

**Particulars of an instrument of
alteration to a floating charge created
by a company registered in Scotland****466****A fee of £10 is payable to Companies House in respect of
each register entry for a mortgage or charge.****COMPANIES HOUSE
FEE PAID
EDINBURGH***Please do not
write in
this margin**Pursuant to section 410 and 466 of the Companies Act 1985**Please complete
legibly, preferably
in black type or,
bold block lettering*** insert full name
of company**To the Registrar of Companies
(Address overleaf - Note 6)**For official use**Company number**Name of company*

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SC036368

* MACKAYS STORES LIMITED , incorporated under Scots law, with registered office at Caledonia House, Caledonia Street, Paisley (the "Company")

Date of creation of the charge (note 1)

12 December 2001

*Description of the instrument creating or evidencing the charge or of any ancillary document which has been
altered (note 1)*

Floating Charge (the "Charge")

Names of the persons entitled to the charge

CLYDESDALE BANK PUBLIC LIMITED COMPANY , having its Registered Office at 30 St Vincent Place, Glasgow, G1 2HL ("Clydesdale")
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Short particulars of all the property charged

The Company has granted a floating charge in favour of Clydesdale over the whole of the property which is, or may be from time to time while the Charge is in force, comprised in the property and undertaking, including the uncalled capital of the Company after the execution of the Charge.
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*Presentor's name address and
reference (if any):*

Dundas & Wilson CS
20 Castle Terrace
Edinburgh
EH1 2EN

ARWH/CLP/CLY003.0

*For official use (02/00)
Charges Section**Post room*

		
SCT	SBDWGIY8	0098
COMPANIES HOUSE		04/03/03

Names and addresses of the persons who have executed the instrument of alteration (note 2)

See Paper Apart 1

*Please do not
write in
this margin*

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

Date(s) of execution of the instrument of alteration

11 December 2002, 14 January 2003, 14 February 2003

A statement of the provisions, if any, imposed by the instrument of alteration prohibiting or restricting the creation by the company of any fixed security or any other floating charge having, priority over, or ranking pari passu with the floating charge

Group and the Guarantors shall not grant any further fixed or floating charges over all or any of the Assets including their heritable, real or leasehold property without the written consent of Clydesdale and HSBC.

See Paper Apart 2 for defintions

Short particulars of any property released from the floating charge

None

The amount, if any, by which the amount secured by the floating charge has been increased

None

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write in
this margin

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

A statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

1. Ranking of Securities

1.1 Clydesdale, HSBC, Group and the Guarantors agree that the sums secured or to be secured by the Clydesdale Security Documents and the HSBC Security Documents shall rank in the following order of priority:-

1.1.1 the Clydesdale Security Documents and the HSBC Security Documents shall rank pari passu to the extent of the Clydesdale Pari Passu Debt and the HSBC Pari Passu Debt so that the sums realised under those Security Documents shall be payable to Clydesdale and HSBC pro rata according to the proportion which the amount of the Clydesdale Pari Passu Debt and the HSBC Pari Passu Debt on the date of enforcement bears to the aggregate of such amounts; then

1.1.2 the Clydesdale Security Documents and the HSBC Security Documents shall rank pari passu to the extent of the remainder, if any, of the Clydesdale Debt and the HSBC Debt so that the sums realised under those Security Documents shall be payable to Clydesdale and HSBC pro rata according to the proportion which the amounts remaining due to Clydesdale and to HSBC on the date of enforcement bears to the aggregate of such amounts.

1.2 The ranking and priority set out in Clause 1.1.2 shall take effect notwithstanding any of the following:-

1.2.1 the nature of the securities created by the Clydesdale Security Documents and the HSBC Security Documents and the dates of execution and registration of them;

1.2.2 any provision contained in any of the Security Documents;

1.2.3 the date or dates on which moneys have been or may be advanced or become due, owing or payable under the Clydesdale Security Documents and the HSBC Security Documents respectively;

1.2.4 any fluctuation from time to time in the amounts secured by the Clydesdale Security Documents and the HSBC Security Documents including any reduction of those amounts to nil;

1.2.5 the existence of any credit balance on any current or other account of Group or any Guarantor with either Clydesdale or HSBC;

1.2.6 the appointment of a liquidator, administrative receiver, receiver, administrator or other similar officer in respect of Group or any Guarantor or over all or any part of the Assets;

1.2.7 the granting of time or any other indulgence to Group or any Guarantor or any other person or the release, compounding or otherwise dealing with Group or any Guarantor or any other person;

1.2.8 the taking, variation, compromise, renewal or release of, or refusal or neglect to perfect or enforce any rights or remedies against Group or any Guarantor or any other person by either Clydesdale or HSBC;

1.2.9 the provisions of Section 13 of the Conveyancing and Feudal Reform (Scotland) Act 1970 or of Sections 464 and 466 of the Companies Act 1985 or any other rule of law which might operate to the contrary.


The ranking provisions in the Instrument shall not prejudice the right of Clydesdale to receive Preferential Payments provided that any Preferential Payments payable shall not be counted towards repayment of Clydesdale Debt for the purposes of calculating the extent of any priority to which Clydesdale is entitled under Clause 1 (above).

See Paper Apart 1 for definitions

Continuation of the statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

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

Signed 
On behalf of ~~company~~ [chargee]

Date 4 March 2003

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

Notes

1. A description of the instrument e.g. "Instrument of Charge" "Debenture" etc as the case may be, should be given. For the date of creation of a charge see section 410(5) of the Companies Act.
2. In accordance with section 466(1) the instrument of alteration should be executed by the company, the holder of the charge and the holder of any other charge (including a fixed security) which would be adversely affected by the alteration.
3. A certified copy of the instrument of alteration, together with this form with the prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of execution of that instrument.
4. A certified copy must be signed by or on behalf of the person giving the certification and where this is a body corporate it must be signed by an officer of that body.
5. Cheques and Postal Orders are to be made payable to Companies House.
6. The address of the Registrar of Companies is:-
Companies Registration Office, 37 Castle Terrace, Edinburgh EH1 2EB

† delete as appropriate

This is the Paper Apart 1 referred to in the foregoing Form 466 in respect of Mackays Stores Limited

- (1) Clydesdale Bank Public Limited Company, 30 St Vincent Place, Glasgow, G1 2HL;
- (2) HSBC Bank plc, 8 Canada Square, London, E14 5HQ;
- (3) Mackays Stores Group Limited, Caledonia House, Caledonia Street, Paisley;
- (4) Mackays Stores (Holdings) Limited, Caledonia House, Caledonia Street, Paisley;
- (5) Mackays Stores Limited, Caledonia House, Caledonia Street, Paisley;
- (6) William McIlroy Swindon Limited, 9-10 Praed Mews, London, W2 1QY; and
- (7) Mackays Financial Services Limited, Caledonia House, Caledonia Street, Paisley.

This is the Paper Apart 2 referred to in the foregoing Form 466 in respect of Mackays Stores Limited

DEFINITIONS

In this Form 466, the following terms shall, unless otherwise indicated, have the following meanings:

Assets means the whole of the property, (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of Group and/or the Guarantors;

Clydesdale Debt means all or any monies and liabilities which shall for the time being (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to Clydesdale by Group and/or the Guarantors, whether actually or contingently, solely or jointly and whether as principal or surety and whether or not Clydesdale shall have been an original party to the relevant transaction, and including interest, discount, commission and other lawful charges or expenses which Clydesdale may in the course of its business charge or incur in respect of any of those matters or for keeping Group's and/or the Guarantors' account, and so that interest shall be computed and compounded according to the usual Clydesdale rates and practice as well after as before any demand made or decree obtained;

Clydesdale Pari Passu Debt means the Clydesdale Debt not exceeding £54,000,000 (or such greater amount, if any, as shall be agreed in writing from time to time between Clydesdale and HSBC);

Clydesdale Security Documents means (i) bond and floating charges dated 12 December 2001 granted to Clydesdale by each of Group and Mackay Stores (Holdings) Limited and Mackays Stores Limited, (ii) a bond and floating charge by Mackays Financial Services Limited dated 14 February 2003; and (iii) a Debenture dated 12 December 2001 granted to Clydesdale by William McIlroy Swindon Limited;

Group means Mackays Stores Group Limited, a company incorporated under Scots law (Reg. No: SC223864) with Registered Office at Caledonia House, Caledonia Street, Paisley;

Guarantors means:

Mackays Stores (Holdings) Limited (Company Number SC054092), having its registered office at Caledonia House, Caledonia Street, Paisley

Mackays Stores Limited (Company Number SC036368), having its registered office at Caledonia House, Caledonia Street, Paisley

William McIlroy Swindon Limited (Company Number 543328), having its registered office at 9-10 Praed Mews, London, W2 1QY

Mackays Financial Services Limited (Company Number SC232635), having its registered office at Caledonia House, Caledonia Street, Paisley

(each a "**Guarantor**")

HSBC means HSBC Bank plc, a company incorporated in England and Wales (Reg. No: 14259) having its Registered Office formerly at Poultry, London EC2P 2BX and now at 8 Canada Square, London E14 5HQ;

HSBC Debt means 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 in whatsoever manner to HSBC by Group and/or the Guarantors, whether actually or contingently, solely or jointly and whether as principal or surety and whether or not HSBC shall have been an original party to the relevant transaction, and including interest, discount, commission and other lawful charges or expenses which HSBC may in the course of its business charge or incur in respect of any of those matters or for keeping Group's and/or the Guarantors' account, and so that interest shall be computed and compounded according to the usual HSBC rates and practice as well after as before any demand or decree obtained;

HSBC Pari Passu Debt means the HSBC Debt not exceeding £5,500,000 (or such greater amount, if any, as shall be agreed in writing from time to time between Clydesdale and HSBC);

HSBC Security Documents means (i) bond and floating charges dated 12 December 2001 granted to HSBC each of Group and Mackays Stores (Holdings) Limited and Mackays Stores Limited (ii) a bond and floating charge by Mackays Financial Services Limited dated 14 February 2003; and (iii) a Debenture dated 12 December 2001 granted to HSBC by William McIlroy Swindon Limited;

Instrument means the Scots law Ranking Agreement between Group, the Guarantors, Clydesdale and HSBC dated 11 December 2002 and 14 January and 14 February 2003;

Preferential Payments means payments to which a preference attaches in terms of Sections 175 and 386 of the Insolvency Act 1986;

Security Documents means the Clydesdale Security Documents and the HSBC Security Documents;

enforce (and all derivations from it) means the taking of any of the following actions:-

- (1) the appointing a receiver pursuant to or in respect of any of the Security Documents;
- (2) the exercising a power of sale or otherwise utilising the rights given to a creditor under any of the Security Documents;
- (3) the suing for payment of any Clydesdale Debt or HSBC Debt;
- (4) the petitioning for an administration order; or
- (5) the exercising of any rights of set-off, retention combination of accounts or similar right in respect of the Clydesdale Debt or HSBC Debt;

INTERPRETATION

References to the Instrument and to any provisions of it shall be construed as references to it in force for the time being and as amended, varied, supplemented, substituted or novated from time to time;

References to statutes, statutory provisions and other legislation shall include all amendments, modifications and re-enactments for the time being in force;

Words importing the singular are to include the plural and vice versa;

References to a person are to be construed to include references to a corporation, firm, Group, partnership, joint venture, unincorporated body of persons, individual or any state or any agency of a state, whether or not a separate legal entity;

References to any person are to be construed to include that person's assignees or transferees or successors in title, whether direct or indirect;

Clause headings are for ease of reference only and are not to affect the interpretation of the Instrument;

The Instrument supersedes any previous agreement, whether written or oral, express or implied, between the parties to it (or any of them) in relation to the subject matter of the Instrument.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF AN ALTERATION TO A FLOATING CHARGE

Company number 36368

I hereby certify that particulars of an instrument of alteration dated
14 FEBRUARY 2003

were delivered pursuant to section 410 of the Companies Act, 1985,
on 4 MARCH 2003.

The instrument relates to a charge created on 12 DECEMBER 2001
by MACKAYS STORES LIMITED

in favour of CLYDESDALE BANK PUBLIC LIMITED COMPANY

for securing ALL SUMS DUE, OR TO BECOME DUE

Given at Companies House, Edinburgh
6 MARCH 2003



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



N.B. Searchers may find it desirable to refer to the documents mentioned in column (2) for more detailed particulars

REGISTER of Charges, Alterations to Charges,

COMPANY: SC036368 CHARGE: 73

(1) Date of Registration	(2) Serial Number of Document on File	(3) Date of Creation of each Charge and Description thereof	(4) Date of the acquisition of the Property	(5) Amount secured by the Charge £	(6) Short Particulars of the Property Charged	(7) Names of the Persons entitled to the Charge
21/12/2001		12/12/01 FLOATING CHARGE		ALL SUMS DUE, OR TO BECOME DUE	UNDERTAKING AND ALL PROPERTY AND ASSETS PRESENT AND FUTURE OF THE COMPANY INCLUDING UNCALLED CAPITAL	CLYDESDALE BANK PUBLIC LIMITED COMPANY

Memoranda of Satisfaction and Appointments etc. of Receivers

N.B. Searchers may find it desirable to refer to the documents mentioned in column (2) for more detailed particulars

COMPANY: SC036368 CHARGE: 73

(8)	(9)	(10)	(11)	(12)		
				Receiver		
In the case of a floating charge, a statement of the provisions, if any, prohibiting or restricting the creation by the company of any fixed security or any other floating charge having priority over, or ranking <i>pari passu</i> with the floating charge.	In the case of a floating charge, a statement of the provisions if any regulating the order in which the floating charge shall rank with any other subsisting or future floating charges or fixed securities over the property the subject of the floating charge or any part of it.	Amount or rate per cent of the Commission Allowance or discount	Memoranda of Satisfaction	Name	Date of Appointment	Date of Ceasing to act
COMPANY ARE EXPRESSLY PROHIBITED FROM CREATING SUBSEQUENT FIXED SECURITY HAVING PRIORITY OVER OR RANKING EQUALLY WITH THE FLOATING CHARGE						

N.B. Searchers may find it desirable to refer to the documents mentioned in column (2) for more detailed particulars

COMPANY: SC036368 CHARGE: 73

Instruments of Alteration to a Floating Charge					
(13) Date of Execution	(14) Names of the persons who have executed the instrument	(15) The provisions, if any, prohibiting or restricting the creation by the Company of any fixed security or any other floating charge having priority over, or ranking <i>pari passu</i> with, the floating charge.	(16) The provisions, if any, varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges.	(17) Short particulars of any property released from the floating charge	(18) The amount, if any, by which the amount secured by the floating charge has been increased. £
	MACKAYS STORES (HOLDINGS) LIMITED AND OTHERS MACKAYS STORES GROUP LIMITED HSBC BANK PLC CLYDESDALE BANK PUBLIC LIMITED COMPANY MACKAYS STORES (HOLDINGS) LIMITED AND OTHERS MACKAYS STORES GROUP LIMITED HSBC BANK PLC CLYDESDALE BANK PUBLIC LIMITED COMPANY				