

Particulars of a mortgage or charge

395

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block letteringTo the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

M16/c

[X] [U] [I] []

2769705

Name of company

* BALS ENGINEERING GROUP LIMITED

* insert full name
of company

Date of creation of the charge

22nd October 1993

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

Debenture containing fixed and floating charges.

Amount secured by the mortgage or charge

All moneys and liabilities (actual or contingent) for the time being
due owing or incurred by the Company to the Bank on any account and in
any manner whatsoever.

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

The Governor and Company of the Bank of Scotland, incorporated by Act of
Parliament and having their Head Office at The Mound, Edinburgh

Postcode

Presenter's name address and
reference (if any):The Governor and Company of
the Bank of Scotland, Legal
Services, P.O. Box No 475,
Teviot House, 41 South Gyle
Crescent, Edinburgh EH12 9DN
Tel: 031.317. 6258

Our Ref: Legal / C/T ID/AMT

For official Use

Mortgage Section

REGISTERED

30 OCT 1993

Post room

30 OCT 1993

Time critical reference

1 - NOV 1993

Short particulars of all the property mortgaged or charged

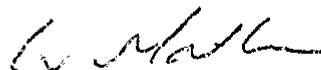
All the undertaking, property and assets of the Company whatsoever and wheresoever, present and future, as specified in the attached Schedule, which also contains covenants by and restrictions on the Company which protect and further define the charges and must be read as one with the charges.

Please do not
write in
this margin

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

Particulars as to commission allowance or discount (note 3)

Signed



Date

28.10.93

Manager, Legal Services
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.
- 5 The address of the Registrar of Companies is:-
Companies House, Crown Way, Cardiff CF4 3UZ

Particulars of a mortgage or charge

Name of Company BALS ENGINEERING GROUP LIMITED

Number of Company 2769705

SCHEDULE OF CHARGES, COVENANTS AND RESTRICTIONS

contained in a Debenture in favour of Bank of Scotland dated 19....

Charges

- 1 by way of legal mortgage all the freehold and leasehold property of the Company now vested in it whether or not the title thereto is registered at H.M. Land Registry together with all buildings and fixtures (including trade and tenant's fixtures) now and hereafter thereon and all plant and machinery now and hereafter annexed thereto for whatever purpose;
- 2 by way of fixed charge all freehold and leasehold property hereafter belonging to the Company together with all buildings and fixtures (including trade and tenant's fixtures) thereon and all plant and machinery annexed thereto for whatever purpose;
- 3 by way of fixed charge all interests not thereinbefore effectively charged now or hereafter belonging to the Company in or over land or the proceeds of sale of land all licences now or hereafter held by the Company to enter upon or use land and the benefit of all other agreements relating to land to which the Company is or may become party or otherwise entitled and all trade and tenant's fixtures plant and machinery now and hereafter annexed for whatever purpose to all freehold and leasehold property an interest in which stands charged thereunder;
- 4 by way of fixed charge all the goodwill and uncalled capital for the time being of the Company;
- 5 by way of fixed charge all stocks shares and other securities now or hereafter owned (whether at law or in equity) by the Company and all rights and interests of the Company in and claims under all policies of insurance and assurance now or hereafter held by or insuring to the benefit of the Company;
- 6 by way of fixed charge all patents, trade marks, patent applications, brand names, copyrights, rights in the nature of copyright, registered designs and other intellectual property rights and agreements relating to the use by the Company of patents and trade marks to which the Company is now or may hereafter become entitled and all agreements under which the Company is now or may become entitled to the payment of any royalty fee or similar income;
- 7 by way of fixed charge all book and other debts of the Company whether now or hereafter existing and whether presently payable or hereafter falling due for payment and all rights and claims of the Company against third parties now or hereafter existing and capable of being satisfied by the payment of money (save as described in 5 above);

- 8 by way of floating charge all the undertaking, property and assets of the Company whatsoever and wheresoever present and future of the Company not thereinbefore effectively charged by way of fixed charge including (without limitation) any immovable property of the Company situate in Scotland and any assets falling within any of the types mentioned in 3 to 7 above inclusive situate in Scotland but so that the Company is not to be at liberty to create otherwise than in favour of the Bank any mortgage or fixed or floating charge or other security upon and so that no lien (other than a lien arising through operation of law in the ordinary course of business) shall in any case or in any manner arise on or affect any part of such assets either in priority to or pari passu with the floating charge thereby created and further that the Company shall have no power without the consent of the Bank to part with or dispose of any part of such assets except by way of sale in the ordinary course of its business.

Conversion into fixed charge

The Bank may from time to time by notice in writing to the Company convert the floating charge into a fixed charge as regards any assets thereby charged as specified in any such notice and such floating charge shall automatically be converted into a fixed charge:—

- 1 in respect of any assets which shall become subject to a fixed charge in favour of any other person or to a disposition otherwise than by way of sale in the ordinary course of the Company's business immediately upon such charge or disposition; and
- 2 in respect of all the assets thereby charged if and when the Company shall cease to carry on business or to be a going concern;

but so that this provision shall not apply to any assets situate in Scotland.

Restriction on charges and disposals

The Company may not without the previous written consent of the Bank create or purport or attempt to create any mortgage charge or encumbrance on any freehold or leasehold property of the Company or any other asset subject to a fixed charge under the Debenture nor in any way dispose of the equity of redemption thereof or any interest therein.

Control of moneys received

The Company must pay into the Company's account with the Bank or as the Bank may direct all moneys which it may receive in respect of any policies of insurance or assurance royalties or book or other debts or any other of the rights and claims charged to the Bank under 5, 6 and 7 above and until such payment hold all moneys so received upon trust for the Bank and may not without the prior written consent of the Bank charge factor discount or assign any of the said policies royalties debts rights or claims in favour of any other person or purport so to do.

Redemption or purchase of own shares

The Company may not without the previous written consent of the Bank redeem or purchase any of its own shares or issue any redeemable shares.



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

I hereby certify that a mortgage or charge dated the 22nd OCTOBER 1993
and created by BALS ENGINEERING GROUP LIMITED

for securing all moneys now due, or hereafter to become due, or from time
to time accruing due from the company to THE GOVERNOR AND COMPANY OF THE
BANK OF SCOTLAND

on any account whatsoever

was registered pursuant to Chapter I Part XII of the Companies Act
1985, on the 30th OCTOBER 1993

Given under my hand at the Companies Registration Office,
Cardiff the 3rd NOVEMBER 1993

No. 2769705

C 3/11


D. JENKINS

an authorised officer

C.69a



COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

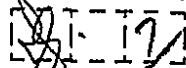
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this margin

Pursuant to section 395 of the Companies Act 1985

HL
M40CPlease complete
legibly, preferably
in black type, or
bold block letteringTo the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number



2769705

Name of company

* Bals Engineering Group Limited

* insert full name
of company

Date of creation of the charge

7 September 1994

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

Collateral Secured Debenture

Amount secured by the mortgage or charge

FROM BALS INDUSTRIAL ACCESSORIES LIMITED (PLEASE SEE PAGE 2).

All monies due to British Coal Enterprise Limited under the terms of a Debenture dated 7 September 1994 made between Bals Industrial Accessories Limited (1) British Coal Enterprise Limited (2)

This is subject to the terms of a Deed of Priorities entered into between Governor and Company of the Bank of Scotland (1), British Coal Enterprise Limited (2), Bals Industrial Accessories Limited (3), Bals Engineering Group Limited, Bals Switchgear Services Limited, Bals Electrical Engineering Limited, Bals Switchgear Projects Limited (4) dated 7 September 1994.

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

British Coal Enterprise Limited of Hobart House, Grosvenor Place,
London

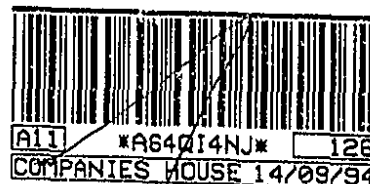
Postcode SW1X 7AE

Presenter's name address and
reference (if any):
Ward Hadaway
Alliance House
Hood Street
Newcastle upon Tyne
NE1 6LJ
Ref: SCH.RAT.KA

For official Use
Mortgage Section

REGISTERED

16 SEP 1994

Post room
16FAX DATED
September 94.

Time critical reference

Short particulars of all the property mortgaged or charged

Please do not
write in
this margin

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

Please see attached sheet

Particulars as to commission allowance or discount (note 3)

Signed X Sjm Date 9 September 1994

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.
- 5 The address of the Registrar of Companies is:-
Companies House, Crown Way, Cardiff CF4 3UZ

Bals Engineering Group Limited

(CRN : 2769705)

Short Particulars of all the property mortgaged or charged

- a. By way of a Legal Mortgage all the freehold property of the Company and in particular (though not restricted to) that freehold property short particulars of which are contained in Part 1 of Schedule 1 of the Collateral Secured Debenture and all the leasehold property of the Company and in particular (though not restricted to) that leasehold property short particulars of which are contained in Part 2 of Schedule 1 of the Collateral Secured Debenture, together with in each case with all buildings now or hereafter erected thereon, and all fixtures (including trade fixtures), plant and machinery now or thereafter affixed thereto;
- b. by way of fixed equitable charge all future freehold and leasehold property of the Company, together with all buildings erected thereon and fixtures (including trade fixtures) and plant and machinery now or hereafter fixed thereto;
- c. By way of fixed charge, all present and future goodwill, uncalled capital of the Company, together with all intellectual property or other rights of every description, including present and future licenses and patents (including applications and rights to apply therefore) copy rights, registered designs, licenses, rights and trade marks, trade names or styles whether registered or not;
- d. by way of fixed charge, all book debts and other debts revenues and claims both present and future (including things in action which may give rise to a debt, revenue or claim) due or owing or which may become due or owing to or purchased otherwise acquired by the Company and the full benefit of all rights and remedies relating thereto, including but not limited to any negotiable or non negotiable instruments, proceeds of insurance, guarantees and indemnities, debentures, legal and equitable charges and other security, reservation of proprietary rights, rights of tracing, liens, and all other rights and remedies of whatsoever nature in respect of the same;
- e. by way of floating charge all the assets and undertakings of the Company and all its property whatsoever and wheresoever both present and future, including the Specifically Mortgaged Property (as defined in the Collateral Secured Debenture) if and in so far as the charges thereon herein contained shall for any reason be ineffective or unenforceable as fixed charges.

Ward Hadaway

SOLICITORS

ALLIANCE HOUSE, HOOD STREET, NEWCASTLE UPON TYNE, NE1 6LJ.
TEL: 091 261 2651 FAX: 091 232 6928/261 0482 DX: 61265

FOR THE ATTENTION OF MRS JENKINS

Companies House
DX 33050
Cardiff

YOUR REF:

OUR REF: RAT.KA

DATE: 16 September 1994

By fax 0222 380827

Dear Madam,

Bals Switchgear Projects Limited - CRN 2789212
Bals Switchgear Services Limited - CRN 2718894
Bals Engineering Group Limited - CRN 2789705
Bals Electrical Engineering Limited - CRN 2736911

Further to your telephone call earlier today, we confirm that the above Companies have granted Collateral Debentures to British Coal Enterprise Limited to secure the liability of Bals Industrial Accessories Limited (2540166) due to British Coal Enterprise Limited under a Debenture dated 7 September 1994. Under the terms of each of the Collateral Debentures each of the Companies listed above are liable to British Coal Enterprise Limited as principal obliger and not just as surety.

We trust that this is the confirmation you require.

Yours faithfully,

Ward Hadaway
Ward Hadaway



A NATIONAL GROUP
OF LAW FIRMS

Partners
PETER R. ALLAN
SUSAN E. CRAIG
CHRISTOPHER HEWITT
DAVID DOUGLASS
DAVID GLENDINNING
DAVID R. HESSELBERTH
J. NEIL ROBSON
JEFFREY KEEBLE
DAVID J. PARR
IAN H. COLLINSON

COLIN T. HEWITT
RICHARD FREEMAN-WALLACE
MARTIN A. HULLS
DINAH JANE WALTON
J. NICHOLAS JAMES
HENRIETTA CRUDDAS
ROBERT A. THOMPSON
Consultants
SWINBURN J. WILSON
D.A. DOUGLASS

Associates
DR. MALCOLM BELL MRTPI
Planning & Environment Executive
IAN SELF MRTPI
Chartered Town Planner
C. RALPH COURT
MARGARET K. LAWSON
SIMON A. ROBINSON
ANDREW PACER
Chief Executive
PETER WIGNALL



BS 5750
120 9001
ACCREDITED

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02769705

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COLLATERAL SECURED DEBENTURE DATED THE 7th SEPTEMBER 1994 AND CREATED BY BALS ENGINEERING GROUP LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM BALS INDUSTRIAL ACCESSORIES LIMITED TO BRITISH COAL ENTERPRISE LIMITED UNDER THE TERMS OF A DEBENTURE DATED 7 SEPTEMBER 1994 WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 16th SEPTEMBER 1994.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 20th SEPTEMBER 1994 .

J. M. EVANS

for the Registrar of Companies

Post
20.9
HL



C O M P A N I E S H O U S E

HC026B