

MR01

000602 / 26

Particulars of a charge



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

You can use the WebFiling service to file this form online Please go to www.companieshouse.gov.uk

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

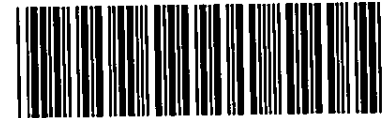
X What this form is NOT for You may not use this form to register a charge where there is an instrument Use form MR08

For further information, please refer to our guidance at

This form must be delivered to the Registrar for registration within 21 days beginning with the day after the date of creation of the charge delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery

☑ You must enclose a certified copy of the instrument with this form This will be scanned and placed on the public record

SATURDAY



A2KSEW46 A05 09/11/2013 #59 COMPANIES HOUSE

1 Company details

Company number 8 6 4 5 3 5 6 Company name in full INDIGO DELTA GROUP LIMITED

For official use Filing in this form Please complete in typescript or in bold black capitals All fields are mandatory unless specified or indicated by *

2 Charge creation date

Charge creation date 0 7 1 1 2 0 1 3

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees entitled to the charge

Name PAUL BAGNALL

Name

Name

Name

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

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

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Particulars of a charge

4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page
Please use a continuation page if you need to enter more details

Description

ALL ASSETS DEBENTURE

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

Yes

No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

Yes Continue

No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

Yes

No

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Particulars of a charge

8

Trustee statement ①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X  X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge

Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name JEMIL VISRAM

Company name SQUARE ONE LAW LLP

Address ANSON HOUSE

FLEMING BUSINESS CENTRE

BURDON TERRACE, JESMOND

Post town NEWCASTLE UPON TYNE

County/Region TYNE AND WEAR

Postcode

	N	E	2	3	A	E	
--	---	---	---	---	---	---	--

Country ENGLAND

DX JESMOND 62566

Telephone 0843 224 7900

Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.

Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- The company name and number match the information held on the public Register
- You have included a certified copy of the instrument with this form
- You have entered the date on which the charge was created
- You have shown the names of persons entitled to the charge
- You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- You have given a description in Section 4, if appropriate
- You have signed the form
- You have enclosed the correct fee
- Please do not send the original instrument, it must be a certified copy

Important information

Please note that all information on this form will appear on the public record

How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper

Make cheques or postal orders payable to 'Companies House'

Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



DX

FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8645356

Charge code: 0864 5356 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 7th November 2013 and created by INDIGO DELTA GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th November 2013.

Given at Companies House, Cardiff on 15th November 2013



Companies House



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

Dated

07 NOVEMBER

2013

We hereby certify that this is a true and complete copy of the original document

Certified by J. Visser of Square One Car LLP.

Date. 7 November 2013.

INDIGO DELTA GROUP LIMITED

and

PAUL BAGNALL

DEBENTURE

SQUAREONE LAW

Anson House, The Fleming Business Centre, Burdon Terrace, Jesmond, Newcastle Upon Tyne, NE2 3AE

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THIS DEED is dated 07 NOVEMBER 2013

PARTIES

- (1) **INDIGO DELTA GROUP LIMITED** incorporated and registered in England and Wales with company number 8645356 whose registered office is at 3rd Floor Benton House, Sandyford Road Jesmond, Newcastle upon Tyne, Tyne and Wear NE2 1QE (IDG); and
- (2) **PAUL BAGNALL** of 25 Clayworth Road, Newcastle upon Tyne, Tyne and Wear NE3 4AB (Exit Seller)

BACKGROUND

- (A) The Exit Seller has agreed, pursuant to the Share Purchase Agreement, to sell 90 ordinary shares in the capital of the Company to IDG for cash consideration
- (B) Pursuant to the terms of the Share Purchase Agreement, a portion of the consideration payable by IDG to the Exit Seller is deferred and will be paid by IDG in instalments.
- (C) Under this deed, IDG provides security for the payment of the deferred consideration in accordance with the terms of the Share Purchase Agreement

