

MR01

Particulars of a charge



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

You can use the WebForm  
Please go to www.companieshouse.gov.uk

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

☐ **What this form is NOT for**  
You may not use this form to  
register a charge where the  
instrument Use form MR01



A08 \*A4ASVOKR\* #422  
02/07/2015  
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 03342440  
Company name in full APA Publications (UK) Limited

7 For official use

→ **Filling in this form**  
Please complete in typescript or in  
bold black capitals  
All fields are mandatory unless  
specified or indicated by \*

**2 Charge creation date**

Charge creation date 01/07/2015

**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 APA Digital AG

Name

Name

Name

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

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

MR01

Particulars of a charge

4

**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

Brief description

Floating charge over all that stock located at:

(1) Pearson Distribution, Central Park, Rugby,  
Warwickshire, CV23 0WB, United Kingdom.

(2) APA Publications, c/o Ingram Publisher Services,  
1280 Ingram Drive, Chambersburg, PA 17202, USA.

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"

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

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 Bryan Park

Company name Penningtons Manches LLP

Address Floor 2

2 Bishop's Wharf

Walnut Tree Close

Post town Guildford

County/Region Surrey

Postcode G U 1 4 U P

Country

DX 2405 Guildford

Telephone +44 (0)1483 791800



### 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](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.companieshouse.gov.uk)



**FILE COPY**

## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 3342440

Charge code: 0334 2440 0007

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st July 2015 and created by APA PUBLICATIONS (UK) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 2nd July 2015

Given at Companies House, Cardiff on 9th July 2015



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**

DATED 1 JULY 2015

(1) APA Publications (UK) Limited

- and -

(2) APA Digital AG

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FLOATING CHARGE

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WE CERTIFY THIS TO BE A TRUE COPY  
OF THE ORIGINAL DOCUMENT  
SIGNED *[Signature]* DATE 1/7/15  
PENNINGTONS MANCHES LLP



**PENNINGTONS  
MANCHES**

Penningtons Manches LLP  
2 Bishops Wharf  
Walnut Tree Close  
Guildford  
GU1 4UP  
T +44 (0)1483 791800  
F +44 (0)1483 574787  
DX 2405 Guildford

Ref BSP/SAB/3501473

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## **FLOATING CHARGE**

### **BY**

- (1) **APA PUBLICATIONS (UK) LIMITED**, a private company limited by shares incorporated and registered in England and Wales under company number 03342440 whose registered office is at Abacus House, 33 Gutter Lane, London EC2V 8AR (the "**Company**"),

### **IN FAVOUR OF**

- (2) **APA DIGITAL AG**, a company limited by shares incorporated and registered in Switzerland under identification number CHE-114 797 836 whose registered office is at Bahnhofplatz 6, 8854 Siebnen SZ, Switzerland (the "**Lender**")

## **1. Definitions and Interpretation**

### **1.1 Definitions**

In this Security, unless the context requires otherwise

**Act** means the Insolvency Act 1986 as amended by the Insolvency Act 2000 and the Enterprise Act 2002 or, where the context so requires, any of these enactments,

**Business Day** means a day (other than a Saturday, Sunday or a public holiday in England) on which banks are open for business in London,

**Event of Default** means

- (a) the failure by the Company to pay or fulfil the Secured Obligations in whole or part on the due date save as a result of the malfunction of any payment transmission system outwith the Company's control and the payment is made within two Business Days of its due date,
- (b) the occurrence of any event which under any contract or agreement (written or otherwise) between the Company and the Lender results in the Secured Obligations becoming

immediately due and payable or entitles the Lender to require immediate repayment of the Secured Obligations,

- (c) the dissolution of the Company or the appointment of a liquidator, receiver, administrative receiver, administrator, judicial factor, or similar official in respect of the Company or any of its undertaking or assets,
- (d) the giving of notice of intention to appoint an administrator in respect of the Company, or the presentation of any administration application in respect of the Company,
- (e) the institution of a voluntary arrangement or scheme of arrangement or composition in respect of the debts or affairs of the Company,
- (f) the petition or commencement of any other legal proceedings or corporate action, for any of the purposes set out in subparagraphs (c) to (e) (inclusive) above, or any analogous appointment or action in any other jurisdiction,
- (g) the breach by the Company of any of its obligations under this Security or any of the warranties and representations by the Company in this Security being or becoming incorrect or misleading in any material respect, or
- (h) the Company ceasing or threatening to cease to carry on business or becoming unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986,

