



**Registration of a Charge**

Company Name: **BACK TO THE GARDEN CHILDCARE LIMITED**

Company Number: **10690720**



XCAZGLCY

Received for filing in Electronic Format on the: **30/08/2023**

**Details of Charge**

Date of creation: **11/08/2023**

Charge code: **1069 0720 0004**

Persons entitled: **LHV BANK LIMITED**

Brief description: **DAY NURSERY AT, SINDERLAND ROAD, BROADHEATH, ALTRINCHAM**

**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: **JMW SOLICITORS LLP**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 10690720

Charge code: 1069 0720 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 11th August 2023 and created by BACK TO THE GARDEN CHILDCARE LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 30th August 2023 .

Given at Companies House, Cardiff on 30th August 2023

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**



Execution Version

11 August 2023

**BACK TO THE CHILDREN CHILDCARE LIMITED**

as Borrower

and

**LHV BANK LIMITED**

as Lender

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**DEBENTURE**

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THIS DEED is made on  
BETWEEN:

11 August

2023

- (1) **BACK TO THE GARDEN CHILDCARE LIMITED** (a company registered in England and Wales with registration number 10690720 whose registered office is at 1 St Georges Court, Altrincham Business Park, Altrincham, WA14 5UA (the "**Borrower**")); and
- (2) **LHV BANK LIMITED** a company incorporated in England and Wales with company number 13180211 whose registered office is at One Angel Court, 1 Angel Court, London, United Kingdom, EC2R 7HJ (the "**Lender**").

IT IS AGREED as follows:

1. **DEFINITIONS, CONSTRUCTION AND THIRD PARTY RIGHTS**

1.1 **Definitions**

Terms defined in the Terms and Conditions shall, unless otherwise defined in this Deed or unless a contrary intention appears, bear the same meaning when used in this Deed and the following terms shall have the following meanings:

"**Accounts**" means any bank or other account maintained by the Borrower with any bank, building society, financial institution or other person.

"**Account Proceeds**" means all amounts (including interest) from time to time standing to the credit of any Account and the debts represented thereby.

"**Administrator**" means a person appointed under Schedule B1 to the Insolvency Act 1986 to manage the Borrower's affairs, business and property.

"**Authorisation**" means an authorisation, approval, consent, licence, permit, exemption, registration, or filing which is necessary or desirable for the ownership, use or enjoyment of the Real Property or the validity or effectiveness of this Deed.

"**Charged Assets**" means the assets mortgaged, subject to any Security Interest created by this Deed or charged or assigned pursuant to Clauses 3 (*Security*) and 4.1 (*Creation of Floating Charge*) of this Deed.

"**Debts**" means all of the Borrower's present and future book and other debts, revenues and monetary claims, whether actual or contingent, and whether originally owing to the Borrower or purchased or acquired by it, and all things in action which may give rise to any debt, revenue or monetary claim and the benefit of any related Security Interest, guarantee or other rights of any nature relating thereto and any proceeds of any of the above.

"**Delegate**" means any delegate, agent, attorney appointed by the Lender.

"**Insurance Policies**" means all present and future contracts or policies of insurance (including life policies) in which the Borrower has an interest or in which it may from time to time have an interest (whether solely, jointly, as loss payee or otherwise).

"**Insurance Proceeds**" means all monies from time to time payable to the Borrower under or pursuant to the Insurance Policies, including (without limitation) the refund of any premiums.

"**LPA**" means the Law of Property Act 1925.

"**Real Property**" means:



- (a) all of the freehold and/or leasehold property of the Borrower specified in Schedule 1 (*Real Property*);
- (b) all of the freehold and leasehold property or immovable property of the Borrower situate in England and Wales (other than the property referred to in paragraph (a));
- (c) any buildings, fixtures (including trade fixtures), fittings, fixed plant or machinery from time to time on or forming part of the property referred to in paragraphs (a) and (b); and
- (d) the Related Property Rights.

**"Receiver"** means any person appointed by the Lender to be a receiver or receiver and manager or administrative receiver of any property subject to the security created by this Deed.

**"Related Property Rights"** means, where used in relation to a particular property, asset (or class of assets) or right, the following:

- (a) the proceeds of sale and/or other realisation of that property, asset (or class of assets) or right (or any part thereof or interest therein);
- (b) all security, options, agreements, rights, easements, benefits, indemnities, guarantees, warranties or covenants for title in respect of such property, asset (or class of assets) or right; and
- (c) all rights under any lease, licence or agreement for lease, sale or use in respect of such property or asset.

**"Secured Liabilities"** means all present and future monies, obligations and liabilities covenanted to be paid or discharged pursuant to Clause 2 (*Covenants to Pay*).

**"Secured Party"** means the Lender, a Receiver or any Delegate.

**"Security"** means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, hypothecation, assignment as security, title retention or any other type of arrangement that has a similar effect to any of them.

**"Security Interest"** means a mortgage, charge, pledge, trust, assignment by way of security, lien, hypothecation or other encumbrance, arrangement or security interest securing any obligation of any person or any other agreement or arrangement having a similar effect or any title retention rights or set-off rights created by agreement.

**"Security Period"** means the period from the date of this Deed until the date on which the Lender has determined that all of the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full.