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

1.2 The following definitions apply in this deed.

Administrator	an administrator appointed to manage the affairs, business and property of IDG pursuant to clause 5.6.
Book Debts	all present and future book and other debts, and monetary claims due or owing to IDG, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by IDG in relation to any of them
Business Day	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business
Company	Interactive Development Support Limited incorporated and registered in England and Wales with company number 04462419 whose registered office is at 3 rd Floor Benton House, Sandyford Road Jesmond, Newcastle upon Tyne, Tyne and Wear NE2 1QE
Delegate	any person appointed by the Exit Seller or any Receiver pursuant to clause 10 and any person appointed as attorney of the Exit Seller, Receiver or Delegate
Designated Account	any account of IDG nominated by the Exit Seller as a designated account for the purposes of this deed.
Environment	the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

Environmental Law	all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment
Equipment	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 IDG, including any part of it and all spare parts, replacements, modifications and additions
Event of Default	the occurrence of any event, or any combination thereof, listed in clauses 3.7 to 3.12 (inclusive) of the Share Purchase Agreement.
Financial Collateral	shall have the meaning given to that expression in the Financial Collateral Regulations
Financial Collateral Regulations	the Financial Collateral Arrangements (No 2) Regulations 2003 (<i>SI 2003/3226</i>)
Insurance Policy	each contract and policy of insurance effected or maintained by IDG from time to time in respect of its assets or business (including, without limitation, any insurances relating to the Properties or the Equipment)
Intellectual Property	IDG'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	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 IDG, including any <ul style="list-style-type: none"> (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	Law of Property Act 1925
Properties	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 IDG, or in which IDG holds an interest, and Property means any of them.

Receiver	a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Exit Seller under clause 8.
Share Purchase Agreement	the share purchase agreement to be entered into on the date of this deed between (1) the Exit Seller, (2) Valerie Bagnall, (3) Gordon Quince, (4) Vanessa Quince (together, the Sellers); and (5) the Buyer relating to the sale by the Sellers of the entire issued share capital in the Company to the Buyer.
Secured Assets	all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this deed
Secured Liabilities	all present and future monies, obligations and liabilities owed by IDG to the Exit Seller, 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 Share Purchase Agreement or this deed (including, without limitation, those arising under clause 22.3.2), 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 that expression in the Financial Collateral Regulations.
Security	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	the period starting on the date of this deed and ending on the date on which the Exit Seller is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding

1.3 Interpretation

1.4 In this deed.

1.4.1 clause headings shall not affect the interpretation of this deed,

1.4.2 a reference to a person shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees,

1.4.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;

1.4.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders,

- 1 4 5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees;
- 1 4 6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time,
- 1 4 7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1 4 8 a reference to **writing** or **written** excludes fax and e-mail;
- 1 4 9 an obligation on a party not to do something includes an obligation not to allow that thing to be done,
- 1 4 10 a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time,
- 1 4 11 unless the context otherwise requires, a reference to a clause is to a clause of this deed,
- 1 4 12 any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms,
- 1 4 13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly),
- 1 4 14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description,
- 1 4 15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution,
- 1 4 16 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived to the Exit Seller's satisfaction evidenced in writing,
- 1 4 17 a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it, and
- 1 4.18 a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation

1 5 **Clawback**

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

1 6 **Nature of Security Over Real Property**

A reference in this deed to a charge or mortgage of or over any Property includes:

- 1 6 1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) that are situated on or form part of that Property at any time;

- 1.6.2 the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property;
- 1.6.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of IDG in respect of that Property, and any monies paid or payable in respect of those covenants; and
- 1.6.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Property

1.7 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 Share Purchase Agreement and of any side letters between any parties in relation to the Share Purchase Agreement are incorporated into this deed

1.8 Perpetuity Period

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

2. COVENANT TO PAY

IDG shall, on demand, pay to the Exit Seller and discharge the Secured Liabilities as and when they become due in accordance with the terms of this deed and the Share Purchase Agreement

3. GRANT OF SECURITY

3.1 Floating Charge

As a continuing security for the payment and discharge of the Secured Liabilities, IDG with full title guarantee charges to the Exit Seller, by way of first floating charge over all of IDG's present and future undertakings, property assets and rights, including but not limited the following.

- 3.1.1 Properties;
- 3.1.2 rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property,
- 3.1.3 licences, consents and authorisations (statutory or otherwise) held or required in connection with IDG's business or the use of any Secured Asset, and all rights in connection with them,
- 3.1.4 goodwill,
- 3.1.5 uncalled capital,
- 3.1.6 Equipment,
- 3.1.7 Intellectual Property;
- 3.1.8 Book Debts;
- 3.1.9 rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy
- 3.1.10 Investments, and
- 3.1.11 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 Qualifying Floating Charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.1

3.3 Automatic Crystallisation of Floating Charge

The floating charge created by clause 3.1 shall automatically and immediately (without notice) be converted into a fixed charge over the assets subject to that floating charge if:

3.3.1 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets, or

3.3.2 a resolution is passed or an order is made for the winding-up, dissolution, or administration of IDG

3.4 Crystallisation of Floating Charge By Notice

The Exit Seller may, in its sole discretion, by written notice to IDG, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Exit Seller in that notice if

3.4.1 an Event of Default occurs and is continuing, or

3.4.2 the Exit Seller considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

3.5 Assets Acquired After Any Floating Charge Has Crystallised

Any asset acquired by IDG 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 Exit Seller confirms otherwise to IDG in writing) be charged to the Exit Seller by way of first fixed charge

4 LIABILITY OF IDG

4.1 Liability Not Discharged

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

4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Exit Seller that is, or becomes, wholly or partially illegal, void or unenforceable on any ground,

4.1.2 the Exit Seller 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

4.1.3 any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of IDG

4.2 Immediate Recourse

IDG waives any right it may have to require the Exit Seller to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against IDG

5. POWERS OF THE EXIT SELLER

5.1 Power to Remedy

- 5.1.1 The Exit Seller shall be entitled (but shall not be obliged) to remedy, at any time, a breach by IDG of any of its obligations contained in this deed
- 5.1.2 IDG irrevocably authorises the Exit Seller and its agents to do all things that are necessary or desirable for that purpose
- 5.1.3 Any monies expended by the Exit Seller in remedying a breach by IDG of its obligations contained in this deed shall be reimbursed by IDG to the Exit Seller on a full indemnity basis and shall carry interest in accordance with clause 12.1

5.2 Exercise of Rights

The rights of the Exit Seller under clause 5.1 are without prejudice to any other rights of the Exit Seller under this deed. The exercise of any rights of the Exit Seller under this deed shall not make the Exit Seller liable to account as a mortgagee in possession

5.3 Power to Dispose of Chattels

- 5.3.1 At any time after the security constituted by this deed has become enforceable, the Exit Seller or any Receiver may, as agent for IDG, dispose of any chattels or produce found on any Property
- 5.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 5.3.1, IDG shall indemnify the Exit Seller and any Receiver against any liability arising from any disposal made under clause 5.3.1

5.4 Exit Seller 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 Exit Seller 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.

5.5 Indulgence

The Exit Seller 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 IDG) 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 IDG for the Secured Liabilities.

5.6 Appointment of An Administrator

- 5.6.1 The Exit Seller may, without notice to IDG, appoint any one or more persons to be an Administrator of IDG pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.
- 5.6.2 Any appointment under this clause 5.6 shall
 - 5.6.2.1 be in writing signed by a duly authorised signatory of the Exit Seller; and
 - 5.6.2.2 take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986
- 5.6.3 The Exit Seller may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 5.6

appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified

6 WHEN SECURITY BECOMES ENFORCEABLE

6.1 Security Becomes Enforceable on Event of Default

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

6.2 Discretion

After the security constituted by this deed has become enforceable, the Exit Seller 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

7. ENFORCEMENT OF SECURITY

7.1 Enforcement Powers

7.1.1 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 Exit Seller and a purchaser from the Exit Seller, arise on and be exercisable at any time after the execution of this deed, but the Exit Seller shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable under this deed

7.1.2 Section 103 of the LPA 1925 does not apply to the security constituted by this deed

7.2 Extension of Statutory Powers of Leasing

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

7.2.1 grant a lease or agreement to lease,

7.2.2 accept surrenders of leases, or

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

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

7.3 Access on Enforcement

7.3.1 At any time after the Exit Seller has demanded payment of the Secured Liabilities or if IDG defaults in the performance of its obligations under this deed or the Share Purchase Agreement, IDG will allow the Exit Seller 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 Exit Seller or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to IDG for, or by any reason of, that entry

7.3.2 At all times, IDG must use its best endeavours to allow the Exit Seller or its Receiver access to any premises for the purpose of clause 7.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same

7.4 Protection of Third Parties

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

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

7.4.2 whether any power the Exit Seller, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable, or

7.4.3 how any money paid to the Exit Seller, any Receiver or any Delegate is to be applied

7.5 Privileges

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

7.6 No Liability As Mortgagee in Possession

Neither the Exit Seller, 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

7.7 Conclusive Discharge to Purchasers

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

7.8 Right of Appropriation

7.8.1 To the extent that,

7.8.1.1 the Secured Assets constitute Financial Collateral; and

7.8.1.2 this deed and the obligations of IDG under it constitute a Security Financial Collateral Arrangement,

the Exit Seller 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 Exit Seller may, in its absolute discretion, determine

7.8.2 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 method that the Exit Seller may select (including independent valuation).

7.8.3 IDG agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

8. RECEIVER

8 1 Appointment

At any time after the security constituted by this deed has become enforceable, or at the request of IDG, the Exit Seller 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.

8 2 Removal

The Exit Seller 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

8 3 Remuneration

The Exit Seller 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 Exit Seller

8.4 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 Exit Seller 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

8 5 Power of Appointment Exercisable Despite Prior Appointments

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

8 6 Agent of IDG

Any Receiver appointed by the Exit Seller under this deed shall be the agent of IDG and IDG 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 IDG goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Exit Seller

9 POWERS OF RECEIVER

9 1 General

9 1 1 Any Receiver appointed by the Exit Seller under this deed shall, in addition to the powers conferred on him by statute, have the powers set out in this clause 9

9 1 2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver

9.1.3 Any exercise by a Receiver of any of the powers given by clause 9 may be on behalf of IDG, the directors of IDG or himself.

9.2 Repair and Develop Properties

A Receiver may undertake or complete any works of repair, building or development on the Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same

9.3 Surrender Leases

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that he thinks fit

9.4 Employ Personnel and Advisors

A Receiver may provide services and employ, or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by IDG

9.5 Make VAT Elections

A Receiver may make, exercise or revoke any value added tax option to tax as he thinks fit

9.6 Remuneration

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

9.7 Realise Secured Assets

A Receiver may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights.

9.8 Manage or Reconstruct IDG's Business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of IDG.

9.9 Dispose of Secured Assets

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

9.10 Sever Fixtures and Fittings

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

9.11 Sell Book Debts

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

9.12 Valid Receipts

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

9.13 Make Settlements

A Receiver may make any arrangement, settlement or compromise between IDG and any other person that he may think expedient

9.14 Bring Proceedings

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

9 15 Improve the Equipment

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

9 16 Make Calls on IDG Members

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

9 17 Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 12, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by IDG under this deed

9 18 Powers Under the LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986

9 19 Borrow

A Receiver may, for any of the purposes authorised by this clause 9, raise money by borrowing from any other person either unsecured or on the security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Exit Seller consents, terms under which that security ranks in priority to this deed).

9 20 Redeem Prior Security

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on IDG, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

9 21 Delegation

A Receiver may delegate his powers in accordance with this deed

9 22 Absolute Beneficial Owner

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an

absolute beneficial owner could exercise or do in the ownership and management of the Secured Assets or any part of the Secured Assets

9.23 Incidental Powers

A Receiver may do any other acts and things

9 23.1 that he may consider desirable or necessary for realising any of the Secured Assets,

9 23 2 that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or

9 23 3 that he lawfully may or can do as agent for IDG.

10. DELEGATION

10 1 Delegation

The Exit Seller 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 14.1)

10.2 Terms

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

10 3 Liability

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

11. APPLICATION OF PROCEEDS

11.1 Order of Application of Proceeds

All monies received by the Exit Seller, 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

11.1 1 in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Exit Seller (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,

11 1 2 in or towards payment of or provision for the Secured Liabilities in any order and manner that the Exit Seller determines, and

11 1 3 in payment of the surplus (if any) to IDG or other person entitled to it.

11 2 Appropriation

Neither the Exit Seller, 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

11.3 Suspense Account

All monies received by the Exit Seller, a Receiver or a Delegate under this deed

- 11.3 1 may, at the discretion of the Exit Seller, Receiver or Delegate, be credited to any suspense or securities realised account,
- 11 3 2 shall bear interest, if any, at the rate agreed in writing between the Exit Seller and IDG; and
- 11 3 3 may be held in that account for so long as the Exit Seller, Receiver or Delegate thinks fit

12. COSTS AND INDEMNITY

12 1 Costs

IDG shall, within five Business Days of demand, pay to, or reimburse, the Exit Seller and any Receiver, 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) incurred by the Exit Seller, any Receiver or any Delegate in connection with

- 12 1 1 this deed or the Secured Assets,
- 12 1 2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Exit Seller's, a Receiver's or a Delegate's rights under this deed, or
- 12.1 3 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 IDG) at 3% above the base rate of Lloyds TSB Banks plc.

12 2 Indemnity

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

- 12 2 1 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;
- 12 2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed, or
- 12 2 3 any default or delay by IDG in performing any of its obligations under this deed

Any past or present employee or agent may enforce the terms of this clause 12 2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999

13. FURTHER ASSURANCE

13 1 Further Assurance

IDG shall, at its own expense, take whatever action the Exit Seller or any Receiver may reasonably require for

- 13 1.1 creating, perfecting or protecting the security intended to be created by this deed,

- 13.1.2 facilitating the realisation of any Secured Asset; or
- 13 1 3 facilitating the exercise of any right, power, authority or discretion exercisable by the Exit Seller or any Receiver in respect of any Secured Asset,

including, without limitation (if the Exit Seller 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 Exit Seller or to its nominee) and the giving of any notice, order or direction and the making of any registration

14. POWER OF ATTORNEY

14 1 Appointment of Attorneys

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

- 14 1 1 IDG is required to execute and do under this deed, or
- 14 1 2 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 Exit Seller, any Receiver or any Delegate

14 2 Ratification of Acts of Attorneys

IDG 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 14.1

15. RELEASE

On the expiry of the Security Period (but not otherwise), the Exit Seller shall, at the request and cost of IDG, take whatever action is necessary to:

- 15 1 1 release the Secured Assets from the security constituted by this deed; and
- 15.1.2 reassign the Secured Assets to IDG.

16. ASSIGNMENT AND TRANSFER

16.1 Assignment By Exit Seller

- 16 1 1 At any time, without the consent of IDG, the Exit Seller may assign or transfer any or all of its rights and obligations under this deed
- 16 1 2 The Exit Seller may disclose to any actual or proposed assignee or transferee any information in its possession that relates to IDG, the Secured Assets and this deed that the Exit Seller considers appropriate.

16 2 Assignment By IDG

IDG may not assign any of its rights, or transfer any of its rights or obligations, under this deed without the prior written consent of the Exit Seller (such consent to not be unreasonably withheld or delayed)

17. SET-OFF

17 1 Exit Seller's Right of Set-off

The Exit Seller may at any time set off any liability of IDG to the Exit Seller against any liability of the Exit Seller to IDG, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to

be set off are expressed in different currencies, the Exit Seller may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Exit Seller of its rights under this clause 17 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

17 2 No Obligation to Set Off

The Exit Seller is not obliged to exercise its rights under clause 17.1. If, however, it does exercise those rights it must promptly notify IDG of the set-off that has been made

18 AMENDMENTS, WAIVERS AND CONSENTS

18 1 Amendments

No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative)

18 2 Waivers and Consents

18 2 1 A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision

18 2 2 A failure or delay by a party to exercise any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Exit Seller shall be effective unless it is in writing

18 3 Rights and Remedies

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

19. SEVERANCE

If any provision (or part of a provision) of this deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this deed

20. COUNTERPARTS

20 1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed

20 2 Transmission of the executed signature page of a counterpart of this deed by fax or e-mail (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter

20 3 No counterpart shall be effective until each party has executed and delivered at least one counterpart

21. THIRD PARTY RIGHTS

21 1 Except as expressly provided elsewhere in this deed, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

21 2 The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person

22. FURTHER PROVISIONS

22 1 Independent Security

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

22.2 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 Exit Seller discharges this deed in writing.

22 3 Discharge Conditional

Any release, discharge or settlement between IDG and the Exit Seller shall be deemed conditional on no payment or security received by the Exit Seller 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:

22 3 1 the Exit Seller 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 Exit Seller deems necessary to provide the Exit Seller with security against any such avoidance, reduction or order for refund; and

22 3 2 the Exit Seller may recover the value or amount of such security or payment from IDG subsequently as if the release, discharge or settlement had not occurred.

22 4 Certificates

A certificate or determination by the Exit Seller as to any amount for the time being due to it from IDG under this deed and the Share Purchase Agreement shall be, in the absence of any manifest error, conclusive evidence of the amount due.

22 5 Consolidation

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

23. NOTICES

23.1 Delivery

Any notice or other communication required to be given to a party under or in connection with this deed shall be

- 23.1.1 in writing,
- 23 1 2 delivered by hand, by pre-paid first-class post or other next working day delivery service ; and
- 23 1 3 sent to the addresses set out in the preamble to this deed or to any other address as is notified in writing by one party to the other from time to time

23 2 Receipt By IDG

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

- 23 2.1 if delivered by hand, at the time it is left at the relevant address, and
- 23 2 2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting

A notice or other communication given as described in this clause 30.4 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

23 3 Receipt By Exit Seller

Any notice or other communication given to the Exit Seller shall be deemed to have been received only on actual receipt.

23 4 Service of Proceedings

This clause 23 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

23 5 No Notice By E-mail

A notice or other communication given under or in connection with this deed is not valid if sent by e-mail

24. GOVERNING LAW AND JURISDICTION

24 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

24 2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising 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 Exit Seller to take proceedings against IDG 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 jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction

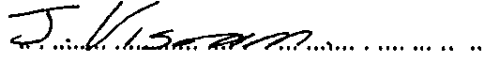
24 3 Other Service

IDG irrevocably consents to any process in any legal action or proceedings under clause 24.2 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 AGREEMENT has been entered into as a deed on the date stated at the beginning of it.

Executed as a deed by INDIGO DELTA GROUP LIMITED acting by Gordon Quince, a director, in the presence of a witness


Director

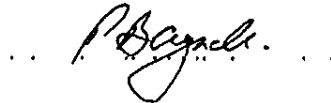



Witness' name JEMIL VISRAM

Witness' occupation SOLICITOR

Witness' address ANSON HOUSE,
FLEMING BUSINESS CENTRE
NEWCASTLE NE2 3AE

Executed as a deed by PAUL BAGNALL in the presence of a witness





Witness' name RICKY HANDA

Witness' occupation PARALEGAL

Witness' address ANSON HOUSE
FLEMING BUSINESS CENTRE
NEWCASTLE NE 2 3AE