**Loan Balance**

means the amount outstanding from the Company owed to the Lender in respect of debts purchased from the creditors of the Company which as at 31 December 2014 amounted to £3,216,466 69,



<b>Receiver</b>	means any receiver appointed in respect of the Secured Assets under this Security and includes joint receivers,
<b>Secured Assets</b>	means those assets of the Company more particularly detailed in the Schedule hereto,
<b>Secured Obligations</b>	means all monies from time to time due or owing and all other actual or contingent liabilities from time to time (whether owed jointly or severally or alone in any other capacity whatsoever) of the Company to the Lender (including the Loan Balance, provided that the maximum principal sum recoverable shall be limited to £2,000,000 00,
<b>Security</b>	means these presents (and, as the context may require or imply, the floating charge hereby created) as amended or supplemented from time to time, and
<b>Waste</b>	means any form of waste, including any by-product of an industrial process and anything which is abandoned, unwanted or surplus, whether or not it is capable of being recovered or recycled, or has any value

## 1 2 Interpretation

In this Security unless the context requires otherwise

- 1 2 1 words importing the singular shall include the plural and vice versa,
- 1 2 2 references to this Security or any other document shall be constituted as references to this Security or such other document as amended, supplemented or novated from time to time,
- 1 2 3 references to any statute or statutory provision (including any subordinate legislation) shall include any statute or statutory provision for the time being in force which amends, extends, consolidates or replaces the same and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision,
- 1 2 4 references to a "**person**" shall include any individual, firm, company,

corporation, body, trust or foundation, or any association, partnership or unincorporated body (whether or not having separate legal personality),

1 2 5 any reference to the Lender includes its permitted successors, transferees and assignees,

1 2 6 references to a document "**in the agreed form**" means a document in a form agreed by the Company and the Lender and initialled by, or on behalf of, each of them for the purpose of identification as such, and

1 2 7 "**tax**" means all forms of taxation, duties, imposts and levies whatsoever in the nature of taxation whenever and wherever imposed, including (but without limitation) all stamp duties, imposts, duties, capital and revenue taxes and value added tax, and "**taxes**" and "**taxation**" shall be construed accordingly

### 1 3 Headings

The table of contents and the headings in this Security are included for convenience only and shall be ignored in construing this Security

## 2. **Floating Charge**

### 2 1 Payment

The Company undertakes to the Lender that it will pay and discharge the Secured Obligations on the due date therefor, or, if no date for payment has been agreed, on demand

### 2 2 Floating Charge

As security for the payment and discharge of the Secured Obligations, the Company hereby grants a floating charge over the Secured Assets in favour of the Lender

### 2 3 Negative pledge and ranking

Unless otherwise agreed in writing by the Lender

2 3 1 the Company shall not create any fixed charge or other floating charge over any part of the Secured Assets ranking in priority to or equally with this Security after its execution of this Security except any fixed charge in favour of the Lender, and

2 3 2 this Security shall rank in priority to any fixed charge or other floating charge created by the Company after its execution of this Security except any fixed charge in favour of the Lender

### **3. Protection of Security**

#### **3 1 Continuing security**

This Security shall be a continuing security notwithstanding any intermediate payment or satisfaction of the Secured Obligations and shall remain in force and may not be revoked until the Secured Obligations have been fully and unconditionally paid and discharged

#### **3 2 No prejudice**

This Security shall be in addition to and independent of and shall not in any way prejudice or be prejudiced by any other security, right or remedy which the Lender may now or at any time hereafter hold for all or any part of the Secured Obligations

#### **3 3 No waiver**

Failure or delay on the part of the Lender in exercising any right, power or discretion under or pursuant to this Security shall not operate as a waiver thereof, nor will any single or partial exercise of any such right, power or discretion preclude any other or further exercise thereof. The rights, powers and discretions contained in this Security are in addition to and not in substitution for any right of set-off, compensation, retention, combination of accounts, lien or other right or remedy provided by law

#### **3 4 Severability**

The provisions of this Security shall be severable and distinct from one another and if at any time one or more of such provisions is or becomes or is declared void, invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Security shall not in any way be affected or impaired thereby

#### **3 5 Non impairment**

The Company agrees that none of its obligations or the Lender's rights, powers and discretions under this Security shall be reduced, discharged or otherwise adversely affected by

3 5 1 any variation, extension, discharge, compromise, dealing with, exchange or renewal of any security or any right or remedy which the Lender may have now or in the future from or against the Company or any other person in respect of any of the Secured Obligations, or

3 5 2 any failure, act or omission by the Lender or any other person in taking up, perfecting or enforcing any security or guarantee from or against the

- Company or any other person in respect of the Secured Obligations, or
- 3 5 3 any increase in or waiver or discharge of the Secured Obligations or any termination, amendment, variation, supplement, restatement, novation or replacement of any document or agreement relating thereto, or
- 3 5 4 any grant of time, indulgence, waiver or concession to the Company or any other person, or
- 3 5 5 any of the administration, receivership, liquidation, winding-up, insolvency, bankruptcy, incapacity, limitation, disability, discharge by operation of law or any change in the constitution, name or style of the Company or any other person, or
- 3 5 6 any invalidity, illegality, unenforceability, irregularity or frustration of the Secured Obligations, or
- 3 5 7 anything done or omitted to be done by the Lender or any other person which but for this provision might operate to exonerate or discharge or otherwise reduce or extinguish the liability of the Company under this Security

3 6 Further assurance

The Company shall promptly after being requested to do so by the Lender do all such acts and things and execute and deliver all such documents as the Lender may require for perfecting or protecting this Security or its priority or for creating such fixed charge or charge over any of the Secured Assets as the Lender may request or for facilitating the realisation or application of the Secured Assets and the exercise of the rights, powers and discretions conferred on the Lender or the Receiver under this Security

3 7 New accounts

At any time after the Lender has received or is deemed to be affected by notice (whether actual or constructive) of the creation of any subsequent security, charge or encumbrance over or affecting any part of the Secured Assets or the proceeds of realisation, the Lender may open a new account or accounts with the Company. If the Lender does not open a new account or accounts it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received such notice and as from that time all payments made to the Lender shall be credited or be treated as having been credited to the new account or accounts and shall not operate to reduce the amount covered by this Security

#### **4. Power of Attorney**

##### **4 1 Appointment**

The Company hereby irrevocably appoints the Lender, whether or not a Receiver has been appointed, and separately also the Receiver, as its attorney on its behalf and in its name or otherwise, at such times and in such a manner as the attorney may think fit

4 1 1 to do anything which the Company is obliged to do (but has not done) under this Security including, without limitation, to create any fixed charge or charge over any of the Secured Assets, and

4 1 2 generally to exercise all or any of the rights, powers and discretions conferred on the Lender or the Receiver in relation to the Secured Assets under this Security

##### **4 2 Ratification**

The Company hereby ratifies and confirms and agrees to ratify and confirm whatever its attorney may do or purport to do in the exercise or purported exercise of the power of attorney given by the Company under this clause

##### **4 3 Exercise of power**

The appointment effected under clause 4 1 (*Appointment*) shall take effect immediately (in the case of the Receiver, upon his/her appointment), but the powers conferred shall only become exercisable upon the occurrence of an Event of Default (which upon the appointment of the Receiver shall be deemed to be the case) or if the Company does not fulfil any of its obligations under clause 3 6 (*Further assurance*) within three Business Days of notice from the Lender or the Receiver to do so

#### **5. Representation, Warranties and Undertakings**

##### **5 1 Representations and warranties**

The Company represents and warrants to the Lender that

5 1 1 it is duly incorporated and validly existing under the law of England and Wales,

5 1 2 it has the power to grant this Security and perform its obligations hereunder,

5 1 3 it has taken all necessary corporate action to authorise the execution and delivery of this Security and the performance of its obligations hereunder,

- 5 1 4 the grant of this Security and the performance of its obligations hereunder will not contravene any law, regulation or agreement to which the Company is a party or by which it is bound, or cause any limitation on any of the powers of the Company however imposed, or the right or ability of its directors to exercise any of such powers, to be exceeded,
- 5 1 5 all authorisations required for the creation, performance, validity and enforceability of this Security by the Company have been obtained and are in full force and effect,
- 5 1 6 it has not, except for liens or retention of title provisions arising in the ordinary course of its trading activities, granted or created any other security, charge or encumbrance over the Secured Assets or any interest therein, or agreed, conditionally or unconditionally, to do so, and
- 5 1 7 it has not, save in the ordinary course of its trading activities, for market value, on an arm's length basis and for consideration payable in cash on normal commercial terms, entered into any agreement or granted any option to sell or otherwise dispose of the Secured Assets or any interest therein, or agreed, conditionally or unconditionally, to do so
- 5 2 Undertakings
- 5 2 1 The Company undertakes that, unless otherwise agreed in writing by the Lender, it shall not
- (a) dispose of any of the Secured Assets or any interest therein otherwise than in the ordinary course of its trading activities, for market value, on an arm's length basis and for consideration payable in cash on normal commercial terms,
  - (b) sell, factor, discount, assign or otherwise charge or dispose of its book debts or other accounts or payments receivable,
  - (c) become a guarantor or surety for any person,
  - (d) issue or create any debentures, debenture or loan stock or loan capital,
  - (e) agree to postpone or subordinate the Company's right to receive or claim payment of any debt or monetary claim due to it, or
  - (f) do or omit to do anything whereby any insurance in respect of the Company or the Secured Assets may be rendered void or voidable
- 5 2 2 The Company undertakes that, unless otherwise agreed in writing by the Lender, it shall
- (a) conduct its business and affairs in a proper and efficient manner and

- provide the Lender on request with such trading, financial and other information as the Lender may reasonably require from time to time,
- (b) comply promptly with its obligations under any document or agreement relating to the Secured Obligations,
  - (c) on request deposit with the Lender all title deeds, certificates and other documents of title or evidence of ownership in relation to the Secured Assets,
  - (d) if so requested by the Lender appoint an accountant or firm of accountants nominated by the Lender to investigate its financial and trading affairs and report to the Lender,
  - (e) keep the Secured Assets in good order,
  - (f) effect and maintain such insurances (in respect of the Company, its business and the Secured Assets) of such types, against such risks, with such insurers, for such amounts and on such terms and conditions as are usually maintained by prudent companies carrying on the same or similar activities as the Company and as the Lender may from time to time reasonably approve or require, pay the premiums and any other sums necessary to keep such insurances in force promptly when they fall due (and produce the relevant receipts to the Lender within three Business Days of being requested to do so) and otherwise comply with the terms and conditions applicable to such insurances if the Company fails to effect any such insurance or pay any such premium or other sum, the Lender shall be entitled to do so in accordance with clause 10.1 (*Non-compliance by Company*) the Company shall procure that the name and interest of the Lender as sole loss under this Security is endorsed or noted on all such insurances and that they each contain a non-vitiation provision whereby they will not be held void, voidable or otherwise unenforceable against the Lender by reason of any non-disclosure, misrepresentation or other act, neglect or default of or attributable to the Company,
  - (g) apply all monies received under any such insurances in accordance with the provisions of any loan or facility agreement between the Lender and the Company or (if no requirement as to application is so imposed), at the option of the Lender, apply such monies in repayment of the Secured Obligations or towards replacing, restoring or reinstating the property destroyed or damaged or making good the

loss or damage otherwise sustained, and

- (h) notify the Lender immediately in the event of any creditor executing diligence, (whether effectual or not), levying distress or execution, or serving any garnishee order against the Company or any of the Secured Assets

## **6. Enforcement**

### **6 1 Enforceable**

This Security shall be enforceable immediately upon, or at any time after

- 6 1 1 an Event of Default occurring (and any applicable grace period to remedy such Event of Default having expired), or
- 6 1 2 the Company requesting the appointment of a Receiver

### **6 2 Appointment of Receiver**

- 6 2 1 At any time after this Security has become enforceable the Lender shall be entitled to appoint one or more persons as a Receiver or Receivers in respect of the Secured Assets, or apply to the Court for such appointment
- 6 2 2 The appointment of a Receiver or Receivers shall be effected by the Lender by written instrument or notice in accordance with and in such form as may be prescribed under the Act. If any such person so appointed as Receiver is removed from office by the Court or otherwise ceases to act, the Lender shall be entitled (subject to the provisions of the Act) to appoint a replacement in the same manner

### **6 3 Powers of Receiver**

A Receiver appointed under this Security shall have the following powers in addition to those specified in schedule 2 of the Act

- 6 3 1 generally, without prejudice to the other provisions of this clause to exercise all the rights, powers and discretions in respect of the Secured Assets it would be entitled to exercise if it were the absolute owner thereof and to do all acts and things the Receiver may consider necessary or expedient for the realisation of the Secured Assets and the application of the proceeds in or towards satisfaction of or their retention as continuing security for the Secured Obligations, and
- 6 3 2 in respect of any of the Secured Assets situated in England and Wales (or any other jurisdiction) to exercise in addition to the foregoing powers, all the powers conferred by the Act or any other enactment or rule of law on



receivers or receivers and managers (or analogous officers) in that jurisdiction

6 4 Agent of Company

The Receiver shall be the agent of the Company for all purposes of and in all respects arising under this Security and, except as otherwise provided by the Act, the Company alone shall be responsible for his/her acts, omissions, neglects and defaults and for all liabilities and obligations incurred by him/her, and his/her remuneration costs, charges and expenses

6 5 Application of proceeds

All monies realised by the Receiver or otherwise arising from the enforcement of this Security shall, subject always to clause 6 6 (*Monies on suspense account*) and clause 7 (*Discharge*), to the claims of creditors ranking in priority to or *pari passu* with the claims of the Lender under this Security and to the terms of section 60 of the Act, be applied by the Receiver in or towards the settlement of the Secured Obligations in such order as the Receiver shall in his/her absolute discretion decide and any surplus shall be paid to the Company or any other person entitled thereto

6 6 Monies on suspense account

Nothing in this Security shall limit the right of the Receiver and/or the Lender (and the Company acknowledges that the Receiver and the Lender are so entitled) if and for so long as the Receiver and/or the Lender in its discretion shall consider it appropriate, to place all or any monies arising from the enforcement of this Security into a suspense account or accounts (which may be an account or accounts with the Lender), without any obligation to apply the same or any part thereof in or toward the discharge of the Secured Obligations

6 7 Balance

The rights powers and discretions conferred on the Receiver under this clause 6 are subject only to his/her obligation to account to the Company or any other person entitled thereto for any balance of the Secured Assets or their proceeds remaining in his/her hands after the Secured Obligations have been fully and unconditionally paid and discharged

6 8 Third parties

6 8 1 No purchaser from or other person dealing with the Receiver in relation to the Secured Assets shall be concerned to enquire whether any of the powers exercised or purported to be exercised by him/her hereunder has

become exercisable, whether any of the Secured Obligations remains outstanding, or generally as to the propriety or validity of the exercise or purported exercise of any power hereunder

6 8 2 The receipt or discharge of the Receiver shall be an absolute discharge to any purchaser or other person dealing with the Receiver in relation to the Secured Assets and any such purchaser or third party shall not have any obligation to enquire after or see to the application of any payments made by it to the Receiver or at its direction

## **7. Discharge**

### **7 1 Discharge**

When the Secured Obligations have been fully and unconditionally paid or discharged the Lender shall, at its own expense, discharge this Security Any payment or realisation in respect of the Secured Obligations which in the reasonable opinion of the Lender is liable to be avoided or otherwise invalidated or adjusted by law, including any enactment or rule of law relating to insolvency, shall not be regarded as having been irrevocably settled or discharged until the expiry of the period during which it may be challenged on any such ground

### **7 2 Retention of Security**

If any payment or realisation in respect of the Secured Obligations is, in the Lender's reasonable opinion, liable to be avoided or otherwise invalidated or adjusted by law, including any enactment or rule of law relating to insolvency, the Lender shall be entitled to retain this Security undischarged until the expiry of the period during which it may be challenged on any such ground

### **7 3 Avoidance of payments**

The Lender's right to recover the Secured Obligations in full shall not be affected or prejudiced by any payment or realisation which is avoided or otherwise invalidated or adjusted by law, including any enactment or rule of law relating to insolvency, or by any release or discharge given by the Lender on the faith of any such payment or realisation

## **8. Liability of Receiver and Lender**

The Receiver and the Lender shall not in any circumstances be liable to the Company or any other person for any losses, damages, liabilities or expenses arising from or in connection with the application or enforcement of this Security or any

realisation, appropriation or application of the Secured Assets or from any act, default or omission of the Receiver or the Lender, or his/her or its officers, employees or agents in relation to the Secured Assets or otherwise in connection with this Security, except to the extent caused by the gross negligence or wilful default of the Receiver or the Lender or his/her or its officers, employees or agents

## **9. Set-Off**

### **9 1 Set-off rights**

The Lender may (but shall not be obliged to) set off any obligation which is due and payable by the Company to the Lender and unpaid against any obligation (whether or not matured) owed by the Lender to the Company, regardless of the place of payment, booking branch or currency of either obligation

### **9 2 Set-off rights after Security is enforceable**

At any time after this Security has become enforceable (and in addition to its rights under clause 9 1 (*Set-off rights*)), the Lender may (but shall not be obliged to) set-off any contingent liability owed by the Company to the Lender against any obligation (whether or not matured) owed by the Lender to the Company, regardless of the place of payment, booking branch or currency of either obligation

### **9 3 Currency conversion for purpose of set-off**

If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off

### **9 4 Unliquidated or unascertained liabilities**

If either obligation referred to in this clause 9 is unliquidated or unascertained, the Lender may set-off in an amount estimated by it in good faith to be the amount of that obligation

## **10. Miscellaneous**

### **10 1 Non-compliance by Company**

If the Company fails to make any payment or fulfil any obligation due by it under or pursuant to this Security, the Receiver or the Lender, as the case may be, shall be entitled to do so on its behalf and in its name (or in its own name as it considers expedient) and/or to take such action to remedy or mitigate the consequences of such failure as it considers expedient, and the amount of any such payment and/or

the costs incurred in fulfilling such obligation or mitigating the consequences of such failure, shall be repayable by the Company on demand, together with interest at 2% per annum over the rate otherwise payable in respect of the Secured Obligations from the date of demand until settlement and shall constitute Secured Obligations

#### 10.2 Currency conversion

Irrespective of the currency (whether Sterling or otherwise) in which the Secured Obligations (or any of them) or the Secured Assets (or any of them) from time to time are expressed, the Lender shall be entitled at any time and without prior notification to the Company to convert any amount into such other currency (whether Sterling or otherwise) as the Lender may from time to time consider appropriate. Any such conversion shall be effected at the spot market rate of the Lender prevailing at the time of such conversion.

#### 10.3 Assignment

10.3.1 The Lender may at any time (without notice or consent) assign the benefit of this Security or any of its rights or obligations hereunder.

10.3.2 The Company may not assign, transfer or otherwise deal with the benefit or burden of this Security or any of its rights or obligations hereunder.

#### 10.4 Certificate

A certificate signed by any authorised signatory on behalf of the Lender shall, save in the case of manifest error, conclusively constitute the amount of the Secured Obligations at the relevant time for all purposes of this Security.

#### 10.5 Entire agreement

This Security constitutes the entire agreement and understanding of the parties and supersedes any previous agreement between the parties relating to the subject matter of this Security.

#### 10.6 Non-reliance

Each of the parties acknowledges and agrees that in entering into this Security it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or undertaking (whether negligently or innocently made) of any person (whether a party to this Security or not) other than as expressly set out in this Security.

#### 10.7 Amendments

No amendment or variation of this Security shall be effective unless it is in writing and signed by the Company and is made with the prior written consent of the Lender

## 10 8 Expenses

The Company shall indemnify the Lender on demand against all liabilities, costs, charges and expenses properly and reasonably incurred by the Lender (including the fees and expenses of any legal advisers employed by the Lender and where appropriate any VAT) in connection with the preparation and execution of this Security (and any further security taken by the Lender hereunder) and the enforcement or preservation of the Lender's rights under this Security (but excluding any liability, cost, charge or expense incurred by the Lender under clause 7 1), together with interest at 2% per annum over the rate otherwise payable in respect of the Secured Obligations, from the date of demand until settlement, and the amount thereof shall be a Secured Obligation

## 11. Notices

### 11 1 Notices and deemed receipt

Any demand or notice to be given under this Security shall be in writing signed by or on behalf of the party giving it and shall be served by delivering it personally or sending it by pre-paid recorded delivery or registered post or by facsimile to the address and for the attention of the relevant party set out in clause 11 2 (*Addresses for notices*) (or as otherwise notified by that party thereunder) Any such notice shall be deemed to have been received

11 1 1 if delivered personally, at the time of delivery,

11 1 2 in the case of pre-paid recorded delivery or registered post, 24 hours from the date of posting, and

11 1 3 in the case of facsimile, at the time of transmission, where in order to prove transmission it shall be sufficient to produce confirmation of uninterrupted transmission by a transmission report,

provided that if deemed receipt occurs before 9 00 am on a Business Day the notice shall be deemed to have been received at 9 00 am on that day and if deemed receipt occurs after 5 00 pm on a Business Day, or on a day which is not a Business Day, the notice shall be deemed to have been received at 9 00 am on the next Business Day

### 11 2 Addresses for notices

The addresses and facsimile numbers of the parties for the purposes of this clause 11 are

**The Lender**

Address                      APA Digital AG  
                                    Bahnhofplatz 6  
                                    CH-8854 Siebnen SZ  
                                    Switzerland

For the attention of      Ms Claudia Kramer

**The Company**

Address                      136-148 Tooley Street  
                                    Magdalen House  
                                    London  
                                    SE1 2TU  
                                    United Kingdom

For the attention of      Mr René Frey

or such other address or facsimile number as may be notified in writing from time to time by the relevant party to the other

**11.3 No electronic service**

For the avoidance of doubt, no demand or notice given under this Security shall be validly given if sent by e-mail

**12. Governing Law**

This Security 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. In so far as not already subject thereto, the parties irrevocably submit to the non-exclusive jurisdiction of the courts of England and Wales over any dispute or claim arising out of or in connection with this Security or its subject matter or formation (including non-contractual disputes or claims)

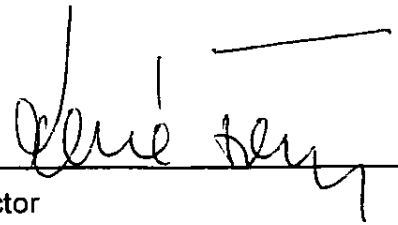
This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it

### **Schedule - The Secured Assets**

All that stock which is the property of the Company and located at the warehouses at

- 1 Pearson Distribution, Central Park, Rugby, Warwickshire, CV23 0WB, United Kingdom, and
- 2 APA Publications, c/o Ingram Publisher Services, 1280 Ingram Drive, Chambersburg, PA 17202, USA

**EXECUTED and DELIVERED as a DEED**  
**by APA PUBLICATIONS (UK) LIMITED**  
acting by a director

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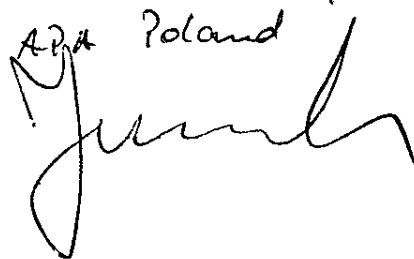
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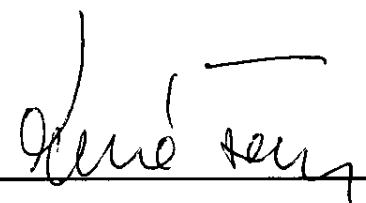
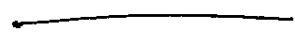
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S Occupation

*Bartek Jurek*  
*APA Poland*  


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