

Particulars of a mortgage or charge

395

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies (Address overleaf - Note 6)

For official use

Company number

5111

151652

Name of company

* William Hollins and Company Limited (the "Chargor")

Date of creation of the charge

14 March 2006

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

Debenture between (1) The Chargor and (2) Landsbanki Commercial Finance (the "Chargee") (the "Debenture")

Amount secured by the mortgage or charge

all moneys, obligations and liabilities, howsoever arising, now or at any time in the future due, owing or incurred by the Chargor to the Chargee on any account whatsoever (whether or not evidenced by any note or instrument and whether or not for the payment of money), direct or indirect, absolute or contingent, including without limitation all interest (as well as before as after any demand made or judgment given), fees, charges, expenses, legal fees and accounting fees chargeable to and payable by the Chargor under or in relation to any such moneys, obligations and/or liabilities (the "Secured Obligations")

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

Landsbanki Commercial Finance, a division of Landsbanki Íslands hf., operating through its London branch at Beaufort House, 15 St. Botolph Street, London

Postcode EC3A 7QR

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

Amelia O'Connor
Eversheds LLP
115 Colmore Row
Birmingham
B3 3AL

911149

Time critical reference

For official Use (02/00)
Mortgage Section

Post room



A05
COMPANIES HOUSE

ANKJKDKS

494
22/03/2006

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CHFP025

Please do not write in this margin

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

*insert full name of Company

5

4

911149

Short particulars of all the property mortgaged or charged

See attached schedule

Note - The attached schedule contains details of covenants given by and restrictions on the Chargor that protect and further define the charges created by the Debenture and which must be read as part of the charges created by the Debenture.

Please do not write in this margin

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

Particulars as to commission allowance or discount (note 3)

N/A

A fee is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

Signed

EUGENIA WIP

Date 21 March 2006

On behalf of ~~XXXXXXXXXXXXXXXXXX~~ [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.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

CONTINUATION OF FORM 395

Company: William Hollins and Company Limited

Company number: 151652

SCHEDULE

PART 1

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED

1. COVENANT TO PAY

- 1.1 Pursuant to clause 3.1 of the Debenture, the Chargor covenanted with the Chargee that it will pay, discharge and satisfy the Secured Obligations in accordance with their terms and will indemnify the Chargee against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay, discharge or satisfy the Secured Obligations.

2. ASSIGNMENT

- 2.1 Pursuant to clause 4.1 of the Debenture, the Chargor, with full title guarantee, as security for the payment or discharge of all Secured Obligations, assigned to the Chargee all of its rights, claims, title and interest from time to time in respect of any sums payable to it pursuant to the Insurance Policies.

3. FIXED SECURITY

- 3.1 Pursuant to clause 4.2 of the Debenture, the Chargor, with full title guarantee, as security for the payment or discharge of all Secured Obligations, charged to the Chargee the following:

- (a) by way of legal mortgage, all Land in England and Wales now vested in it and registered at the Land Registry or which will be subject to first registration at the Land Registry upon the execution and delivery of the Debenture, including the Land (if any) described under its name in Schedule 1 of the Debenture (*Registered Land to be Mortgaged*);
- (b) by way of legal mortgage, all other Land in England and Wales now vested in it and not registered at the Land Registry;
- (c) by way of first fixed charge:
 - (i) all other Land which is now, or in the future becomes, its property;
 - (ii) all interests and rights in or relating to Land or the proceeds of sale of Land now or in the future belonging to it;
 - (iii) all plant and machinery now or in the future attached to any Land which, or an interest in which, is charged by it under 4.2 of the Debenture as described by paragraph 3.1 above;
 - (iv) all income of any kind whatsoever and all debts and claims now or in the future due or owing to it under or in connection with any lease, agreement or licence relating to Land;

