



Registration of a Charge

Company Name: **HENNESSY LIVING GROUP LIMITED**

Company Number: **08774156**



Received for filing in Electronic Format on the: **14/07/2022**

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Details of Charge

Date of creation: **07/07/2022**

Charge code: **0877 4156 0001**

Persons entitled: **SHAWBROOK BANK LIMITED**

Brief description: **THE COMPANY CHARGES BY WAY OF FIRST LEGAL MORTGAGE THE FREEHOLD PROPERTIES KNOWN AS: (1) 5 GRANGE ROAD, HARTLEPOOL (TS26 8JE) (TITLE NUMBER: CE76335); (2) 75 BOSWORTH GARDENS, NEWCASTLE UPON TYNE (NE6 5UN) (TITLE NUMBER: TY367589); (3) 1 MELROSE AVENUE, BILLINGHAM (TS23 2JJ) (TITLE NUMBER: TES6197); (4) 3 MELROSE AVENUE, BILLINGHAM (TS23 2JJ) (TITLE NUMBER: TES6430); (5) 25 CUMBERLAND TERRACE, WILLINGTON (DL15 0PB) (TITLE NUMBER: DU152462); (6) BRENIG RHYS, WEST AUCKLAND ROAD, SHILDON (DL4 1PY) (TITLE NUMBER: DU87768); (7) LAND ADJOINING BRENIG RHYS, WEST AUCKLAND ROAD SHILDON (DL4 1PY) (TITLE NUMBER: DU382742); AND (8) LAND LYING TO THE NORTH OF WEST AUCKLAND ROAD, BISHOP AUCKLAND (TITLE NUMBER: DU90250).**

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 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: **FIELDFISHER LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 8774156

Charge code: 0877 4156 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 7th July 2022 and created by HENNESSY LIVING GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 14th July 2022 .

Given at Companies House, Cardiff on 18th July 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**

Date: 7 July 2022

Hennessy Living Group Limited

as Chargor

Shawbrook Bank Limited

as Lender

Security Agreement

Fieldfisher No 1 Spinningfields 1 Hardman Street Manchester M3 3EB

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THIS SECURITY AGREEMENT is made on

7 July 2022

BY:

- (1) **HENNESSY LIVING GROUP LIMITED** a private limited company registered in England and Wales with registration number 08774156 and whose registered office is at Rickleton 1b Bowes Offices, Lambton Park, Chester Le Street, England, DH3 4AN (the "**Chargor**")

IN FAVOUR OF:

- (2) **SHAWBROOK BANK LIMITED**, a private limited company incorporated in England and Wales with company registration number 0388466 and with its registered office at Lutea House, The Drive, Warley Hill Business Park, Great Warley, Brentwood, Essex CM13 3BE (the "**Lender**").

IT IS AGREED as follows:

1. Definitions and interpretation

1.1 Definitions

In this Deed:

"**Act**" means the Law of Property Act 1925;

"**Administrator**" means an administrator appointed under paragraph 14 of schedule B1 to the Insolvency Act 1986;

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

"**Equipment**" means all fixed and moveable plant, machinery, tools, vehicles, computers and office and other equipment and the benefit of all related agreements and warranties (including all spare parts, replacements, modifications and additions);

"**Intellectual Property**" means (i) any patents, trade marks, service marks, logos, trade names, domain names, copyrights (including rights in computer software), database rights, semi-conductor topography rights, utility models, rights in designs, rights in get-up, rights in inventions, rights in know-how and confidential information, moral rights and other intellectual property rights and interests (which may now or in the future subsist), in each case whether registered or unregistered, and all rights or forms of protection having equivalent or similar effect anywhere in the world, and (ii) the benefit of all applications for, and all rights to use, any of those things (which may now or in the future subsist), and "registered" includes registrations and applications for registration;

"**Investment**" means any stock, share, bond or any form of loan capital of or in any legal entity, unit in any unit trust or similar scheme, warrant or other right to acquire any such investment, and any offer, right or benefit in respect of any such investment;

"**Lease Document**" means:

- (a) an agreement or other contract to grant an Occupational Lease for all or part of any Real Property owned or acquired by the Chargor;

(b) an Occupational Lease; or

any other document designated as such by the Lender and the Chargor.

"Material Contracts" means:

- (a) each Lease Document in respect of the Chargor's Real Property;
- (b) the sale and purchase agreement for any Real Property specified in Schedule 1 (*Real Property*) or acquired by the Chargor after the date of this Deed and the relevant transfer of such Real Property; and
- (c) any other agreement entered into by the Chargor which is designated as a Material Contract by the Lender in writing;

"Occupational Lease" means any lease or licence or other right of occupation or right to receive rent to which any Real Property owned or acquired by the Chargor may at any time be subject and includes any guarantee of a tenant's obligations under the same;

"Real Property" means freehold, tenancy, leasehold or other immoveable property and any buildings, erections, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of such property;

"Receivables" means all book and other debts and rights to money and income liquidated and unliquidated due or owing to the Chargor including the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but excluding cash at bank;

"Receiver" means any one or more persons appointed as a receiver, receiver and manager or administrative receiver under this Deed;

"Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (as amended) or (where the context admits) equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements;

"Rental Income" means all present and future amounts payable to or for the benefit of the Chargor under or in connection with any Lease Document or any other letting of Real Property subject to any of this Security;

"Secured Obligations" means all present and future obligations of the Chargor to the Lender whether actual or contingent and whether owed or incurred alone or jointly and/or severally with another and as principal or as surety or in any other capacity or of any nature, together with all interest (including default interest) accruing in respect of those monies, obligations or liabilities;

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect; and

"Security Assets" means the assets now or at any time mortgaged, charged or assigned by the Chargor under this Deed; and

"Security Period" means the period beginning on the date of this Deed and ending on the date on which the Lender is satisfied that all the Secured Obligations have been unconditionally and irrevocably paid, released and discharged in full and no further Secured Obligations are capable of becoming outstanding.

