



Registration of a Charge

Company Name: **BREAKWELLS PAINTS LIMITED**

Company Number: **04290132**



XB4F1300

Received for filing in Electronic Format on the: **20/05/2022**

Details of Charge

Date of creation: **19/05/2022**

Charge code: **0429 0132 0001**

Persons entitled: **FLEX ABL LIMITED**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **KIRSTY IBBOTSON**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4290132

Charge code: 0429 0132 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 19th May 2022 and created by BREAKWELLS PAINTS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th May 2022 .

Given at Companies House, Cardiff on 23rd May 2022

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



Companies House



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

DATED 19 May 2022

FLEX ABL LIMITED (1)

and

BREAKWELLS PAINTS LIMITED (2)

CLIENT DEBENTURE

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THIS DEBENTURE is made on 19 May 2022

BETWEEN

- (1) **FLEX ABL LIMITED** a company registered in England and Wales under company number 05360385 whose registered office is at 26 Main Avenue, Moor Park, England, HA6 2HJ ("**Flex**"); and
- (2) **BREAKWELLS PAINTS LIMITED** a company registered in England and Wales under company number 04290132 whose registered office is at 1 Harden Road, Leamore Walsall, West Midlands, WS3 1EL (the "**Client**").

(together the "**Parties**" and each a "**Party**")

IT IS AGREED THAT:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

- (a) terms defined in the Receivables Finance Agreement (as defined below) have the same meanings when used in this Deed; and
- (b) at all times the following terms have the following meanings:

"Account Bank" means such bank approved by Flex and with which any Charged Account is maintained from time to time.

"Act" means the Law of Property Act 1925.

"Assigned Assets" means the Security Assets expressed to be assigned by way of security pursuant to clause 4.2 (*Security assignments*).

"Charged Accounts" means each account charged by or pursuant to this Deed.

"Client Account" has the meaning given to that term in clause 11.4 (*Dealings with Receivables and Related Rights*).

"Debenture Security" means the security created or evidenced by or pursuant to this Deed.

"Debts" means, all present and future book and other debts (including, in the case of a Client, all its Receivables as defined in the Receivables Finance Agreement), rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, the Client, whether actual or contingent and whether arising under contract or in any other manner whatsoever, together with:

- (a) the benefit of all rights, guarantees, Security Interests and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities reservations or property rights, rights of tracing and unpaid vendor's liens and similar Associated Rights); and

(b) all proceeds of any of the foregoing.

"Delegate" means any delegate, sub-delegate, agent, attorney or co-trustee appointed by Flex or by a Receiver.

"Fixed Assets" means the following assets owned now or in future (legally or beneficially) by the Client:

- (a) all of the goodwill and uncalled capital of the Client;
- (b) all stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or investments;
- (c) all intellectual property including any patents, trade-marks, service marks, designs, business names or copy rights together with the benefit of all applications for registration and all goodwill attaching to such assets;
- (d) all accounts with any bank or financial institution (including by not limited to the Client Accounts) and all monies at any time standing to the credit of such accounts together with all interest accrued or accruing on such monies;
- (e) the benefit of all licences, consents, agreements and Authorisations held or used in connection with the business of the Client or the use of any of its assets; and
- (f) any letter of credit issued in favour of the Client and all bills of exchange and other negotiable instruments held by it.

"Insurances" means all policies of insurance (and all cover notes) which are at any time held by or written in favour of the Client, or in which the Client from time to time has an interest but excluding such policies of insurance to the extent that they relate to third party liabilities.

"Inventory" means raw materials, work in progress and finished goods, being the stock-in-trade of the Client.

"Non-Vesting Receivable" means any Receivable purchased or purported to be purchased by Flex pursuant to the Receivables Finance Agreement, the ownership of which fails for any reason to vest absolutely and effectively in Flex, together with the proceeds of such Receivable.

"Receivables Finance Agreement" means the receivables finance agreement relating to facilities dated on or about the date of this Deed and made or to be made between (1) the Client and (2) Flex, and as amended, varied or supplemented from time to time.

"Receiver" means a receiver, receiver and manager or administrative receiver of the whole or any part of the Security Assets appointed by Flex under this Deed.

"Relevant Contract" means any agreement with a Customer, together with each other agreement supplementing or amending or novating or replacing the same.

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity

whatsoever) of the Client to Flex under or pursuant to any Finance Document (including all moneys covenanted to be paid under this Deed).

"Security Assets" means all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this Deed.

"Security Period" means the period beginning on the date of this Deed and ending on the date on which:

- (a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and
- (b) Flex does not have any further commitment, obligation or liability under or pursuant to the Finance Documents.

"Terms and Conditions" means Flex's standard terms and conditions (as may be amended, varied or supplemented from time to time) incorporated by the Receivables Finance Agreement.

1.2 Interpretation

- (a) Unless otherwise stated, the provisions of clause 30 (*Definitions and Interpretation*) of the Terms and Conditions apply to this Deed as though they were set out in full in this Deed, except that references to "this Agreement" shall be construed as references to this Deed.
- (b) Unless otherwise stated, a reference in this Deed to:
 - (i) **"Flex"** shall be construed so as to include its directors, officers and shareholders, any Receiver and any attorney or other person appointed by Flex under this Deed;
 - (ii) **"this Deed"**, the **"Receivables Finance Agreement"**, any other **"Finance Document"** or any other agreement is a reference to that agreement as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of any member of the Group or provides for further advances); and
 - (iii) **"Secured Obligations"** includes obligations and liabilities which would be treated as such but for the winding-up, liquidation, administration or dissolution of or similar event affecting any member of the Group.
- (c) Each undertaking of the Client under this Deed (other than a payment obligation which has been discharged) is given for the benefit of Flex and shall remain in force and must be complied with at all times during the Security Period.
- (d) The terms of the other Finance Documents, and of any side letters between any of the parties to them in relation to any Finance Document, are incorporated in this Deed to the extent required to ensure that any disposition any real property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

- (e) If Flex reasonably considers that an amount paid by any member of the Group to Flex under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of such member of the Group, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- (f) The Parties intend that this document shall take effect as a deed notwithstanding the fact a Party may execute this document under hand.

1.3 Third party rights

- (a) Save as expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.
- (c) A Receiver may enforce and enjoy the benefit of any provision of this Deed which expressly confers rights on it, subject to paragraph (b) above and the provisions of the Third Parties Act.

2 COVENANT TO PAY

The Client shall:

- (a) on demand fully discharge by payment to Flex without any deduction or set-off all or any monetary liabilities included in the Secured Obligations; and
- (b) duly perform all Secured Obligations other than monetary liabilities.

3 GRANT OF SECURITY

All Security Interests and dispositions created or made by or pursuant to this Deed are created or made in favour of Flex with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

4 FIXED SECURITY

4.1 Fixed charges

The Client charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest:

- (a) by way of first fixed charge, all Fixed Assets;
- (b) by way of first fixed charge, all Non-Vesting Receivables; and
- (c) to the extent that any Assigned Asset is not effectively assigned under clause 4.2 (*Security assignments*), by way of first fixed charge such Assigned Asset.

4.2 Security assignments

The Client assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all of its present and future right, title and interest in and to:

- (a) all Relevant Contracts, all rights and remedies in connection with the Relevant Contracts and all proceeds and claims arising from them and any guarantee or security for the performance of any such agreements;
- (b) all Insurances and all claims under the Insurances and all proceeds of the Insurances; and
- (c) all other Debts not otherwise assigned to Flex under any Finance Document or charged pursuant to clause 4.1(b) (*Fixed Charges*).

If and to the extent that any Assigned Asset purportedly assigned under clause 4.2(b) is:

- (a) not capable of assignment; or
- (b) subject to the terms and conditions (which must be valid, binding and enforceable under applicable laws) that either preclude absolutely, or require consent of a third party to such assignment, then and in each such case, to the maximum extent permitted by law:
 - (i) the security assignment which that clause 4.2(f) purports to effect shall operate instead as an assignment of all present and future rights and claims of the Client to any proceeds of that Assigned Asset; and
 - (ii) the relevant Assigned Asset shall be charge by way of first fixed charge under clause 4.1(c) (*Fixed charges*).

4.3 Assigned Assets

Flex is not obliged to take any steps necessary to preserve any Assigned Asset, to enforce any term of a Relevant Contract against any person or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Deed.

5 FLOATING CHARGE

5.1 The Client charges and agrees to charge by way of first floating charge all of its present and future:

- (a) assets and undertaking (including, for the avoidance of doubt, Inventory) (wherever located) not otherwise effectively charged by way of fixed mortgage or charge or assigned pursuant to clause 4.1 (*Fixed charges*), clause 4.2 (*Security assignments*) or any other provision of this Deed; and
- (b) (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland.

5.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to this Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

6 CONVERSION OF FLOATING CHARGE

6.1 Conversion by notice

Flex may, by written notice to the Client, convert the floating charge created under this Deed into a fixed charge if:

- (a) a Termination Event has occurred and is continuing; or
- (b) Flex considers any Security Asset 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.

6.2 Small companies

The floating charge created under this Deed by the Client shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of the Client.

6.3 Automatic conversion

The floating charge created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge:

- (a) in relation to any Security Asset which is subject to a floating charge if:
 - (i) the Client creates (or attempts or purports to create) any Security Interest (other than a Permitted Security) on or over the relevant Security Asset without the prior written consent of Flex; or
 - (ii) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset; and
- (b) over all Security Assets of the Client which are subject to a floating charge if an administrator is appointed in respect of the Client or Flex receives notice of intention to appoint such an administrator (as contemplated by the Insolvency Act 1986).

6.4 Scottish property

Clause 6.3 (*Automatic conversion*) will not apply to any assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

6.5 Partial conversion

The giving of a notice by Flex pursuant to clause 6.1 (*Conversion by notice*) in relation to any asset or class of assets of the Client shall not be construed as a waiver or abandonment of the rights of Flex to serve similar notices in respect of any other asset or class of assets or of any other right of Flex.

7 CONTINUING SECURITY

7.1 Continuing security

The Debenture Security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. This Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.

7.2 Additional and separate security

This Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security Interest which Flex may at any time hold for any Secured Obligation.

7.3 Right to enforce

This Deed may be enforced against the Client without Flex first having recourse to any other right, remedy, guarantee or Security Interest held by or available to it.

8 LIABILITY OF THE CLIENT RELATING TO SECURITY ASSETS

Notwithstanding anything contained in this Deed or implied to the contrary, the Client remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. Flex is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

9 ACCOUNTS

No monies at any time standing to the credit of any account (of any type and however designated) of the Client with Flex or in which the Client has an interest (and no rights and benefits relating thereto) shall be capable of being assigned to any person other than Flex.

10 REPRESENTATIONS

The Client represents and warrants on the date of this Deed, the date of each Prepayment and on a daily basis that it is the sole legal and beneficial owner of all of the Security Assets. Each representation or warranty deemed to be made after the date of this Deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

11 UNDERTAKINGS BY THE CLIENT

11.1 Negative pledge and Disposals

Except as otherwise permitted in accordance with the Receivables Finance Agreement, the Client shall not, without the prior written consent of Flex:

- (a) create or permit to subsist any Security Interest on any Security Asset other than as created by this Deed; or

- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not and whether voluntarily or involuntarily) the whole or any part of its interest in any Security Asset.

11.2 Security Assets generally

The Client shall:

- (a) notify Flex within 14 days of receipt of every material notice, order or application received in relation to any Security Asset;
- (b) pay all rates, rents, renewal and maintenance fees and other outgoings owed by it in respect of the Security Assets;
- (c) comply with all obligations, regulation or requirements of any competent authority in relation to the Security Assets;
- (d) not enter into any onerous or restrictive obligations affecting any Security Assets (except as permitted by the Receivables Finance Agreement);
- (e) provide Flex with all information which it may reasonably request in relation to the Security Assets and do any actions, upon request by Flex, which Flex considers necessary to protect its Security Interests created by this Deed;
- (f) ensure (including by providing all necessary passwords and codes) that Flex, any person authorised by Flex and any Receiver appointed by it or pursuant to its application and any person authorised by such Receiver may at any time inspect and take copies of any ledgers, accounts or other records and shall be permitted at all reasonable times on reasonable notice (or at any time after the Debenture Security has become enforceable) to enter upon any premises to inspect and take copies of such ledgers, account or records;
- (g) not do, cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect); and
- (h) not do or permit to be done any act which would or might jeopardise any registration or application for registration of any Security Asset nor do any act which might assist or give rise to an application to oppose, remove, revoke or invalidate any such registration or application for registration.

11.3 Insurance

- (a) The Client shall at all times comply with its obligations as to insurance and the proceeds of insurance contained in the Receivables Finance Agreement.
- (b) If at any time the Client defaults in:
 - (i) effecting or keeping up the insurances required under the Receivables Finance Agreement; or
 - (ii) producing any insurance policy or receipt in respect of the insurances referred to in clause 11.3(b)(i) to Flex on demand,

Flex may (without prejudice to its rights under clause 12 (*Power to remedy*)) take out or renew such policies of insurance in any sum which Flex may reasonably think expedient. All monies which are reasonably expended by Flex in doing so shall be deemed to be properly paid by Flex and shall be reimbursed by the Client on demand.

- (c) The Client shall notify Flex if any claim arises or may be made under the Insurances.
- (d) The Client shall, subject to the rights of Flex under clause 11.3(e), diligently pursue its rights under the Insurances.
- (e) In relation to the proceeds of Insurances, all claims and monies received or receivable under any Insurances shall (unless otherwise provided in the Receivables Finance Agreement and subject always to the rights or claims of any lessor or landlord of any part of the Security Assets) be applied:
 - (i) in repairing, replacing, restoring or rebuilding the property damaged or destroyed;
 - (ii) at the option of Flex, at any time after the occurrence of an Termination Event which is continuing, in permanent reduction of the Secured Obligations.

11.4 Dealings with Debts (including Receivables and Associated Rights)

- (a) The Client shall:
 - (i) without prejudice to clause 11.1 (*Negative pledge and Disposals*) (but in addition to the restrictions in that clause), not, without the prior written consent of Flex, sell, assign, charge, factor or discount or in any other manner deal with:
 - (A) any Receivable or its Associated Rights; or
 - (B) any other Debt,
 save to the extent permitted by the Receivables Finance Agreement;
 - (ii) collect and realise all its Debts promptly in the ordinary course of trading;
 - (A) if the Client is also a Client, as collection agent upon and subject to the terms and conditions in clause 10 (*Collections from and dealing with Customer*) of the Terms and Conditions; or
 - (B) in any other case, as agent for Flex;
 - (iii) immediately upon receipt pay all monies which it receives in respect of Debts into:
 - (A) the Trust Account; or

- (B) such other account(s) with such other bank as Flex may from time to time direct,

(each such account(s) together with all additions to or renewals or replacements thereof (in whatever currency) being a "**Client Account**"; and
 - (iv) pending such payment, hold all monies so received upon trust for Flex.
- (b) The Client shall deal with Receivables and Non-Vesting Receivables (both collected and uncollected) and its Client Accounts in accordance with any directions given in writing from time to time by Flex and, in default of and subject to such directions, in accordance with:
 - (i) in respect of its Receivables, the Receivables Finance Agreement; and
 - (ii) in any other case, this Deed.
- (c) The Client shall deliver to Flex such information as to the amount and nature of its Receivables and Non-Vesting Receivables as Flex may from time to time reasonably require (taking into account the requirements of the Finance Documents).

11.5 Operation of Client Accounts

- (a) Except as otherwise permitted in accordance with the Receivables Finance Agreement or this Deed, the Client shall not withdraw, attempt or be entitled to withdraw (or direct any transfer of) all or any part of the monies in the Client Account without the prior written consent of Flex and Flex shall be entitled (in its absolute discretion) to refuse to permit any such withdrawal or transfer.
- (b) If any right of the Client to withdraw the proceeds of any Receivables standing to the credit of the Client Account results in the charge over that Client Account being characterised as a floating charge, that will not affect the nature of any other fixed security created by the Client under this Deed on any other outstanding Receivables.

11.6 Change of Account Bank

The Client may change Account Bank and shall provide Flex with written notice of the details of the new Account Bank as soon as practicable following such change.

12 POWER TO REMEDY

12.1 Power to remedy

If at any time the Client does not comply with any of its obligations under this Deed, Flex (without prejudice to any other rights arising as a consequence of such non-compliance) shall be entitled (but not bound) to rectify that default. The Client irrevocably authorises Flex and its employees and agents by way of security to do all such things (including entering the property of the Client) which are necessary or desirable to rectify that default.

12.2 Mortgagee in possession

The exercise of the powers of Flex under this clause 12 shall not render it liable as a mortgagee in possession.

12.3 Monies expended

The Client shall promptly pay to Flex on demand any monies which are expended by Flex in exercising its powers under this clause 12, together with interest at the Default Rate from the date on which those monies were expended by Flex (both before and after judgment).

13 ENFORCEMENT OF SECURITY

13.1 General

- (a) This Debenture Security shall become enforceable upon the occurrence of a Termination Event which is continuing and Flex may enforce all or any part of the Debenture Security 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 Security Assets.
- (b) The power of sale and other powers conferred by section 101 of the Act (as amended or extended by this Deed) are immediately exercisable upon and at any time after the occurrence of any Termination Event which is continuing.
- (c) For the purposes of all rights and powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed. Sections 93 and 103 of the Act shall not apply to the Debenture Security.

13.2 Powers of leasing

The statutory powers of leasing conferred on Flex are extended so as to authorise Flex to lease, make agreements for leases, accept surrenders of leases and grant options as Flex may think fit and without the need to comply with section 99 or 100 of the Act.

13.3 Powers of Flex

- (a) At any time after the Debenture Security becomes enforceable (or if so requested by the Client by written notice at any time), Flex may without further notice (unless required by law):
 - (i) appoint any person (or persons) to be Receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
 - (ii) appoint or apply for the appointment of any person who is appropriately qualified as administrator of the Client; and/or
 - (iii) exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver; and/or

- (iv) exercise (in the name of the Client and without any further consent or authority of the Client) any voting rights and any powers or rights which may be exercised by any person(s) in whose name any stocks, shares, negotiable instruments, or other securities or "investments" (as defined in part II of schedule II of the Financial Services and Markets Act 2000 as in force at the date of this Deed) is registered or who is the holder of any of them.
- (b) Flex is not entitled to appoint a Receiver in respect of any Security Assets of the Client which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of the Client.

13.4 Redemption of prior mortgages

At any time after the Debenture Security has become enforceable, Flex may:

- (a) redeem any prior Security Interest against any Security Asset; and/or
- (b) procure the transfer of that Security Interest to itself; and/or
- (c) settle and pass the accounts of the holder of any prior Security Interest and any accounts so settled and passed shall be conclusive and binding on the Client.

All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the Client to Flex on demand.

13.5 Privileges

- (a) Each Receiver and Flex is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act, except that section 103 of the Act does not apply.
- (b) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of the Client under this Deed constitutes a "security financial collateral arrangement" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No 3226)) each Receiver and Flex shall have the right after this Debenture Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.
- (c) For the purpose of clause 13.5(b), the value of the financial collateral appropriated shall be such amount as the Receiver or Flex reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.

13.6 No liability

- (a) Neither Flex, nor any Receiver shall be liable (A) in respect of all or any part of the Security Assets or (B) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his

respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct).

- (b) Without prejudice to the generality of clause 13.6(a), neither Flex, nor any Receiver shall be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

13.7 Protection of third parties

No person (including a purchaser) dealing with Flex, any Receiver or any Administrator or Delegate will be concerned to enquire:

- (a) whether the Secured Obligations have become payable;
- (b) whether any power which Flex or the Receiver is purporting to exercise has become exercisable;
- (c) whether any money remains due under any Finance Document; or
- (d) how any money paid to Flex or to the Receiver is to be applied.

14 RECEIVER

14.1 Removal and replacement

Flex may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and, whenever it may deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.

14.2 Multiple Receivers

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).

14.3 Remuneration

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and Flex (or, failing such agreement, to be fixed by Flex).

14.4 Payment by Receiver

Only monies actually paid by a Receiver to Flex in relation to the Secured Obligations shall be capable of being applied by Flex in discharge of the Secured Obligations.

14.5 Agent of the Client

Any Receiver shall be the agent of the Client in respect of which s/he is appointed. The Client shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his or her acts and defaults and for the payment of his or her remuneration.

Flex shall not incur any liability (either to the Client or to any other person) by reason of the appointment of a Receiver or for any other reason.

15 POWERS OF RECEIVER

15.1 General powers

In addition to the powers conferred on Flex by clause 13.3 (*Powers of Flex*) and all powers which are conferred by any other law conferring power on receivers (including under the Act and schedule 1 of the Insolvency Act 1986), a Receiver shall have the following powers:

- (a) to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed;
- (b) to manage the Security Assets and the business of the Client as s/he thinks fit;
- (c) to redeem any security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his or her powers and/or defraying any costs or liabilities incurred by him or her in such exercise;
- (d) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which s/he was appointed without the need to observe the restrictions imposed by section 103 of the Act, and, without limitation;
 - (i) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and
 - (ii) any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;
- (e) to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the name of the Client and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, the Client;
- (f) to enter into or make any such agreement, arrangement or compromise as he shall think fit;
- (g) to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as Flex shall direct);
- (h) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his or her partners and firm);
- (i) to form one or more Subsidiaries of the Client and to transfer to any such Subsidiary all or any part of the Security Assets;

- (j) to:
 - (i) give valid receipts for all monies and to do all such other things as may seem to him or her to be incidental or conducive to any other power vested in him or her or necessary or desirable for the realisation of any Security Asset;
 - (ii) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and
 - (iii) use the name of the Client for any of the above purposes.

16 APPOINTMENT, POWERS AND DUTIES OF AN ADMINISTRATOR

- 16.1 Upon or at any time after the occurrence of any Termination Event or if so requested by the Client by written notice at any time, Flex may, in accordance with the provisions of paragraphs 14 to 18 inclusive of Schedule B1, appoint any person who is qualified to act as an insolvency practitioner in relation to the Client as Administrator of the Client.
- 16.2 Every Administrator appointed under clause 16.1 shall have the status and all the powers and duties of an administrator for which provision is made in Schedule B1. Flex shall be under no liability to any such Administrator for his remuneration, costs, expenses or in any other way whatsoever.
- 16.3 The functions of every Administrator appointed under clause 16.1, including the distribution of all monies received by him, shall be as provided in paragraphs 59 to 73 inclusive of Schedule B1.
- 16.4 The power of appointing an Administrator under this debenture may be exercised in writing under the hand of any director or the company secretary for the time being of Flex or of any person authorised in writing by any of them. In the case of the vacation of office or the death of any such Administrator, Flex may in like manner appoint another person so qualified in the place of such Administrator.

17 APPLICATION OF PROCEEDS BY RECEIVER OR ADMINISTRATOR

17.1 Application

All monies received by Flex, any Receiver or any Administrator after the Debenture Security has become enforceable shall (subject to the rights and claims of any person having a security ranking in priority to the Debenture Security) be applied in payment of amounts outstanding under the Receivables Finance Agreement.

17.2 Contingencies

If the Debenture Security is enforced at a time when no amounts are due under the Finance Documents (but at a time when Flex, any Receiver or any Administrator or Delegate considers amounts may become so due), Flex or a Receiver may pay the proceeds of any recoveries effected by it into a blocked suspense account (bearing interest at such rate (if any) as Flex may determine).

17.3 Appropriation and suspense account

- (a) Flex shall apply all payments received in respect of the Secured Obligations in reduction of any part of the Secured Obligations in any order or manner which it may determine.
- (b) Any such appropriation shall override any appropriation by the Client.
- (c) All monies received, recovered or realised by Flex under or in connection with this Deed may at the discretion of Flex be credited to a separate interest-bearing suspense account for so long as Flex determines (with interest accruing thereon at such rate (if any) as Flex may determine) without Flex having any obligation to apply such monies and interest or any part of it in or towards the discharge of any of the Secured Obligations.

18 DELEGATION

Each of Flex and any Receiver may delegate, by power of attorney (or in any other manner) to any person, any right, power or discretion exercisable by them under this Deed upon any terms (including power to sub-delegate) which it may think fit. Neither Flex nor any Receiver shall be in any way liable or responsible to the Client for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

19 FURTHER ASSURANCES

The Client shall at its own expense, promptly do all such acts and execute all such documents as Flex or a Receiver may require (and in such form as Flex or a Receiver may reasonably require) in order to:

- (a) perfect the Debenture Security or for the exercise of any rights, powers and remedies exercisable by Flex, any Receiver or any Administrator or any Delegate in respect of any Security Asset or provided by or pursuant to this Deed or by law;
- (b) confer on Flex, any Receiver or any Administrator Security over any assets of the Client located in any jurisdiction equivalent or similar to the security intended to be conferred by or pursuant to this Deed; and/or
- (c) facilitate the realisation of the assets which are, or are intended to be, the subject of the Debenture Security.

20 POWER OF ATTORNEY

The Client, by way of security and after the occurrence of a Termination Event, irrevocably and severally appoints Flex, each Receiver and any Delegate to be its attorney to take any action which the Client is obliged to take under this Deed, including under clause 19 (*Further assurances*). The Client ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

21 MISCELLANEOUS

21.1 Tacking

- (a) Flex shall perform its obligations under the Receivables Finance Agreement (including any obligation to make available further advances).
- (b) This Deed secures advances already made and further advances to be made.

21.2 Protective clauses

The Client is deemed to be a principal debtor in relation to this Deed. The obligations of the Client under, and the security intended to be created by, this Deed shall not be impaired by any forbearance, neglect, indulgence, extension or time, release, surrender or loss of securities, dealing, amendment or arrangement by Flex which would otherwise have reduced, released or prejudiced this Debenture Security or any surety liability of the Client (whether or not known to it or to Flex).

21.3 Terms and Conditions

Clauses 8 (*Payments and Set-Off*), 19 (*Indemnity*), 23 (*Notices*) 25 (*Assignment*) of the Terms and Conditions are incorporated into this Deed as if fully set out in this Deed and any references to "these Terms and Conditions" or "the Agreement" shall be read and construed as references to "this Deed".

22 GENERAL PROVISIONS


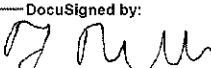
- 22.1 If any provision of this Deed shall be held to be invalid or unenforceable no other provision of it shall be affected and all such other provisions shall remain in full force and effect.
- 22.2 No failure to exercise, nor any delay in exercising, on the part of Flex, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.
- 22.3 This Deed may be executed (whether by hand, electronically or otherwise) in any number of counterparts, and this has the same effect as if the signatures (and seals, if any) on the counterparts were on a single copy of this Deed.
- 22.4 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law and the courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed.

IN WITNESS of which this Deed has been duly executed by the Client as a deed and duly executed by Flex and has been delivered on the first date specified on page 1 of this Deed by the Client.

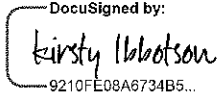
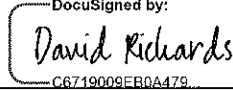
EXECUTION PAGES

Each Party agrees to sign this Deed by electronic signature (whatever form the electronic signature takes) and acknowledges that this method of signature is as conclusive of the Parties intention to be bound by the Deed as if each Party had executed this Deed in manuscript.

THE CLIENT

Executed as a deed, but not delivered until the first date specified on page 1 by BREAKWELLS PAINTS LIMITED acting by two directors or by a director and its secretary or a director in the presence of a witness	DocuSigned by:  <small>205C42220B4D411...</small> Russell John Eynon Director
Signature of witness:	DocuSigned by:  <small>2B996B3F9C43497...</small>
Witness' full name:	Teresa Mills
Witness' address:	15 Kingsway Essington WV11 2AH
Witness' occupation:	Marketing Manager

FLEX

Executed as a deed, but not delivered until the first date specified on page 1 by FLEX ABL LIMITED acting by two directors or by a director and its secretary or a director in the presence of a witness	DocuSigned by:  9210FE08A6734B5...
	Kirsty Ibbotson
	Director
	DocuSigned by:  C6719009EB0A479...
	David Richards
	Director
Signature of witness:	
Witness' full name:	
Witness' address:	
Witness' occupation:	