



Registration of a Charge

Company name: **AVOCET FACULTIES LIMITED**

Company number: **10622281**



X9VPL5BT

Received for Electronic Filing: **08/01/2021**

Details of Charge

Date of creation: **01/01/2021**

Charge code: **1062 2281 0001**

Persons entitled: **OMEGA INFINITE PLC (IN LIQUIDATION)**

Brief description: **ALL PROPERTIES AND INTELLECTUAL PROPERTY**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **DAVID THOMAS SCOTT**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10622281

Charge code: 1062 2281 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st January 2021 and created by AVOCET FACULTIES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 8th January 2021 .

Given at Companies House, Cardiff on 11th January 2021

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

1 JANUARY 2021

~~2020~~

DEBENTURE

MADE BETWEEN

(1) OMEGA INFINITE PLC (IN LIQUIDATION)

and

(2) AVOCET FACULTIES LIMITED

MD Law
Broom Hall
8-10 Broomhall Road
Sheffield
S10 2DR

Reference: NTK/1900



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THIS DEBENTURE is dated 1 JANUARY 2021

2020-

BETWEEN:

- (1) **Omega Infinite plc (in Liquidation)**, a company registered in English and Wales with company number of 09346715 whose registered office of 3rd Floor, 60 Charter Row, Sheffield, S1 3FZ acting by its joint liquidators, Ashleigh William Fletcher and Joanne Louise Hammond of Begbies Traynor (SY) LLP ("**the Lender**"); and
- (2) **Avocet Faculties Limited**, a company registered in English and Wales with company number of 10622281 whose registered office is at 25 Palace Street, Berwick-Upon-Tweed, TD15 1HN ("**the Borrower**").

BACKGROUND

The Borrower has agreed to provide security on the terms of this debenture to the Lender for sums advanced now and in the future by Lender.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 In this debenture:-

"**Administrator**" means an administrator appointed to manage the affairs, business and property of the Borrower pursuant to clause 8.9.

"**Book Debts**" means all present and future book and other debts, and monetary claims due or owing to the Borrower, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Borrower in relation to any of them.

"**Business Day**" means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

"**Delegate**" means any person appointed by the Lender or any Receiver pursuant to clause 12 and any person appointed as attorney of the Lender, Receiver or Delegate.

"**Designated Account**" means any account of the Borrower nominated by the Lender as a designated account for the purposes of this deed.

"**Equipment**" means all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Borrower, including any part of it and all spare parts, replacements, modifications and additions.

"**Insurance Policy**" means each contract and policy of insurance effected or maintained by the Borrower from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Properties or the Equipment).

"**Intellectual Property**" means the Borrower's present and future patents, trademarks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights,

confidential information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights.

"Investments" means all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Borrower, including any:

- (a) dividend, interest or other distribution paid or payable in relation to any of the Investments; and
- (b) right, money, shares or property accruing, offered or issued at any time in relation to any of the Investments by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

"LPA 1925" means Law of Property Act 1925.

"Properties" means all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Borrower, or in which the Borrower holds an interest, and **"Property"** means any of them.

"Receiver" means a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Lender under clause 10.

"Secured Assets" means all the assets, property and undertaking for the time being subject to the Security created by, or pursuant to, this deed.

"Secured Liabilities" means all present and future monies, obligations and liabilities of the Borrower to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, together with all interest (including, without limitation, default interest) accruing in respect of those monies, obligations or liabilities.

"Security" means 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" means the period starting on the date of this deed and ending on the date on which the Lender is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

- 1.1.1 Clause, schedule and paragraph headings shall not affect the interpretation of this deed;
- 1.1.2 a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees;

- 1.1.3 unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- 1.1.4 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.1.5 a reference to a party shall include that party's successors, permitted assigns and permitted transferees;
- 1.1.6 a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- 1.1.7 a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- 1.1.8 a reference to **writing** or **written** includes fax but not e-mail;
- 1.1.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- 1.1.10 a reference to **this deed** or **this debenture** (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;
- 1.1.11 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;
- 1.1.12 any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- 1.1.13 a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly);
- 1.1.14 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.1.15 a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.1.16 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
- 1.1.17 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.
- 1.2 If the Lender considers that an amount paid by the Borrower in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or

administration of the Borrower or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

- 1.3 A reference in this deed to a charge or mortgage of or over any Property includes:
- 1.3.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) that are situated on or form part of that Property at any time;
 - 1.3.2 the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property;
 - 1.3.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Borrower in respect of that Property, and any monies paid or payable in respect of those covenants; and
 - 1.3.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Property.
- 1.4 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 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 Borrower shall, on demand, pay to the Lender and discharge the Secured Liabilities.
- 2.2 To the extent that interest is not provided for in any agreement between the Borrower and the Lender, the Borrower shall pay interest at the rate of 4% per annum from the date of demand to the date of payment together with any other sums (and interest upon such sums payable under this debenture).