1.2 Construction

- (a) In this Deed, unless a contrary indication appears, any reference to:
- (i) **"assets"** includes present and future properties, revenues and rights of every description and includes the proceeds of sale of any such asset;
 - (ii) this **"Deed"** or any other **"agreement"** or **"document"** is a reference to the same as it may have been, or may from time to time be, amended, varied, supplemented, extended, restated, novated and/or replaced in any manner (and however fundamentally);
 - (iii) a **"default"** means a default or termination event under any agreement or instrument which is binding on the Chargor or to which any of its assets is subject;
 - (iv) a party to this Deed includes its successors in title, permitted transferees and permitted assigns;
 - (v) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
 - (vi) any provision of law includes that provision as amended, re-enacted or replaced from time to time and includes any subordinate legislation;
 - (vii) **"obligations"** means obligations and liabilities and include the whole or any part of them, present and future, actual and contingent;
 - (viii) **"Real Property"**, **"Intellectual Property"**, **"Equipment"**, the **"Security Assets"** and any other assets or asset or the **"Secured Obligations"** includes a reference to any part of them or it;
 - (ix) **"this Security"** means the Security created or constituted by this Deed; and
 - (x) words in the singular include the plural and vice versa and words in one gender include any other gender.
- (b) Headings in this Deed are for ease of reference only.
- (c) Any undertaking made by or obligation imposed on the Chargor in this Deed will continue in force throughout the Security Period.
- (d) The representations, covenants and undertakings set out in any other agreement and of any side letter between the parties to this Deed shall apply to this Deed in so far as they relate to the Chargor and the Security Assets as if such terms were set out in full herein mutatis mutandis.
- (e) The terms of any other agreement and of any side letter between the parties to this Deed are incorporated in this Deed to the extent required for any contract for the purported disposition of any Real Property contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

- (f) It is intended that this Deed take effect as a deed notwithstanding the fact that the Lender may only execute this document under hand.

1.3 Execution

It is intended that this document takes effect as a deed even though a Party may only execute it under hand.

2. Covenant to pay

2.1 Covenant to pay

The Chargor covenants with the Lender to pay the Secured Obligations when due to the Lender whether at maturity, on acceleration, on demand or otherwise.

2.2 Interest

If the Chargor fails to pay any of the Secured Obligations on the due date for payment of that sum, the Chargor shall on demand pay to the Lender interest on all such sums from the due date until the date of payment (both before and after judgment) at the rate which is two per cent per annum higher than the rate ordinarily payable on the relevant unpaid sum from time to time or such other rate as may from time to time be agreed.

3. Security

All Security created under this Deed is created over present and future assets of the Chargor as continuing security for the payment, discharge or performance of the Secured Obligations and is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

4. Liability of the Chargor and Lender's protections

4.1 Liability not discharged

The Chargor's liability under this Deed in respect of any of the Secured Obligations shall not be discharged, prejudiced or otherwise adversely affected by:

- (a) any intermediate payment, settlement of account or discharge in whole or in part of the Secured Obligations;
- (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Lender may now or after the date of this deed have from or against the Chargor or any other person in connection with the Secured Obligations;
- (c) any act or omission by the Lender or any other person in taking up, perfecting or enforcing any Security, indemnity, or guarantee from or against the Chargor or any other person;
- (d) any termination, amendment, variation, novation, replacement or supplement of or to any of the Secured Obligations;
- (e) any grant of time, indulgence, waiver or concession to the Chargor or any other person;

- (f) any insolvency, bankruptcy, liquidation, administration, winding up, incapacity, limitation, disability, the discharge by operation of law, or any change in the constitution, name or style of the Chargor or any other person;
- (g) any invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of, or Security held from the Chargor or any other person in connection with the Secured Obligations;
- (h) any claim or enforcement of payment from, the Chargor or any other person; or
- (i) any other act or omission which would not have discharged or affected the liability of the Chargor had it been a principal debtor or anything done or omitted by any person which, but for this provision, might operate to exonerate or discharge the Chargor or otherwise reduce or extinguish its liability under this Deed.

4.2 Immediate recourse

The Chargor waives any right it may have to require the Lender:

- (a) to take any action or obtain judgment in any court against any person;
- (b) to make or file any claim in a bankruptcy, liquidation, administration or insolvency of any person; or
- (c) to make demand, enforce or seek to enforce any claim, right or remedy against any person,

before taking steps to enforce any of its rights or remedies under this Deed.

4.3 Non-competition

The Chargor warrants to the Lender that it has not taken or received, and shall not take, exercise or receive the benefit of any rights from or against any co-guarantor or any other person in connection with any liability of, or payment by, the Chargor under this Deed but:

- (a) if any of the rights is taken, exercised or received by the Chargor, those rights and all monies at any time received or held in respect of those rights shall be held by the Chargor on trust for the Lender for application in or towards the discharge of the Secured Obligations under this Deed; and
- (b) on demand by the Lender, the Chargor shall promptly transfer, assign or pay to the Lender all other rights and all monies from time to time held on trust by the Chargor under this Clause 4.3.

