



Registration of a Charge

Company name: **PRESCRIPT COMMUNICATIONS LIMITED**

Company number: **05539767**



X805KPWO

Received for Electronic Filing: **27/02/2019**

Details of Charge

Date of creation: **19/02/2019**

Charge code: **0553 9767 0002**

Persons entitled: **BARBARA FAGG
PETER SEAN SMITH**

Brief description: **ALL PRESENT AND FUTURE ESTATES OR INTERESTS OF PRESCRIPT COMMUNICATIONS LIMITED IN, OR OVER, ANY FREEHOLD OR LEASEHOLD PROPERTY.**

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **JAMES LAWRENCE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5539767

Charge code: 0553 9767 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 19th February 2019 and created by PRESCRIPT COMMUNICATIONS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 27th February 2019 .

Given at Companies House, Cardiff on 28th February 2019

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

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DATED 19 February 2019

Prescript Communications Limited (1)

Barbara Fagg and Peter Sean Smith (2)

GUARANTEE AND DEBENTURE



Hewitsons LLP
Shakespeare House
42 Newmarket Road
Cambridge
CB5 8EP
Ref: LGE

THIS DEBENTURE is made the 19th day of February 2019

BETWEEN

- (1) Prescript Communications Limited incorporated and registered in England and Wales with company number 05539767 whose registered office is at 1 Grove Place, Bedford, MK40 3JJ ("Prescript Communications") and
- (2) Barbara Fagg of Pettetts Barn, High Street Hinxton, Saffron Walden, Essex, CB10 1RF and Peter Sean Smith of 6 Clifton House Close, Clifton, Bedfordshire, SG17 5EQ (the "Sellers").

BACKGROUND

- (A) On or around the date of this Debenture, the Sellers entered into an agreement ("SPA") for the sale of their shares in Prescript Communications to Prescript Limited, a company incorporated and registered in England and Wales with company number 11704692 and whose registered office is at C/O Freeths LLP, Routeco Office Park, Davy Avenue, Knowlhill, Milton Keynes, MK5 8HJ ("Buyer").
- (B) Pursuant to the SPA, the Buyer issued Loan Notes (defined below) to the Sellers in satisfaction of part of the purchase price due under the SPA.
- (C) Prescript Communications, a wholly owned subsidiary of the Buyer on the completion of the SPA, has agreed to provide a guarantee and enter into this Debenture as security to the Sellers in respect of all amounts owing to them by the Buyer under the terms of both the SPA and Loan Notes.

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

"Administrator" means an administrator appointed to manage the affairs, business and property of Prescript Communications pursuant to clause 8.6.

"Book Debts" means all present and future book and other debts, and monetary claims due or owing to Prescript Communications, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by Prescript Communications in relation to any of them.

"Business Day" means any day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

"Delegate" means any person appointed by the Sellers or any Receiver pursuant to clause 18 and any person appointed as attorney of the Sellers, Receiver or Delegate.

"Environment" means the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or

man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

"Environmental Law" means all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal so far as they relate to or apply to the Environment.

"Environmental Licence" any authorisation, permit or licence necessary under Environmental Law in respect of any of the Secured Assets.

"Equipment" means all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property owned by Prescript Communications or in which it has an interest, including any part of it and all spare parts, replacements, modifications and additions.

"Event of Default" means any of the following events:

- (a) default is made in the payment of any amounts payable by Prescript Communications under clause 2;
- (b) a material default is made by Prescript Communications in the due performance or observance of any covenant, undertaking or obligation (other than any payment obligations within (a) above) on its part contained in this Debenture and which continues for 10 Business Days or more after the date on which written notice of any such default is received by Prescript Communications from the Sellers;
- (c) Prescript Communications suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a substantial part of its business;
- (d) Prescript Communications commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors with a view to rescheduling any of its debts other than for the sole purpose of a scheme for a solvent amalgamation of Prescript Communications with one or more other companies or the solvent reconstruction of Prescript Communications;
- (e) a moratorium is declared in respect of any financial indebtedness of Prescript Communications;
- (f) any action, proceedings, procedure or step is taken for:
 - i. the suspension of payments, a moratorium of financial indebtedness of Prescript Communications or the winding up, dissolution, administration or reorganisation of Prescript Communications (other than for the sole purpose of a scheme for a solvent amalgamation of Prescript Communications with one or more other companies or the solvent reconstruction Prescript Communications);
 - ii. the composition, compromise, assignment or arrangement with any creditor of Prescript Communications; or

