



Registration of a Charge

Company name: **REDS 10 TRADING LIMITED**

Company number: **06995645**



X3336SW1

Received for Electronic Filing: **06/03/2014**

Details of Charge

Date of creation: **28/02/2014**

Charge code: **0699 5645 0002**

Persons entitled: **LGT CAPITAL INVEST (IRELAND) LTD**

Brief description: **BY WAY OF FIRST FIXED CHARGE: A. ALL PROPERTIES, ALL PRESENT AND FUTURE INTERESTS OF THE CHARGOR OVER FREEHOLD OR LEASEHOLD PROPERTY AND ALL PRESENT AND FUTURE RIGHTS, LICENCES, GUARANTEES, RENTS, DEPOSITS, CONTRACTS, COVENANTS AND WARRANTIES RELATING TO EACH PROPERTY; B. ALL LICENCES, CONSENTS AND AUTHORISATIONS (STATUTORY OR OTHERWISE) HELD OR REQUIRED IN CONNECTION WITH THE CHARGOR'S BUSINESS OR THE USE OF ANY SECURED ASSET, AND ALL RIGHTS IN CONNECTION WITH THEM; C. ALL ITS PRESENT AND FUTURE GOODWILL; D. ALL ITS UNCALLED CAPITAL; E. ALL PRESENT AND FUTURE EQUIPMENT AND OTHER TANGIBLE MOVEABLE PROPERTY; F. ALL INTELLECTUAL PROPERTY; G. ALL BOOK DEBTS; H. ALL INVESTMENTS AND I. ALL MONIES FROM TIME TO TIME STANDING TO THE CREDIT OF ITS ACCOUNTS WITH ANY BANK, FINANCIAL INSTITUTION OR OTHER PERSON. ASSIGNMENT. AS A CONTINUING SECURITY FOR THE PAYMENT AND DISCHARGE OF THE SECURED LIABILITIES, THE CHARGOR WITH FULL TITLE GUARANTEE ASSIGNS TO THE LENDER ABSOLUTELY; A. ALL RIGHTS, MONEY, PROCEEDS, BENEFITS, RECEIVABLES OR CLAIMS IN RESPECT OF EACH RELEVANT AGREEMENT AND THE BENEFIT OF ANY GUARANTEE, REMEDY, INDEMNITY OR SECURITY FOR THE PERFORMANCE OF ANY RELEVANT AGREEMENT; B. THE PROCEEDS OF DISPOSAL OF ANY SECURED ASSETS PERMITTED PURSUANT TO THE FACILITY AGREEMENT; AND C. ALL ITS RIGHTS IN EACH INSURANCE POLICY, INCLUDING ALL CLAIMS,**

THE PROCEEDS OF ALL CLAIMS AND ALL RETURNS OF PREMIUM IN CONNECTION WITH EACH INSURANCE POLICY.

Contains fixed charge(s).

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

Notification of addition to or amendment of charge.

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: LINDA WEBBER



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6995645

Charge code: 0699 5645 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th February 2014 and created by REDS 10 TRADING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th March 2014 .

Given at Companies House, Cardiff on 6th March 2014



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated 28 February 2014

DEBENTURE

between

REDS 10 TRADING LIMITED

as the Chargor

and

LGT CAPITAL INVEST (IRELAND) LIMITED

as the Lender

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THIS DEED is dated 28 February 2014

PARTIES

- (1) **REDS 10 TRADING LTD** incorporated and registered in England and Wales with company number 06995645 whose registered office is at 32 Dragon Street, Petersfield, Hampshire, United Kingdom GU31 4JJ (the "**Chargor**").
- (2) **LGT CAPITAL INVEST (IRELAND) LIMITED** incorporated and registered in Ireland with company number 440879 whose registered office is at Seagrave House, 19/20 Earlsfort Terrace, Dublin 2 (the "**Lender**").

BACKGROUND

- (A) The Lender has agreed, pursuant to the Facility Agreement, to provide the Chargor with a loan on a secured basis.
- (B) Under this deed, the Chargor provides security to the Lender for the loan made available under the Facility Agreement.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions apply in this deed.

"Administrator" means an administrator appointed to manage the affairs, business and property of the Chargor pursuant to clause 7.8.

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

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London.

"Delegate" means any person appointed by the Lender or any Receiver pursuant to clause 11 and any person appointed as attorney of the Lender, Receiver or Delegate for the purposes of this deed.

"Designated Account" means any account of the Chargor nominated by the Lender as a designated account for the purposes of this deed.

"Equipment" means all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Chargor, including any part of it and all spare parts, replacements, modifications and additions.

"Event of Default" has the meaning given to this term in the Facility Agreement.

"Facility Agreement" means the £800,000 term facility agreement dated on or around the date of this deed between the Chargor and the Lender for the provision of the loan secured by this deed.

"Financial Collateral" has the meaning given to this term in the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*).

"Finance Documents" has the meaning given to this term in the Facility Agreement.

"Insurance Policy" means each contract and policy of insurance effected or maintained by the Chargor from time to time in respect of its assets or business.

"Intellectual Property" means the Chargor's present and future patents, trade marks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, confidential information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights.

"Investments" means all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Chargor, including any:

- (a) dividend, interest or other distribution paid or payable in relation to any of the Investments; and
- (b) right, money, shares or property accruing, offered or issued at any time in relation to any of the Investments by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

"LPA 1925" means Law of Property Act 1925.

"Properties" means all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Chargor, or in which the Chargor holds an interest, and **Property** means any of them.

"Receiver" means a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Lender under clause 10.

"Relevant Agreement" means:

- (a) any contract or agreement pursuant to which the Chargor is leasing or occupying any Property or premises; and
- (b) any contract or agreement entered into (or to be entered in the future) by the Chargor from time to time for the provision of services (whether by the Chargor or any third party) to a third party, which generates, or is reasonably likely to generate, a minimum of £1,000 of revenue for the Chargor over a period of twelve successive calendar months.

"Secured Assets" means all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this deed.

"Secured Liabilities" means all present and future monies, obligations and liabilities owed by the Chargor to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Finance Documents or this deed (including, without limitation, those arising under clause 18.3(b)), together with all interest (including, without limitation, default interest) accruing in respect of those monies or liabilities.

"Security Financial Collateral Arrangement" shall have the meaning given to this term in the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*).

"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 deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding (including the Secured Liabilities described in Clauses 1.3 and 18.3 of this Deed).

1.2 Interpretation

In this deed:

- (a) reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force for the time being, taking account of any amendment or re-enactment or extension and includes any former statute, statutory provision or subordinate legislation which it amends or re-enacts;
- (b) a reference to continuing in relation to an Event of Default means an Event of Default which has not been remedied or waived;
- (c) a reference to this deed (or any provision of it) or any other document shall be construed as a reference to this deed, that provision or that document as it is in force for the time being and as amended in accordance with its terms or with the agreement of the relevant parties;
- (d) a reference to an amendment includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
- (e) a reference to assets includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (f) a reference to an authorisation includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (g) a reference to a regulation includes any regulation, rule, official directive, request or guideline having the force of law of any relevant governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

- (h) a reference to determines or determined means, unless the contrary is indicated, a determination made at the discretion of the person making it; and
- (i) a reference to the Chargor or the Lender shall include its successors, permitted transferees and permitted assigns.

1.3 Clawback

If the Lender reasonably considers that an amount paid by the Chargor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

1.4 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Facility Agreement and of any side letters between any parties in relation to the Facility Agreement are incorporated into this deed.

1.5 Third party rights

Save as expressly provided in clause 13.2, a person who is not a party to this deed (other than a permitted successor or assign, any Receiver or any Delegate) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this deed.

2. COVENANT TO PAY

The Chargor shall, on demand, pay to the Lender and discharge the Secured Liabilities when they become due.

3. GRANT OF SECURITY

3.1 Fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Lender by way of first fixed charge:

- (a) all Properties, all present and future interests of the Chargor over freehold or leasehold Property and all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
- (b) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Chargor's business or the use of any Secured Asset, and all rights in connection with them;
- (c) all its present and future goodwill;
- (d) all its uncalled capital;
- (e) all the Equipment;

- (f) all the Intellectual Property;
- (g) all the Book Debts;
- (h) all the Investments; and
- (i) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account).

3.2 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee assigns to the Lender absolutely:

- (a) all rights, money, proceeds, benefits, receivables or claims in respect of each Relevant Agreement and the benefit of any guarantee, remedy, indemnity or security for the performance of any Relevant Agreement;
- (b) the proceeds of any disposal of any Secured Assets permitted pursuant to the Facility Agreement; and
- (c) all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy.

3.3 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee charges to the Lender, by way of first floating charge, all the undertaking, property, assets and rights of the Chargor at any time not effectively mortgaged, charged or assigned pursuant to clauses 3.1 and 3.2.

3.4 Qualifying floating charge

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

The floating charge created by clause 3.3 shall automatically and immediately (without notice) be converted into a fixed charge over the assets subject to that floating charge if:

- (a) the Chargor:
 - (i) creates, or attempts to create, without the prior written consent of the Lender, a Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this deed or the Facility Agreement); or
 - (ii) disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);

- (b) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or
- (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Chargor.

3.6 Crystallisation of floating charge by notice

The Lender may, in its sole discretion, at any time and by written notice to the Chargor, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Lender in that notice.

3.7 Assets acquired after any floating charge has crystallised

Any asset acquired by the Chargor after any crystallisation of the floating charge created under this deed that, but for that crystallisation, would be subject to a floating charge under this deed, shall (unless the Lender confirms otherwise to the Chargor in writing) be charged to the Lender by way of first fixed charge.

4. LIABILITY OF THE CHARGOR

4.1 Liability not discharged

The Chargor's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- (b) the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- (c) any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Chargor.

4.2 Immediate recourse

The Chargor waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Chargor.

5. REPRESENTATIONS AND WARRANTIES

5.1 Representations and warranties

The Chargor makes the representations and warranties set out in clause 10 of the Facility Agreement and in clauses 5.2 - 5.5 of this deed to the Lender on the date of this deed and on each date specified in clause 10.14 of the Facility Agreement.

5.2 Secured Assets

- (a) The Chargor is the legal and beneficial owner of the Secured Assets.
- (b) The Secured Assets are free from any Security other than the Security created by this deed.
- (c) The Chargor has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.
- (d) There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Secured Assets.

5.3 No prohibitions or breaches

There is no prohibition on assignment in any Insurance Policy and, so far as the Chargor is aware, having made due and careful enquiry, there is no prohibition on assignment by way of security in the Relevant Agreements and the entry into this deed by the Chargor does not, and will not, so far as the Chargor is aware, having made due and reasonable enquiry, constitute a breach of any Insurance Policy, Relevant Agreement or any other agreement or instrument binding on the Chargor or its assets.

5.4 Enforceable security

This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Chargor, and is and will continue to be effective security over all and every part of the Secured Assets in accordance with its terms.

5.5 Investments

No constitutional document of an issuer of an Investment, nor any other agreement restricts or inhibits any transfer of the Investments on creation or enforcement of the security constituted by this deed; or contains any rights of pre-emption in relation to the Investments.

6. GENERAL COVENANTS

6.1 Negative pledge and disposal restrictions

The Chargor shall not at any time, except with the prior written consent of the Lender:

- (a) create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this deed;
- (b) sell, assign, transfer, part with possession of, or otherwise dispose of (whether via a single or a series of transactions) in any manner (or purport to do so), all or any part of, or any interest in, the Secured Assets (except for the Equipment and provided that (i) the value of each item of the Equipment in question does not exceed £1,000, and (ii) the aggregate amount of such disposals of the Equipment does not exceed £5000 per annum; or

- (c) create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

6.2 Preservation of Secured Assets

The Chargor shall not do, or permit to be done, any act or thing that would or might reasonably be expected to depreciate, jeopardise or otherwise prejudice the security held by the Lender, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this deed.

6.3 Enforcement of rights

The Chargor shall use its best endeavours to:

- (a) procure the prompt observance and performance of the covenants and other obligations imposed on the Chargor's counterparties (including each counterparty in respect of a Relevant Agreement and each insurer in respect of an Insurance Policy); and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Lender may reasonably require from time to time.

6.4 Title documents

The Chargor shall deposit with the Lender, upon the Lender's request, and the Lender shall, for the duration of this deed be entitled to hold:

- (a) all deeds and documents of title relating to the Secured Assets (including the Book Debts and Investments) that are in the possession or control of the Chargor;
- (b) all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Chargor is entitled to possess; and
- (c) copies of all the Relevant Agreements, certified to be true copies by either a director of the Chargor or by the Chargor's solicitors.

6.5 Proceeds of insurance policies

Unless otherwise provided in the Facility Agreement, all monies received or receivable by the Chargor under any insurance policy at any time (whether or not the security constituted by this deed has become enforceable) shall, upon request of the Lender:

- (a) immediately be paid into a Designated Account;
- (b) if they are not paid directly to the Lender by the insurers, be held by the Chargor as trustee of the same for the benefit of the Lender (and the Chargor shall account for them to the Lender); and
- (c) at the option of the Lender, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.

6.6 Notices to be given by the Chargor

- (a) The Chargor shall, as soon as reasonably practicable after, and in any event within 10 days following, the date of the execution of this deed (or, if later, the date of acquisition of the relevant Secured Asset):
 - (i) give notice to each insurer that it has assigned its rights and interest in and under each Insurance Policy under clause 3.2(b);
 - (ii) give notice to any bank, financial institution or other person (excluding the Lender) with whom it has an account that it has charged to the Lender its rights and interests under that account under clause 3.1(i), and
 - (iii) give notice of charge or assignment in respect of any other Security Assets, as the Lender may reasonably require,
- (b) The Chargor shall, upon reasonable request of the Lender and, in any case, on the date of an Event of Default, give notice to each counterparty to a Relevant Agreement that it has assigned its rights and interests by way of security in and under that Relevant Agreement under clause 3.2(a) on the next Business Day following such request or an Event of Default;

and, in the case of each of (a) and (b), the Chargor shall use its best endeavours to procure that the party to whom the notice is addressed completes and returns an acknowledgement of such notice within 21 day of the receipt of such notice. The Chargor shall obtain the Lender's prior approval, not to be unreasonably withheld or delayed, of the form of any notice or acknowledgement to be used under this clause 6.6.

6.7 Payment of outgoings

The Chargor 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 Lender.

6.8 Chargor's waiver of set-off

The Chargor waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Chargor under this deed).

6.9 Registration obligations in respect of Investments

The Chargor shall:

- (a) obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer, for the transfer of the Investments to the Lender or its nominee, or to a purchaser on enforcement of this deed; and
- (b) where the Investments are shares in subsidiaries of the Chargor, procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer of the Investments

in any manner that the Lender may require in order to permit the transfer of the Investments to the Lender or its nominee, or to a purchaser on enforcement of this deed.

6.10 Dividends and voting rights before enforcement

- (a) Before the security constituted by this deed becomes enforceable, the Chargor may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Investments and may exercise all voting and other rights and powers in respect of the Investments, provided that:
 - (i) it shall not do so in any way that would breach any provision of the Facility Agreement or this deed or for any purpose inconsistent with the Facility Agreement or this deed; and
 - (ii) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Lender's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Lender's security under this deed.
- (b) The Chargor shall indemnify the Lender against any loss or liability incurred by the Lender (or its nominee) as a consequence of the Lender (or its nominee) acting in respect of the Investments at the direction of the Chargor.

6.11 Dividends and voting rights after enforcement

After the security constituted by this deed has become enforceable:

- (a) all dividends and other distributions paid in respect of the Investments and received by the Chargor shall be held by the Chargor on trust for the Lender and immediately paid into a Designated Account or, if received by the Lender, shall be retained by the Lender; and
- (b) all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Lender and the Chargor shall, and shall procure that its nominees shall, comply with any directions the Lender may give, in its absolute discretion, concerning the exercise of those rights and powers.

6.12 No alteration of constitutional documents or rights attaching to Investments

The Chargor shall not, without the prior written consent of the Lender, agree to the amendment of the memorandum or articles of association or any other constitutional documents of any issuer or the rights or liabilities attaching to any of the Investments.

6.13 Preservation of Investments

The Chargor shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer shall not (unless otherwise permitted by the Finance Documents), without the prior consent of the Lender:

- (a) consolidate or subdivide any of its Investments, or reduce or re-organise its share capital in any way;
- (b) issue any new shares or stock; or
- (c) refuse to register any transfer of any of its Investments that may be lodged for registration by, or on behalf of, the Lender or the Chargor in accordance with this deed.

6.14 Preservation of Book Debts

The Chargor shall not (except as provided in the Facility Agreement) release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts.

6.15 Relevant Agreements

The Chargor shall, unless the Lender agrees otherwise in writing or unless expressly permitted by the Facility Agreement:

- (a) comply with the terms of;
- (b) not amend or vary or agree to any change in, or waive any requirement of;
- (c) not settle, compromise, terminate, rescind or discharge (except by performance); and
- (d) not abandon, waive, dismiss, release or discharge any action, claim or proceedings against any counterparty to a Relevant Agreement or other person in connection with,

any Relevant Agreement and any other document, agreement or arrangement comprising the Secured Assets (other than the Insurance Policies).

7. POWERS OF THE LENDER

7.1 Power to remedy

- (a) The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Chargor of any of its obligations contained in this deed.
- (b) The Chargor irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.
- (c) Any monies properly expended by the Lender under clause 7.1(a) and (b) shall be reimbursed by the Chargor to the Lender on a full indemnity basis and shall carry interest in accordance with clause 13.1.

7.2 Exercise of rights

The rights of the Lender under clause 7.1 are without prejudice to any other rights of the Lender under this deed. The exercise of any rights of the Lender under this deed shall not make the Lender liable to account as a mortgagee in possession.

7.3 Lender has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this deed on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Lender in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

7.4 Conversion of currency

For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Lender may convert any monies received, recovered or realised by it under this deed (including the proceeds of any previous conversion under this clause 7.4) from their existing currencies of denomination into pounds sterling. Any such conversion shall be effected at the Lender's then prevailing spot selling rate of exchange for such other currency against pounds sterling.

7.5 New accounts

- (a) If the Lender receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Lender may open a new account for the Chargor in the Lender's books. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Chargor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.
- (b) If the Lender does not open a new account immediately on receipt of the notice, or deemed notice, under clause 7.5(a), then, unless the Lender gives express written notice to the contrary to the Chargor, all payments made by the Chargor to the Lender shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities, as from the time of receipt of the relevant notice by the Lender.

7.6 Lender's set-off rights

If the Lender has more than one account for the Chargor in its books, the Lender may at any time after:

- (a) the security constituted by this deed has become enforceable; or
- (b) the Lender has received, or is deemed to have received, notice of any subsequent Security or other interest affecting all or any part of the Secured Assets,

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account that may be in debit. After making any such transfer, the Lender shall notify the Chargor of that transfer.

7.7 Indulgence

The Lender may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this deed

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

7.8 Appointment of an Administrator

- (a) The Lender may, without notice to the Chargor, appoint any one or more persons to be an Administrator of the Chargor pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.
- (b) Any appointment under this clause 7.8 shall:
 - (i) be in writing signed by a duly authorised signatory of the Lender; and
 - (ii) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- (c) The Lender may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 7.8 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

7.9 Further advances

The Lender covenants with the Chargor that it shall perform its obligations to make advances under the Facility Agreement (including any obligation to make available further advances).

8. WHEN SECURITY BECOMES ENFORCEABLE

8.1 Security becomes enforceable on Event of Default

The security constituted by this deed shall be immediately enforceable if an Event of Default occurs.

8.2 Discretion

After the security constituted by this deed has become enforceable, the Lender may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets.

9. ENFORCEMENT OF SECURITY

9.1 Enforcement powers

- (a) The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this deed, but the Lender shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable under clause 8.1.

- (b) Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

9.2 Access on enforcement

- (a) At any time after the Lender has demanded payment of the Secured Liabilities or if the Chargor defaults in the performance of its obligations under this deed or the Facility Agreement, the Chargor will allow the Lender or its Receiver, without further notice or demand, immediately to exercise all its 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 Lender or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Chargor for, or by any reason of, that entry.
- (b) At all times, the Chargor must use its best endeavours to allow the Lender or its Receiver access to any premises for the purpose of clause 9.2(a) (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

9.3 Prior Security

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

- (a) redeem that or any other prior Security;
- (b) procure the transfer of that Security to it; and
- (c) settle and pass any account of the holder of any prior Security.

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargor. All monies paid by the Lender to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Lender, be due from the Chargor to the Lender on current account and shall bear interest at the default rate of interest specified in the Facility Agreement and be secured as part of the Secured Liabilities.

9.4 Protection of third parties

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

- (a) whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- (b) whether any power the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- (c) how any money paid to the Lender, any Receiver or any Delegate is to be applied.

9.5 Privileges

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

9.6 No liability as mortgagee in possession

Neither the Lender, any Receiver, any Delegate nor any Administrator shall be liable 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 neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

9.7 Conclusive discharge to purchasers

The receipt of the Lender 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 Lender, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

9.8 Right of appropriation

(a) To the extent that:

- (i) the Secured Assets constitute Financial Collateral; and
- (ii) this deed and the obligations of the Chargor under it constitute a Security Financial Collateral Arrangement,

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

- (b) The value of any Secured Assets appropriated in accordance with this clause shall be the price of those Secured Assets at the time the right of appropriation is exercised as listed on any recognised market index, or determined by any other reasonable method that the Lender may select (including independent valuation).
- (c) The Chargor agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

10. RECEIVER

10.1 Appointment

At any time after the security constituted by this deed has become enforceable, or at the request of the Chargor, the Lender 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.

10.2 Removal

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

10.3 Remuneration

The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this deed, which shall be due and payable immediately on its being paid by the Lender.

10.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise. The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Lender despite any prior appointment in respect of all or any part of the Secured Assets.

10.5 Agent of the Chargor

Any Receiver appointed by the Lender under this deed shall be the agent of the Chargor and the Chargor 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 the Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.

11. DELEGATION

11.1 Delegation

The Lender 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 it by this deed (including the power of attorney granted under clause 15.1).

11.2 Terms

The Lender and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

11.3 Liability

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

12. APPLICATION OF PROCEEDS

12.1 Order of application of proceeds

All monies received by the Lender, a Receiver or a Delegate pursuant to this deed, after the security constituted by this deed has become enforceable, 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:

- (a) in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Lender (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;
- (b) in or towards payment of or provision for the Secured Liabilities in any order and manner that the Lender determines; and
- (c) in payment of the surplus (if any) to the Chargor or other person entitled to it.

12.2 Appropriation

Neither the Lender, 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.

12.3 Suspense account

All monies received by the Lender, a Receiver or a Delegate under this deed:

- (a) may, at the discretion of the Lender, Receiver or Delegate, be credited to any suspense or securities realised account;
- (b) shall bear interest, if any, at the rate agreed in writing between the Lender and the Chargor; and
- (c) may be held in that account for so long as the Lender, Receiver or Delegate thinks fit.

13. COSTS AND INDEMNITY

13.1 Costs

The Chargor shall pay to, or reimburse, the Lender and any Receiver on demand, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) properly incurred by the Lender, any Receiver or any Delegate in connection with:

- (a) this deed or the Secured Assets;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, a Receiver's or a Delegate's rights under this deed;

- (c) taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Chargor) at the rate and in the manner specified in the Facility Agreement.

13.2 Indemnity

The Chargor shall indemnify the Lender, each Receiver and each Delegate, and their respective employees and agents, on a full indemnity basis against any cost, charge, expense, tax, liability or damage incurred by any of them as a result of:

- (a) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets;
- (b) taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
- (c) any default or delay by the Chargor in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this clause 13.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

14. FURTHER ASSURANCE

14.1 Further assurance

The Chargor shall, at its own expense, take whatever action the Lender or any Receiver may reasonably require for:

- (a) creating, perfecting or protecting the security intended to be created by this deed;
- (b) facilitating the realisation of any Secured Asset; or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any Secured Asset,

including, without limitation (if the Lender or Receiver thinks it expedient) the execution of any 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 Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration.

15. POWER OF ATTORNEY

15.1 Appointment of attorneys

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

- (a) the Chargor is required to execute and do under this deed; or
- (b) any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Lender, any Receiver or any Delegate.

15.2 Ratification of acts of attorneys

The Chargor 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 15.1.

16. RELEASE

Subject to clause 18.3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Chargor, take whatever action is necessary to:

- (a) release the Secured Assets from the security constituted by this deed; and
- (b) reassign the Secured Assets to the Chargor.

17. ASSIGNMENT AND TRANSFER

17.1 Assignment by Lender

- (a) At any time, without the consent of the Chargor, the Lender may assign or transfer the whole or any part of the Lender's rights and/or obligations under this deed to any person.
- (b) The Lender may disclose to any actual or proposed assignee or transferee any information about the Chargor, the Secured Assets and this deed that the Lender considers appropriate, subject to receipt of an appropriate confidentiality undertaking in favour of the Lender and the Chargor.

17.2 Assignment by Chargor

The Chargor may not assign any of its rights, or transfer any of its obligations, under this deed, or enter into any transaction that would result in any of those rights or obligations passing to another person.

18. FURTHER PROVISIONS

18.1 Independent security

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

18.2 Continuing security

This deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Lender discharges this deed in writing.

18.3 Discharge conditional

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

- (a) the Lender or its nominee may retain this deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Lender reasonably deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and
- (b) the Lender may recover the value or amount of such security or payment from the Chargor subsequently as if the release, discharge or settlement had not occurred.

18.4 Certificates

A certificate or determination by the Lender as to any amount for the time being due to it from the Chargor under this deed shall be, in the absence of any manifest error, conclusive evidence of the amount due.

18.5 Rights cumulative

The rights and remedies of the Lender conferred by this deed are cumulative, may be exercised as often as the Lender considers appropriate, and are in addition to its rights and remedies under the general law.

18.6 Amendments

Any amendment of this deed shall be in writing and signed by, or on behalf of, each party.

18.7 Waivers and consents

Any waiver of any right or remedy (whether arising under this deed or under the general law), or any consent given under this deed, is only effective if it is in writing

and signed by the waiving, varying or consenting party, and applies only in the circumstances for which it was given, and shall not prevent the party giving it from subsequently relying on the relevant provision.

18.8 Further exercise of rights

No act or course of conduct or negotiation by, or on behalf of, the Lender shall, in any way, preclude the Lender from exercising any right or remedy under this deed or constitute a suspension or variation of any such right or remedy.

18.9 Delay

No delay or failure to exercise any right or remedy under this deed shall operate as a waiver of that right or remedy or constitute an election to affirm this deed. No election to affirm this deed on the part of the Lender shall be effective unless it is in writing.

18.10 Single or partial exercise

No single or partial exercise of any right or remedy under this deed shall prevent any further or other exercise of that right or remedy, or the exercise of any other right or remedy under this deed.

18.11 Consolidation

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

18.12 Partial invalidity

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this deed under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.

18.13 Counterparts

This deed may be executed and delivered in any number of counterparts, each of which is an original and which, together, have the same effect as if each party had signed the same document.

19. NOTICES

19.1 Service

Each notice or other communication required to be given under, or in connection with, this deed shall be:

- (a) in writing, delivered personally or sent by pre-paid first-class letter or fax; and
- (b) sent:

the Chargor at:

The Old Church
89 Quicks Road
Wimbledon
SW19 1EX

Fax: 020 8545 2604

Attention: Chief Executive

(i) the Lender at:

35 Dover Street
London
W1S 4NQ

Attention: Raf Goovaerts

or to any other address or fax number as is notified in writing by one party to the other from time to time.

19.2 Receipt by Chargor

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

- (a) if sent by fax, when received in legible form;
- (b) if given by hand, at the time of actual delivery; and
- (c) if posted, on the second Business Day after the day it was sent by pre-paid first-class post.

A notice or other communication given as described in clause 19.2(a) or clause 19.2(b) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

20. GOVERNING LAW AND JURISDICTION

20.1 Governing law

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

20.2 Jurisdiction

The parties to this deed irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this deed or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Lender to take proceedings against the Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more

jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not, to the extent permitted by the law of that other jurisdiction.

20.3 Other service

The Chargor irrevocably consents to any process in any proceedings under clause 20.2 being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

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

Executed as a deed by

REDS 10 TRADING LIMITED acting by

_____, a
director, in the presence of:

)

.....

)

Director

Signature of witness

.....

Name of witness

.....

Address of witness

.....

.....

Occupation of witness

.....


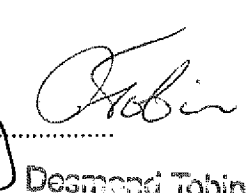
Executed as a deed by

**LGT CAPITAL INVEST (IRELAND)
LIMITED** acting by

_____, a
director, in the presence of:

)

)

Paul Garvey
Director

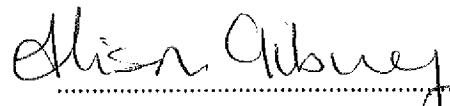
Desmond Tobin
Director

Signature of witness

Name of witness

Address of witness

Occupation of witness


Alison Gibney
Seagrave House, 19/20 Earlsfort
Terrace, Dublin 2
Legal Assistant

Executed as a deed by

REDS 10 TRADING LIMITED acting by)

_____, a)
director, in the presence of:

Andrew J Harris

Director

Signature of witness

Linda Weber

Name of witness

LINDA WEBER

Address of witness

40 REDS 10 TRADING LTD
THE OLD CHURCH, 89 QUICKS RD
WIMBLEDON SW19 1EX

Occupation of witness

FINANCE DIRECTOR

Executed as a deed by

LGT CAPITAL INVEST (IRELAND))

LIMITED acting by)

_____, a)

director, in the presence of:

.....

Director

Signature of witness

.....

Name of witness

.....

Address of witness

.....

.....

Occupation of witness

.....