5. Fixed Security

5.1 Real Property

The Chargor charges to the Lender:

- (a) by way of first legal mortgage the Real Property specified in Schedule 1 (*Real Property*);
- (b) by way of first fixed charge:

- (i) any Real Property (to the extent not the subject of a mortgage under paragraph (a) above); and
- (ii) any Real Property acquired by the Chargor after the date of this Deed;
- (c) by way of absolute assignment, subject to a proviso for re-assignment on redemption, its rights and interest in all Rental Income and the benefit of any guarantee (present or future) of Rental Income contained in or relating to any Lease Document.

5.2 Equipment

The Chargor charges by way of first fixed charge all its rights, title or interest in Equipment and in any Equipment for the time being in its possession.

5.3 Intellectual Property

The Chargor charges to the Lender by way of first fixed charge its rights and interest in any Intellectual Property (including without limitation the Intellectual Property specified in Schedule 2 (if any)) and the benefit of any present and future licences or consents granted to or by the Chargor in relation to any Intellectual Property.

5.4 Receivables

The Chargor charges to the Lender by way of first fixed charge any present or future Receivables owing to the Chargor.

5.5 Credit balances

The Chargor charges to the Lender by way of first fixed charge any money now or at any time after the date of this Deed standing to the credit of any bank account of the Chargor.

5.6 Investments

The Chargor charges to the Lender by way of first fixed charge its rights and interest in any present and future Investments and all dividends, interest and other money payable in respect of those Investments.

5.7 Goodwill and uncalled capital

The Chargor charges to the Lender by way of first fixed charge its present and future goodwill and uncalled capital.

5.8 Insurances

The Chargor charges to the Lender by way of first fixed charge any present or future insurances in respect of any Security Assets and the proceeds of such insurances.

5.9 Contracts

The Chargor charges to the Lender by way of first fixed charge its interest in and the benefit of the Material Contracts and all other present and future contracts and agreements to which it is a party (save to the extent that it is subject to any fixed security created under any other term of this Clause 5) and the benefit of any guarantee or Security for the performance of any such Material Contract or other agreements.

6. Floating Security

6.1 Floating charge

As continuing security for the payment, discharge or performance of the Secured Obligations the Chargor charges to the Lender by way of first floating charge (in this Clause 6 "**the floating charge**") with full title guarantee, the whole of its assets to the extent that such assets are not effectively mortgaged, charged or assigned to the Lender by way of fixed security under Clause 5 (*Fixed Security*).

6.2 Conversion

The Lender may, to the extent permitted by applicable law, at any time by written notice to the Chargor convert the floating charge into a fixed charge as regards any assets specified in the notice if in the opinion of the Lender such assets may 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 or to be at risk of becoming subject to any Security (other than this Security) or the Lender considers it is necessary in order to protect the value of the Security Asset or the priority of this Security.

6.3 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 6.1 (*Floating charge*), which is a "qualifying floating charge" for the purpose of paragraph 14(1) of Schedule B1 to the Insolvency Act 1986.

6.4 Automatic conversion

The floating charge created by Clause 6.1 (*Floating charge*) will, to the extent permitted by applicable law, convert automatically into a fixed charge over all the Chargor's assets not already subject to an effective fixed charge:

- (a) if the Lender receives notice of an intention to appoint an administrator of the Chargor;
- (b) if any step is taken to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of the Chargor or over all or any of its assets, or if such person is appointed;
- (c) if the Chargor takes any step to create Security over any Security Asset in breach of Clause 7 (*Restrictions on dealing*);
- (d) on the crystallisation of any other floating charge over the Security Assets;
- (e) if any person takes any step to seize, attach, charge, take possession of or sell any Security Asset under any form of distress, sequestration, execution or other process; or
- (f) in any other circumstances prescribed by law.

7. Restrictions on dealing

7.1 Negative pledge and disposals

The Chargor shall not:

- (a) create or permit to subsist any Security over any of the Security Assets (other than any Security created by this Deed); or
 - (b) sell, transfer, license, lease or otherwise dispose of any of the Security Assets,
- unless the Lender agrees in writing to the contrary.

7.2 Registered land

Within any applicable priority period, the Chargor applies and agrees that it shall apply to HM Land Registry (by submitting a form RX1 or otherwise and paying all appropriate registration fees) for a restriction in the following terms to be entered on the register or registers of title relating to any Security Assets now or after the date of this Deed registered at HM Land Registry and against which this Deed may be noted:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of Shawbrook Bank Limited referred to in the Charges Register."

8. Representations

The Chargor makes the following representations and warranties to the Lender on the date of this Deed:

- (a) this Deed creates valid first priority Security over the assets to which it relates;
- (b) it is the sole legal and beneficial owner of, and absolutely entitled to, the assets it purports to mortgage, charge or assign under this Deed;
- (c) it has not sold or otherwise disposed of or agreed to sell or dispose of or granted or agreed to grant any option, lease or licence in respect of all or any of the Chargor's right, title and interest in and to the Security Assets;
- (d) no event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination, satisfaction of any other condition or any combination thereof, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Chargor or to which any of its assets is subject which has or is likely to have a material adverse effect on the Chargor's business, assets or condition, or its ability to perform its obligations under this Deed.
- (e) it has not mortgaged, charged or assigned or otherwise encumbered any of the assets it purports to mortgage, charge or assign under this Deed (except as created by this Deed in favour of the Lender),

and is deemed to repeat such representations and warranties by reference to the facts and circumstances then existing on each day during the Security Period.