- iii. the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of Prescript Communications or any of its assets;
- (g) an encumbrancer takes possession or a receiver is appointed of the whole or the major part of the assets or undertaking of Prescript Communications or if distress, execution or other legal process is levied or enforced or sued out on or against the whole or the major part of the assets of Prescript Communications and is not discharged, paid out, withdrawn or removed within 10 Business Days.

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*).

"Guaranteed Obligations" has the meaning given in clause 2.1.

"Insurance Policy" means each contract and policy of insurance effected or maintained by Prescript Communications from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Properties or the Equipment).

"Intellectual Property" means Prescript Communications' 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.

"Loan Notes" means the loan notes in the agreed terms of an aggregate principal amount of £500,000 (five hundred thousand pounds) issued by the Buyer to the Sellers in part satisfaction of the purchase price under the SPA.

"Loan Note Instrument" means the loan note instrument executed by the Buyer on or around the date of this Debenture in the agreed terms constituting the Loan Notes.

"LPA 1925" means the Law of Property Act 1925.

"Property" has the meaning given in clause 3.2.1.

"Receiver" means a receiver, receiver and manager or administrative receiver appointed by the Sellers under clause 11.

"Secured Assets" means all the assets, property and undertaking of Prescript Communications which are, or are expressed to be, subject to the Security created by, or pursuant to, this Debenture (and references to the Secured Assets shall include references to any part of them).

"Secured Liabilities" means the obligations of Prescript Communications due to the Sellers under clause 2.

"**Security**" means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

"**Security Period**" means the period starting on the date of this Debenture and ending on the date on which the Sellers are satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

"**SPA**" has the meaning given in the Background to this Debenture.

"**VAT**" means value added tax or any equivalent tax chargeable in the UK or elsewhere.

1.2 Interpretation

In this Debenture:

- 1.2.1 clause headings shall not affect the interpretation of this Debenture;
- 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);
- 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 and this Debenture shall be binding on, and enure to the benefit of, the parties to this Debenture and their respective personal representatives, 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 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.8 a reference to **this Debenture** (or any provision of it) is a reference to this deed or that provision of this deed as amended (other than in breach of the provisions of this deed) from time to time;
- 1.2.9 unless the context otherwise requires, a reference to a clause is to a clause of this Debenture;

- 1.2.10 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description.

1.3 Clawback

If the Sellers consider that an amount paid by Prescript Communications in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of Prescript Communications or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Debenture.

1.4 Perpetuity period

If the rule against perpetuities applies to any trust created by this Debenture, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

2. GUARANTEE AND INDEMNITY

- 2.1 Prescript Communications hereby guarantees to the Sellers whenever the Buyer does not pay when due any amount due by it to the Sellers under the terms of the SPA and/or Loan Notes ("**Guaranteed Obligations**"), to pay on demand the Guaranteed Obligations.

- 2.2 Prescript Communications 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 the Sellers in full and on demand from and against all and any losses, costs, claims, liabilities, damages, demands and expenses suffered or incurred by the Sellers 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.

- 2.3 The Sellers shall not be obliged, before taking steps to enforce any of its rights and remedies in accordance with this Debenture, to:

- 2.3.1 take any action or obtain judgment in any court against the Buyer or any other person;
- 2.3.2 make or file any claim in a bankruptcy, liquidation, administration or insolvency of the Buyer or any other person; or
- 2.3.3 make, demand, enforce or seek to enforce any claim, right or remedy against the Buyer or any other person.