3. GRANT OF SECURITY

- 3.1 As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender by way of first fixed charge:
- 3.1.1 all Properties;
 - 3.1.2 all present and future interests of the Borrower not effectively mortgaged or charged under clause 3.1.1 in, or over, freehold or leasehold property;
 - 3.1.3 all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
 - 3.1.4 all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Borrower's business or the use of any Secured Asset, and all rights in connection with them;
 - 3.1.5 all its present and future goodwill;

- 3.1.6 all its uncalled capital;
 - 3.1.7 all the Equipment;
 - 3.1.8 all the Intellectual Property;
 - 3.1.9 all the Book Debts;
 - 3.1.10 all the Investments;
 - 3.1.11 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);
 - 3.1.12 all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy.
- 3.2 As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender, by way of first floating charge, all the undertaking, property, assets and rights of the Borrower at any time not effectively mortgaged, charged or assigned pursuant to clause 3.1.
- 3.3 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.2.
- 3.4 The floating charge created by clause 3.2 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if
- 3.4.1 the Borrower:
 - 3.4.1.1 creates, or attempts to create, without the prior written consent of the Lender, a Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this deed); or
 - 3.4.1.2 disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);
 - 3.4.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or
 - 3.4.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Borrower.
- 3.5 The Lender may, in its sole discretion, by written notice to the Borrower, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Lender in that notice if:
- 3.5.1 an Event of Default occurs and is continuing; or

- 3.5.2 the Lender considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- 3.6 Any asset acquired by the Borrower after any crystallisation of the floating charge created under this deed that, but for that crystallisation, would be subject to a floating charge under this deed, shall (unless the Lender confirms otherwise to the Borrower in writing) be charged to the Lender by way of first fixed charge.
- 4. LIABILITY OF THE BORROWER**
- 4.1 The Borrower's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:
- 4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 4.1.2 the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- 4.1.3 any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Borrower.
- 4.2 The Borrower waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Borrower.
- 5. GENERAL COVENANTS**
- 5.1 The Borrower shall not at any time, except with the prior written consent of the Lender:
- 5.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this deed;
- 5.1.2 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 Secured Assets (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or
- 5.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.
- 5.2 The Borrower shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this deed.
- 5.3 The Borrower shall not, without the Lender's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.

5.4 The Borrower shall:

- 5.4.1 comply with the requirements of any law and regulation relating to or affecting the Secured Assets or the use of it or any part of them;
- 5.4.2 obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
- 5.4.3 promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

5.5 The Borrower shall use its best endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Lender may require from time to time.

5.6 The Borrower shall, promptly on becoming aware of any of the same, give the Lender notice in writing of any breach of any covenant set out in this deed.

5.7 The Borrower shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against:

- 5.7.1 loss or damage by fire or terrorist acts;
- 5.7.2 other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Borrower; and
- 5.7.3 any other risk, perils and contingencies as the Lender may reasonably require.

Any such insurance must be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Lender, and must be for not less than the replacement value of the relevant Secured Assets.

5.8 The Borrower shall, if requested by the Lender, produce to the Lender each policy, certificate or cover note relating to the insurance required by clause 5.7 (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Borrower is entitled to obtain from the landlord under the terms of the relevant lease).

5.9 The Borrower shall, if requested by the Lender, procure that a note of the Lender's interest is endorsed upon each insurance policy maintained by it or any person on its behalf in accordance with clause 5.7 and that the terms of each such insurance policy require the insurer not to invalidate the policy as against the Lender by reason of the act or default of any other joint or named insured and not to cancel it without giving at least 30 days' prior written notice to the Lender.

5.10 The Borrower shall:

- 5.10.1 promptly pay all premiums in respect of each insurance policy maintained by it in accordance with clause 5.7 and do all other things necessary to keep that policy in full force and effect; and

- 5.10.2 (if the Lender so requires) produce to, or deposit with, the Lender the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy maintained by it in accordance with clause 5.7.
- 5.11 The Borrower shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy maintained by it in accordance with clause 5.7.
- 5.12 All monies received or receivable by the Borrower under any insurance policy maintained by it in accordance with clause 5.7 (including all monies received or receivable by it under any Insurance Policy) at any time (whether or not the security constituted by this deed has become enforceable) shall:
- 5.12.1 immediately be paid to the Lender;
- 5.12.2 if they are not paid directly to the Lender by the insurers, be held by the Borrower as trustee of the same for the benefit of the Lender (and the Borrower shall account for them to the Lender); and
- 5.12.3 at the option of the Lender, be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or in, or towards, discharge or reduction of the Secured Liabilities.
- 5.13 The Borrower shall:
- 5.13.1 give the Lender such information concerning the location, condition, use and operation of the Secured Assets as the Lender may require;
- 5.13.2 permit any persons designated by the Lender and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and
- 5.13.3 promptly notify the Lender in writing of any action, claim or demand made by or against it in connection with any Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim or demand, together with, in each case, the Borrower's proposals for settling, liquidating, compounding or contesting any such action, claim or demand and shall, subject to the Lender's prior approval, implement those proposals at its own expense.
- 5.14 The Borrower shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Lender.

6. EQUIPMENT COVENANTS

- 6.1 The Borrower shall:
- 6.1.1 maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules;

- 6.1.2 at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and
- 6.1.3 not permit any Equipment to be:
 - 6.1.3.1 used or handled other than by properly qualified and trained persons; or
 - 6.1.3.2 overloaded or used for any purpose for which it is not designed or reasonably suitable.
- 6.2 The Borrower shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to the Lender.
- 6.3 The Borrower:
 - 6.3.1 shall, if so requested by the Lender, affix to and maintain on each item of Equipment in a conspicuous place, a clearly legible identification plate containing the following wording:

"NOTICE OF CHARGE

This [DESCRIBE ITEM] and all additions to it [and ancillary equipment] are subject to a fixed charge dated [DATE] in favour of [LENDER]."
 - 6.3.2 shall not, and shall not permit any person to, conceal, obscure, alter or remove any plate affixed in accordance with clause 6.3.1.

7. BOOK DEBTS COVENANTS

- 7.1 If so required by the Lender, the Borrower shall as an agent for the Lender, collect in and realise all Book Debts, pay the proceeds into a Designated Account immediately on receipt and, pending that payment, hold those proceeds in trust for the Lender.
- 7.2 The Borrower shall not, without the prior written consent of the Lender, withdraw any amounts standing to the credit of any Designated Account.
- 7.3 The Borrower shall, if called on to do so by the Lender, execute a legal assignment of the Book Debts to the Lender on such terms as the Lender may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.
- 7.4 The Borrower shall not (except as provided by this clause 7 or with the prior written consent of the Lender) release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts.

8. POWERS OF THE LENDER

- 8.1 The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Borrower of any of its obligations contained in this deed and the Borrower irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.

- 8.2 Any monies expended by the Lender in remedying a breach by the Borrower of its obligations contained in this deed shall be reimbursed by the Borrower to the Lender on a full indemnity basis and shall carry interest in accordance with clause 14.1.
- 8.3 The rights of the Lender under clause 8 are without prejudice to any other rights of the Lender under this deed.
- 8.4 The exercise of any rights of the Lender under this deed shall not make the Lender liable to account as a mortgagee in possession.
- 8.5 At any time after the security constituted by this deed has become enforceable, the Lender or any Receiver may, as agent for the Borrower, dispose of any chattels or produce found on any Property.
- 8.6 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 8.5, the Borrower shall indemnify the Lender and any Receiver against any liability arising from any disposal made under clause 8.5.
- 8.7 To the extent permitted by law, any right, power or discretion conferred by this deed on a Receiver may, after the security constituted by this deed has become enforceable, be exercised by the Lender in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.
- 8.8 The Lender may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this deed (whether or not any such person is jointly liable with the Borrower) 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 Borrower for the Secured Liabilities.
- 8.9 The Lender may, without notice to the Borrower, appoint any one or more persons to be an Administrator of the Borrower pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.

9. ENFORCEMENT

- 9.1 The security constituted by this deed shall become immediately enforceable if:
- 9.1.1 any of the Secured Liabilities shall not be paid or discharged when the same ought to be paid or discharged by the Borrower (whether on demand or at scheduled maturity or by acceleration or otherwise, as the case may be); or
- 9.1.2 the Borrower shall be in breach of any of its obligations under this debenture or any other agreement between the Borrower and the Lender and that breach (if capable of remedy) has not been remedied to the satisfaction of the Lender within 3 days of notice by the Lender to the Borrower to remedy the breach; or
- 9.1.3 the Borrower:
- 9.1.3.1 becomes unable to pay its debts as they fall due (and/or the value of the Borrower's assets is less than the amount of its liabilities, taking into account the Borrower's contingent and prospective liabilities); or

- 9.1.3.2 commences negotiations with any one or more of its creditors with a view to the adjustment or rescheduling of its indebtedness; or
 - 9.1.3.3 makes a general assignment for the benefit of, or a composition with, its creditors; or
 - 9.1.4 the Borrower 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 re-organisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues and assets; or
 - 9.1.5 a distress, execution, attachment or other legal process is levied or enforced upon or sued against all or any part of the assets of the Borrower and remains undischarged for seven days; or
 - 9.1.6 any event occurs in relation to the Borrower that is analogous to those set out in clauses 9.1.3, 9.1.4 and 9.1.5 above.
- 9.2 After the security constituted by this deed has become enforceable, the Lender may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets.
- 10. RECEIVER**
- 10.1 At any time after the security constituted by this deed has become enforceable, or at the request of the Borrower, the Lender may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.
- 10.2 The Lender may, without further notice, from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.
- 10.3 The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this deed, to the extent not otherwise discharged.
- 10.4 The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Lender under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.
- 10.5 The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Lender despite any prior appointment in respect of all or any part of the Secured Assets.
- 10.6 Any Receiver appointed by the Lender under this deed shall be the agent of the Borrower and the Borrower shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver.

The agency of each Receiver shall continue until the Borrower goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.

- 10.7 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall, as between the Lender and a purchaser from the Lender, arise on and be exercisable at any time after the execution of this deed, but the Lender shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable.
- 10.8 Section 103 of the LPA 1925 does not apply to the security constituted by this deed.
- 10.9 At any time after the Lender has demanded payment of the Secured Liabilities or if the Borrower defaults in the performance of its obligations under this deed, the Borrower will allow the Lender or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Lender or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Borrower for, or by any reason of, that entry.
- 10.10 At all times, the Borrower must use its best endeavours to allow the Lender or its Receiver access to any premises for the purpose of clause 10.9 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.
- 10.11 No purchaser, mortgagee or other person dealing with the Lender, any Receiver or Delegate shall be concerned to enquire:
- 10.11.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 10.11.2 whether any power the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or
- 10.11.3 how any money paid to the Lender, any Receiver or any Delegate is to be applied.
- 10.12 Neither the Lender, any Receiver, any Delegate nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.
- 10.13 The receipt of the Lender, or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Lender, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

11. POWERS OF RECEIVER

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

- 11.2 A Receiver may grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that he thinks fit.
- 11.3 A Receiver may provide services and employ or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Borrower.
- 11.4 A Receiver may make, exercise or revoke any value added tax option to tax as he thinks fit.
- 11.5 A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Lender may prescribe or agree with him.
- 11.6 A Receiver may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights.
- 11.7 A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Borrower.
- 11.8 A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which he is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.
- 11.9 A Receiver may sever and sell separately any fixtures or fittings from any Property without the consent of the Borrower.
- 11.10 A Receiver may sell and assign all or any of the Book Debts in respect of which he is appointed in any manner, and generally on any terms and conditions, that he thinks fit.
- 11.11 A Receiver may give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.
- 11.12 A Receiver may make any arrangement, settlement or compromise between the Borrower and any other person that he may think expedient.
- 11.13 A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as he thinks fit.
- 11.14 A Receiver may make substitutions of, or improvements to, the Equipment as he may think expedient.
- 11.15 A Receiver may make calls conditionally or unconditionally on the members of the Borrower in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Borrower on its directors in respect of calls authorised to be made by them.

- 11.16 A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 14, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Borrower under this deed.
- 11.17 A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986.
- 11.18 A Receiver may, for any of the purposes authorised by this clause 11, raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Lender consents, terms under which that security ranks in priority to this deed).
- 11.19 A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Borrower, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.
- 11.20 A Receiver may delegate his powers in accordance with this deed.
- 11.21 A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Secured Assets or any part of the Secured Assets.
- 11.22 A Receiver may do any other acts and things:
- 11.22.1 that he may consider desirable or necessary for realising any of the Secured Assets;
- 11.22.2 that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or
- 11.22.3 that he lawfully may or can do as agent for the Borrower.

12. DELEGATION

- 12.1 The Lender or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 16).
- 12.2 The Lender and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.
- 12.3 Neither the Lender nor any Receiver shall be in any way liable or responsible to the Borrower for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

13. APPLICATION OF PROCEEDS

- 13.1 All monies received by the Lender, a Receiver or a Delegate pursuant to this deed, after the security constituted by this deed has become enforceable, shall (subject to the claims of any

person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority:

- 13.1.1 in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Lender (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;
 - 13.1.2 in or towards payment of or provision for the Secured Liabilities in any order and manner that the Lender determines; and
 - 13.1.3 in payment of the surplus (if any) to the Borrower or other person entitled to it.
- 13.2 Neither the Lender, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

14. COSTS AND INDEMNITY

- 14.1 The Borrower shall, promptly on demand, pay to, or reimburse, the Lender and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Lender, any Receiver or any Delegate in connection with:

- 14.1.1 this deed or the Secured Assets;
 - 14.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, a Receiver's or a Delegate's rights under this deed; or
 - 14.1.3 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 Borrower) at the rate of 4% per annum.

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

- 14.2.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets;
- 14.2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or
- 14.2.3 any default or delay by the Borrower in performing any of its obligations under this deed.

Any past or present employee or agent may enforce the terms of this clause 14.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

15. FURTHER ASSURANCE

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

15.1.1 creating, perfecting or protecting the security intended to be created by this deed;

15.1.2 facilitating the realisation of any Secured Asset; or

15.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any Secured Asset,

including, without limitation (if the Lender or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration.

16. POWER OF ATTORNEY

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

16.1.1 the Borrower is required to execute and do under this deed; or

16.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Lender, any Receiver or any Delegate.

16.2 The Borrower ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 16.1.

17. RELEASE

Subject to clause 24.3, on the expiry of the Security Period (but not otherwise), the Lender shall, at the request and cost of the Borrower, take whatever action is necessary to:

17.1 release the Secured Assets from the security constituted by this deed; and

17.2 reassign the Secured Assets to the Borrower.

18. ASSIGNMENT AND TRANSFER

18.1 At any time, without the consent of the Borrower, the Lender may assign or transfer any or all of its rights and obligations under this deed.

18.2 The Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Borrower, the Secured Assets and this deed that the Lender considers appropriate.

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

19. SET-OFF

19.1 The Lender may at any time set off any liability of the Borrower to the Lender against any liability of the Lender to the Borrower, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause 19 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

19.2 All payments made by the Borrower to the Lender under this deed shall be made without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

20. AMENDMENTS, WAIVERS AND CONSENTS

20.1 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).

20.2 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.

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

20.4 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.

21. 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.

22. COUNTERPARTS

- 22.1 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.
- 22.2 Transmission of the executed signature page of a counterpart of this deed by fax or e-mail (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this deed. If either method of delivery is adopted, without prejudice to the validity of the deed thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.
- 22.3 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

23. THIRD PARTY RIGHTS

- 23.1 Except as expressly provided elsewhere in this deed, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- 23.2 The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person.

24. FURTHER PROVISIONS

- 24.1 The security constituted by this deed shall be in addition to, and independent of, any other security or guarantee that the Lender may hold for any of the Secured Liabilities at any time. No prior security held by the Lender over the whole or any part of the Secured Assets shall merge in the security created by this deed.
- 24.2 The security constituted by this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Lender discharges this deed in writing.
- 24.3 Any release, discharge or settlement between the Borrower and the Lender shall be deemed conditional on no payment or security received by the Lender in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:
- 24.3.1 the Lender or its nominee may retain this deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and
- 24.3.2 the Lender may recover the value or amount of such security or payment from the Borrower subsequently as if the release, discharge or settlement had not occurred.

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

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

25. NOTICES

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

25.1.1 in writing;

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

25.1.3 sent to the registered office of the Borrower or Lender or to any other address or fax number as is notified in writing by one party to the other from time to time.

25.2 Any notice or other communication that the Lender gives to the Borrower shall be deemed to have been received:

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

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

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

A notice or other communication given as described in clause 25.2.1 or clause 25.2.3 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

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

25.4 This clause 25 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.

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

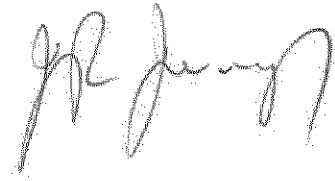
26. GOVERNING LAW AND JURISDICTION

26.1 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.

26.2 The Borrower irrevocably consents to any process in any legal action or proceedings under 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.

SIGNED as a DEED by Avocet Faculties)
Limited acting by Dr James Robert Jennings,)
a director, in the presence of:)





Witness signature

Name

Address

Witness Occupation


ROSE MARY JENNINGS
9 RUDBY LEE
HUTTON RUDBY
TSIS 012


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Insolvency Manager