9. Undertakings relating to the Chargor's business

9.1 Information

The Chargor shall:

- (a) give to the Lender or any Receiver such information relating to the Security Assets, its undertaking or property or otherwise relating to its affairs as either of them requires; and
- (b) ensure that all information supplied to the Lender by it is at the time of supply complete and accurate in all material respects.

9.2 Laws

The Chargor shall observe and perform all laws, covenants and stipulations from time to time affecting any Security Asset or otherwise relating to its business.

9.3 Default

The Chargor shall notify the Lender of any default or event or circumstance which would, on the expiry of any grace period, the giving of notice, the making of any determination, satisfaction of any other condition or any combination thereof, constitute a default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

9.4 Value of Security Assets

The Chargor shall not do or cause or permit to be done anything which may depreciate, jeopardise or otherwise prejudice the Security Assets or their value to the Lender.

10. Undertakings relating to the Security Assets

10.1 Repair

The Chargor shall keep the Security Assets which are of a repairable nature in good and substantial repair and condition, and shall not make any structural or material alterations or additions to or carry out any development on or make any planning or similar application relating to any of the Security Assets.

10.2 Outgoings

The Chargor shall punctually pay or cause to be paid and shall indemnify and/or secure the Lender and any Receiver against all rents, rates, taxes, liabilities, duties, assessments and other outgoings payable in respect of or by the owner or occupier of the Security Assets.

10.3 Insurance

- (a) The Chargor shall keep all its assets which are of an insurable nature insured (with the Lender as composite insured and the Lender named as loss payee in the case of Real Property) with a reputable insurance office against all risks which a prudent person carrying on a business similar to that of the Chargor would reasonably insure against to their full replacement value or in the case of buildings on a full reinstatement basis and against all professional fees, value added tax, demolition and site clearance charges and loss of rental and other income derived from such buildings for at least three years.

- (b) The Lender shall not have any liability for any premium in relation to any insurance policy entered into by the Chargor unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any insurance policy.
- (c) The Chargor shall promptly pay all premiums in respect of each insurance policy and do (and shall not omit to do) all other things necessary to keep that policy in full force and effect for the benefit of the Chargor and the Lender.
- (d) All monies payable under any insurance policy maintained by the Chargor in accordance with this Clause 10.3 at any time (whether or not the Security constituted by this Deed has become enforceable) shall be applied in making good, replacing, restoring or reinstating the Security Assets or recouping expenditure in respect of the loss or damage for which those monies are received or, after the Security constituted by this Deed has become enforceable or if the Lender otherwise directs, in or towards discharge or reduction of the Secured Obligations.
- (e) If the Chargor fails to comply with any term of this Clause 10.3, the Lender may at the expense of the Chargor, effect insurance and generally do such things and take such other action as the Lender may reasonably consider necessary or desirable to prevent a breach of this Clause 10.3.

10.4 Leasing

The Chargor's statutory and any other powers of entering into Lease Documents and accepting surrenders of Lease Documents are excluded and shall not be exercisable by the Chargor in relation to the Security Assets and the Chargor shall not part with possession or occupation of, confer any licence or other interest in any Security Assets, and shall not grant any permission to assign, underlet or part with possession or occupation of any Security Assets.

10.5 Power to remedy

The Chargor shall permit the Lender, its agents and contractors at reasonable times and upon reasonable notice to enter into or upon any of its Real Property (without becoming liable as mortgagee in possession) to view its state and condition, to comply with or object to any direction or notice or other matter served upon the Chargor, and to carry out at the cost of the Chargor any repairs or maintenance of Security Assets or to procure compliance with any obligation of the Chargor in this Deed.

10.6 Intellectual Property

- (a) The Chargor shall:
 - (i) preserve and maintain the subsistence and validity of the Intellectual Property necessary for its business;
 - (ii) prevent any infringement in any material respect of its Intellectual Property;
 - (iii) make registrations and pay all registration, renewal fees and taxes necessary to maintain its Intellectual Property in full force and effect and record its interest in that Intellectual Property;
 - (iv) not use (or licence or permit any third party to use) its Intellectual Property in a way or take any step or omit to take any step in respect of its Intellectual Property

which may materially and adversely affect the existence or value of its Intellectual Property or imperil its right to use its Intellectual Property;

- (v) not abandon, cancel or allow any of its Intellectual Property to become void, lapse or to become vulnerable to attack for non-use or otherwise.
- (b) The Chargor shall promptly and at its own expense take all such steps and execute all such documents as the Lender reasonably requires in relation to the registration of the Lender's interest under this Deed in or in relation to its Intellectual Property or to record the interest of the Lender in any registers relating to any such Intellectual Property.

10.7 Contracts

- (a) The Chargor shall duly and promptly perform its obligations and enforce and diligently pursue its rights under each Material Contract.
- (b) Prior to the occurrence of an Event of Default, the Chargor shall remain entitled to exercise its rights and remedies under or in respect of the Material Contracts.
- (c) The Chargor shall take all reasonable and practicable steps to preserve and enforce its rights and remedies under or in respect of Material Contracts.
- (d) The Chargor shall promptly give notice to the Lender in writing of any breach of any Material Contract to which it is a party or right of rescission or termination arising under any such Material Contract together with its proposals for causing any breach to be remedied and, subject to the Lender's approval of such proposals, forthwith implement them at the Chargor's expense to the satisfaction of the Lender.