- (v) all Specified Investments which are now, or in the future become, its property;
- (vi) all Derivative Rights now or in the future accruing in respect of its Specified Investments;
- (vii) all Investments (other than Specified Investments) which are now, or in the future become, its property, and all Derivative Rights now or in the future accruing in respect of those Investments;
- (viii) where Investments are held in a Relevant System, all its rights against the operator of the Relevant System or any participant in respect of such Investments;
- (ix) all insurance or assurance contracts or policies now or in the future held by or otherwise benefiting it which relate to Fixed Security Assets or which are now or in the future deposited by it with the Chargee, together with all its rights and interests in such contracts and policies (including the benefit of all claims arising and all money payable under them) apart from any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) in the Debenture;
- (x) all its goodwill and uncalled capital for the time being;
- (xi) all Specified Intellectual Property belonging to it;
- (xii) all other Intellectual Property presently belonging to it, including any Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others;
- (xiii) all Intellectual Property that may be acquired by or belong to it in the future, including any such Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others;
- (xiv) the benefit of all agreements and licences now or in the future entered into or enjoyed by it relating to the use or exploitation of any Intellectual Property in any part of the world;
- (xv) all its rights now or in the future in relation to trade secrets, confidential information and know-how in any part of the world enjoyed now or in the future;
- (xvi) all its rights and causes of action in respect of infringement(s) (past, present or future) of the rights referred to in sub-clauses (c)(xi) to (xv) inclusive of clause 4.2 of the Debenture as described under paragraph 3.1 above;
- (xvii) all Non-Vesting Debts and all Other Debts;
- (xviii) the benefit of all instruments, guarantees, charges, pledges and other security and all other rights and remedies available to it in respect of any Fixed Security Asset except to the extent that such items are for the time being effectively assigned under clause 4.1 of the Debenture as described under paragraph 2.1 above (*Assignment*);

- (xix) any beneficial interest, claim or entitlement it has in any pension fund now or in the future;
- (xx) all rights, money or property accruing or payable to it now or in the future under or by virtue of a Fixed Security Asset except to the extent that such rights, money or property are for the time being effectively assigned or charged by fixed charge under the foregoing provisions of the Debenture;
- (xxi) all its interests, rights and receipts in respect of moneys at any time standing to the credit of the Account;
- (xxii) all moneys at any time standing to the credit of any of its other bank accounts; and
- (xxiii) the benefit of all licences, consents and authorisations held in connection with its business or the use of any Asset and the right to recover and receive all compensation which may be payable in respect of them.

3.2 CREATION OF FLOATING CHARGE

The Chargor, with full title guarantee, charged to the Chargee as security for the payment or discharge of all Secured Obligations, by way of floating charge:

- (a) all its Assets (now or in the future owned), except to the extent that such Assets are for the time being effectively assigned by way of security by virtue of paragraph 1 above or effectively mortgaged or charged under clause 4.2 of the Debenture as described in paragraph 3.1 above, including any Assets comprised within a charge which is reconverted under clause 5.4 of the Debenture; and
- (b) without exception, all its Assets in so far as they are for the time being situated in Scotland,

but in each case so that the Chargor shall not create any mortgage or any fixed or floating charge or other security over any such Asset (whether having priority over, or ranking *pari passu* with or subject to, this floating charge) or take any other step referred to in clause 8 of the Debenture (*Negative pledge and other restrictions*) with respect to any such Asset, and the Chargor shall not, without the consent of the Chargee, sell, transfer, part with or dispose of any such Asset except by way of sale in the ordinary course of its business.

4. PRIORITY

- 4.1 Pursuant to clause 4.5 of the Debenture, any security created in the future by the Chargor (except in favour of the Chargee) shall be expressed to be subject to the Debenture and shall rank in order of priority behind the charges created by the Debenture.

5. CRYSTALLISATION

Crystallisation by notice

- 5.1 The floating charge created by the Chargor in clause 4.3 of the Debenture as described in paragraph 3.2 above (*Creation of floating charge*) may be

crystallised into a fixed charge by notice in writing given at any time by the Chargee to the Chargor if:

- 5.1.1 the Chargee in good faith considers that a Default has occurred and is continuing;
- 5.1.2 the Chargee in good faith considers that any of the Assets expressed to be charged to the Chargee by this Debenture may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- 5.1.3 a circumstance envisaged by clause 5.2 of the Debenture, as described in paragraph 5.2 below (*Automatic Crystallisation*) occurs and the Chargee in good faith considers that such crystallisation is desirable in order to protect the priority of its security.

Such crystallisation shall take effect over the Floating Charge Assets or class of Assets specified in the notice. If no Floating Charge Assets are specified, it shall take effect over all Floating Charge Assets of the Chargor.

Automatic crystallisation

If, without the Chargee's prior written consent:

- 5.2 the Chargor resolves to take or takes any step to:
 - 5.2.1 create a create or permit to subsist any Security Interest over any of its Floating Charge Assets, except for a Permitted Security Interest;
 - 5.2.2 create a trust over any of its Floating Charge Assets; or
 - 5.2.3 dispose of any Floating Charge Asset, except by way of sale in the ordinary course of the Chargor's business; or
 - 5.2.4 any person resolves to take or takes any step to seize or sell any Floating Charge Asset pursuant to any form of legal process; or
- 5.3 a Default has occurred and is continuing,

then the floating charge created by clause 4.3 of the Debenture, as described in paragraph 3.2 above (*Creation of floating charge*) shall be automatically and instantly crystallised (without the necessity of notice) into a fixed charge over such Floating Charge Asset or, in the case of clause 5.2 (c) of the Debenture as described in paragraph 5.3 above into a fixed charge over all Floating Charge Assets of the Chargor.

Future Floating Charge Assets

- 5.4 Except as otherwise stated in any notice given under paragraph 5.1 above (*Crystallisation by notice*) or unless the crystallisation relates to all its Floating Charge Assets, prospective Floating Charge Assets acquired by the Chargor after crystallisation has occurred under clause 5.1 of the Debenture as described in paragraph 5.1 above (*Crystallisation by notice*) or clause 5.2 of the Debenture as described in paragraph 5.2 above (*Automatic crystallisation*) shall become subject to the floating charge created by clause 4.3 of the Debenture as described in paragraph 3.2 (*Creation of floating charge*), so that the crystallisation shall be effective only as to the specific Floating Charge Assets affected by the crystallisation.

6. **COLLECTION OF OTHER DEBTS AND NON-VESTING DEBTS**

6.1 During the continuance of the Debenture, the Chargor shall:

6.1.1 pay into the Account all moneys which it may receive in respect of the Other Debts and (subject to any rights of the Account Bank in respect thereof) pay or otherwise deal with such moneys standing in such account in accordance with any directions from time to time given in writing by the Chargee;

6.1.2 after crystallisation of the floating charge (if any) created pursuant to clause 4.1(c) of the Debenture, as described by paragraph 3.1 (c) above into a fixed charge, not (except as permitted by the Chargee) withdraw any credit balance representing payments relating to Other Debts from the Account or any of the Chargor 's other bank accounts.

7. **NEGATIVE PLEDGE**

7.1 Pursuant to clause 8 of the Debenture, save as may be expressly permitted under the Finance Documents, the Chargor shall not, without the prior written consent of the Chargee:

7.1.1 create or permit to subsist any Security Interest or any trust over any of its Assets, except for Permitted Security Interests; or

7.1.2 sell, assign, lease, license or sub-license, or grant any interest in, any of its Fixed Security Assets, or part with possession or ownership of them, or purport or agree to do so.

8. **LAND - NEGATIVE COVENANT**

8.1 Pursuant to clause 12.2 (c) of the Debenture, the Chargor shall not exercise any power of leasing in relation to its Land, or accept surrenders of leases of any Land or agree to do so other than the granting of any sublease provided that aggregate rental income from all outstanding subleases does not exceed £5,000 per annum;

9. **INTELLECTUAL PROPERTY - NEGATIVE COVENANT**

9.1 Pursuant to clause 13.2 (a) of the Debenture the Chargor shall not sell, assign, lease, license, sub-license or grant any interest in its Intellectual Property Rights, or purport or agree to do so or part with possession or ownership of them, or allow any third party access to, or the right to use or exploit, any Intellectual Property Rights;

PART 2

DEFINITIONS

In this form 395 and this schedule the following terms have the specified meanings:

"Account" means the account maintained by the Chargor with the Account Bank and **"Accounts"** shall be construed accordingly

"Account Bank"	The National Westminster Bank plc or such other bank as may be agreed between the Chargee and the Chargor
"Asset"/"Assets"	in relation to the Chargor, all its undertaking, property, assets, revenues and rights of every description (including, but not limited to, the Debts), or any part of them, present and future, and any interest therein
"Associate"	means a connected person (as defined in section 839 of the Income and Corporation Taxes Act 1988)
"Credit Facilities Agreement"	means the credit facilities agreement dated on or about the date hereof and made between inter alia (1) the Chargee (2) the Chargor and others (as Original Borrowers) and (3) the Chargor and others (as Original Guarantors)
"Debt Purchase Agreement"	the debt purchase agreement dated on or about the date of the Debenture and made between inter alia (1) the Chargee (2) the Chargor and others
"Debtor"	means any person, not being an Associate of the Chargor, incurring an obligation or liability to the Chargor for a Debt as a result of the Chargor having supplied goods or rendered services to that person or at their direction.
"Debts"	means in respect of the Chargor the amount owed to the Chargor by a Debtor for goods supplied or services rendered under a Supply Contract, including VAT and interest for late payment, and/or other late payment charges where applicable, together with its Related Rights.
"Default"	means an Event of Default or any event or circumstances which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) be an Event of Default
"Derivative Rights"	means all dividends, interest or distributions and all other rights and benefits of an income nature accruing at any time in respect of any Investments
"Director's Warranty"	means the warranty, in a form acceptable to the Chargee, executed or to be executed by the directors of the Chargor and such other persons as the chargee may require
"Event of Default"	means any of the events set out in clause 17 of the Credit Facilities Agreement (<i>Termination on Default</i>) occurring on or after the date of the Credit Facilities Agreement

"Finance Documents"	means the Credit Facilities Agreement, the Debt Purchase Agreement, the Security Documents, the Director's Warranty the Subordination Deed and any other document from time to time designated as such by the Chargor
"Fixed Security Assets"	means an Asset for the time being comprised within an assignment created by paragraph 1.1 (<i>Assignment</i>) or within a mortgage or fixed charge described by paragraph 2.1 (<i>Fixed security</i>)
"Floating Charge Assets"	means an Asset for the time being comprised within the floating charge described by paragraph 2.3 above (<i>Creation of Floating Charge</i>)
"Insurance Policies"	means any contract or policy of insurance of the Chargor (including all cover notes) of whatever nature, which is from time to time taken out by or on behalf of the Chargor or (to the extent of its interest) in which the Chargor has an interest at any time
"Intellectual Property"	means in relation to the Chargor, all its patents (including supplementary protection certificates), utility models, registered and unregistered trade marks (including service marks), rights in passing off, copyright, database rights, registered and unregistered rights in designs and, in each case, any extensions and renewals of, and any applications for, such rights
"Intellectual Property Rights"	means in relation to the Chargor, all and any of its Intellectual Property and all other intellectual property rights, causes of action, interests and assets charged by it pursuant to sub-clauses 4.2 (c)(xi) to (xvi) inclusive of the Debenture as described in paragraph 2.1 above (<i>Fixed security</i>)
"Investments"	means all shares, stock, debentures, debenture stock, bonds and other investments (as listed in Part III of the Financial Services and Markets Act 2000 (Regulated Activities Order 2001, SI 2001/544 (as amended)), whether certificated or uncertificated and whether in registered or bearer form (whether or not marketable) now or in the future owned at law or in equity by the Chargor, including all depository interests representing any of them and including all rights and benefits of a capital nature accruing at any time in respect of any Investments by way of redemption, repayment, substitution, exchange, bonus or preference, option, rights or otherwise
"Land"	means freehold and leasehold, and any other estate in, land and (outside England and Wales) immovable property and in each case all buildings and structures upon and all things affixed thereto (including trade and tenant's fixtures)

"Non Vesting Debts"

means all Debts that are intended to, but which do not for any reason, vest absolutely and effectively in the Chargee under the Debt Purchase Agreement together with the Related Rights to such Debts

"Other Debts"

means all present and future book and other debts of the Chargor, all moneys from time to time standing to the credit of any account of the Chargor and all moneys whether arising under contracts or in any other manner due, owing or incurred to the Chargor (and including owing to the Chargee) other than:

- (i) Debts absolutely and effectively vested in the Chargee under the Debt Purchase Agreement; and
- (ii) Non-vesting Debts

"Permitted Security Interest"

means:

- (i) a lien or right of set off arising in the ordinary course of trading solely by operation of law (or by contractual provisions having a substantially similar effect);
- (ii) Security Interests arising under the Security Documents; and/or
- (iii) any other Security Interest that the Chargee has at any time in writing agreed to be a Permitted Security Interest including for the avoidance of doubt rent deposit deeds registered prior to the date of this agreement;

"Related Rights"

means in relation to a Debt, all rights ancillary to the Debt, including without limitation:

- a) the benefit of every contract giving rise to the Debt;
- b) rights of retention of title, lien, recovery of possession and other remedies given by law to an unpaid vendor of goods;
- c) the benefit of all guarantees, indemnities, securities and policies of insurance held by or available to you in relation to the debts owed to you by a Debtor;
- d) all ledgers and records (including computerised records) evidencing the amount owed and the relevant contract; and
- e) all the Chargor's rights under contracts of supply between the Chargor and its suppliers in relation to goods supplied or to be supplied by the Chargor in fulfilment of its delivery obligations to a Debtor whose Debt has been offered or notified to the Chargee by the Chargor under the Debt Purchase Agreement

"Relevant System"	the meaning given to that term by the Uncertificated Securities Regulations 2001 and includes the CREST system and also any other system or facility (whether established in the United Kingdom or elsewhere) providing means for the deposit of, and clearance of transactions in, Investments
"Security Documents"	means the documents listed in Part 2 of Schedule 2 of the Credit Purchase Agreement (<i>Pre-Conditions Documents</i>) and those documents delivered pursuant to 15.2.10 of the Credit Purchase Agreement
"Security Interest"	means any mortgage, pledge, lien, charge (whether fixed or floating), security assignment, security transfer, hypothecation, standard security or any other security agreement, retention of title or encumbrance of any kind or any other arrangement (whether relating to existing or future assets) having substantially the same economic affect as any of the foregoing (including, without limitation, the deposit of monies or property with a person with the primary intention of affording such person a right of set-off or lien)
"Specified Intellectual Property"	means the Intellectual Property listed in Schedule 3 of the Debenture
"Specified Investments"	means all Investments that at any time: <ul style="list-style-type: none"> (a) represent a holding in a Subsidiary of the Chargor; (b) are held in the name of the Chargee or its nominee or to its order; or (c) that the Chargor has deposited certificates for with the Chargee or which, if uncertificated, are held in an escrow or other account in favour of the Chargee or its nominee.
"Subordination Deed"	means the subordination deeds dated the same date as the Debenture and made between the Chargor and others and the Chargor (and "Subordination Deed" shall be construed accordingly
"Supply Contract"	means a contract between the Chargor and a Debtor for the supply of goods or the provision of services

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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. 00151652

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 14th MARCH 2006 AND CREATED BY WILLIAM HOLLINS & COMPANY LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO LANDSBANKI COMMERCIAL FINANCE ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 22nd MARCH 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24th MARCH 2006.

PDMM



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —