



Registration of a Charge

Company name: **CHANNON SOLICITORS LIMITED**

Company number: **07773657**



X4HTYFS8

Received for Electronic Filing: **12/10/2015**

Details of Charge

Date of creation: **12/10/2015**

Charge code: **0777 3657 0002**

Persons entitled: **NOVITAS LOANS 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: **WE CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **WILSONS SOLICITORS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7773657

Charge code: 0777 3657 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 12th October 2015 and created by CHANNON SOLICITORS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 12th October 2015 .

Given at Companies House, Cardiff on 13th October 2015

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 12th Oct 2015

Debenture

Between

Channon Solicitors Limited

(as borrower)

and

Novitas Loans Limited

(as lender)

THIS DEED is dated 12th October 2015

Parties

- (1) **Channon Solicitors Limited** (registered in England & Wales under company number 07773657) whose registered office is at 300 Clifton Drive South Lythan St Annes Lancashire FY8 1LH ("the Borrower"); (**Borrower**);
- and
- (2) **NOVITAS LOANS LIMITED**, a company incorporated in England and Wales under number 07959031 whose registered office is 78 Duke St., London, W1K 6JQ. ("the Lender").

Background

- (A) The Lender has agreed, pursuant to the Facility Agreement, to provide the Borrower with a loan facility on a secured basis.
- (B) Pursuant to clause 3.1 of the Facility Agreement, the Borrower issues this Debenture to the Lender and any person to whom the Facility Agreement (in whole or in part) is transferred or assigned.

Agreed terms

1. Definitions and interpretation

1.1 Definitions

The definitions and rules of interpretation in this clause apply in this debenture.

Administrator: an administrator appointed hereunder to manage the affairs, business and property of the Borrower.

Book Debts: all present and future book and other debts, and monetary claims due or owing to the Borrower by the Clients pursuant to the Relevant Agreements.

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

Charged Property: all the assets, property and undertaking for the time being, subject to the security interests created by this debenture (and references to the Charged Property shall include references to any part of it).

Client Agreement: has the meaning set out in the Facility Agreement.

Costs: all costs, charges, expenses and liabilities of any kind including, without limitation, costs and damages in connection with litigation, professional fees, disbursements and any value added tax charged on Costs.

Delegate: any person appointed by the Lender or any Receiver hereunder and any person appointed as attorney of the Lender, Receiver or Delegate.

Event of Default: has the meaning given to that expression in the Facility Agreement.

Facility Agreement: the facility agreement dated 12/10/2015 between the Borrower and the Lender for the provision of the loan facility secured by this deed.

Funded Matter: has the meaning set out in the Facility Agreement.

LPA 1925: the Law of Property Act 1925.

Original Lender: means Novitas Loans Limited.

Receiver: a receiver, manager or receiver and manager of any or all of the Charged Property appointed hereunder by the Lender.

Relevant Agreement: means each Client Agreement, described in Schedule 1 (as amended from time to time) including those Client Agreements designated as Relevant Agreements following the date of this debenture in accordance with the Facility Agreement.

Secured Liabilities: all present and future monies, obligations and liabilities owed by the Borrower to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Facility Agreement or this debenture (including, without limitation, those arising under clause 12.3(b)), together with all interest (including, without limitation, default interest) accruing in respect of such monies or liabilities.

Security Interest: 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 Lender 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.

1.2 Interpretation

Unless the context otherwise requires, in this debenture:

- (a) a reference to a statute or statutory provision includes a reference to any subordinate legislation made under that statute or statutory provision, to any modification, re-enactment or extension of that statute or statutory provision and to any former statute or statutory provision that it consolidated or re-enacted before the date of this debenture;
- (b) a reference to one gender includes a reference to the other genders;
- (c) words in the singular include the plural and in the plural include the singular;
- (d) a reference to a clause or Schedule is to a clause of, or Schedule to, this debenture, and references to paragraphs are to paragraphs of the relevant Schedule;
- (e) a reference to **this debenture** (or any specified provision of it) or any other document shall be construed as a reference to this debenture, that provision or that document as in force for the time being and as amended or novated from time to time;
- (f) a reference to a **person** shall include a reference to an individual, firm, corporation, unincorporated body of persons, or any state or any agency of a person;
- (g) a reference to the **Borrower** or the **Lender** shall include its successors, permitted transferees and permitted assigns;
- (h) where any statement is qualified by the expression **so far as the Borrower is aware** or any similar expression, that statement shall be deemed to

include an additional statement that it has been made after due and careful enquiry.#

1.3 Clawback

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

1.4 Perpetuity period

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

1.5 Insolvency Act 1986

Paragraph 14 of Schedule B1 of the Insolvency Act 1986 (as inserted by section 248 of, and Schedule 16 to, the Enterprise Act 2002) applies to the floating charge created by this debenture.

1.6 Schedules

The Schedules form part of this debenture and shall have effect as if set out in full in the body of this debenture. Any reference to this debenture includes the Schedules.

2. Covenant to pay

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

3. Grant of security

3.1 Charging clause

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee:

- (a) charges to the Lender by way of first fixed charge all of the Book Debts; and
- (b) charges to the Lender, by way of first floating charge, all proceeds and other amounts repaid by or on behalf of the Clients for or in respect of the Book Debts.

3.2 Automatic conversion of floating charge

The floating charge created by clause 3.1(b) shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property if:

- (a) the Borrower:

- (i) creates, or attempts to create, without the prior written consent of the Lender, a Security Interest or a trust in favour of another person on all or any part of the Charged Property; or
- (ii) disposes, or attempts to dispose of, all or any part of the Charged Property (other than Charged Property that is only subject to the floating charge while it remains uncrystallised);
- (b) a receiver is appointed over all or any of the Charged Property that is subject to the floating charge;
- (c) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Charged Property; or
- (d) the Lender or the Lender receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Borrower.

3.3 Conversion of floating charge by notice

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

3.4 Assets acquired after any floating charge crystallisation

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

4. Liability of the Borrower

4.1 Liability not discharged

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

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

4.2 Immediate recourse

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

5. Representations and warranties

The Borrower makes the representations and warranties set out in Schedule 2 to the Lender. The representations and warranties set out in Schedule 2 are made by the Borrower on the date of this debenture and (other than the representation and warranty set out in paragraph 9) are deemed to be made by the Borrower on each day of the Security Period with reference to the facts and circumstances then existing.

6. Covenants

The Borrower covenants with the Lender in the terms set out in Schedule 3.

7. Powers of the Lender

The Lender shall have the powers set out in Schedule 4.

8. Enforcement

8.1 Enforcement events

The security constituted by this debenture shall be immediately enforceable if any of the events set out in paragraph 1 of Schedule 5 occurs. The parties to this debenture agree that the provisions of Schedule 5 shall apply to this debenture and shall be binding between them.

8.2 Receiver's powers

A Receiver shall have, in addition to the powers conferred on receivers by statute, the further powers set out in Schedule 6.

9. Costs and indemnity

9.1 Costs

The Borrower shall pay to, or reimburse, the Lender and any Receiver on demand, on a full indemnity basis, all Costs incurred by the Lender or any Receiver in connection with:

- (a) this debenture or the Charged Property;
- (b) protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's or Receiver's rights under this debenture;
- (c) suing for, or recovering, any of the Secured Liabilities,

(including, without limitation, the Costs of any proceedings in connection with this debenture or the Secured Liabilities), together with interest on any amount due under clause 9.1(b) and clause 9.1(c) at the default rate of 24% per annum.

The Lender and any Receiver, and their respective employees and agents, shall be indemnified on a full indemnity basis out of the Charged Property in respect of all actions, liabilities and Costs incurred or suffered in or as a result of:

- (d) the exercise, or purported exercise, of any of the powers, authorities or discretions vested in them under this debenture;
- (e) any matter or thing done, or omitted to be done, in relation to the Charged Property under those powers; or

- (f) any default or delay by the Borrower in performing any of its obligations under this debenture.