10.8 Deposit documents

- (a) The Chargor shall, upon execution of this Deed or, if later, upon receipt, deposit with the Lender all deeds, certificates and other documents evidencing title (including electronic copies of any Lease Documents) in respect of its Real Property.
- (b) The Chargor shall, upon execution of this Deed or, if later, upon receipt, deposit with the Lender all stock and share certificates and other documents of title to its Investments together with duly executed undated blank transfers in respect of each such Investment and other documents as the Lender may require for perfecting its title to the Investments or for vesting or enabling it to vest the Investments in itself or its nominee or any purchaser, together with forms of waiver of any pre-emption rights necessary to enable such transfers to be registered.
- (c) The Chargor shall deliver to the Lender all deeds and other documents of title relating to its Intellectual Property (including any licences relating to, and any applications to register, any such Intellectual Property) and such other documents of title relating to Security Assets as the Lender may from time to time require.
- (d) The Lender is entitled to hold and retain all such deeds, certificates and documents until the expiry of the Security Period.

10.9 Receivables

The Chargor shall not deal with the Receivables other than by collecting them in the ordinary course of business and shall not charge, factor, discount or assign any of the Receivables in favour of a third party or subordinate, release or waive its rights in respect of any of the Receivables.

10.10 Credit balances

- (a) The Chargor shall, promptly when requested by the Lender, give notice to each bank, building society, financial institution or other person with whom a bank account is maintained by the Chargor ("**Account Bank**"), substantially in the form set out in Schedule 4 (Notice to Account Bank) and shall use reasonable endeavours to ensure that the Account Bank delivers to the Lender a duly completed acknowledgement of such notice.
- (b) Prior to any enforcement of this Security in accordance with Clause 11.1 or any conversion of the floating charge contemplated by Clause 6, the Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any bank account.
- (c) The Chargor shall promptly deliver to the Lender details of any bank account maintained by it.
- (d) The Chargor shall not, without the Lender's prior written consent, permit or agree to any variation of the rights attaching to any bank account or close any bank account.
- (e) On and after this Security becoming enforceable, the Chargor giving notice under Clause 10.10(a) or the conversion of the floating charge contemplated by Clause 6.2 (*Conversion*):
 - (i) the Chargor shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any bank account except with the prior written consent of the Lender; and
 - (ii) the Lender shall be entitled without notice to withdraw, apply, transfer or set off any or all of the credit balances from time to time on any bank account in or towards payment or other satisfaction of all or part of the Secured Obligations in accordance with Clause 16 (*Application of sums realised*).

10.11 Authorisations

The Chargor shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect, and supply certified copies to the Lender of, any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration required under any law or regulation of its jurisdiction of incorporation to enable it to carry on its business.

10.12 Remedy by Lender

If the Chargor fails to comply with any of its obligations under this Deed the Lender may take such steps as it considers appropriate to procure compliance with such obligations at the cost of the Chargor.

11. Enforcement of Security

11.1 Timing and enforcement

- (a) This Security shall become immediately enforceable at any time after the Lender demands payment of any indebtedness of the Chargor to the Lender (or appoints a Receiver) or if the Chargor requests the Lender to exercise any of its powers under this Deed.
- (b) After this Security has become enforceable, the Lender may in its absolute discretion enforce all or any part of this Security in any manner it sees fit.

11.2 Powers of Lender

After this Security has become enforceable the Lender may:

- (a) exercise the power of sale and all other rights, powers and discretions conferred on mortgagees by section 101 of the Act as varied or extended by this Deed;
- (b) appoint one or more persons as an Administrator of the Chargor in accordance with schedule B1 to the Insolvency Act 1986;
- (c) appoint one or more persons as a Receiver of any Security Assets;
- (d) exercise all the rights, powers and discretions conferred on a Receiver by this Deed, the Act and the Insolvency Act 1986, without first appointing a Receiver or notwithstanding the appointment of a Receiver;
- (e) by notice to the Chargor end the Chargor's right to possession of all or any Real Property forming part of the Security Assets and enter into possession of all or such part of such Real Property;
- (f) exercise all other powers conferred on mortgagees or receivers by law;
- (g) to the extent that this Deed constitutes a "security financial collateral arrangement" as defined in the Regulations, appropriate any Security Asset which constitutes "financial collateral" as defined in those Regulations in or towards satisfaction of the Secured Obligations and the value of such Security Assets shall be (i) in the case of cash, the amount standing to the credit of each relevant account together with any accrued but unposted interest at the time the right of appropriation is exercised and (ii) in the case of other financial collateral, such value as is determined by the Lender by reference to the price of the relevant Security Assets at the time the right of appropriation is exercised as listed on any recognised market index or to an independent valuation or other procedure selected by the Lender acting reasonably. The Chargor agrees that the methods of valuation provided for in this Clause 10.2 are commercially reasonable for the purposes of those Regulations.

11.3 Statutory powers

The power of sale and all other rights, powers and discretions conferred by section 101 of the Act as varied or extended by this Deed will arise upon execution of this Deed by the Chargor. Section 103 and Section 93 of the Act will not apply to this Deed.

