guarantor is in breach of any of its obligations under this deed or under any other agreement between the Guarantor 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 Guarantor to remedy the breach, or
- 1.3 the Guarantor:
 - 1.3.1 becomes unable to pay its debts as they fall due (and/or the value of the Guarantor's assets is less than the amount of its liabilities, taking into account the Guarantor's contingent and prospective liabilities), or
 - 1.3.2 commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness; or
 - 1.3.3 makes a general assignment for the benefit of or a composition with its creditors, or
- 1.4 the Guarantor 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
- 1.5 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 Guarantor and remains undischarged for seven days; or
- 1.6 any event occurs in relation to the Guarantor that is analogous to those set out in paragraph 1.3, paragraph 1.4 or paragraph 1.5 of this Schedule 2; or
- 1.7 any representation, warranty or statement made or deemed to be made by the Guarantor under this deed is or proves to have been incorrect or misleading in any material respect when made or deemed to be made,

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 deed 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 deed but the Lender shall not exercise such power of sale until the security constituted by this deed has become enforceable under paragraph 1 of this Schedule 2.

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 deed and are extended so as to authorise the Lender, whether in its own name or in that of the Guarantor, 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 Guarantor with whatever rights relating to other parts of it, containing whatever covenants on the part of the Guarantor, 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:

- 4.1 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
- 4.2 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 deed has become enforceable, or at the request of the Guarantor, the Lender may, without further notice

- 6.1.1 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

- 6.1.2 (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 deed 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 deed 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 deed 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 Guarantor

Any Receiver appointed by the Lender under this deed shall be the agent of the Guarantor and the Guarantor 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 deed 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 3.

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 deed shall be applied

- 10.1 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);
- 10.2 second, in paying the remuneration of any Receiver (as agreed between the Receiver and the Lender),
- 10.3 third, in or towards discharge of the Secured Liabilities in such order and manner as the Lender determines; and
- 10.4 finally, in paying any surplus to the Guarantor 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 deed 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 Guarantor, 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 Guarantor irrevocably appoints the Lender and every Receiver separately, to be the attorney of the Guarantor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things which:

- 13.1 the Guarantor is required to execute and do under this deed; and
- 13.2 any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this deed or by law on the Lender or any Receiver.

14. Ratification of acts of attorney

The Guarantor 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 2.

15. Appointment of an Administrator

- 15.1 The Lender may, without notice to the Guarantor, appoint any one or more persons to be an administrator of the Guarantor pursuant to Paragraph 14 Schedule B1 of the Insolvency Act 1986 if this deed becomes enforceable.
- 15.2 Any appointment under this paragraph 15 of Schedule 2 shall:
 - 15.2.1 be in writing signed by a duly authorised signatory of the Lender, and
 - 15.2.2 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 2 and appoint a replacement for any Administrator whose appointment ends for any reason under that paragraph.

Schedule 3 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 Guarantor'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 Guarantor

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 Guarantor 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 Guarantor), 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 Guarantor 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 Guarantor members

A Receiver may make calls, conditionally or unconditionally, on the members of the Guarantor 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 Guarantor 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 3 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, 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 3, 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 deed).

17. Power to redeem prior Security

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

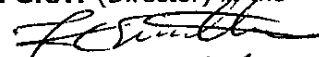
18. Incidental powers

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 3 or which he lawfully may or can do as agent for the Guarantor.

19. Scope of powers

Any exercise of any of the powers given by this Schedule 3 may be on behalf of the Guarantor, the directors of the Guarantor (in the case of the power contained in paragraph 12 of this Schedule 3) or himself

EXECUTED as a **DEED** by **J.M. COMPUTING LIMITED** acting by **SEBASTIAN GRAY** (Director) in the presence of


T.E. SMITH
CHARLES RUSSELL SPENCER
SOLICITOR



SIGNED and **DELIVERED** as a **DEED** by **ANDREW COLIN BURGESS** in the presence of.

DAVID TATE
MANCHESTER
M3 3BA
SIGNED 