3. GRANT OF SECURITY

- 3.1 As a continuing security for the payment and discharge of the Secured Liabilities, Prescript Communications charges to the Sellers:

- 3.2 by way of a fixed charge:

- 3.2.1 all present and future estates or interests of Prescript Communications in, or over, any freehold or leasehold property and the benefit of all other contracts relating to each any such property including the right to demand and receive all monies whatever payable to or for its benefit under or arising from any such contracts ("**Property**");
- 3.2.2 all licences, consents and authorisations (statutory or otherwise) held or required in connection with its business or the use of any Secured Asset, and all rights in connection with them;
- 3.2.3 all its present and future goodwill;
- 3.2.4 all the Equipment;
- 3.2.5 any and all certified shares, stock, debentures, bonds or other securities or investments (whether or not marketable) from time to time legally or beneficially owned by or on behalf of Prescript Communications;
- 3.2.6 all the Intellectual Property; and
- 3.2.7 all its rights in respect of each Insurance Policy, including the proceeds of all claims; and
- 3.3 by way of floating charge all the undertaking, property, rights and assets of Prescript Communications both present and future of any kind whatsoever and wherever situated not otherwise effectively charged under clause 3.2.
- 3.4 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.3.
- 3.5 **Automatic crystallisation of floating charge**
- 3.6 The floating charge created by clause 3.3 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge on an Event of Default.
- 3.7 Any asset acquired by Prescript Communications after any crystallisation of the floating charge created under this Debenture that, but for that crystallisation, would be subject to a floating charge under this Debenture, shall (unless the Sellers confirm otherwise to Prescript Communications in writing) be charged to the Sellers by way of fixed charge.

4. **LIABILITY OF PRESCRIPT COMMUNICATIONS**

4.1 **Liability not discharged**

Prescript Communications' liability under this Debenture in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- 4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Sellers that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 4.1.2 the Sellers concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- 4.1.3 any termination, amendment, variation, replacement or supplement of or to any of the Secured Liabilities;
- 4.1.4 any act or omission by the Sellers or any other person in taking up, perfecting or enforcing any Security, indemnity, or guarantee from or against Prescript Communications or any other person;
- 4.1.5 any grant of time, indulgence, waiver or concession to Prescript Communications, the Buyer or any other person;
- 4.1.6 the death, incapacity or bankruptcy of either Seller;
- 4.1.7 any insolvency, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of Prescript Communications, the Buyer or any other person;
- 4.1.8 any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of Prescript Communications.

5. REPRESENTATIONS AND WARRANTIES

5.1 Times for making representations and warranties

Prescript Communications warrants to the Sellers on the date of this Debenture (and repeats such warranties on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition) that:

- 5.1.1 it is the sole legal and beneficial owner of, and has good, valid and marketable title to, the Secured Assets;
- 5.1.2 the Secured Assets are free from any Security (other than any liens arising as a matter of law) other than any Security approved in writing by the Sellers and the Security created by this Debenture;
- 5.1.3 no Security expressed to be created under this Debenture is liable to be avoided, or otherwise set aside, on the liquidation or administration of Prescript Communications or otherwise; and
- 5.1.4 this Debenture constitutes and will constitute the legal, valid, binding and enforceable obligations of Prescript Communications, and is, and will continue to be, effective security over all and every part of the Secured Assets in accordance with its terms.

6. GENERAL COVENANTS

6.1 Negative pledge and disposal restrictions

Prescript Communications shall not at any time, except with the prior written consent of the Sellers:

- 6.1.1 create, purport to create or permit to subsist any Security (other than liens arising as a matter of law) on, or in relation to, any Secured Asset other than any Security created by this Debenture;
- 6.1.2 sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or
- 6.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

6.2 Compliance with laws and regulations

Prescript Communications shall:

- 6.2.1 comply with the requirements of any law or regulation relating to or affecting the Secured Assets or the use of it or any part of them;
- 6.2.2 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
- 6.2.3 promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

6.3 Notice of misrepresentation and breaches

Prescript Communications shall, promptly on becoming aware of any of the same, notify the Sellers in writing of:

- 6.3.1 any representation or warranty set out in this Debenture that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- 6.3.2 any breach of any covenant set out in this Debenture.

6.4 Insurance

- 6.4.1 Prescript Communications shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if

and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against:

- 6.4.1.1 loss or damage by fire or terrorist acts, including any third party liability arising from such acts; and
- 6.4.1.2 other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as Prescript Communications.
- 6.4.2 Prescript Communications shall, if requested by the Sellers, produce to the Sellers each policy, certificate or cover note relating to any insurance as is required by clause 6.4.1.
- 6.4.3 Prescript Communications shall promptly pay all premiums in respect of each insurance policy as is required by clause 6.4.1 and do all other things necessary to keep that policy in full force and effect.
- 6.4.4 Prescript Communications shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy as is required by clause 6.4.1.

6.5 Information

Prescript Communications shall:

- 6.5.1 give the Sellers such information concerning the location, condition, use and operation of the Secured Assets as the Sellers may reasonably require;
- 6.5.2 permit the Sellers and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and
- 6.5.3 promptly notify the Sellers in writing of any material action, claim, notice or demand made by or against it in connection with all or any part of a Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, Prescript Communications' proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand.

6.6 Payment of outgoings

Prescript Communications shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Sellers.

7. PROPERTY COVENANTS

- 7.1 Prescript Communications shall observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subject, and (if the Sellers so require) produce to the Sellers evidence sufficient to satisfy them (acting reasonably) that those covenants, stipulations and conditions have been observed and performed.
- 7.2 Prescript Communications shall in respect of each Property:
- 7.2.1 comply in all material respects with all the requirements of Environmental Law; and
 - 7.2.2 obtain and comply in all material respects with all Environmental Licences.
- 7.3 Prescript Communications shall permit the Sellers, any Receiver and any person appointed by either of them to enter on and inspect any Property on reasonable prior notice.

8. POWERS OF THE SELLERS

8.1 Power to remedy

- 8.1.1 The Sellers shall be entitled (but shall not be obliged) to remedy, at any time, a breach by Prescript Communications of any of its obligations contained in this Debenture.
- 8.1.2 Prescript Communications irrevocably authorises the Sellers and their agents to do all things that are necessary or desirable for that purpose.
- 8.1.3 Any monies reasonably expended by the Sellers in remedying a breach by Prescript Communications of its obligations contained in this Debenture shall be reimbursed by Prescript Communications to the Sellers and shall carry interest in accordance with clause 15.1.

8.2 Exercise of rights

- 8.2.1 The rights of the Sellers under clause 8.1 are without prejudice to any other rights of the Sellers under this Debenture.
- 8.2.2 The exercise of any rights of the Sellers under this Debenture shall not make the Sellers liable to account as a mortgagee in possession.

8.3 Power to dispose of chattels

- 8.3.1 At any time after the security constituted by this Debenture has become enforceable, the Sellers or any Receiver may, as agent for Prescript Communications, dispose of any chattels or produce found on any Property.
- 8.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 8.3.1, Prescript Communications shall indemnify the Sellers and any Receiver against any liability arising from any disposal made under clause 8.3.1.

8.4 The Sellers have Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this Debenture (either expressly or impliedly) or by law on a Receiver may, after the security constituted by this Debenture has become enforceable, be exercised by the Sellers in relation to any of the Secured Assets whether or not they have taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

8.5 Indulgence

The Sellers may, at their discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this Debenture (whether or not any such person is jointly liable with Prescript Communications) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this Debenture or to the liability of Prescript Communications for the Secured Liabilities.

8.6 Appointment of an Administrator

8.6.1 The Sellers may, without notice to Prescript Communications, appoint any one or more persons to be an Administrator of Prescript Communications pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this Debenture becomes enforceable.

8.6.2 Any appointment under this clause 8.6 shall:

8.6.2.1 be in writing signed by the Sellers; and

8.6.2.2 take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.

8.6.3 The Sellers may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 8.6 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

9. WHEN SECURITY BECOMES ENFORCEABLE

9.1 Security becomes enforceable on Event of Default

The security constituted by this Debenture shall become immediately enforceable if an Event of Default occurs.

9.2 Discretion

After the security constituted by this Debenture has become enforceable, the Sellers may, in their absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms they think fit, and take possession of and hold or dispose of all or any part of the Secured Assets.

10. ENFORCEMENT OF SECURITY

10.1 Enforcement powers

10.1.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this Debenture.

10.1.2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Debenture) shall be immediately exercisable at any time after the security constituted by this Debenture has become enforceable under clause 9.1.

10.1.3 Section 103 of the LPA 1925 does not apply to the security constituted by this Debenture.

10.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Sellers and any Receiver, at any time after the security constituted by this Debenture has become enforceable, whether in its own name or in that of Prescript Communications, to:

10.2.1 grant a lease or agreement for lease;

10.2.2 accept surrenders of leases; or

10.2.3 grant any option in respect of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of Prescript Communications, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Sellers or Receiver think fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

10.3 Access on enforcement

10.3.1 While an Event of Default is continuing, Prescript Communications will allow the Sellers or their Receiver, without further notice or demand, immediately to exercise all their rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Sellers or a Receiver reasonably believe a Secured Asset to be situated) without incurring any liability to Prescript Communications for, or by any reason of, that entry.

10.3.2 At all times, Prescript Communications must use its best endeavours to allow the Sellers or their Receiver access to any premises for the purpose of clause 10.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

10.4 Redemption of prior Security

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

10.4.1.1 redeem any prior Security over any Secured Asset; or

10.4.1.2 procure the transfer of that Security to itself.

10.4.2 Prescript Communications shall pay to the Sellers immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this Debenture as part of the Secured Liabilities.

10.5 Protection of third parties

No purchaser, mortgagee or other person dealing with the Sellers, any Receiver or any Delegate shall be concerned to enquire:

10.5.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;

10.5.2 whether any power the Sellers, a Receiver or Delegate are purporting to exercise has become exercisable or is being properly exercised; or

10.5.3 how any money paid to the Sellers, any Receiver or any Delegate is to be applied.

10.6 Privileges

Each Receiver and the Sellers are entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

10.7 No liability as mortgagee in possession

Neither the Sellers nor any Receiver or Delegate shall be liable, by reason of entering into possession of a Secured Asset or for any other reason, to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any act, default or omission for which a mortgagee in possession might be liable.

10.8 Conclusive discharge to purchasers

The receipt of the Sellers, or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Sellers, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that they think fit.

10.9 Right of appropriation

10.9.1 To the extent that:

10.9.1.1 the Secured Assets constitute Financial Collateral (having the meaning given to that expression in the Financial Collateral Regulations); and

10.9.1.2 this Debenture and the obligations of Prescript Communications under it constitute a Security Financial Collateral Arrangement (having the meaning given to that expression in the Financial Collateral Regulations),

the Sellers shall have the right, at any time after the security constituted by this Debenture has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Sellers may, in its absolute discretion, determine.

10.9.2 The value of any Secured Assets appropriated in accordance with this clause shall be in the case of cash, the amount standing to the credit of each of Prescript Communications' accounts with any bank, financial institution or other person, together with any accrued but unpaid interest, at the time the right of appropriation is exercised.

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

11. RECEIVER

11.1 Appointment

At any time after the security constituted by this Debenture has become enforceable, or at the request of Prescript Communications, the Sellers may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

11.2 Removal

The Sellers may, without further notice (subject to section 45 of the Insolvency Act 1986 in the case of an administrative receiver), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by them and may, whenever they think fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

11.3 Remuneration

The Sellers may fix the remuneration of any Receiver appointed by them without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this Debenture, to the extent not otherwise discharged.

11.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this Debenture shall be in addition to all statutory and other powers of the Sellers under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

11.5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this Debenture or by statute) shall be, and remain, exercisable by the Sellers despite any prior appointment in respect of all or any part of the Secured Assets.

