



Companies House

MR01(ef)

Registration of a Charge

Company name: **KM (HOLDINGS) LIMITED**
Company number: **08526759**

Received for Electronic Filing: **02/07/2013**



X2BRICMR

Details of Charge

Date of creation: **30/06/2013**

Charge code: **0852 6759 0003**

Persons entitled: **GERALDINE RUTH PRATT ALLINSON
HENRY BOORMAN
CECILIA BUCHANAN
ELIZABETH LAWSON**

Brief description: **UNIT 2 SHELDON WAY, LARKFIELD, AYLESFORD, KENT; AND THE REMAINING LAND WITHIN TITLE NUMBER K245144 NOT TRANSFERRED TO REDROW HOMES LIMITED BY A TRANSFER DATED 16 JANUARY 2013; AND GAZETTE HOUSE, 5-8 BOORMAN WAY, ESTUARY VIEW BUSINESS PARK, WHITSTABLE, KENT CT5 3SE. ALL ESTATES OR INTERESTS IN ANY FREEHOLD OR LEASEHOLD PROPERTY BELONGING TO THE COMPANY NOW OR AT ANY TIME AFTER THE DATE OF THE DEBENTURE (INCLUDING ANY EQUITABLE INTEREST IN ANY SUCH PROPERTY) TOGETHER WITH ALL BUILDINGS, FIXTURES (INCLUDING TRADE AND TENANT'S FIXTURES), PLANT AND MACHINERY WHICH ARE AT ANY TIME ON THE PROPERTY; ALL PRESENT AND FUTURE INTERESTS OF THE COMPANY IN OR OVER LAND OR THE PROCEEDS OF SALE OF IT AND ALL PRESENT AND FUTURE LICENCES OF THE COMPANY TO ENTER UPON OR USE LAND AND THE BENEFIT OF ALL OTHER AGREEMENTS RELATING TO LAND TO WHICH IT IS OR MAY BECOME PARTY OR OTHERWISE ENTITLED AND ALL FIXTURES (INCLUDING TRADE AND TENANT'S FIXTURES) WHICH ARE AT ANY TIME ON THE PROPERTY CHARGED UNDER THE DEBENTURE; AND ALL PATENTS, PATENT APPLICATIONS, TRADE MARKS, TRADE MARK APPLICATIONS, TRADING NAMES, BRAND NAMES, SERVICE MARKS, COPYRIGHTS, RIGHTS IN THE NATURE OF COPYRIGHT, MORAL RIGHTS, INVENTIONS, DESIGN RIGHTS, REGISTERED DESIGNS, ALL TRADE**

SECRETS AND KNOW-HOW, COMPUTER RIGHTS, PROGRAMMES, SYSTEMS, TAPES, DISKS, SOFTWARE, ALL APPLICATIONS FOR REGISTRATION OF ANY OF THEM AND OTHER INTELLECTUAL PROPERTY RIGHTS HELD OR TO BE HELD BY THE COMPANY OR IN WHICH IT MAY HAVE AN INTEREST AND THE BENEFIT OF ALL PRESENT AND FUTURE AGREEMENTS RELATING TO THE USE OF OR LICENSING OR EXPLOITATION OF ANY SUCH RIGHTS (OWNED BY THE COMPANY OR OTHERS) AND ALL PRESENT AND FUTURE FEES, ROYALTIES OR SIMILAR INCOME DERIVED FROM OR INCIDENTAL TO ANY OF THE FOREGOING IN ANY PART OF THE WORLD.

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: KATIE HAYLOCK



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8526759

Charge code: 0852 6759 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th June 2013 and created by KM (HOLDINGS) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 2nd July 2013 .

Given at Companies House, Cardiff on 2nd July 2013



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated

30 June

2013

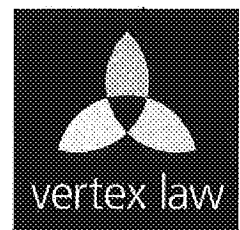
KM (HOLDINGS) LIMITED

AND

GERALDINE RUTH PRATT ALLINSON and OTHERS

Debenture

(Secured Variable Rate Loan Notes 2017)



Vertex Law LLP
23 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4UA
T. 01732 224 000
F. 01732 224 001
DX. 155770 West Malling 2
www.vertexlaw.co.uk

Our Ref: 1193/28

This **DEED** is made on

30 June

2013

Between:-

- (1) **KM (HOLDINGS) LIMITED** incorporated and registered in England and Wales with company number 08526759 whose registered office is at Medway House, Sir Thomas Longley Road, Medway City Estate, Strood, Kent ME2 4DU (**Company**); and
- (2) **THE PERSONS** whose names and addresses are set out in the Schedule to this Deed (**Lenders**).

Issued under the authority of the Company's articles of association and pursuant to a resolution of the board of directors of the Company of even date. This deed witnesses as follows:-

1 Definitions

1.1 Definitions: In the interpretation of this Debenture:

Assets	the whole of the property (including uncalled capital) which is or may be (from time to time) comprised in the property and undertaking of the Company.
Business Day	a day (other than a Saturday or Sunday) when the branch of Lloyds TSB Bank plc at which the Company's account is located is open for business.
Deeds of Postponement	together: <ul style="list-style-type: none">(a) the deed of postponement made on or around the date of this Debenture and made between (1) Geraldine Ruth Pratt Allinson, (2) the Company and (3) Lloyds TSB Bank plc;(b) the deed of postponement made on or around the date of this Debenture and made between (1) Henry Edwin Pratt Boorman, (2) the Company and (3) Lloyds TSB Bank plc;(c) the deed of postponement made on or around the date of this Debenture and made between (1) Cecilia Anne Buchanan, (2) the Company and (3) Lloyds TSB Bank plc; and(d) the deed of postponement made on or around the date of this Debenture and made between (1) Elizabeth Mary Meredith Lawson, (2) the Company and (3) Lloyds TSB Bank plc.
Deed of Priority	the deed of priority made on or around the date of this instrument between (1) Geraldine Ruth Pratt Allinson, (2) Henry Edwin Pratt Boorman, (3) Cecilia Anne Buchanan, (4) Elizabeth Mary Meredith Lawson, (5) Lloyds TSB Bank plc, (6) Lloyds TSB Bank Commercial Finance Limited, (7) the Company, (8) Kent Messenger Limited, (9), KM Direct Limited and (10) KM Media Group Limited.
Default Rate	4% above the base rate from time to time of Lloyds TSB Bank plc.
Equity Lender Security	any and all security granted by the Company to each of the Lenders.
Group Companies	together the Company and each of the following companies: <ul style="list-style-type: none">(a) KM Media Group Limited (company number 08528676);(b) Kent Messenger Limited (company number 00505554); and(c) KM Direct Limited (company number 08529490).

"Loan Note Instrument"	the loan note instrument issued by the Company in the agreed form on or around the date of this Debenture.
Lloyds TSB	Lloyds TSB Bank plc, Dept No. 9537 of Leeds Securities Centre, P.O. Box 5, 6/7 Park Row, Leeds LS1 5LB.
Lloyds Commercial	Lloyds TSB Commercial Finance Limited of Boston House, The Little Green, Richmond, Surrey TW9 1QE.
Lloyds Security	any and all charges (whether fixed or floating), mortgages, assignments by way of security, pledges, liens, rights of set-off, unlimited multilateral guarantees and other security interests from time to time held by Lloyds TSB and Lloyds Commercial and given by the Company as security for payment and/or discharge of any indebtedness to Lloyds TSB and Lloyds Commercial by the Company.
[Properties	together the following properties: <ul style="list-style-type: none"> (a) Unit 2 Sheldon Way, Larkfield, Aylesford, Kent; and (b) the remaining land within title number K245144 not transferred to Redrow Homes Limited by a transfer dated 16 January 2013[; (c) Gazette House, 5-8 Boorman Way, Estuary View Business Park, Whitstable, Kent CT5 3SE].]
Receiver	an administrative receiver, receiver and manager or other receiver appointed pursuant to this Debenture in respect of the Company or over all or any of the Assets charged by this Debenture.
Secured Liabilities	all or any monies and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred to the Lender by the Company under the Loan Note Instrument, whether actually or contingently, solely or jointly and whether as principal or surety and whether or not the Lender shall have been an original party to the relevant transaction, and including interest, and other lawful charges or expenses in respect of any of those matters.
Special Resolution	in accordance with Schedule 3 of the Loan Note Instrument, a resolution passed at a meeting of the Lenders or by written resolution by a majority consisting of not less than 75% in nominal value of the outstanding Loan Notes.

1.2 Interpretation: References to:

- 1.2.1 statutes, statutory provisions and other legislation shall include all amendments, substitutions, modifications and re-enactments for the time being in force and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant legislation;
- 1.2.2 **"control"** of any company shall be interpreted in accordance with Section 840 of the Income and Corporation Taxes Act 1988;
- 1.2.3 **"including"** shall not be construed as limiting the generality of the words preceding it;
- 1.2.4 any term or phrase defined in the Companies Act 2006 (as amended from time to time) shall bear the same meaning in this Debenture;
- 1.2.5 words importing the singular shall include the plural and vice versa and words denoting any gender shall include all genders;

- 1.2.6 this Debenture and to any provisions of it or to any other document referred to in this Debenture shall be construed as references to it in force for the time being as amended, varied, supplemented, restated, substituted or novated from time to time;
- 1.2.7 any person are to be construed to include references to a corporation, firm, company, partnership, joint venture, unincorporated body of persons, individual or any state or agency of a state, whether or not a separate legal entity;
- 1.2.8 any person are to be construed to include that person's assignees or transferees or successors in title, whether direct or indirect; and
- 1.2.9 clause headings are for ease of reference only and are not to affect the interpretation of this Debenture.

- 1.3 **Incorporated Terms:** The terms of the documents under which the Secured Liabilities arise between the Company and the Lender in relation thereto are incorporated herein to the extent required for any purported disposition of the Assets (or any of them) contained in this Debenture to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

2 **Covenant to Pay**

- 2.1 **Covenant:** The Company, as primary obligor and not merely as surety, covenants that it will on demand in writing pay or discharge the Secured Liabilities when the same are due and payable.
- 2.2 **Default Rate:** If the Company shall fail to pay any amount under this Debenture when it is due then such amount shall bear interest (after as well as before judgement and payable on demand) at the Default Rate from time to time from the due date until the date such amount is paid in full to the Lender.

3 **Charging provisions**

- 3.1 **Charge:** The Company with full title guarantee hereby charges to the Lender as a continuing security for the payment and discharge of the Secured Liabilities:

- 3.1.1 by way of fixed charge:

- 3.1.1.1 all estates or interests in any freehold or leasehold property belonging to the Company now or at any time after the date of this Debenture (including any equitable interest in any such property) together with all buildings, fixtures (including trade and tenant's fixtures), plant and machinery which are at any time on the property;
- 3.1.1.2 all present and future interests of the Company in or over land or the proceeds of sale of it and all present and future licences of the Company to enter upon or use land and the benefit of all other agreements relating to land to which it is or may become party or otherwise entitled and all fixtures (including trade and tenant's fixtures) which are at any time on the property charged under this Debenture;
- 3.1.1.3 all present and future plant and machinery not otherwise charged under this Clause 3 and all other present and future chattels of the Company (excluding any of the same for the time being forming part of the Company's stock in trade or work in progress);
- 3.1.1.4 all present and future stocks, shares and other securities owned (at law or in equity) by the Company and all rights and interests accruing or offered at any time in relation to them;
- 3.1.1.5 all rights and interests in and claims under all policies of insurance and assurance held or to be held by or insuring to the benefit of the Company and the benefit of all rights and claims to which the Company is now or may be entitled under any contracts;
- 3.1.1.6 all patents, patent applications, trade marks, trade mark applications, trading names, brand names, service marks, copyrights, rights in the nature of copyright, moral

rights, inventions, design rights, registered designs, all trade secrets and know-how, computer rights, programmes, systems, tapes, disks, software, all applications for registration of any of them and other intellectual property rights held or to be held by the Company or in which it may have an interest and the benefit of all present and future agreements relating to the use of or licensing or exploitation of any such rights (owned by the Company or others) and all present and future fees, royalties or similar income derived from or incidental to any of the foregoing in any part of the world;

3.1.1.7 all the Company's goodwill and uncalled capital for the time being;

3.1.1.8 all present and future book and other debts and monetary claims of the Company whether payable now or in the future and the benefit of all present and future rights and claims of the Company against third parties relating to them and capable of being satisfied by the payment of money (save as charged under sub-clause 3.1.1.5);

3.1.1.9 all present and future bank accounts, cash at bank and credit balances of the Company with any bank or other person whatsoever and all rights relating or attaching to them (including the right to interest);

3.1.2 by way of floating charge all the Assets not effectively otherwise mortgaged, charged or assigned by this Clause 3, (including, without limitation, any immovable property of the Company falling within any of the types mentioned in sub-clause 3.1.1).

3.2 **Priorities:** The terms of this Debenture and any payments to be made hereunder are subject to the terms of and the order of priorities and restrictions on enforcement set out in the Deeds of Postponement and Deed of Priority. The charges created by this Debenture rank equally with the other Equity Lender Security in priority behind the Lloyds Security and otherwise subject to the Deeds of Postponement and Deed of Priority.

3.3 **Floating Charge Conversion:** Subject to obtaining the prior written consent of Lloyds TSB and Lloyds Commercial during the existence of the Lloyds Security, the Lender may at any time, by notice to the Company, immediately convert the floating charge created under sub-clause 3.1.2 into a fixed charge over any Assets specified in that notice and the floating charge will, without notice from the Lender, automatically be converted with immediate effect into a fixed charge in respect of all the Assets charged under sub-clause 3.1.1:

3.3.1 if and when the Company ceases to carry on business or to be a going concern;

3.3.2 on the making of an order for the compulsory winding-up of the Company, on the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Company or the taking of any steps (including, without limitation, the making of an application or the giving of any notice) by the Company or any other person for the appointment of an administrator in respect of the Company;

3.3.3 if the Company creates, or attempts to create any mortgage, charge, lien (other than a lien arising in the ordinary course of business by operation of law) or encumbrance on any or all of the Assets without the Lender's prior written consent, or any trust in favour of another person over all or any part of the Assets; or

3.3.4 if the Company disposes, or attempts to dispose of, all or any part of the Assets (other than Assets which are only subject to the floating charge while it remains uncrystallised which properly may be disposed of in the ordinary course of business).

3.4 Any Asset acquired by the Company after any crystallisation of the floating charge created under sub-clause 3.1.2 which, but for such crystallisation, would be subject to a floating charge shall (unless the Lender confirms in writing to the contrary) be charged to the Lender by way of fixed charge.

3.5 **Negative Pledge:** Other than in respect of Lloyds Security, the Company will not without the previous written consent of the Lender:

- 3.5.1 create or attempt to create or permit to subsist any mortgage, charge, lien (other than a lien arising in the ordinary course of business by operation of law) or encumbrance on all or any of its Assets; or
- 3.5.2 sell, transfer, assign, factor, lease or otherwise dispose of or part with possession in any way of all or any of its Assets (other than any Assets the subject of a floating charge (but not any fixed charge or mortgages) on arms length terms in the ordinary course of trading); or
- 3.5.3 in any way dispose of the equity of redemption of any such Asset or any interest in any such Asset.

3.6 **Further Assurance:** Subject to the prior written consent of Lloyds TSB and Lloyds Commercial (whilst the Lloyds Security shall remain outstanding and unsatisfied, respectively) the Company (at its own cost) will on demand in writing by the Lender execute and deliver in such form as the Lender may reasonably require:

- 3.6.1 a legal mortgage of any freehold or leasehold property of the Company which is not effectively charged by sub-clause 3.1.1 and of any freehold or leasehold property acquired by the Company after the date of this Debenture;
- 3.6.2 a standard security or other fixed security over the Company's heritable freehold, leasehold or other property;
- 3.6.3 a fixed charge or assignment in security of any Asset subject to a floating charge under sub-clause 3.1.2,

and the Company will execute such other deeds, documents, agreements and instruments and will otherwise do and concur in all such other acts or things as the Lender may deem necessary for perfecting, preserving or protecting the security created (or intended to be created) by this Debenture or for facilitating the realisation of the Assets or the exercise of any rights of the Lender hereunder.

3.7 **Application of Paragraph 14 Schedule B1 of Insolvency Act:** Paragraph 14 of Schedule B1 to the Insolvency Act 1986 (incorporated by Schedule 16 to the Enterprise Act 2002) shall apply to any floating charge created pursuant to this Debenture.

4 **Continuing Security**

This security will be a continuing security for the Secured Liabilities notwithstanding any intermediate payment or settlement of all or any part of the Secured Liabilities or other matter or thing whatsoever and will be without prejudice and in addition to any other right, remedy or security of whatever sort which the Lender may hold at any time for the Secured Liabilities or any other obligation whatsoever and will not be affected by any release, reassignment or discharge of such other right remedy or security.

5 **Undertakings**

5.1 **Undertakings:** Subject to any prior rights of Lloyds TSB and Lloyds Commercial (whilst the Lloyds Security shall remain outstanding and unsatisfied, respectively), the Company will:

- 5.1.1 at all times comply with the terms of this Debenture and of all agreements relating to the Secured Liabilities;
- 5.1.2 keep the Assets in good and substantial repair and in good working order and condition, ordinary wear and tear excepted;
- 5.1.3 preserve and maintain all intellectual property rights owned or used by the Company;
- 5.1.4 comply in all material respects with the terms of all applicable laws and regulations including (without limitation) all environmental laws, legislation relating to public health, town & country planning, control and handling of hazardous substances or waste, fire precautions and health and safety at work;

- 5.1.5 ensure that all of the Assets that are insurable are insured with reputable insurance companies or underwriters to such extent and against such risks as is normal for prudent companies in businesses similar to those of the Company and (without limitation to the generality of the foregoing) pay all premiums and other monies due and payable under all such insurances and provide premium receipts or any other evidence of payment promptly upon request to do so by the Lender;
- 5.1.6 hold on trust for the Lender all proceeds of any insurance of the Assets charged under sub-clause 3.1.1 and, at the Lender's option, to apply the proceeds in making good the relevant loss or damage, or to reduce the Secured Liabilities;
- 5.1.7 promptly pay or cause to be paid and indemnify the Lender and any Receiver against all present and future rent, rates, taxes, duties, charges, assessments, impositions and outgoings whatsoever now or at any time in the future payable in respect of any of the Properties (or any part thereof) or any other property belonging to the Company or by the owner or occupier thereof;
- 5.1.8 not vary, surrender, cancel or dispose of, or permit to be forfeit, any leasehold interest in any of the Properties or any other property belonging to the Company;
- 5.1.9 observe and perform all covenants, agreements and stipulations from time to time affecting its interest in any of the Properties or any other property belonging to the Company or contained in any lease, agreement for lease or tenancy agreement under which any part of such properties may be held;
- 5.1.10 notify the Lender immediately in the event of any creditor executing diligence against the Company or any distress or execution is levied or enforced against the Company or any third party debt order or freezing order is made and served on the Company;
- 5.1.11 notify the Lender immediately if any steps (including, without limitation, the making of any application or the giving of any notice) are taken by any person (including, without limitation, the Company) in relation to the administration, receivership, winding-up or dissolution of the Company; and
- 5.1.12 not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any of its Assets.

6 Security Protections

- 6.1 The obligations of the Company under this Debenture will not be affected by any act, omission, circumstance, matter or thing which but for this provision might operate to release or otherwise exonerate it from any of its obligations hereunder in whole or in part, including (without limitation):
 - 6.1.1 any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Lender may have now or in the future from or against the Company or any other person in respect of the Secured Liabilities;
 - 6.1.2 any act or omission by the Lender or any other person in taking up, perfecting or enforcing any security or guarantee from or against the Company or any other person or the invalidity or unenforceability of any such security or guarantee;
 - 6.1.3 any amendment, variation, restatement or supplement of or to, or novation, transfer or termination (in whole or in part) of, any document relating to the Secured Liabilities or any exercise by the Lender of his rights to refuse, grant, continue, vary, review, determine or increase any credit or facilities to the Company;
 - 6.1.4 any grant of time, indulgence, waiver or concession to the Company or any other person;
 - 6.1.5 any arrangement or compromise entered into between the Lender and the Company or any other person;

- 6.1.6 the administration, insolvency, bankruptcy, liquidation, winding-up, dissolution, incapacity, limitation, disability, discharge by operation of law or any change in the constitution, name and style of, the Company or any other person;
- 6.1.7 the invalidity, illegality, unenforceability, irregularity or frustration of the Secured Liabilities or any of the obligations of the Company;
- 6.1.8 any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of any other person resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order.

7 Enforcement

- 7.1 **Security Enforceable:** The security constituted by this Debenture shall become enforceable and the Lender may exercise all the powers conferred on mortgagees by the Law of Property Act 1925 (as varied or extended by this Debenture), all the powers conferred on the holder of a qualifying floating charge (as defined in the Insolvency Act 1986) by the Insolvency Act 1986 and all or any of the rights and powers conferred by this Debenture without further notice to the Company upon and at any time after the occurrence of any of the following events:

- 7.1.1 if the Company has failed to pay all or any of the Secured Liabilities in accordance with Clause 2;
- 7.1.2 any step is taken (including, without limitation, the making of an application or the giving of any notice) by the Company or by any other person to appoint an administrator in respect of the Company;
- 7.1.3 any step is taken (including, without limitation, the making of an application or the giving of any notice) by the Company or any other person to wind up or dissolve the Company or to appoint a liquidator, trustee, receiver, administrative receiver or similar officer to the Company or any part of its undertaking or assets;
- 7.1.4 the making of a request by the Company for the appointment of a Receiver or administrator.

- 7.2 **Disapplication:** Section 103 of the Law of Property Act 1925 will not apply to this Debenture but the statutory power of sale will as between the Lender and a purchaser from the Lender arise on and be exercisable at any time after the execution of this Debenture provided that the Lender will not exercise the power of sale until payment of all or any part of the Secured Liabilities has been demanded or a Receiver has been appointed but this proviso will not affect a purchaser or put him upon inquiry whether such demand or appointment has been validly made.

- 7.3 **Extension of Statutory Powers:** The statutory powers of sale, leasing and accepting surrenders exercisable by the Lender under this Debenture are extended so as to authorise the Lender whether in its own name or in that of the Company to grant a lease or leases of the whole or any part or parts of the freehold and leasehold property of the Company with whatever rights relating to other parts of it and containing whatever covenants on the part of the Company and generally on such terms and conditions (including the payment of money to a leasee or tenant on a surrender) and whether or not at a premium as the Lender thinks fit.

- 7.4 **Section 93 LPA 1925:** Section 93 of the Law of Property Act 1925 (consolidation of mortgages) will not apply to this Debenture.

8 Appointment of Receiver or Administrator

- 8.1 **Appointment:** At any time after the security constituted by this Debenture has become enforceable the Lender shall be and is entitled by instrument in writing to appoint any one or more persons as:

- 8.1.1 a Receiver of all or any of the Assets; and/or
- 8.1.2 an administrator of the Company (the “**Administrator**”),

in each case in accordance with and to the extent permitted by applicable laws.

8.2 **Separate Powers:** Where more than one Receiver is appointed they will have power to act separately (unless the Deeds of Postponement or Deed of Priority specify to the contrary).

8.3 **Additional Powers:** Any Receiver or Administrator appointed under this Clause 8 will be the agent of the Company (which will be solely liable for his acts, defaults and remuneration) and will have and be entitled to exercise in relation to the Company all the powers set out in Schedule 1 to the Insolvency Act 1986 and all the powers conferred from time to time on Receivers or Administrators by statute and in particular by way of addition to but without prejudice to those powers (and those of the Lender) the Receiver or Administrator will have power:

8.3.1 to sell, let or lease or concur in selling, letting or leasing and to vary the terms or determine, surrender or accept surrenders of leases or tenancies of or grant options and licences over all or any part of the Assets and so that any such sale may be made for cash payable by instalments or for shares or securities of another company and the Receiver may promote or concur in promoting a company to purchase the Assets to be sold;

8.3.2 to sever any fixtures (including trade and tenant's fixtures) from the property of which they form part;

8.3.3 to exercise all powers, rights and/or obligations under any contract or agreement forming part of the Assets, including, without limitation, all voting and other rights attaching to stocks, shares and other securities owned by the Company;

8.3.4 to make and effect all repairs and improvements;

8.3.5 to redeem any prior encumbrance and to settle and pass the accounts of the encumbrancer and any accounts so settled and passed will (subject to any manifest error) be conclusive and binding on the Company and the moneys so paid will be deemed to be an expense properly incurred by the Receiver;

8.3.6 to promote the formation of a subsidiary or subsidiaries of the Company, including, without limitation, any such company formed for the purpose of purchasing, leasing, licensing or otherwise acquiring interests in all or any of the assets of the Company;

8.3.7 to make any arrangement or compromise which the Lender or the Receiver or Administrator may think fit;

8.3.8 to make and effect all repairs, renewals, improvements, and insurances;

8.3.9 to appoint managers officers and agents for any of the purposes referred to in this Clause 8 at such salaries as the Receiver or Administrator may determine;

8.3.10 to do all other acts and things as may be considered by the Receiver or Administrator to be incidental or conducive to the above or otherwise incidental or conducive to the preservation, improvement or realisation of the Assets.

8.4 **Third Party Dealings:** No purchaser or other person dealing with the Lender, any Receiver, Administrator or any agent or delegate thereof shall be obliged or concerned to enquire whether the right of the Lender or any Receiver or Administrator to exercise any of the powers conferred by or referred to in this Debenture has arisen or become exercisable, whether any of the Secured Liabilities remain outstanding or be concerned with notice to the contrary or whether an event has occurred to authorise the Lender or any Receiver or Administrator to act or as to the propriety or validity of the exercise or purported exercise of any such power.

9 **Power of Attorney**

The Company irrevocably and by way of security appoints the Lender (whether or not a Receiver or Administrator has been appointed) and also (as a separate appointment) any Receiver or Administrator severally as the attorney and attorneys of the Company, for the Company and in its name and on its behalf and as its act and deed or otherwise to execute and deliver and otherwise perfect any deed, assurance, agreement, instrument or act which may be required of the Company under this Debenture or

may be required or deemed proper in the exercise of any rights or powers conferred on the Lender or any Receiver or Administrator hereunder or otherwise for any of the purposes of this Debenture.

10 Application of security proceeds

10.1 Order of Priority: Any moneys received under the powers conferred by this Debenture will, subject to the payment or repayment of any prior claims, be paid or applied in the following order of priority:

10.1.1 in or towards satisfaction of all costs, charges and expenses incurred, and payments made, by the Lender and/or the Receiver or Administrator including the remuneration of the Receiver or Administrator;

10.1.2 in or towards satisfaction of the Secured Liabilities in the order specified by the Deeds of Postponement and Deed of Priority;

10.1.3 as to the surplus (if any) to the person(s) entitled to it.

10.2 S. 109 LPA 1925: Neither the Lender nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 1925, which is hereby varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order as between any of the Secured Liabilities.

11 Costs and Expenses

The Company shall pay or reimburse to the Lender on demand (on a full indemnity basis) all costs, charges and expenses (including legal fees) incurred or to be incurred by the Lender in the enforcement, discharge and/or assignment of this Debenture (including, without limitation, the costs of any proceedings in relation to this Debenture or the Secured Liabilities), which costs, charges and expenses shall form part of the Secured Liabilities.

12 Notices

12.1 Notice in Writing: Any communication to be made under or in connection with this Debenture shall be made in writing by letter.

12.2 Address of Lender: The address of the Lender for any communication or document to be made or delivered under or in connection with this Debenture is the address as the Lender may notify to the Company from time to time.

12.3 Company Address: The address of the Company for any communication or document under or in connection with this Debenture is its registered office at the time such communication or document is made or delivered or such other address as the parties may agree.

12.4 Delivery: Any communication made or document made or delivered by one person to another under or in connection with this Debenture will only be effective when it has been delivered to the relevant address or three Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

13 Protective clauses

13.1 Waiver of defences

The obligations of the Company under this Debenture and the security constituted by this Debenture will not be affected by an act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of such obligations or security including (whether or not known to it or the Lender):

13.1.1 any time, waiver or consent granted to, or composition with, the Company or other person;

13.1.2 the release of the Company or any other person under the terms of any composition or arrangement with any creditor of the Company or such other person;

- 13.1.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over property of, the Company or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- 13.1.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Company or any other person;
- 13.1.5 any change in the Lender;
- 13.1.6 the existence of any claim, set-off or other rights which the Company may have at any time against any Lender, whether in connection with this Debenture or any other security granted by a Group Company or otherwise;
- 13.1.7 any novation, amendment (however fundamental) or replacement of this Debenture or any other security granted by a Group Company or any other document or security;
- 13.1.8 any obligation of any person under this Debenture or any other security granted by a Group Company or any other document or security being void, voidable, invalid, unenforceable or otherwise irrecoverable; or
- 13.1.9 any insolvency or similar proceedings.

13.2 Immediate recourse

The Company waives any right it may have of first requiring the Lender to proceed against or enforce any other rights or security or claim payment from any person before enforcing the security constituted by this Debenture. This waiver applies irrespective of any law or any provision of this Debenture or any other security granted by a Group Company to the contrary.

13.3 Appropriations

Until the Secured Liabilities have been irrevocably paid in full, the Lender may:

- 13.3.1 refrain from applying or enforcing any other moneys, security or rights held or received by her in respect of the Secured Liabilities, or apply and enforce the same in such manner and order as she sees fit (whether against the Secured Liabilities or otherwise) and the Company shall not be entitled to the benefit of the same; and
- 13.3.2 hold in an interest-bearing suspense account any money received under this Debenture.

13.4 Deferral of Company's rights

Until the Secured Liabilities have been irrevocably paid in full and unless the Lender otherwise directs, the Company will not exercise any rights which it may have by reason of the enforcement of this deed:

- 13.4.1 to be indemnified by any Group Company;
- 13.4.2 to claim any contribution from any other person in respect of any obligations of that person under any security granted by them; and/or
- 13.4.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under this Debenture or any other security granted by a Group Company or of any other guarantee or security taken pursuant to, or in connection with, this Debenture or any other security granted by a Group Company to the Lender.

13.5 Turnover

The Company shall hold on trust for the Lender any money or other benefit which it may receive in breach of this clause and will pay or transfer the same to the Lender for application in or towards discharge of the Secured Liabilities.

14 Miscellaneous

- 14.1 **Unenforceability:** If at any time any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will be in any way affected or impaired.
- 14.2 **Failure or Delay:** No failure or delay by the Lender in exercising any right or remedy under any document shall operate as a waiver, and no single or partial exercise shall prevent further exercise, of any right or remedy.
- 14.3 **Third Party Rights:** Save to the extent expressly provided to the contrary in this Debenture, a person who is not a party to this Debenture may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

15 Release

If the Lender is satisfied that the Secured Liabilities have been unconditionally and irrevocably repaid or discharged in full, the Lender will at the request and cost of the Company take whatever action is required in order to release the Assets from the security constituted by this Debenture.

16 Rights of the Lender

For the purpose of amending, waiving or releasing any and all rights of the Lender under this Debenture, such amendment, waiver or release shall be binding on all the Lenders if it is approved by Special Resolution and the provisions of Schedule 3 of the Loan Note Instrument shall apply accordingly. For the avoidance of doubt, references to "Noteholders" in Schedule 3 of the Loan Note Instrument shall, for the purpose of this clause, be replaced by references to "Lenders".

17 Governing Law

- 17.1 This Debenture 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.
- 17.2 The parties to this Debenture irrevocably agree that 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 Debenture or its subject matter or formation (including non-contractual disputes or claims).

IN WITNESS whereof this Debenture has been executed by the Company as a deed the day and year first written above.

THE SCHEDULE

Lenders

Name	Address
Geraldine Ruth Pratt Allinson	Stone Site, Hart Hill, Charing, Ashford, Kent TN27 0HW
Henry Boorman	130 Leander Road, Brixton, London SW2 2LJ
Cecilia Buchanan	Standen Farm, Smarden Road, Biddenden, Kent TN27 8JT
Elizabeth Lawson	St Augustine's Priory, Bilsington, Nr Ashford, Kent TN25 7AU

EXECUTION

EXECUTED as a deed by KM (HOLDINGS)
LIMITED acting by a director, in the presence of:

Sign here

R. E. Elliot

Print name

RICHARD ELLIOT

Signature of witness

F. H. HAYLOCK

Name (in CAPITAL LETTERS)

FATE HAYLOCK

Occupation:

Solicitor

Address

VERTEX LAW LLP

23 Kings Hill Avenue

West Malling

Kent ME19 4UA

Tel: 01732 224000

Fax: 01732 224001