**"Terms and Conditions"** means the Lender's terms and conditions, which are deemed to be incorporated into its facility documentation, as the same may be amended, varied or supplemented from time to time.

## 1.2 Construction and Third Party Rights

- 1.2.1 The provisions of Clause 1.2 (*Construction*) of the Terms and Conditions shall apply to this Deed as if they were set out in this Deed.



- 1.2.2 Unless a contrary intention appears, words defined in the Companies Act 2006 have the same meanings in this Deed.
  - 1.2.3 No term of this Deed is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Deed (other than a Secured Party who is not a party to this Deed).
- 1.3 **Implied Covenants for Title**

The obligations of the Borrower under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part I of the Law of Property (Miscellaneous Provisions) Act 1994.
- 1.4 **Effect as a Deed**

This Deed is intended to take effect as a deed notwithstanding that the Lender may have executed it under hand only.
- 1.5 **Law of Property (Miscellaneous Provisions) Act 1989**

To the extent necessary for any agreement for the disposition of the Charged Assets in this Deed to be a valid agreement under section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the other Finance Documents and of any side letters between the parties to this Deed are incorporated into this Deed.
- 1.6 **Finance Documents**

This Deed is a Finance Document.
- 2. **COVENANTS TO PAY**
- 2.1 **Covenant to Pay Secured Liabilities**

The Borrower covenants that it shall on demand pay to the Lender all monies and discharge all obligations and liabilities now or hereafter due, owing or incurred by it or any other Relevant Party to any Secured Party in each case when the same become due for payment or discharge whether by acceleration or otherwise, and whether such monies, obligations or liabilities are express or implied; present, future or contingent; joint or several; incurred as principal or surety; originally owing to a Secured Party or purchased (whether by assignment or otherwise) or acquired in any other way by it; denominated in sterling or any other currency; or incurred on any current or other banking account or in any other manner whatsoever.
- 2.2 **Potential Invalidity**

Neither the covenant to pay in Clause 2.1 (*Covenant to Pay Secured Liabilities*) nor the security created by this Deed shall extend to or include any liability or sum which would, but for this Clause 2.2, cause such covenant, obligation or security to be unlawful under any applicable law.
- 3. **SECURITY**
- 3.1 **Creation of Fixed Security**

The Borrower charges to the Lender by way of fixed charge (which so far as relates to freehold or leasehold property in England and Wales vested in the Borrower at the date of this Deed shall be a charge by way of legal mortgage) with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities all of the Borrower's rights to and title and interest from time to time in any and each of the following:

  - 3.1.1 the Real Property;



- 3.1.2 all plant, machinery, vehicles, computers, office and other equipment and chattels (excluding stock-in-trade or work in progress) and all Related Property Rights;
- 3.1.3 (to the extent that the same are not the subject of a fixed charge under Clause 3.1.4) all Debts;
- 3.1.4 all Account Proceeds;
- 3.1.5 all investments, stocks, shares, debentures, loan capital, rights to subscribe for, convert other securities into or otherwise acquire any stocks, shares, debentures and loan capital of any other body corporate now or at any time hereafter belonging to the Borrower, together with all dividends, interest and other income and other rights of whatsoever kind deriving from or incidental to any of the foregoing;
- 3.1.6 all copyrights, trademarks, patents, registered designs and other intellectual property rights now or at any time hereafter belonging to the Borrower;
- 3.1.7 all goodwill and uncalled capital;
- 3.1.8 any building contract, consultant appointment and collateral warranty in respect of the development of any Real Property; and
- 3.1.9 (to the extent not effectively assigned under Clause 3.2 (*Assignments*)), the assets (including present and future properties, contracts, revenues and rights of every description) which are specified in Clause 3.2 (*Assignments*).

### 3.2 Assignments

The Borrower assigns and will assign absolutely to the Lender with full title guarantee as a continuing security for the payment and discharge of the Secured Liabilities all of the Borrower's rights to and title and interest from time to time in any and each of the following:

- 3.2.1 the Insurance Policies and the Insurance Proceeds;
- 3.2.2 any hedging arrangements;
- 3.2.3 all income received or receivable from the Real Property;
- 3.2.4 any guarantee of income received or receivable from the Real Property contained in or relating to any occupational lease or agreement for lease; and
- 3.2.5 all other agreements, any Security Interests, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations and other documents entered into by, given to or otherwise benefiting the Borrower in respect of the Real Property,

and all Related Property Rights in respect of the above.

### 3.3 Preservation of Fixed Charge

Without prejudice to Clause 3.1 (*Creation of Fixed Security*) and Clause 3.2 (*Assignments*), if, the Borrower is entitled to withdraw the proceeds of any book and other debts standing to the credit of an Account and, as a result, those proceeds are in any way released from the fixed charge created pursuant to Clauses 3.1.4 (*Creation of Fixed Security*) and 3.2 (*Assignments*), the release will in no way derogate from the subsistence and continuance of the fixed charge on all other outstanding book and other debts of the Borrower and the proceeds of those debts.



#### **4. FLOATING CHARGE**

##### **4.1 Creation of Floating Charge**

- 4.1.1 The Borrower charges to the Lender by way of first floating charge with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities all of the Borrower's rights to and title and interest from time to time in the whole of its property, assets, rights and revenues whatsoever and wheresoever, present and future, other than any property, assets, rights and revenues validly and effectively charged or assigned (whether at law or in equity) pursuant to Clauses 3.1 (*Creation of Fixed Security*) or 3.2 (*Assignments*).
- 4.1.2 The floating charge hereby created is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- 4.1.3 Without prejudice to Clause 4.1.2, the Lender reserves its rights to appoint an administrative receiver on and following an Event of Default in accordance with sections 72 B to H (inclusive) of the Insolvency Act 1986.

##### **4.2 Automatic Crystallisation of Floating Charge**

Notwithstanding anything express or implied in this Deed, and without prejudice to any law which may have similar effect, if:

- 4.2.1 the Borrower creates or attempts to create any Security Interest over all or any of the Charged Assets save as expressly permitted by the Lender; or
- 4.2.2 any person levies or attempts to levy any distress, execution or other process against any of the Charged Assets; or
- 4.2.3 a resolution is passed or an order is made for the winding up, dissolution, administration or other reorganisation of the Borrower; or
- 4.2.4 an Administrator is appointed or any step intended to result in such appointment is taken,

then the floating charge created by Clause 4.1 (*Creation of Floating Charge*) will automatically (without notice) be converted into a fixed charge as regards all of the assets subject to the floating charge.

##### **4.3 Crystallisation on Notice of Floating Charge**

Notwithstanding anything express or implied in this Deed, the Lender may at any time:

- 4.3.1 following the occurrence of an Event of Default; or
- 4.3.2 if the Lender considers in good faith that any of the Charged Assets are in danger of being seized or sold as a result of any legal process, are otherwise in jeopardy or the Lender believes that steps are being taken or have been taken which are likely or intended to lead to the appointment of an Administrator or the presentation of a petition for the winding-up of the Borrower,

by giving notice in writing to that effect to the Borrower convert the floating charge created by Clause 4.1 (*Creation of Floating Charge*) into a fixed charge as regards any assets specified in such notice. The conversion shall take effect immediately upon the giving of the notice.





## 5. FURTHER ASSURANCE

- 5.1 The Borrower must promptly upon request by the Lender execute (in such form as the Lender may require) such documents (including assignments, transfers, mortgages, charges, notices and instructions) in favour of the Lender or its nominees and do all such assurances and things as the Lender may require for:
- 5.1.1 perfecting and/or protecting (by registration or in any other way) the security created or intended to be created by this Deed;
  - 5.1.2 conferring upon the Lender such security as it may require over the assets of the Borrower outside of England and Wales which if in England or Wales would form part of or be intended to form part of the Charged Assets;
  - 5.1.3 facilitating, at any time on or after the occurrence of an Event of Default, the realisation of all or any part of the assets of the Borrower; and
  - 5.1.4 exercising all powers, authorities and discretions conferred on the Lender or any Receiver pursuant to this Deed or by law.
- 5.2 The Borrower shall, at any time, promptly upon request, execute over all or any of the Charged Assets, a charge by way of legal mortgage or legal sub-mortgage or legal assignment, as the case may be, in favour of the Lender in such form as the Lender shall require.
- 5.3 The Borrower shall take all such action as may be available to it for the purpose of creating, perfecting or maintaining the security created or intended to be created pursuant to this Deed including the obtaining of any necessary consent (in form and content satisfactory to the Lender) to enable its assets to be mortgaged, charged or assigned pursuant to this Deed. Immediately upon obtaining any necessary consent the asset concerned shall become subject to the security created by this Deed. The Borrower shall promptly deliver a copy of each such consent to the Lender.

## 6. GENERAL UNDERTAKINGS WITH RESPECT TO CHARGED ASSETS

- 6.1 The Borrower undertakes to the Lender with respect to the Charged Assets that:
- 6.1.1 **Negative Pledge**  
It shall not, except as expressly permitted by the Lender in writing, create or attempt to create or permit to subsist or arise any Security Interest on, over or affecting the Charged Assets or any part of them;
  - 6.1.2 **Disposals**  
It shall not dispose of the Charged Assets or any part of them or agree to do so except in the case of disposals which are expressly permitted by the Lender in writing and for these purposes 'dispose' shall include any form of disposal including any transfer, declaration of trust, assignment, sale, novation or the creation of any other form of legal or equitable interest in or over any of the Charged Assets;
  - 6.1.3 **Subsequent Charges**  
subject to Clause 6.1.1 (*Negative Pledge*), it shall procure that any Security Interest created by the Borrower after the date of this Deed (otherwise than in favour of the Lender) shall be expressed to be subject to this Deed; and



#### 6.1.4 Deposit of Title Documents

It shall deposit with the Lender or its nominee all deeds and documents of title relating to the Charged Assets provided that:

- (A) in the case of deeds or documents of title relating to Real Property, it shall ensure that such deeds and documents of title are held either by the Lender or to the order of the Lender by a firm of solicitors approved by the Lender for that purpose; and
- (B) it shall not be required to deposit any stock or share certificates relating to the investments to the extent that the relevant documents have been deposited with a clearance system, settlement system or custodian acceptable to the Lender.

#### 6.1.5 Compliance with obligations

It will:

- (A) observe and perform all covenants, burdens, stipulations, requirements and obligations from time to time affecting the Charged Assets or the use, ownership, occupation, possession or other enjoyment of the Charged Assets whether imposed by statute, contract, lease or otherwise;
- (B) punctually pay, or cause to be paid, and indemnify each Secured Party against, all present and future rent, rates, taxes, duties, charges, assessments, impositions and outgoings now or at any time payable in respect of the Real Property or any part;
- (C) use all reasonable endeavours to procure the observance and performance by the other parties to any Insurances, Authorisations, agreements and other obligations affecting the Charged Assets or their ownership or use;
- (D) do all acts necessary or desirable to preserve its rights, title and interest in and to the Charged Assets; and
- (E) not, without the written prior consent of the Lender, enter into any onerous or restrictive obligations in respect of any of the Charged Assets.

#### 6.2 Notices of Charge and/or Assignment

- 6.2.1 The Borrower shall forthwith give notice to any bank or financial institution where any Account is held in the form set out in Part A1 of Schedule 2 (*Notices*) and procure that each such bank or financial institution acknowledges such notice to the Lender in the form set out in Part A2 of Schedule 2 (*Notices*).
- 6.2.2 The Borrower shall forthwith give notice to each counterparty to a hedging arrangement in the form set out in Part B1 of Schedule 2 (*Notices*) and procure that each such counterparty acknowledges such notice to the Lender in the form set out in Part B2 of Schedule 2 (*Notices*).
- 6.2.3 The Borrower shall deliver to the Lender and serve on any debtor or other person as required by the Lender:
  - (A) notices of assignment in respect of any of the other assets assigned pursuant to this Deed (including any of the contracts referred to in Clause 3.2 (*Assignments*)) and shall procure that each notice is acknowledged by any debtor specified by the Lender; and



(B) notices of charge in respect of any of the assets charged pursuant to this Deed and shall procure that each notice is acknowledged by any debtor specified by the Lender.

6.2.4 The notices of charge and/or assignment and/or acknowledgement referred to in Clause 6.2.3 shall be in a form substantially similar to those contained in Schedule 2 (*Notices*) or such other form as the Lender may require.

6.2.5 The Borrower shall forthwith give notice to any insurer of the Real Property in the form set out in Part C1 of Schedule (*Notices*) and procure that each such insurer acknowledges such notice to the Lender in the form set out in Part C2 of Schedule 2 (*Notices*).

6.3 The Borrower shall, if requested by the Lender, execute all such documents and do all such acts as the Lender may reasonably require to record the interests of the Lender in any registers relating to registered intellectual property rights.

## **7. REAL PROPERTY UNDERTAKINGS**

### **7.1 Statutory Power of Leasing**

In relation to Real Property, the Borrower agrees that, unless it has the prior written consent of the Lender, it shall not exercise the statutory power of leasing and/or accepting surrenders of leases conferred on mortgagors and further agrees that the Lender may grant or accept surrenders of leases without restriction.

### **7.2 Registration and Notifications**

The Borrower shall:

7.2.1 without prejudice to the Terms and Conditions, immediately notify the Lender of any contract, conveyance, transfer or other disposition for the acquisition by the Borrower of the legal or beneficial interest in any Real Property; and

7.2.2 make an application to the Chief Land Registrar on Form RX1 for the registration against the registered titles (if any) specified in Schedule 1 (*Real Property*) (and any unregistered properties subject to compulsory first registration at the date of this Deed and any other Real Property from time to time including a registered title) of the following restriction:

*"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of LHV Bank Limited referred to in the charges register or their conveyancer."*

## **8. UNDERTAKINGS AS TO CHARGE OVER BOOK AND OTHER DEBTS**

During the Security Period, the Borrower undertakes with reference to the Debts:

8.1 to collect the Debts in the ordinary course of its business and (prior to the payment into the account specified in Clause 8.2) to hold the proceeds of those Debts on trust for the Lender;



- 8.2 to pay into an Account as the Lender may direct all monies which the Borrower may receive in respect of the Debts; and
- 8.3 save to the extent that the Lender otherwise agrees in writing not to withdraw any amounts (whether in the nature of principal or interest) standing to the credit of the Account referred to in clause 8.2.

## 9. RIGHTS OF THE LENDER

### 9.1 Enforcement

At any time on or after the occurrence of an Event of Default, the security created pursuant to this Deed shall be immediately enforceable and the Lender may in its absolute discretion and without notice to the Borrower or the prior authorisation of any court:

- 9.1.1 enforce all or any part of the security created by this Deed and take possession of or dispose of all or any of the Charged Assets in each case at such times and upon such terms as it sees fit; and
- 9.1.2 whether or not it has appointed a Receiver, exercise all of the powers, authorities and discretions:
  - (A) conferred from time to time on mortgagees by the LPA (as varied or extended by this Deed) or by law; and
  - (B) granted to a Receiver by this Deed or from time to time by law.

### 9.2 Restrictions on Consolidation of Mortgages

Section 93 of the LPA shall not apply to this Deed or to any sale made under it. The Lender shall have the right to consolidate all or any of the security created by or pursuant to this Deed with any other security in existence at any time. Such power may be exercised by the Lender at any time on or after the occurrence of an Event of Default. The Borrower hereby consents to the Lender making an application to the Chief Land Registrar for registration against the registered titles (if any) specified in Schedule 1 (*Real Property*) (and any unregistered properties subject to compulsory first registration at the date of this Deed and any other Real Property from time to time including a registered title) of the right to consolidate.

### 9.3 Restrictions on Exercise of Power of Sale

Section 103 of the LPA shall not apply to this Deed and the power of sale arising under the LPA shall arise on the date of this Deed (and the Secured Liabilities shall be deemed to have become due and payable for that purpose). The power of sale and other powers conferred by section 101 of the LPA as varied or extended by this Deed and those powers conferred (expressly or by reference) on a Receiver shall be immediately exercisable by the Lender at any time on or after the occurrence of an Event of Default.

### 9.4 Leasing Powers

The restrictions contained in sections 99 to 100 of the LPA shall not apply to restrict the rights of the Lender or any Receiver under this Deed. The statutory powers of leasing may be exercised by the Lender upon and following the occurrence of an Event of Default and the Lender and any Receiver may make any lease or agreement for lease and/or accept any surrenders of leases and/or grant options on such terms as it sees fit without the need to comply with the aforementioned restrictions.



**9.5 No Prior Notice Needed**

The powers of the Lender set out in Clauses 9.2 (*Restrictions on Consolidation of Mortgages*) to 9.4 (*Leasing Powers*) may be exercised by the Lender without prior notice to the Borrower.

**9.6 Right of Appropriation**

9.6.1 Without prejudice to the other provisions of this Deed, to the extent that any of the Charged Assets constitute "financial collateral", and this Deed and the obligations of the Borrower hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No.2) Regulations 2003 (SI 2003/3226) (the "**Regulations**")), the Lender shall at any time on and after the occurrence of an Event of Default have the right to appropriate all or any part of those Charged Assets in or towards discharge of the Secured Liabilities. For this purpose, the parties agree that the value of any such Charged Assets so appropriated shall be the market price of such Charged Assets at the time the right of appropriation is exercised as determined by the Lender by reference to such method or source of valuation as the Lender may select, including by independent valuation. The parties agree that the methods or sources of valuation provided for in this Clause 9.6.1, or selected by the Lender in accordance with this Clause 9.6.1 shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

9.6.2 The Lender shall notify the Borrower as soon as reasonably practicable of the exercise of its right of appropriation as regards such of the Charged Assets as are specified in such notice.

**10. EXONERATION**

**10.1 Exoneration**

No Secured Party shall, by reason of it entering into possession of the Charged Assets, be liable to account as mortgagee in possession or be liable for any loss or realisation or for any default or omission for which a mortgagee in possession might be liable; but every Receiver duly appointed by the Lender under this Deed shall for all purposes be deemed to be in the same position as a receiver duly appointed by a mortgagee under the LPA save to the extent that the provisions of that Act are varied by or are inconsistent with the provisions of this Deed when the provisions of this Deed shall prevail and every such Receiver and the Lender shall in any event be entitled to all the rights, powers, privileges and immunities conferred by the LPA on mortgagees and receivers duly appointed under the LPA.

**10.2 Indemnity**

The Lender and every Receiver, attorney, delegate, manager, agent or other person appointed by the Lender hereunder shall be entitled to be indemnified out of the Charged Assets or any part thereof in respect of all liabilities and expenses incurred by it or him in the execution of any of the powers, authorities or discretions vested in it or him pursuant to this Deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Charged Assets or any part of them. The Lender and any such Receiver may retain and pay all sums in respect of which it is indemnified out of any monies received by it under the powers conferred by this Deed.

**11. APPOINTMENT OF RECEIVER OR ADMINISTRATOR**

**11.1 Appointment**

11.1.1 At any time on or after the occurrence of an Event of Default, or at the request of the Borrower or its officers, the Lender may, without prior notice to the Borrower, in writing (under seal, by deed or otherwise under hand) appoint:



- (A) a Receiver in respect of the Charged Assets or any part thereof and may in like manner from time to time (and insofar as it is lawfully able to do) remove any Receiver and appoint another in his stead; or
- (B) one or more persons to be an Administrator in accordance with paragraph 14 of Schedule B1 to the Insolvency Act 1986.

11.1.2 Nothing in Clause 11.1.1 shall restrict the exercise by the Lender of any one or more of the rights of the Lender under Schedule B1 to the Insolvency Act 1986 and the rules thereunder or at common law.

#### **11.2 More than one Receiver**

Where more than one Receiver is appointed, each joint Receiver shall have the power to act severally, independently of any other joint Receiver, except to the extent that the Lender may specify to the contrary in the appointment.

#### **11.3 Receiver as agent**

A Receiver shall be the agent of the Borrower which shall be solely responsible for his acts or defaults and for his remuneration. No Receiver shall at any time act as agent of any Secured Party.

#### **11.4 Receiver's Remuneration**

A Receiver shall be entitled to remuneration for his services at a rate to be determined by the Lender from time to time (and without being limited to any maximum rate specified by any statute or statutory instrument).

#### **11.5 Actions of the Administrator**

Save as provided for in statute or as otherwise agreed in writing by that Secured Party, no Secured Party shall have any liability for the acts or omissions of an Administrator.

### **12. RECEIVER'S POWERS**

#### **12.1 Powers**

A Receiver shall have (and be entitled to exercise) in relation to the Charged Assets over which he is appointed the following powers (as the same may be varied or extended by the provisions of this Deed):

- 12.1.1 all of the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- 12.1.2 all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA;
- 12.1.3 all the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which the Borrower itself could do or omit to do; and
- 12.1.4 the power to do all things which, in the opinion of the Receiver, are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Receiver pursuant to this Deed or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, the Borrower; the collection and/or realisation of Charged Assets in such manner and on such terms as the Receiver sees fit; and the execution of documents in the name of the Borrower (whether under hand, or by way of deed or by utilisation of the company seal of the Borrower).



**12.2 Powers may be Restricted**

The powers granted to a Receiver pursuant to this Deed may be restricted by the instrument (signed by the Lender) appointing him but they shall not be restricted by any winding-up or dissolution of the Borrower.

**13. PROTECTION OF PURCHASERS**

**13.1 Absence of Enquiry**

No person or persons dealing with the Lender or any Receiver shall be concerned to enquire whether any event has happened upon which any of the powers in this Deed are or may be exercisable or otherwise as to the propriety or regularity of any exercise of such powers or of any act purporting or intended to be an exercise of such powers or whether any amount remains secured by this Deed. All the protections to purchasers and persons dealing with receivers contained in sections 104, 107 and 109(4) of the LPA shall apply to any person purchasing from or dealing with the Lender or any such Receiver.

**13.2 Receipt: Conclusive Discharge**

The receipt of the Lender or any Receiver shall be a conclusive discharge to any purchaser of the Charged Assets.

**14. POWER OF ATTORNEY AND DELEGATION**

**14.1 Power of Attorney: General**

The Borrower hereby irrevocably and by way of security appoints the Lender and any Receiver severally to be its attorney in its name and on its behalf and as its act and deed:

- 14.1.1 to execute and deliver any documents or instruments which the Lender or such Receiver may require for perfecting the title of the Lender to the Charged Assets or for vesting the same in the Lender, its nominee or any purchaser;
- 14.1.2 to sign, execute, seal and deliver and otherwise perfect any further security document which the Borrower is required to enter into pursuant to this Deed; and
- 14.1.3 otherwise generally to sign, seal, execute and deliver all deeds, assurances, agreements and documents and to do all acts and things which may be required for the full exercise of all or any of the powers conferred on the Lender or any Receiver under this Deed or which the Borrower is required to do pursuant to this Deed or which may be deemed expedient by the Lender or a Receiver in connection with any preservation, disposition, realisation or getting in by the Lender or such Receiver of the Charged Assets or in connection with any other exercise of any other power under this Deed,

provided that the power of attorney granted in this Clause 14.1 shall only be exercisable: (a) if an Event of Default is continuing; or (b) following a failure by the Borrower to comply with its obligations under this Deed.

**14.2 Power of Attorney: Ratification**

The Borrower ratifies and confirms and agrees to ratify and confirm all acts and things which any attorney mentioned in this Clause 14 (*Power of Attorney and Delegation*) does or purports to do in exercise of the powers granted by this Clause.

**14.3 General Delegation**

The Lender and any Receiver shall have full power to delegate the powers, authorities and discretions conferred on it or him by this Deed (including the power of attorney) on such terms and



conditions as it or he shall see fit which shall not preclude exercise of those powers, authorities or discretions by it or him or any revocation of the delegation or any subsequent delegation.

**15. APPLICATION OF MONIES RECEIVED UNDER THIS DEED**

Any monies received under the powers hereby conferred shall, subject to the repayment of any claims having priority to this Deed and to any applicable statutory requirement as to (i) the payment of preferential debts or (ii) the payment of unsecured creditors in accordance with section 176A of the Insolvency Act 1986, be applied for the following purposes and in the following order of priority:

- 15.1 in satisfaction of all costs, charges, expenses, payments and liabilities (including payments made in accordance with paragraphs (i), (ii) and (iii) of section 109(8) of the LPA) made or incurred by the Lender or the Receiver and of remuneration to the Receiver in such order as the Lender shall in its absolute discretion decide; and
- 15.2 in or towards satisfaction of the Secured Liabilities which shall be applied in such order as the Lender shall in its absolute discretion decide; and
- 15.3 the surplus, if any, shall be paid to the Borrower or other person or persons entitled to it, save that the Lender may credit any monies received under this Deed to a suspense account for so long and in such manner as the Lender may from time to time determine and the Receiver may retain the same for such period as he and the Lender consider appropriate.

**16. COSTS AND EXPENSES**

**16.1 Documentation costs**

The Borrower must on demand pay any Secured Party all reasonable costs and expenses, including reasonable legal, valuation, accountancy and consultancy fees (and VAT) incurred by any of them relating to:

- 16.1.1 the negotiation, preparation, execution and completion of this Deed, or any of the documents referred to in this Deed; and
- 16.1.2 any actual or proposed amendment, replacement, restatement or extension of, or any waiver or consent under, this Deed or any of the documents referred to in this Deed.

**16.2 Enforcement costs**

The Borrower must reimburse any Secured Party on demand for all losses incurred as a result of the enforcement, attempted enforcement or preservation of any of their rights under:

- 16.2.1 this Deed; or
- 16.2.2 any of the documents referred to in this Deed.

**17. RELEASE OF SECURITY**

**17.1 Release**

At the end of the Security Period, the Lender shall, at the request and cost of the Borrower, execute (or procure the execution by its nominee) (in each case in a form acceptable to the Lender) and do all such deeds, acts and things as are necessary to release and/or reassign the Charged Assets from the security created by or in accordance with this Deed.





**17.2 Avoidance of Payments**

- 17.2.1 No amount paid, repaid or credited to a Secured Party shall be deemed to have been irrevocably paid if the Lender considers that the payment or credit of such amount is capable of being avoided or reduced because of any laws applicable on bankruptcy, insolvency, liquidation or any similar laws.
- 17.2.2 If any amount paid, repaid or credited to a Secured Party is avoided or reduced because of any laws applicable on bankruptcy, insolvency, liquidation or any similar laws then any release, discharge or settlement between that Secured Party and the Borrower shall be deemed not to have occurred and the Lender shall be entitled to enforce this Deed subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.

**18. AMOUNTS PAYABLE**

All monies received or held by a Secured Party or a Receiver under this Deed in a currency other than the currency in which the Secured Liabilities are denominated may from time to time be sold for such one or more of the currencies in which the Secured Liabilities are denominated. The Borrower shall indemnify each Secured Party against the full cost (including all costs, charges and expenses) incurred in relation to such sale. No Secured Party or any Receiver shall have any liability to the Borrower in respect of any loss resulting from any fluctuation in exchange rates after any such sale.

**19. POWER OF SEVERANCE**

In the exercise of the powers conferred by this Deed, the Lender or any Receiver may sever and sell plant, machinery or other fixtures separately from the property to which they may be annexed and the Lender or any Receiver may apportion any rent or other amount without the consent of the Borrower.

**20. NEW ACCOUNTS**

If a Secured Party receives notice of any subsequent charge or other interest affecting any part of the Charged Assets (the date of receipt of such notice being the "Notice Date") it may, without prejudice to its rights under this Deed, open a fresh account or accounts with the Borrower and continue any existing account in the name of the Borrower and may appropriate to any such fresh account any monies paid in, received or realised for the credit of the Borrower after that time without being under any obligation to apply the same or any part of them in discharge of any of the Secured Liabilities. If a Secured Party fails to open a fresh account it will be deemed to have done so and any monies received or realised after the Notice Date will not reduce the Secured Liabilities outstanding on the Notice Date.

**21. MISCELLANEOUS**

**21.1 The Borrower**

This Deed is binding on the successors and assigns of the Borrower.

**21.2 Assignment and Transfer**

- 21.2.1 The Borrower may not assign any of its rights or transfer any of its rights or obligations under this Deed.
- 21.2.2 The Lender may assign and transfer all or any part of its rights and obligations under this Deed to a any other party.



**21.3 Property**

This Deed is and will remain the property of the Lender.

**21.4 Continuing Security**

This Deed shall be a continuing security and shall not be discharged by any intermediate payment or satisfaction of the whole or any part of the Secured Liabilities.

**21.5 Remedies and Waivers**

21.5.1 No single or partial exercise, or non-exercise or non-enforcement of any right or remedy provided by this Deed or by law prevents or restricts any further or other exercise or enforcement of that (or any other) right or remedy.

21.5.2 No failure to exercise, nor any delay in exercising any right or remedy under any Finance Document or other document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document or other document. No election to affirm any Finance Document or other documents on the part of any Secured Party shall be effective unless it is in writing.

21.5.3 The rights and remedies of each Secured Party under this Deed is cumulative and not exclusive of any rights or remedies provided by law.

21.5.4 The obligations of the Borrower under this Deed will not be affected by any act, omission, matter or thing which but for this 21.5.4, might reduce, release or prejudice any of its obligations under this Deed (whether or not the Borrower or the Lender knows about it) including:

- (A) any time, waiver or consent granted to, or composition with, the Borrower or any other person;
- (B) any failure or delay in exercising a right or remedy under this deed;
- (C) the release of any other person under the terms of any composition or arrangement;
- (D) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security Interest over assets of, the Borrower or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security Interest;
- (E) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Borrower or any other person;
- (F) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or Security Interest including any change in



the purpose of, any extension of or increase in any facility or the addition of any new facility or other document, guarantee or Security Interest;

- (G) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security Interest; or
- (H) any insolvency or similar proceedings.

#### **21.6 Additional Security**

This Deed shall be in addition to and not be affected by any other security or guarantee now or hereafter held by a Secured Party for all or any part of the Secured Liabilities nor shall any such other security or guarantee of liability to a Secured Party of or by any person not a party to this Deed be in any way impaired or discharged by this Deed nor shall this Deed in any way impair or discharge such other security or guarantee.

#### **21.7 Variation of Security**

This Deed shall not in any way be affected or prejudiced by a Secured Party at any time dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any security or guarantee referred to in Clause 21.6 (*Additional Security*) or any rights which a Secured Party may at any time have or giving time for payment or granting any indulgence or compounding with any person whatsoever.

#### **21.8 Enforcement of Other Security**

No Secured Party shall be obliged to enforce any other Security it may hold for the Secured Liabilities before enforcing any of its rights under this Deed.