11.4 No Duty to Enquire

No person dealing with the Lender or any Receiver shall be concerned to enquire:

- (a) whether the Security has become enforceable or whether the rights conferred by or pursuant to this Deed are exercisable;
- (b) whether any consents, regulations, restrictions or directions relating to such rights have been obtained or complied with;
- (c) otherwise as to the propriety or regularity of acts purporting or intended to exercise any such rights; or
- (d) as to the application of any money borrowed or raised.

11.5 Protection to Purchasers

All the protection to purchasers contained in Sections 104 (relating to a conveyance on sale) and 107 (relating to mortgagee's receipts, discharges etc.) of the Act, Section 42(3) of the Insolvency Act 1986 or in any other applicable legislation shall apply to any person purchasing from or dealing with the Lender or any Receiver.

11.6 Prior Security

At any time after this Security has become enforceable, the Lender may redeem any prior Security against the Security Assets or procure a transfer of such Security to itself and may agree the accounts of the person entitled to that Security and any accounts so agreed will be binding on the Chargor. Any money paid by the Lender in connection with a redemption or transfer of any prior Security will form part of the Secured Obligations.

12. Receiver

12.1 Appointment

- (a) The Lender may appoint any Receiver upon such terms as to remuneration and otherwise as the Lender thinks fit.
- (b) Any Receiver will be the agent of the Chargor for all purposes and the Chargor will be responsible for such Receiver's acts and defaults and for his remuneration, costs, fees, taxes and expenses.
- (c) If any two or more persons hold office as Receivers of the same assets or income, each of them may exercise all rights, powers and discretions conferred on Receivers by this Deed individually and to the exclusion of the other or others of them.
- (d) The Lender may at any time by writing remove any Receiver (subject to obtaining any required order of the court in the case of an administrative receiver) whether or not the Lender appoints any other person as Receiver in his place.

12.2 Statutory powers

Every Receiver shall have all the powers conferred:

- (a) by the Act on mortgagees in possession and on receivers appointed under the Act; and

- (b) upon an administrator or administrative receiver by Schedule 1 of the Insolvency Act 1986,

which powers are incorporated into this Deed.

12.3 Additional powers

In addition a Receiver shall have power (both before and after the commencement of any liquidation of the Chargor) to do every act and thing and exercise every power:

- (a) which the Receiver would have been entitled to do or exercise if the Receiver were the absolute legal and beneficial owner of the Security Assets; and
- (b) which the Receiver in his absolute discretion considers necessary or desirable for maintaining or enhancing the value of the Security Assets or for or in connection with the enforcement of this Security or the realisation of any Security Assets,

and may use the name of the Chargor in connection with any exercise of such powers.

13. Delegation of powers by Lender or Receiver

The Lender or any Receiver may from time to time delegate by power of attorney or in any other manner to any person any powers which are for the time being exercisable by the Lender or a Receiver under this Deed in relation to any Security Assets and any such delegation may be made upon such terms as the Lender or such Receiver may think fit. Neither the Lender nor any Receiver will be in any way liable or responsible to the Chargor for any loss or damage arising from any act or omission on the part of any such delegate.

14. Exclusion of liability

Neither the Lender nor any Receiver will 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.

15. Reimbursement and indemnity

15.1 Reimbursement of expenses

The Chargor shall pay to the Lender on demand:

- (a) any money paid by the Lender or any Receiver as a result of the Lender or any Receiver taking action which the Lender or any Receiver considers necessary or desirable in connection with any Security Assets or to procure compliance with any obligation of the Chargor in this Deed, or in respect of any action or thing expressed in this Deed to be done at the cost of the Chargor; and
- (b) all costs, fees, taxes and expenses incurred by the Lender or any Receiver under or in connection with this Deed or its enforcement and/or the preservation of the Lender's rights under this Deed.

15.2 Indemnity

The Chargor shall indemnify each of the Lender and any Receiver against all liabilities, claims and expenses whether arising out of contract or in tort or in any other way which it may at any time

incur in connection with this Deed or for anything done or omitted to be done in the exercise or purported exercise of its powers pursuant to this Deed.

16. Application of sums realised

16.1 Application by Lender

Subject to any claims having priority to this Security all money recovered by the Lender or any Receiver as a result of the enforcement of this Deed or otherwise by reason of this Security will be applied in such order as the Lender may determine.

16.2 Contingent or future liabilities

If any money is received by the Lender or a Receiver as a result of the enforcement of this Deed or otherwise by reason of this Security at a time when the Secured Obligations include contingent or future liabilities the Lender or any Receiver may hold some or all of such money in a suspense account.

17. Protection of persons dealing with Lender or Receiver

No person dealing with the Lender or any Receiver will be concerned to enquire whether any event has happened upon which any of the powers conferred by this Deed may have arisen or be exercisable, or otherwise as to the propriety or regularity of any exercise of the powers conferred by this Deed or of any act purporting or intended to be in exercise of such powers, or whether any Secured Obligations remain owing.

18. Further assurance

Whenever required by the Lender or any Receiver the Chargor shall at its own cost execute any documents or do any other thing which the Lender or any Receiver may require for perfecting or protecting this Security or any Security intended to be created by this Deed or in connection with the exercise of any powers given to the Lender or any Receiver under this Deed and convey, transfer, assign or otherwise deal with any Security Assets in such manner as the Lender or any Receiver may require in connection with any enforcement of this Security.

19. Power of attorney

The Chargor irrevocably and by way of security appoints each of the Lender and any Receiver its attorney in each case (with full power to appoint substitutes and to delegate) severally in its name and on its behalf to do any act or thing which the Chargor is obliged to do under this Deed or any other document evidencing Secured Obligations, or which the Lender or any Receiver in its or his sole and absolute discretion considers to be requisite, expedient or appropriate in order to carry any sale, lease or other disposal into effect, or to execute any deed, document or instrument, or to convey or transfer any legal estate or other interest in any asset, or to get in the Security Assets, or to enable the Lender or a Receiver to exercise the respective powers conferred on them by or pursuant to this Deed, any other document evidencing Secured Obligations or by law. The Chargor shall ratify and confirm all actions and transactions lawfully undertaken or entered into by the Lender or by any Receiver in the exercise or purported exercise of their respective powers under this Clause 19.

20. Discharge of Security**20.1 Release of Security Assets**

Upon the expiry of the Security Period the Lender shall, at the request and cost of the Chargor, but subject to Clause 20.2 (*Releases conditional*), take whatever action is necessary to release and / or reassign the Security Assets from this Security.

20.2 Releases conditional

Any settlement, release or discharge under this Deed between the Lender and the Chargor will be conditional upon no Security or payment to the Lender by the Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, winding-up, administration or insolvency for the time being in force, and if such condition is not satisfied, the Lender will be entitled to recover from the Chargor on demand the value of such Security or the amount of any such payment as if such settlement, release or discharge had not occurred and/or to enforce this Security to the full extent of the Secured Obligations.

20.3 No other release

No receipt, release or discharge of the Security provided by, or of any liability arising under, this Deed shall release or discharge the Chargor from any liability to the Lender for the same or any other liability which may exist independently of this Deed.

21. Benefit of this Deed**21.1 Successors in title**

This Deed shall bind and enure to the benefit of the Chargor and the Lender and their respective successors.

21.2 Changes to the parties

(a) The Lender may:

(i) assign any of its rights; or

(ii) transfer by novation any of its rights and obligations,

under this Deed to any person (other than an individual) and the Chargor shall promptly take (at the Lender's cost) all steps necessary or desirable to facilitate any such assignment or transfer.

(b) The Chargor may not assign any of its rights or transfer any of its rights or obligations under this Deed.

21.3 Disclosure of information

The Lender may disclose such information about the Chargor and the Security Assets as the Lender thinks fit to a potential assignee or transferee of all or any part of its rights under this Deed, or to any person who may otherwise enter into contractual relations with the Lender in relation to any of the Secured Obligations, or to any person to whom, and to the extent that, information is

required to be disclosed by any applicable law or regulation, or to any person if the disclosure is in connection with the protection or enforcement of the Lender 's rights under this Deed.

22. Notices

22.1 Communication in writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by letter, or by email.

22.2 Addresses

The address, and email address of each party for any communication or document to be made or delivered under or in connection with this Deed is set out alongside its name in the execution pages of this Deed, or any substitute address, email address or person as either party may notify to the other by not less than five Business Days' notice.

22.3 Delivery

Any communication or document made or delivered under or in connection with this Deed will be effective:

- (a) if left at an address referred to in this Clause 22, when so left;
- (b) if posted by first class post, two Business Days after being deposited in the post postage prepaid in an envelope addressed to that address and, if a particular department or officer is specified as part of its address details provided under Clause 22.2, if addressed to that department or officer;
- (c) if transmitted by email, when received in legible form.

23. Miscellaneous

23.1 No third party rights

Unless expressly set out in this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

23.2 Continuing Security

This Deed is a continuing security and extends to the balance from time to time of the Secured Obligations irrespective of any intermediate payment of monies due to the Lender.

23.3 Additional Security

This Deed is in addition to and will not in any way be prejudiced or affected by the holding or release by the Lender or any other person of any other Security at any time held by the Lender.

23.4 Set-off

The Lender may set off any matured obligation owed by the Chargor to the Lender against any obligation (whether or not matured) owed by the Lender to the Chargor regardless of the place of payment, or currency of either obligation. If the obligations are in different currencies, the Lender

may convert either obligation at a market rate of exchange for the purpose of the set-off in an amount estimated by it in good faith to be the amount of that obligation.

23.5 Waivers; rights cumulative

No delay or omission of the Lender in exercising any right or remedy under this Deed or otherwise available to it at law shall impair such right or remedy, or be construed as a waiver of such right or remedy nor shall any single or partial exercise of any such right or remedy preclude its further exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law and may be waived only in writing and specifically.

23.6 Severability

Any provision of this Deed which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Deed or affecting the validity or enforceability of such provision in any other jurisdiction.

23.7 Consolidation

The restrictions on the right of consolidating mortgage securities contained in section 93 of the Act will not apply to this Deed.

23.8 Illegality

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

23.9 Certificates and determinations

A certificate or determination by the Lender of the amount of the Secured Obligations outstanding at any time or of any other amount is, in the absence of manifest error, conclusive evidence for all purposes of this Deed as against the Chargor.

23.10 Counterparts

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

24. Governing law

This Deed and any non-contractual obligations arising out of or in connection with this Deed shall be governed by English law.

25. Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligations arising out of or in connection with this Deed) (a "**Dispute**").

- (b) The Lender and the Chargor agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly neither of them will argue to the contrary.
- (c) This Clause 25 is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

EXECUTED as a deed and delivered by the Chargor and signed on behalf of the Lender on the date stated at the beginning of this document.

Schedule 1

Real Property

County and District (or London Borough)	Address or Description	Freehold/ Leasehold	Title No.
Hartlepool	5 Grange Road, Hartlepool (TS26 8JE)	Freehold	CE76335
Tyne and Wear: Newcastle Upon Tyne	75 Bosworth Gardens, Newcastle Upon Tyne (NE6 5UN)	Freehold	TY367589
Stockton-on-Tees	1 Melrose Avenue, Billingham (TS23 2JJ)	Freehold	TES6197
Stockton-on-Tees	3 Melrose Avenue, Billingham (TS23 2JJ)	Freehold	TES6430
County Durham	25 Cumberland Terrace, Willington (DL15 0PB)	Freehold	DU152462
County Durham	Brenig Rhys, West Auckland Road, Shildon (DL4 1PY)	Freehold	DU87768
County Durham	Land adjoining Brenig Rhys, West Auckland Road Shildon (DL4 1PY)	Freehold	DU382742
County Durham	Land lying to the North of West Auckland Road, Bishop Auckland	Freehold	DU90250

Schedule 2

Intellectual Property

N/A

Schedule 3

Notice to Account Bank

To: *[Account Bank]*

[Date]

Dear Sirs

Security Agreement dated [•] (the "Security Agreement") between Hennessy Living Group Limited and Shawbrook Bank Limited (the "Lender")

1. This letter constitutes notice to you that under the Security Agreement we have charged by way of first fixed charge in favour of the Lender all our rights, title and interest in all sums of money which may now or in the future be held with you for our account in the accounts identified in the schedule to this notice and to any other accounts from time to time maintained with you by us (the "**Accounts**") together with all interest from time to time earned on such sums and the debts represented by such sums and interest.
2. With effect from the date of your receipt of this notice:
 - (a) subject to paragraph (e) below, all sums from time to time standing to the credit of the Accounts should be held to the order of the Lender;
 - (b) subject to paragraph (e) below, such sums may only be paid or released in accordance with the written instructions of the Lender at any time;
 - (c) the terms and conditions relating to the Accounts designated as "Blocked" may not be amended, varied or waived without the prior written consent of the Lender;
 - (d) we are not permitted to withdraw any amount from the Accounts designated as "Blocked" in the schedule to this notice without the prior written consent of the Lender; and
 - (e) we are permitted to withdraw or transfer amounts from the Accounts designated as "Not blocked" in the schedule to this notice until such time as the Lender provides written notification to you that such permission is withdrawn (and the Lender may withdraw or modify this permission in its absolute discretion at any time).
3. You are authorised and instructed, without requiring further approval from us:
 - (a) to pay all monies received by you for the Accounts to (and only to) the credit of the Accounts;
 - (b) to provide the Lender with such information relating to the Accounts as it may from time to time request; and
 - (c) to comply with the terms of any written notice or instructions in any way relating to, or purporting to relate to, the Security Agreement, the sums standing to the credit of the Accounts from time to time or the debts represented by them which you receive at any time from the Lender without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction.

4. These instructions may not be revoked without the prior written consent of the Lender.
5. Please sign and return the enclosed copy of this notice to the Lender (with a copy to us) to confirm (by way of undertaking in favour of the Lender) that:
 - (a) you agree to the terms of this notice and to act in accordance with its provisions;
 - (b) you have not received notice of the interest of any third party in the accounts; and
 - (c) you have not and will not claim, exercise or enforce any security interest, right of set-of, counterclaim or similar right in respect of the Accounts or the debts represented by them without the prior written consent of the Lender.
6. This notice and any non-contractual obligations arising out of or in relation to this notice shall be governed by, and interpreted in accordance with, English law.

Yours faithfully

.....

for and on behalf of
HENNESSY LIVING GROUP LIMITED as Chargor

.....

for and on behalf of
SHAWBROOK BANK LIMITED as Lender

Schedule

Account Number	Sort Code	Status
[●]	[●]	[Blocked/not blocked]

[*On acknowledgement copy*]

To: **SHAWBROOK BANK LIMITED**
Lutea House
Warley Hill Business Park
The Drive
Great Warley
Brentwood
Essex
CM13 3BE

Copy to: [•]

We acknowledge receipt of the above notice and agree to and confirm the matters set out in it.

.....

for and on behalf of
[*Account Bank*]

Date: [•]

The Chargor

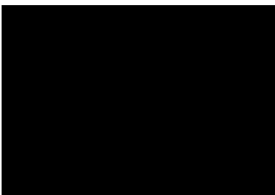
EXECUTED as a **DEED** by **HENNESSY LIVING GROUP LIMITED** acting by a director in the presence of:



Signature of director

Signature of witness ... 

Print name James Cooper Stevens

Address 

Occupation chief operating officer

Chargor's address for notice:

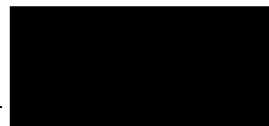
Email: 

Address:

For the attention of: Patrick Hennessy

The Lender

Signed for and on behalf of **SHAWBROOK BANK LIMITED:** _____



Name: Dasos Kirtsides

Position: Head of Healthcare

Lender's address for notice:

Email: WCSlegalnotices@shawbrook.co.uk

Address: Lutea House, Warley Hill Business Park, The Drive, Great Warley, Brentwood,
Essex CM13 3BE

For the attention of: Chris Christodoulou