11.6 Agent of Prescript Communications

Any Receiver appointed by the Sellers under this Debenture shall be the agent of Prescript Communications and Prescript Communications shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until Prescript Communications goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Sellers.

12. POWERS OF RECEIVER

12.1 General

12.1.1 Any Receiver appointed by the Sellers under this Debenture shall, in addition to the powers conferred on it by statute, have the rights, powers and discretions set out in clause 12.2 to clause 12.23.

12.1.2 A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether it is an administrative receiver or not.

12.1.3 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this Debenture individually and to the exclusion of any other Receiver.

12.1.4 Any exercise by a Receiver of any of the powers given by clause 12 may be on behalf of Prescript Communications, the directors of Prescript Communications (in the case of the power contained in clause 12.16) or itself.

12.2 Repair and develop Properties

A Receiver may undertake or complete any works of repair, alteration, building or development on the Properties and may apply for and maintain any planning permission, development

consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

12.3 Grant or accept surrenders of leases

A Receiver may grant, or accept, surrenders of any leases or tenancies affecting any Secured Asset on any terms, and subject to any conditions, that it thinks fit.

12.4 Employ personnel and advisers

12.4.1 A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that it thinks fit.

12.4.2 A Receiver may discharge any such person or any such person appointed by Prescript Communications.

12.5 Make and revoke VAT options to tax

A Receiver may make, exercise or revoke any VAT option to tax as it thinks fit.

12.6 Remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by it) that the Sellers may prescribe or agree with it.

12.7 Possession

A Receiver may take immediate possession of, get in and realise any Secured Asset.

12.8 Manage or reconstruct Prescript Communications' 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 Prescript Communications.

12.9 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which it is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as it thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

12.10 Sever fixtures and fittings

A Receiver may sever and sell separately any fixtures or fittings from any Property without the consent of Prescript Communications.

12.11 Sell Book Debts

A Receiver may sell and assign all or any of the Book Debts in respect of which it is appointed in any manner, and generally on any terms and conditions, that it thinks fit.

12.12 Valid receipts

A Receiver may give a valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.

12.13 Make settlements

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who claims to be a creditor of Prescript Communications or relating in any way to any Secured Asset.

12.14 Legal action

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as it thinks fit.

12.15 Improve the Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as it may think expedient.

12.16 Make calls on Prescript Communications members

A Receiver may make calls conditionally or unconditionally on the members of Prescript Communications in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of Prescript Communications on its directors in respect of calls authorised to be made by them.

12.17 Insure

A Receiver may, if it thinks fit, but without prejudice to the indemnity in clause 15, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by Prescript Communications under this Debenture.

12.18 Subsidiaries

A Receiver may form a subsidiary of Prescript Communications and transfer to that subsidiary any Secured Asset

12.19 Borrow

A Receiver may, for whatever purpose it thinks fit, raise and borrow money either unsecured or on the security of all or any of the Secured Assets in respect of which it is appointed on any

terms that it thinks fit (including, if Sellers consent, terms under which that security ranks in priority to this Debenture).

12.20 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 Prescript Communications, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

12.21 Delegation

A Receiver may delegate its powers in accordance with this Debenture.

12.22 Absolute beneficial owner

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights it would be capable of exercising as, and do all those acts and things, an absolute beneficial owner could exercise or do, in the ownership and management of the Secured Assets or any part of the Secured Assets.

12.23 Incidental powers

A Receiver may do any other acts and things that it:

12.23.1 may consider desirable or necessary for realising any of the Secured Assets;

12.23.2 may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Debenture or law; or

12.23.3 lawfully may or can do as agent for Prescript Communications.

13. DELEGATION

13.1 Delegation

The Sellers or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on them by this Debenture (including the power of attorney granted under clause 17.1).

13.2 Terms

The Sellers and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that they think fit.

13.3 Liability

Neither the Sellers nor any Receiver shall be in any way liable or responsible to Prescript Communications for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

14. APPLICATION OF PROCEEDS

14.1 Order of application of proceeds

All monies received or recovered by the Sellers, a Receiver or a Delegate under this Debenture or in connection with the realisation or enforcement of all or part of the security constituted by this Debenture (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority (but without prejudice to the Sellers' right to recover any shortfall from Prescript Communications):

- 14.1.1 in or towards payment of all costs, liabilities, charges and expenses incurred by or on behalf of the Sellers (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this Debenture, and of all remuneration due to any Receiver under or in connection with this Debenture;
- 14.1.2 in or towards payment of the Secured Liabilities in any order and manner that the Sellers determine; and
- 14.1.3 in payment of the surplus (if any) to Prescript Communications or other person entitled to it.

14.2 Appropriation

Neither the Sellers, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 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.

14.3 Suspense account

All monies received by the Sellers, a Receiver or a Delegate under this Debenture (other than sums received under any Insurance Policy) that are not going to be applied in or towards discharge of the Secured Liabilities):

- 14.3.1 may, at the discretion of the Sellers, Receiver or Delegate, be credited to a suspense account;
- 14.3.2 shall bear interest, if any, at the rate agreed in writing between the Sellers and Prescript Communications; and
- 14.3.3 may be held in that account for so long as the Sellers, Receiver or Delegate thinks fit.

15. COSTS AND INDEMNITY

15.1 Costs

Prescript Communications shall promptly on demand, pay to, or reimburse, the Sellers all reasonable costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Sellers in connection with the preservation, or exercise and enforcement, of any rights under or in connection with this Debenture or any attempt so to do.

15.2 Indemnity

15.2.1 Prescript Communications shall indemnify the Sellers, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

15.2.1.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Debenture or by law in respect of the Secured Assets;

15.2.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Debenture; or

15.2.1.3 any default or delay by Prescript Communications in performing any of its obligations under this Debenture.

15.2.2 Any past or present employee or agent may enforce the terms of this clause 15.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

16. FURTHER ASSURANCE

16.1 Further assurance

16.2 Prescript Communications shall promptly, at its own expense, take whatever action the Sellers or any Receiver may reasonably require for:

16.2.1 creating, perfecting or protecting the security created or intended to be created by this Debenture;

16.2.2 facilitating the realisation of any Secured Asset; or

16.2.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Sellers or any Receiver in respect of any Secured Asset,

including, without limitation the execution of any mortgage, transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Sellers or to their nominee) and the giving of any notice, order or direction and the making of any filing or registration which, in any such case, the Sellers may consider necessary or desirable.

17. POWER OF ATTORNEY

17.1 Appointment of attorneys

By way of security, Prescript Communications irrevocably appoints each Seller, every Receiver and every Delegate separately to be the attorney of Prescript Communications and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

17.1.1 Prescript Communications is required to execute and do under this Debenture; or

17.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Debenture or by law on the Sellers, any Receiver or any Delegate.

17.2 Ratification of acts of attorneys

Prescript Communications ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 17.1.

18. RELEASE

18.1 Subject to clause 21.3, at the end of the Security Period, the Sellers shall, at the request and cost of Prescript Communications, take whatever action is necessary to:

18.1.1 release the Secured Assets from the security constituted by this Debenture; and

18.1.2 reassign the Secured Assets to Prescript Communications.

19. ASSIGNMENT AND TRANSFER

19.1 Assignment by the Sellers

19.1.1 At any time, without the consent of Prescript Communications, the Sellers may assign or transfer any or all of their rights and obligations under this Debenture.

19.1.2 the Sellers may disclose to any actual or proposed assignee or transferee any information in his possession that relates to Prescript Communications, the Secured Assets and this Debenture that the Sellers consider appropriate.

19.2 Assignment by Prescript Communications

Prescript Communications may not assign any of its rights, or transfer any of its rights or obligations, under this Debenture.

20. SET-OFF

20.1 Sellers' right of set-off

The Sellers may at any time set off any liability of Prescript Communications to the Sellers against any liability of the Sellers to Prescript Communications, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this Debenture. Any exercise by the Sellers of their rights under this clause 20 shall not limit or affect any other rights or remedies available to them under this Debenture or otherwise.

20.2 Exclusion of Prescript Communications's right of set-off

All payments made by Prescript Communications to the Sellers under this Debenture shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

20.3 Rights and remedies

The rights and remedies provided under this Debenture are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

21. FURTHER PROVISIONS

21.1 Independent security

The security constituted by this Debenture shall be in addition to, and independent of, any other security or guarantee that the Sellers may hold for any of the Secured Liabilities at any time. No prior security held by the Sellers over the whole or any part of the Secured Assets shall merge in the security created by this Debenture.

21.2 Continuing security

The security constituted by this Debenture 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 Sellers discharge this Debenture in writing.

21.3 Discharge conditional

Any release, discharge or settlement between Prescript Communications and the Sellers shall be deemed conditional on no payment or security received by the Sellers in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded under any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

- 21.3.1 the Sellers or their nominee may retain this Debenture and the security created by or under it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Sellers deem necessary to provide the Sellers with security against any such avoidance, reduction or order for refund; and
- 21.3.2 the Sellers may recover the value or amount of such security or payment from Prescript Communications subsequently as if the release, discharge or settlement had not occurred.

21.4 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this Debenture.

21.5 Small company moratorium

Notwithstanding anything to the contrary in this Debenture, neither the obtaining of a moratorium by Prescript Communications under schedule A1 to the Insolvency Act 1986 nor the doing of anything by Prescript Communications with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as:

- 21.5.1 an event under this Debenture which causes any floating charge created by this Debenture to crystallise;
- 21.5.2 an event under this Debenture which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by Prescript Communications; or
- 21.5.3 a ground under this Debenture for the appointment of a Receiver.

22. PRIORITY AS BETWEEN SELLERS

22.1 The parties agree that:

- 22.1.1 the interests of each of the Sellers under Debenture herein created shall rank pari passu in all respects;
- 22.1.2 a Seller shall only exercise his or her rights under this Debenture with the prior written consent of the other.

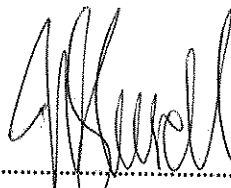
23. GENERAL

- 23.1 Any amendment to this Debenture shall be in writing and signed by or on behalf of each party.
- 23.2 A waiver of any right or remedy under this Debenture or by law, or any consent given under this Debenture, is only effective if given in writing and signed 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. No delay or failure to exercise any right under this Debenture shall operate as a waiver of that right.
- 23.3 Rights and remedies under this Debenture are cumulative and do not exclude any rights or remedies provided by law or otherwise.
- 24. Except where stated to the contrary, a person who is not a party to this Debenture 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 Debenture. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

- 24.1 If any provision (or part of a provision) of this Debenture 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 Debenture.
- 24.2 Any notice or other communication given to a party under of in connection with this Debenture shall be in writing to the relevant address given in this Debenture and any such notice shall be deemed to have been received at the time it is left at the relevant address, if delivered by hand, and on the second business day after posting, if posted by any next working day delivery service. This clause does not apply to the service of any proceedings or other documents in any legal action.
- 24.3 This Debenture 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.
- 24.4 This Debenture and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by, and construed in accordance with, the law of England and Wales. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction over any such dispute or claim.

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

SIGNED and DELIVERED as a Deed by)
PRESCRIPT COMMUNICATIONS)
LIMITED acting by a director in)
the presence of:)


.....
Director

Witness
Signature: 

Name: Laura Sephton

Address: Freemans Way

FREETHS LLP
ROUTE CO OFFICE PARK
DAVY AVENUE
KNOWLHILL
MILTON KEYNES MK5 8HJ

SIGNED and DELIVERED as a Deed by)
BARBARA FAGG)
in the presence of:)

Witness
Signature:

Name:

Address:

SIGNED and DELIVERED as a Deed by)
PETER SEAN SMITH)
in the presence of:)

Witness
Signature:

Name:

Address: