



Registration of a Charge

Company name: **MONARCH EDUCATION LIMITED**

Company number: **07941497**



X7H81X6Z

Received for Electronic Filing: **24/10/2018**

Details of Charge

Date of creation: **12/10/2018**

Charge code: **0794 1497 0005**

Persons entitled: **CLOSE BROTHERS LIMITED (THE "SECURITY TRUSTEE")**

Brief description:

Contains fixed charge(s).

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 SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **LISA REYNOLDS**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7941497

Charge code: 0794 1497 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 12th October 2018 and created by MONARCH EDUCATION LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 24th October 2018 .

Given at Companies House, Cardiff on 26th October 2018

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

12/10/ 2018

CHARGE OVER BANK ACCOUNT

Between

(1) CLOSE BROTHERS LIMITED
as Close

- and -

(2) MONARCH EDUCATION LIMITED
as the Company

Contents

1.	Definitions and Interpretation	1
2.	Covenant to Pay	5
3.	Grant of Security	5
4.	Liability of the Company	5
5.	Representations and Warranties	6
6.	Covenants	6
7.	Powers of Close	6
8.	Enforcement	7
9.	Costs and Indemnity	8
10.	Release	9
11.	Assignment and Transfer	9
12.	Set-off	10
13.	Amendments and Waivers	10
14.	Severance	11
15.	Counterparts	11
16.	Third Party Rights	11
17.	Further Provisions	11
18.	Notices	12
19.	Governing Law and Jurisdiction	13
SCHEDULE 1 Representations And Warranties		15
SCHEDULE 2 Covenants		16
Part 1 Form of Notice		18
Part 2 Form of Acknowledgement		20
SCHEDULE 3 Enforcement		22
SCHEDULE 4 The Original Beneficiaries		26

This Deed is dated

12/10/2018

Parties

- (1) **MONARCH EDUCATION LIMITED** incorporated and registered in England and Wales with number 07941497 whose registered office is at Temple Point, 1 Temple Row, Birmingham B2 5LG ("**Company**"); and
- (2) **CLOSE BROTHERS LIMITED** (registered with the number 00195626) whose registered office is at 10 Crown Place, London, EC2A 4FT and whose address for service is Ridgeland House, 165 Dyke Road, Hove, BN3 1UY, as security trustee for the Beneficiaries ("**Close**").

Background

- (A) Close Invoice Finance Limited ("**CIFL**") has agreed pursuant to the Debt Purchase Agreement to provide invoice finance facilities to the Company.
- (B) This deed provides security which the Company has agreed to give to Close, (in its capacity as security trustee for CIFL) in consideration of CIFL agreeing and continuing to provide the facilities to the Company pursuant to the Debt Purchase Agreement.
- (C) It is acknowledged that debtors who pay the Company's outstanding invoices which have been assigned to CIF will pay by direct debit into the Security Account which is to be charged to Close so any Credit Balances in the Security on a daily basis can be transferred to CIF.
- (D) Close has been appointed by the Original Beneficiaries, including CIFL, as trustee under, and has agreed to act in accordance with, the provisions of the Security Trust Deed in respect of the Security created by this Deed.

Agreed terms

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

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

Account Bank: Barclays Bank Plc;

Beneficiaries: the Original Beneficiaries together with any other party who is or is a party to the Security Trust Deed (or accedes as a party to the Security Trust Deed) as a Beneficiary from time to time (each a "**Beneficiary**").

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

Credit Balances: means all sums standing to the credit of the Security Account at any time together with all other rights and benefits accruing to or arising in connection with the Security Account (including, but not limited to, entitlements to interest);

Debt Purchase Agreement: the debt purchase agreement entered into between the Company and CIFL dated on or about the date of this deed (as varied and amended from time to time) in respect of which this deed is to form Security;

Financial Collateral: has the meaning given to that expression in the Financial Collateral Regulations;

Financial Collateral Regulations: the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*);

Original Beneficiaries: the parties or party (the "**Original Beneficiary**"), as the case may be, referred to in Schedule 4;

Receiver: a receiver appointed under this deed;

Secured Liabilities: all present and future monies, obligations and liabilities owed by the Company to Close and / or the Beneficiaries (and specifically CIF), whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity, under or in connection with the Debt Purchase Agreement or this deed (including, without limitation, those arising under clause 17.3.2), together with all interest (including, without limitation, default interest) accruing in respect of such monies or liabilities;

Security Account: account number 43785289, sort code 20-07-71, in the name of the Company with the Account Bank as that account may be renumbered or re-designated from time to time and all rights of the Company in relation to such account;

Security Financial Collateral Arrangement: has 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 Close and/or the Original Beneficiaries are 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.

Security Trust Deed: the security trust deed dated on or about the date of this Deed and made between Close and the Original Beneficiaries pursuant to which Close has been appointed and has agreed to hold the benefit of the Security constituted by this Deed and any subsequent Security created by the Company in favour of Close on trust for the Beneficiaries from time to time.

1.2 Interpretation

Unless the context otherwise requires, in this deed:

- 1.2.1 clause, Schedule and paragraph headings shall not affect the interpretation of this deed;
- 1.2.2 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);
- 1.2.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.2.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.2.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees;
- 1.2.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.2.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.2.8 a reference to **writing** or **written** includes fax but not e-mail;
- 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.2.10 unless a contrary indication appears a reference to Close shall be construed as a reference to Close as trustee for each of the Beneficiaries;
- 1.2.11 where any right, interest or title is granted or any covenant, undertaking, representation or warranty is given by the Company in favour of Close it shall be taken as granted or given in favour of Close as agent and trustee for the Beneficiaries and any losses

suffered by Close shall be interpreted as references to the losses of Close and/or the Beneficiaries;

- 1.2.12 any reference to any "Beneficiary", "Original Beneficiary", "Receivables Financier", any member of the "Close Group", the "Company's Group", "Close" or to any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees (whether immediate or derivative) and, in the case of Close, any replacement security trustee or (trustees) appointed in accordance with the Security Trust Deed;
- 1.2.13 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;
- 1.2.14 unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- 1.2.15 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;
- 1.2.16 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amended** shall be construed accordingly);
- 1.2.17 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.2.18 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.2.19 a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- 1.2.20 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
- 1.2.21 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.

1.3 Clawback

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

1.4 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).

1.5 Schedules

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

2. COVENANT TO PAY

2.1 The Company shall, on demand, pay to Close and discharge the Secured Liabilities when they become due.

2.2 The sole recourse of Close to the Company under this deed is to the Company's interest in the Credit Balances and the liability of the Company to Close pursuant to or otherwise in connection with this deed shall be limited in aggregate to an amount equal to that recovered as a result of enforcement of this deed with respect to the Credit Balances.

3. GRANT OF SECURITY

As a continuing security for the payment and discharge of the Secured Liabilities, the Company with full title guarantee charges to Close, by way of first fixed charge, the Credit Balances.

4. LIABILITY OF THE COMPANY

4.1 Liability not discharged

The Company'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, Close that is or becomes wholly or partially illegal, void or unenforceable on any ground;

4.1.2 Close 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, which but for this clause 4.1 might have discharged, or otherwise prejudiced or affected, the liability of the Company.

4.2 Immediate recourse

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

5. REPRESENTATIONS AND WARRANTIES

The Company represents and warrants to Close in the terms set out in SCHEDULE 1.

6. COVENANTS

The Company covenants with Close in the terms set out in SCHEDULE 2.

7. POWERS OF CLOSE

7.1 Power to remedy

Close shall be entitled (but shall not be obliged) to remedy a breach at any time by the Company of any of its obligations contained in this deed and the Company irrevocably authorises Close and its agents to do all such things as are necessary or desirable for that purpose.

7.2 Exercise of rights

The rights of Close under clause 7.1 are without prejudice to any other rights of Close under this deed. The exercise of those rights shall not make Close liable to account as a mortgagee in possession.

7.3 Prior Security

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

7.3.1 redeem such or any other prior Security, or procure its transfer to itself; and

7.3.2 settle and pass any account of the holder of any prior Security.

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Company. All monies paid by Close to an encumbrancer in settlement of such an account shall, as from its payment by Close, be due from the Company to Close on current account and shall bear interest at the rate of interest specified in the Debt Purchase Agreement and be secured as part of the Secured Liabilities.

7.4 Conversion of currency

For the purpose of, or pending the discharge of, any of the Secured Liabilities, Close may convert any monies received, recovered or realised by Close under this deed (including the proceeds of any previous conversion under this clause 7.4) from their existing currencies of denomination into such other currencies of denomination as Close may think fit. Any such conversion shall be effected at Close's then prevailing spot selling rate of exchange for such other currency against the existing currency. Each reference in this clause 7.4 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

7.5 Indulgence

Close may, at its discretion, grant time or other indulgence or make any other arrangement, variation or release with any person that is not a party to this deed (whether or not such person is jointly liable with the Company) 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 the Company for the Secured Liabilities.

8. ENFORCEMENT

8.1 Enforcement

The security constituted by this deed shall become immediately enforceable in any of the circumstances set out in paragraph 1 of SCHEDULE 3. The parties to this deed agree that the provisions of SCHEDULE 3 shall apply to this deed and shall be binding between them.

8.2 Power of sale

At any time after the security constituted by this deed has become enforceable, Close and any Receiver may (without prejudice to any other right

which Close or the Receiver may have) without further notice to the Company exercise the power to sell or otherwise dispose of the whole or any part of the Credit Balances.

8.3 Terms of sale

Any sale or disposal under clause 8.2 may be made in such manner, on such terms and for such consideration (whether payable immediately or by instalments) as Close or the Receiver, as the case may be, shall in its absolute discretion think fit and without liability for loss.

8.4 Right of appropriation

8.4.1 To the extent that the Credit Balances constitutes Financial Collateral and this deed and the obligations of the Company hereunder constitute a Security Financial Collateral Arrangement, Close shall have the right, at any time after the security constituted by this deed has become enforceable, to appropriate all or any of that part of the Credit Balances in or towards the payment and/or discharge of the Secured Liabilities in such order as Close in its absolute discretion may from time to time determine.

8.4.2 The value of the Credit Balances appropriated in accordance with this clause shall be, in the case of cash, the amount of cash appropriated.

8.4.3 The Company agrees that the method of valuation provided for in this clause is commercially reasonable for the purposes of the Financial Collateral Regulations.

9. COSTS AND INDEMNITY

9.1 Costs

The Company shall, promptly on demand, pay to, or reimburse, Close 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 Close or any Receiver in connection with:

9.1.1 this deed or the Credit Balances;

9.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of Close's or a Receiver's rights under this deed; or

9.1.3 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 the Company) at the rate and in the manner specified in the Debt Purchase Agreement.

9.2 Indemnity

The Company shall indemnify Close and each Receiver, 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:

- 9.2.1 the exercise, or purported exercise, of any of the powers, authorities or discretions vested in them under this deed;
- 9.2.2 any matter or thing done, or omitted to be done, in relation to the Credit Balances under those powers; or
- 9.2.3 any default or delay by the Company in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this clause 9.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

10. RELEASE

Subject to clause 17.3, on the expiry of the Security Period (but not otherwise), Close shall, at the request and cost of the Company, take whatever action is necessary to release the Credit Balances from the security constituted by this deed.

11. ASSIGNMENT AND TRANSFER

11.1 Assignment by Close

- 11.1.1 At any time, without the consent of the Company, Close may assign or transfer any or all of its rights and obligations under this deed.
- 11.1.2 Close may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Company, the Credit Balances and this deed that Close considers appropriate.

11.2 Assignment by Company

The Company may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

12. SET-OFF

12.1 Close's right of set-off

Close may at any time set off any liability of the Company to Close against any liability of Close to the Company, 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, Close may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by Close of its rights under this clause 12 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

12.2 No obligation to set off

Close is not obliged to exercise its rights under clause 12.1. If, however, it does exercise those rights it must promptly notify the Company of the set-off that has been made.

13. AMENDMENTS AND WAIVERS

13.1 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).

13.2 Waivers and consents

13.2.1 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.

13.2.2 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 Close shall be effective unless it is in writing.

13.3 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.

14. SEVERANCE

14.1 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.

15. COUNTERPARTS

15.1 Counterparts

15.1.1 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.

15.1.2 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

16. THIRD PARTY RIGHTS

16.1 Third party rights

16.1.1 The Beneficiaries from time to time may enforce and enjoy the benefit of the terms of this deed. Unless expressly provided to the contrary 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.

17. FURTHER PROVISIONS

17.1 Independent security

This deed shall be in addition to, and independent of, every other security or guarantee which Close may hold for any of the Secured Liabilities at any time. No prior security held by Close over the whole or any part of the Credit Balances shall merge in the security created by this deed.

17.2 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 Close discharges this deed in writing.

17.3 Discharge conditional

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

17.3.1 Close 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 Credit Balances, for such period as Close deems necessary to provide Close with security against any such avoidance, reduction or order for refund; and

17.3.2 Close may recover the value or amount of such security or payment from the Company subsequently as if such release, discharge or settlement had not occurred.

17.4 Certificates

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

17.5 Consolidation

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

18. NOTICES

18.1 Delivery

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

18.1.1 in writing;

18.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax; and

18.1.3 sent to:

18.1.3.1 the Company at:

18.1.3.2 Close at:

or to such other address or fax number as is notified in writing by one party to the other from time to time.

18.2 Receipt by Company

Any notice or other communication that Close gives to the Company shall be deemed to have been received:

18.2.1 if delivered by hand, at the time it is left at the relevant address;

18.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and

18.2.3 if sent by fax, when received in legible form.

A notice or other communication given as described in clause 18.2.1 or clause 18.2.3 on a day which 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.

18.3 Receipt by Close

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

18.4 Service of proceedings

This clause 18 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.

18.5 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.

19. GOVERNING LAW AND JURISDICTION

19.1 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.

19.2 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 Close to take proceedings against the Company 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.

19.3 Other service

The Company irrevocably consents to any process in any legal action or proceedings 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 document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE 1
Representations And Warranties

1. Ownership of Credit Balances

The Company holds the Credit Balances on trust for CIF.

2. No Security

The Credit Balances is free from any Security other than the Security created by this deed.

3. Adverse Claims

The Company has not received or acknowledged notice of any adverse claim by any person in respect of the Credit Balances or any interest in it.

4. Adverse Covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatever, which materially adversely affect the Credit Balances.

5. No Breach of Laws

There is no breach of any law or regulation which materially adversely affects the Credit Balances.

6. Avoidance of Security

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

7. No Prohibitions or Breaches

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

SCHEDULE 2
Covenants

1. Negative Pledge and Disposal Restrictions

1.1 The Company shall not at any time, except with the prior written consent of Close:

- 1.1.1 create, purport to create or permit to subsist any Security on, or in relation to, the Credit Balances other than this deed; or
- 1.1.2 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 Credit Balances; or
- 1.1.3 create or grant (or purport to create or grant) any interest in the Credit Balances in favour of a third party.

2. Preservation of Credit Balances

2.1 The Company shall not:

- 2.1.1 withdraw or transfer all or any part of the Credit Balances until after the Security Period has expired; or
- 2.1.2 do, or permit to be done, any act or thing which would or might depreciate, jeopardise or otherwise prejudice the security held by Close or materially diminish the value of the Credit Balances or the effectiveness of the security created by this deed (including, without limitation, closing the Security Account).

3. Enforcement of Rights

3.1 The Company shall use its best endeavours to:

- 3.1.1 procure the prompt observance and performance by the counterparty to any agreement or arrangement with the Company relating to the Credit Balances; and
- 3.1.2 enforce any rights and institute, continue or defend any proceedings relating to the Credit Balances which Close may require from time to time.

4. Notice of Breaches

4.1 The Company shall promptly on becoming aware of any of the same give Close notice in writing of any breach of:

4.1.1 any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and

4.1.2 any breach of any covenant set out in this deed.

5. Title Documents

5.1 The Company shall, on the execution of this deed, Credit Balances with Close and Close shall, for the duration of this deed be entitled to hold all deeds and documents of title relating to the Credit Balances which are in the possession or control of the Company (if these are not within the possession and/or control of the Company, the Company undertakes to obtain possession of all such deeds and documents of title).

6. Further Assurance

6.1 The Company, at its own cost, shall prepare and execute such further legal or other mortgages, charges or transfers (containing a power of sale and such other provisions as Close may reasonably require) in favour of Close as Close, in its absolute discretion, requires from time to time over all or any part of the Credit Balances and give all notices, orders and directions which Close may require, in its absolute discretion for perfecting, protecting or facilitating the realisation of its security over the Credit Balances.

7. Notice of charge

7.1 The Company shall on the execution of this deed:

7.1.1 give notice to the Account Bank in the form set out in below; and

7.1.2 procure that the Account Bank provides to Close promptly an acknowledgement of the notice in the form set out below.

Form of Notice

[On the letterhead of the Company]

Barclays Bank Plc

Level 27

1 Churchill Place

Canary Wharf

London

E14 5HP

[DATE]

Dear Sirs,

Charge over bank account (Charge) dated [DATE] between Monarch Education Limited and Close Brothers Limited

This letter constitutes notice to you that under the Charge we have charged, by way of first fixed charge, in favour of Close Brothers Limited (**Close**) all monies from time to time standing to the credit of the account held with you and detailed below (**Account**), together with all other rights and benefits accruing to or arising in connection with the Account (including, but not limited to, entitlements to interest):

Name of Account: Monarch Education Limited

Sort code: 20-07-71

Account number: 43785289

We irrevocably instruct and authorise you to:

- Disclose to Close any information relating to the Account requested from you by Close.
- Comply with the terms of any written notice or instructions relating to the Account received by you from Close.
- Hold all sums from time to time standing to the credit of the Account to the order of Close.

- Pay or release all or any part of the monies standing to the credit of the Account in accordance with the written instructions of Close.

We acknowledge that you may comply with the instructions in this notice without any further permission from us.

We are not permitted to withdraw any amount from the Account without the prior written consent of Close.

The instructions in this notice may only be revoked or amended with the prior written consent of Close.

Notwithstanding anything to the contrary in this notice:

1. You shall not be bound to enquire whether the right of any person (including, but not limited to, Close) to withdraw any monies from the Account has arisen or be concerned with (A) the propriety or regularity of the exercise of that right or (B) notice to the contrary or (C) to be responsible for the application of any monies received by such person (including, but not limited to, Close); and
2. You shall have no liability for having acted on instructions from any person (including, but not limited to, Close) which on their face appear to be genuine, and which comply with the latest bank mandate held by you or relevant electronic banking system procedures in the case of an electronic instruction; and
3. Your right to exercise any right of combination of accounts, set-off or lien over any monies standing to the credit of the Account in priority to the Close, shall not apply in relation to your standard bank charges and fees and any cash pooling arrangements provided to the Company.
4. You shall not be deemed to be a trustee for us or Close of the Account.

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

Please confirm that you agree to the terms of this notice and to act in accordance with its provisions by sending the attached acknowledgement to Close at Ridgeland House, 165 Dyke Road, Hove, BN3 1UY, with a copy to us.

Yours faithfully,

Signed.....

Authorised Signatory for and on behalf of Monarch Education Limited

Form of Acknowledgement

[On the letterhead of Barclays Bank Plc]

Close Brothers Limited

Ridgeland House

165 Dyke Road

Hove

BN3 1UY

2018

Dear Sirs,

Charge over bank account (Charge) dated [DATE] between Monarch Education Limited and Close Brothers Limited

We confirm receipt from Monarch Education Limited (**Company**) of a notice (**Notice**) dated [DATE] of a charge (on the terms of the charge) over all monies from time to time standing to the credit of the account detailed below (**Account**), together with all other rights and benefits accruing to or arising in connection with the Account (including, but not limited to, entitlements to interest).

We confirm that we:

- Accept the instructions contained in the Notice and agree to comply with the Notice.
- Will not permit any amount to be withdrawn from the Account without your prior written consent.
- Have not received notice of the interest of any third party in the Account save for the Notice dated [] to ABN AMRO Asset Based Finance N V which is to be withdrawn once Close take over ABN AMRO Asset Based Finance
- Have neither claimed nor exercised, nor will claim or exercise any security interest, set-off, counter-claim or other right in respect of the Account.

The Account is:

Name of Account: Monarch Education Limited

Sort code: 20-07-71

Account number: 43785289

Our acknowledgement of the notice is subject to the following conditions:-

1. We shall not be bound to enquire whether the right of any person (including, but not limited to, Close) to withdraw any monies from the Account has arisen or be concerned with (A) the propriety or regularity of the exercise of that right or (B) notice to the contrary or (C) to be responsible for the application of any monies received by such person (including, but not limited to, Close); and
2. We shall have no liability for having acted on instructions from any person (including, but not limited to, Close) which on their face appear to be genuine, and which comply with the latest bank mandate held by us or relevant electronic banking system procedures in the case of an electronic instruction; and
3. Our right to exercise any right of combination of accounts, set-off or lien over any monies standing to the credit of the Account in priority to Close, shall continue to apply in relation to our standard bank charges and fees and any cash pooling arrangements provided to the Company.
4. We shall not be deemed to be a trustee for the Company or Close of the Account.

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

Yours faithfully,

Signed.....

For and on behalf of Barclays Bank Plc

SCHEDULE 3

Enforcement

1. Enforcement Events

1.1 This deed shall be enforceable if:

- 1.1.1 any of the Secured Liabilities are not paid or discharged when the same ought to be paid or discharged by the Company (whether on demand, at scheduled maturity, or by acceleration or otherwise, as the case may be); or
- 1.1.2 the Company is in breach of any of its obligations under this deed or the Company are in breach of any of their obligations under the Debt Purchase Agreement and that breach (if capable of remedy) has not been remedied to the satisfaction of Close within 14 days of notice by Close, or the relevant Beneficiary, to the Company to remedy the breach; or
- 1.1.3 the Company:
 - 1.1.3.1 becomes unable to pay its debts as they fall due (and/or the value of the Company's assets is less than the amount of its liabilities, taking into account the Company's contingent and prospective liabilities);
 - 1.1.3.2 commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness; or
 - 1.1.3.3 makes a general assignment for the benefit of, or a composition with, its creditors; or
- 1.1.4 the Company passes any resolution or takes any corporate action, or a petition is presented or proceedings are commenced, or any action is taken by any person for its winding up, dissolution, administration or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues or assets; or
- 1.1.5 a distress, execution, attachment or other legal process is levied, or enforced on or sued against all or any part of the assets of the Company and remains undischarged for seven days; or
- 1.1.6 any event occurs in relation to the Company that is analogous to those set out in paragraph 1.1.3, paragraph 1.1.4 or paragraph 1.1.5 of this SCHEDULE 3; or

- 1.1.7 any representation, warranty or statement made or deemed to be made by the Company under this deed is or proves to have been incorrect or misleading when made or deemed to be made;

and in any such event (whether or not the event is continuing), without prejudice to any other rights of Close, the powers of sale under the Law of Property Act 1925 shall immediately be exercisable and Close may, in its absolute discretion, enforce all or any part of the security created by this deed as it sees fit.

2. Power of Sale

The power of sale under this deed (including any statutory power of sale) shall, as between Close and a purchaser from Close, arise on and be exercisable at any time after the execution of this deed, but Close shall not exercise such power of sale until the security constituted by this deed has become enforceable under paragraph 1 of this SCHEDULE 3.

3. Protection of Third Parties

- 3.1 No purchaser, mortgagee or other person dealing with Close or any Receiver shall be concerned:

3.1.1 to enquire whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged, or whether the power Close or a Receiver is purporting to exercise has become exercisable; or

3.1.2 to see to the application of any money paid to Close or any Receiver.

4. No Liability As Mortgagee in Possession

Neither Close nor any Receiver shall be liable to account as mortgagee in possession in respect of the Credit Balances, 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, the Credit Balances 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 deed has become enforceable, or at the request of the Company, Close may, without further notice:

5.1.1 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 Credit Balances; and

- 5.1.2 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, they shall have power to act separately (unless the appointment by Close specifies to the contrary).

- 5.2 Close may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the Law of Property Act 1925 and the remuneration of the Receiver shall be a debt secured by this deed which shall be due and payable immediately upon its being paid by Close.

6. Power of Sale Additional

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

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

7. Agent of the Company

Any Receiver appointed by Close under this deed shall be the agent of the Company and the Company 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 Close under this deed shall, in addition to the powers conferred on him by the Law of Property Act 1925 and the Insolvency Act 1986, have the power to do all such acts and things as an absolute owner could do in the management of the Credit Balances.

9. Appropriation

Neither Close nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 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.

10. Suspense Account

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

11. Power of Attorney

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

11.1.1 the Company is required to execute and do under this deed, including execute any document required by Close under paragraph 6 of SCHEDULE 2; and/or

11.1.2 any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this deed or by law on Close or any Receiver.

12. Ratification of Acts of Attorney

The Company ratifies and confirms, and agrees to ratify and confirm, anything which 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 11 of this .

SCHEDULE 4

The Original Beneficiaries

Name	Registration number and Jurisdiction of Incorporation
Close Invoice Finance Limited	00935949, England and Wales

FOR AND ON BEHALF OF
SEED CAP HOLDINGS LTD.

Executed as a deed by MONARCH
EDUCATION LIMITED acting by



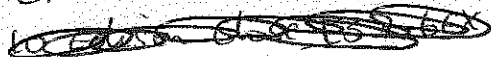
, a director, in the presence of:

Director



Sarah Dodd

EA



EXECUTED as a deed by E. Jackson as
attorney for CLOSE BROTHERS LIMITED in the
presence of:



Attorney for Close Brothers Limited

Witness

Signature :

Name :

Occupation :

Address :



LIDA RESOLDI

CLOSE BROTHRS LIMITED
FIDGETLAND HOUSE
THE DYKE ROAD
HIVE EAST SUSSEX
BN1 1HY