10. Release

Subject to clause 12.3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Borrower, take whatever action is necessary to release the Charged Property from the security constituted by this debenture.

11. Assignment and transfer

- 11.1 The Lender may at any time, without the consent of the Borrower, assign or transfer the whole or any part of its rights and obligations under this debenture to any other person.

11.2 Assignment by Borrower

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

12. Further provisions

12.1 Independent security

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

12.2 Continuing security

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

12.3 Discharge conditional

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

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

12.4 Certificates

A certificate or determination by the Lender as to any amount for the time being due to it from the Borrower shall (in the absence of any manifest error) be conclusive evidence of the amount due.

12.5 Rights cumulative

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

12.6 Variations and waivers

Any waiver or variation of any right or remedy by the Lender (whether arising under this debenture or under the general law), or any consent given under this debenture, is only be effective if it is in writing and signed by the waiving, varying or consenting party, and applies only in the circumstances for which it was given, and shall not prevent the party giving it from subsequently relying on the relevant provision.

12.7 Further exercise of rights

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

12.8 Delay

No delay or failure to exercise any right or remedy under this debenture shall operate as a waiver of that right or remedy.

12.9 Single or partial exercise

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

12.10 Consolidation

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

12.11 Partial invalidity

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this debenture under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted,

the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.

12.12 Counterparts

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

13. Notices

Service

Each notice or other communication required to be given under or in connection with this deed shall be provided in accordance with the contact details set out at the end of the Facility Agreement as varied in writing from time to time.

14. Governing law and jurisdiction

14.1 Governing law

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

14.2 Jurisdiction

The parties to this debenture irrevocably agree that, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this debenture or its subject matter or formation (including non-contractual disputes or claims).

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

Schedule 1. Relevant Agreements

Schedule 2. Representations and warranties

1. Ownership of Charged Property

The Borrower is the legal and beneficial owner of the Charged Property.

2. No Security Interests

The Borrower has not granted any Security Interest, other than the Security Interests created by this debenture, over the Charged Property.

3. Adverse claims

The Borrower has not received or acknowledged notice of any adverse claim by any person in respect of the Charged Property or any interest in it.

4. Adverse covenants

So far as the Borrower is aware, there are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever, that materially and adversely affect the Charged Property.

5. No breach of laws

So far as Borrower is aware, there is no breach of any law or regulation that materially and adversely affects the Charged Property.

6. Avoidance of security

No Security Interest expressed to be created under this debenture is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Borrower or otherwise.

7. No prohibitions or breaches

The entry into this debenture by the Borrower does not, and will not, constitute a breach of any agreement or instrument binding on the Borrower or its assets.

8. Charged Property

- (a) Relevant Agreement(s) set out in Schedule 1 of this debenture together evidence all of the terms of the Charged Property and there are no other material terms, conditions, documents, agreements or arrangements that may affect the operation or enforceability of any Charged Property.
- (b) No Relevant Agreement or other document, agreement or arrangement comprising the Charged Property is void, voidable or otherwise unenforceable.
- (c) The Borrower is not in breach of its obligations under any Relevant Agreement or other document, agreement or arrangement comprising the Charged Property and nothing has occurred:
 - (i) which is, or would constitute (with the giving of notice or passage of time or both), a default (however described) under any Relevant Agreement or other document, agreement or arrangement comprising the Charged Property; or

- (ii) which would entitle a person to terminate or rescind a Relevant Agreement or other document, agreement or arrangement comprising the Charged Property.

9. Amounts Owning Under Relevant Agreements

By no later than the third Business Day following the Funding Date, the aggregate principal amount owing by the Clients to the Borrower pursuant to the Relevant agreements over which security has been provided under this debenture are at least equal to 2x the principal amount of the Loan owing by the Borrower to the Lender under the Facility Agreement.

Schedule 3 Covenants

1. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

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

- (a) create, purport to create or permit to subsist any Security Interest on, or in relation to, any Charged Property other than any Security Interest created by this debenture or any Permitted Security Interest;
- (b) sell, assign, transfer, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Charged Property (except, in the ordinary course of business, Charged Property which is only subject to an uncrystallised floating charge); or
- (c) create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

2. PRESERVATION OF CHARGED PROPERTY

- (a) The Borrower shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the Security Interest held by the Lender or diminish the value of any of the Charged Property or the effectiveness of the Security Interest created by this debenture.
- (b) In addition to the above, the Borrower shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender, or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this debenture.

3. RELEVANT AGREEMENTS

The Borrower shall, unless the Lender agrees otherwise in writing:

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

any Relevant Agreement and any other document, agreement or arrangement comprising the Charged Property.

4. RIGHTS

The Borrower shall:

- (a) not waive any of its own or the Lender or Lender's rights, or release any person from its obligations, in connection with the Charged Property; and
- (b) take all necessary or appropriate action against any person (including as reasonably required by the Lender or Lender) to protect and enforce its

rights, and recover money or receive other property in connection with, the Charged Property.

5. REALISING BOOK DEBTS

The Borrower shall:

- (a) as an agent for the Lender, collect in and realise all Book Debts, pay the proceeds into such bank account as the Borrower may specify in accordance with clause 7.1 of the Facility Agreement and prior to such payment immediately on receipt hold those proceeds in trust for the Lender;
- (b) not, following the occurrence of an Event of Default, without the prior written consent of the Lender, withdraw any amounts standing to the credit of such account; and
- (c) if called on to do so by the Lender, execute a legal assignment of the Book Debts to the Lender (or such person as the Lender may nominate) on such terms as the Lender may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

6. BORROWER'S WAIVER OF SET-OFF

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

7. COMPLIANCE WITH LAWS AND REGULATIONS

The Borrower:

- (a) shall not, without the Lender's prior written consent, use or permit the Charged Property to be used in any way contrary to law; and
- (b) shall:
 - (i) comply with the requirements of any law and regulation relating to or affecting the Charged Property or the use of it or any part of it; and
 - (ii) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Charged Property or its use or that are necessary to preserve, maintain or renew any Charged Property.

8. ENFORCEMENT OF RIGHTS

The Borrower shall use its best endeavours to:

- (a) procure the prompt observance and performance of the covenants and other obligations imposed on the Borrower's counterparties in respect of a Relevant Agreement; and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property that the Lender may require from time to time.

9. NOTICE OF MISREPRESENTATIONS AND BREACHES

The Borrower shall, promptly on becoming aware of any of the same, notify the Lender in writing of:

- (b) any representation or warranty set out in Schedule 2 which is incorrect or misleading in any material respect when made or deemed to be repeated; and
- (c) any breach of any covenant set out in this debenture.

10. NOTICES TO BE GIVEN BY BORROWER

The Borrower shall, on request of the Lender, give notice to any bank, financial institution or other person with whom the Borrower has an account into which the proceeds of the Book Debts are deposited of the Lender's rights and interests in respect of such proceeds on deposit in such accounts and promptly procure that each addressee of any such notice provides an acknowledgement of the Lender's interest to the Lender. The Borrower shall obtain the Lender's prior approval of the form of any notice or acknowledgement to be used under this paragraph.

11. DOCUMENTS

The Borrower shall, if so required by the Lender, deposit with the Lender and the Lender shall, for the duration of this deed, be entitled to hold a true and accurate copy of each Relevant Agreement and each other document, instrument or agreement comprising the Charged Property.

12. INFORMATION

The Borrower shall:

- (a) give the Lender such information concerning the Charged Property as the Lender may require; and
- (b) promptly notify the Lender in writing of any action, claim, notice or demand made by or against it in connection with all or any part of the Charged Property or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Borrower's proposals for settling, liquidating, compounding or contesting any such action, claim or demand and shall, subject to the Lender's prior approval, implement those proposals at its own expense.

13. FURTHER ASSURANCE

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

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

including, without limitation, if the Lender or Receiver thinks it expedient, the execution of any transfer, conveyance, assignment or assurance of all or any of the

assets forming part of, or intended to form part of, the Charged Property (whether to the Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration.

Schedule 4 Powers of the Lender

1. Power to remedy

The Lender shall be entitled (but shall not be bound) to remedy, at any time, a breach by the Borrower of any of its obligations contained in this debenture, and the Borrower irrevocably authorises the Lender and its agents to do everything necessary or desirable for that purpose.

2. Exercise of rights

The rights of the Lender under paragraph 1 of this Schedule 4 are without prejudice to any other rights of the Lender under this debenture. The exercise of those rights shall not make the Lender liable to account as a mortgagee in possession.

3. Prior Security Interests

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

- (a) redeem such or any other prior Security Interest, or procure its transfer to itself; and
- (b) settle any account of the holder of any prior Security Interest.

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Borrower. All monies paid by the Lender to the holder of a Security Interest in settlement of such an account shall, as from its payment by the Lender, be due from the Borrower to the Lender on current account [and shall bear interest at the default rate of interest specified in clause 9.1 of this Debenture Agreement and be secured as part of the Secured Liabilities].

4. Indulgence

The Lender may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person or persons not being a party to this debenture (whether or not any such person is jointly liable with the Borrower) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this debenture or to the liability of the Borrower for the Secured Liabilities.

Schedule 5 Enforcement

1. Enforcement events

- 1.1 This debenture shall be enforceable if an Event of Default occurs and has not been expressly waived in writing.
- 1.2 If any of the events listed in paragraph 1.1 of this Schedule 50 occurs, without prejudice to any other rights of the Lender and whether or not such event is continuing, the powers of sale under the LPA 1925 shall immediately be exercisable and the Lender may, in its absolute discretion, enforce all or any part of the security created by this debenture as it sees fit.

2. Statutory power of sale

The statutory powers of sale conferred by the LPA 1925 shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this debenture, but the Lender shall not exercise such power of sale until the security constituted by this debenture has become enforceable under paragraph 1 of this Schedule 5.

3. Protection of third parties

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

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

4. No liability as mortgagee in possession

Neither the Lender, nor any Receiver nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property, 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 Charged Property for which a mortgagee in possession might be liable as such.

5. Appointment of Receiver

- 5.1 At any time after the security constituted by this debenture has become enforceable, or at the request of the Borrower, the Lender may, without further notice:
- (a) appoint by way of deed, or otherwise in writing, any one or more person or persons to be a Receiver of all or any part of the Charged Property; and
 - (b) (subject to section 45 of the Insolvency Act 1986) from time to time, by way of deed, or otherwise in writing, remove any person appointed to be Receiver and may, in a similar manner, appoint another in his place.

Where more than one person is appointed Receiver, each Receiver shall have power to act separately (unless the appointment by the Lender specifies to the contrary).

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

6. Power of sale additional

- 6.1 The powers of sale and appointing a Receiver conferred by this debenture shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

- 6.2 The power to appoint a Receiver (whether conferred by this debenture or by statute) shall be, and remain, exercisable by the Lender despite any prior appointment in respect of all or any part of the Charged Property.

7. Agent of the Borrower

Any Receiver appointed by the Lender under this debenture shall be the agent of the Borrower, and the Borrower shall be solely responsible for his acts and remuneration, as well as for any defaults committed by him.

8. Powers of Receiver

Any Receiver appointed by the Lender under this debenture shall, in addition to the powers conferred on him by the LPA 1925 and the Insolvency Act 1986, have:

- (a) the power to do all such acts and things that an absolute owner could do in the management of that part of the Charged Property over which the Receiver is appointed; and
- (b) the further powers set out in Schedule 6.

9. Order of application of proceeds

All monies received by the Lender or a Receiver in the exercise of any enforcement powers conferred by this debenture shall be applied:

- (a) first, in paying all unpaid fees, costs and other liability incurred by, or on behalf of, the Lender (and any Receiver, attorney or agent appointed by it);
- (b) second, in paying the remuneration of any Receiver (as agreed between the Receiver and the Lender);
- (c) third, in or towards discharge of the Secured Liabilities in such order and manner as the Lender determines; and
- (d) finally, in paying any surplus to the Borrower or any other person entitled to it.

10. Appropriation

Neither the Lender nor any Receiver 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. Suspense account

All monies received by the Lender or a Receiver under this debenture may, at the discretion of the Lender or Receiver, be credited to a suspense or securities realised account and be held in such account for so long as the Lender or Receiver thinks fit, and shall bear interest at such rate, if any, as may be agreed in writing between the Lender and the Borrower.

12. Power of attorney

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

- (a) the Borrower is required to execute and do under this debenture, including execute any document required by the Lender ; and/or
- (b) any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this debenture or by law on the Lender or any Receiver.

13. Ratification of acts of attorney

The Borrower 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 powers, authorities and discretions referred to in paragraph 12 of this Schedule 5.

14. Appointment of an Administrator

14.1 The Lender may, without notice to the Borrower, appoint any one or more persons to be an administrator of the Borrower pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this debenture becomes enforceable.

14.2 Any appointment under this paragraph 14 shall:

- (a) be in writing signed by a duly authorised signatory of the Lender; and
- (b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986, when the requirements of paragraph 18 of that Schedule B1 are satisfied.

14.3 The Lender may, subject to any necessary approval from the court, end the appointment of an Administrator by notice in writing in accordance with this paragraph 14 and appoint a replacement for any Administrator whose appointment ends for any reason under that paragraph.

Schedule 6 Further powers of a Receiver

1. Power to charge for remuneration

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

2. Power to realise Charged Property

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

3. Power to manage or reconstruct the Borrower'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 the Borrower.

4. Power to dispose of Charged Property

A Receiver may grant options and licences over all or any part of the Charged Property, sell, assign, lease and accept surrenders of leases of (or concur in selling, assigning, leasing or accepting surrenders of leases of) all or any of the Charged Property in respect of which he is appointed for such consideration and, in such manner (including, without limitation, by public auction or private sale) and generally on such terms and conditions as he thinks fit. A Receiver may promote, or concur in promoting, a company to purchase the Charged Property to be disposed of by him.

5. Power to sell Book Debts

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

6. Power to make settlements

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

7. Power to appoint

A Receiver may appoint managers, officers, servants and agents for the purposes of this Schedule 6 at such salaries, for such periods and on such terms as he may determine.

8. Power to insure

A Receiver may, if he thinks fit, but without prejudice to any other clause in this debenture, 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 the Borrower under this debenture.

9. Powers under the law of property act 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 that act, and exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986.

10. Power to borrow

A Receiver may, for any of the purposes authorised by this Schedule 6, raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Charged Property in respect of which he is appointed on such terms as he shall think fit (including, if the Lender consents, terms under which such security ranks in priority to this debenture).

11. Power to redeem prior Security Interests

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

12. Incidental powers

A Receiver may do all such other acts and things:

- (a) as he may consider desirable or necessary for realising any of the Charged Property;
- (b) as 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
- (c) which he lawfully may or can do as agent for the Borrower.

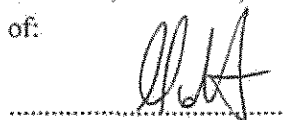
13. Scope of powers

Any exercise of any of the powers given by this Schedule 6 may be on behalf of the Borrower or himself.

Executed as a deed by **Channon Solicitors Limited** acting by Emma Channon, a Director, in the presence of:



Director

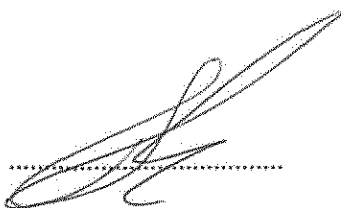


Name: LEE SCOTT

Address: REAR 300 CLIFTON DRIVE SOUTH, ST ANNES, FY8 1LH

Occupation: PRACTICE MANAGER

Executed as a deed by Novitas Loans Limited, acting by Jason Reeve, a Director, in the presence of:



Director



Name: KERRY STACK

Address: 11 PORDEN ROAD, SAUSBURY, SP1 2JU

Occupation: ADMINISTRATOR