#### **21.9 Redemption of Prior Incumbrances**

The Lender may redeem or take a transfer of any prior Security Interest over the Charged Assets and may agree the accounts of prior incumbrancers. An agreed account shall be conclusive and binding on the Borrower. Any amount paid in connection with such redemption or transfer (including expenses) shall be paid on demand by the Borrower to the Lender and until such payment shall form part of the Secured Liabilities.

#### **21.10 Further advances**

- 21.10.1 The Lender must perform its obligations under the Finance Documents.
- 21.10.2 The Borrower hereby consents to the Lender making an application to the Chief Land Registrar for the registration against the registered titles (if any) specified in Schedule 1 (*Real Property*) (and any unregistered properties subject to compulsory first registration at the date of this Deed and any other Real Property from time to time including a registered title) of the obligation to make further advances.

### **22. NOTICES**

#### **22.1 Communications 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 e-mail or letter.

#### **22.2 Addresses**

The postal address and e-mail address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Deed is:



22.2.1 in the case of the Borrower:

Address: 1 St Georges Court, Altrincham Business Park, Altrincham,  
United Kingdom, WA14 5UA

E-mail address:

Attention: F.A.O. The Directors

22.2.2 in the case of the Lender:

Address: One Angel Court, 1 Angel Court, London, United Kingdom, EC2R  
7HJ

E-mail address: SMElending@LHV.com

Attention: Securities Department

or any substitute address (in the United Kingdom), or department or officer as a Party may notify to the others by not less than five Business Days' notice.

22.3 **Delivery**

22.3.1 Any communication or document made or delivered by a Party to the other Party under or in connection with this Deed will only be effective:

- (A) if by way of e-mail, when received in legible form; or
- (B) if by way of letter, when it has been left at the relevant address or two Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 22.2 (*Addresses*), if addressed to that department or officer.

22.3.2 Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified above (or any substitute department or officer as the Lender shall specify for this purpose).

22.3.3 If deemed receipt under clause 22.3.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resumes. In this clause, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt.

23. **GENERAL**

23.1 No variation to this Deed will be effective unless made in writing and signed by or on behalf of each of the parties. A waiver given or consent granted by the Lender under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

23.2 Each provision of this Deed is severable and distinct from the others. If at any time any provision of this Deed is or becomes unlawful, invalid or unenforceable to any extent or in any circumstances for any reason, it shall to that extent or in those circumstances be deemed not to form part of this Deed but (except to that extent or in those circumstances in the case of that provision) the legality,



validity and enforceability of that and all other provisions of this Deed will not be affected in any way.

- 23.3 If any provision of this Deed is found to be illegal, invalid or unenforceable under Clause 23.2 but would be legal, valid or enforceable if some part of the provision were deleted, the provision in question will apply with any modifications that may be necessary to make it legal, valid or enforceable.
- 23.4 This Deed may be executed in any number of counterparts each of which when executed and delivered will be an original. All the counterparts together will form one and the same document.
- 23.5 The Lender may apply any credit balance (whether or not then due) to which the Borrower is at any time beneficially entitled on any account with the Lender in (or towards) satisfaction of any sum then due and payable (but unpaid) by the Borrower to the Lender under this Deed. If such balances are in different currencies, the Lender may convert either balance at a market rate of exchange for the purpose of the set-off.
- 23.6 The Lender is not obliged to exercise the Lender's rights under condition 23.5, but if the rights are exercised the Lender shall promptly notify the Borrower of the set-off that has been made.
24. **GOVERNING LAW**
- This Deed and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

**IN WITNESS** whereof this Deed has been duly executed and delivered as a deed on the date first above written.



**SCHEDULE 1 - REAL PROPERTY**

<b>Address</b>	<b>Tenure</b>	<b>Title number</b>
Day Nursery At, Sinderland Road, Broadheath, Altrincham	Freehold	MAN314196



## SCHEDULE 2 - NOTICES

### PART A1 - NOTICE TO ACCOUNT BANK

[On the letterhead of the Borrower]

To: [Account Bank]

[Date]

Dear Sirs,

#### Debenture dated [●] between the Borrower and the Lender (the "Debenture")

We hereby give you notice that under the Debenture we have charged (by way of a first fixed charge) in favour of LHV Bank Limited (the "**Lender**") all our rights in respect of any amount moneys standing to the credit of any account maintained by us with you (the "**Accounts**").

We irrevocably instruct and authorise you to:

- (a) disclose to the Lender any information relating to any Account requested from you by the Lender;
- (b) comply with the terms of any written notice or instruction relating to any Account received by you from the Lender;
- (c) pay or release any sum standing to the credit of any Account in accordance with the written instructions of the Lender.
- [(d) not to permit any amount to be withdrawn from any Account without the Lender's prior written consent.] *[use where account is blocked in favour of the Lender]*

[If the Lender notifies you that an Event of Default (as defined in the Debenture) then you must not permit any amount to be withdrawn from any Account without the Lender's prior written consent] *[use where account only becomes blocked on a default]*

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

The instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Please confirm your agreement to the above by sending the attached acknowledgement to the Lender at LHV Bank Limited, One Angel Court, 1 Angel Court, London, United Kingdom, EC2R 7HJ, Attention: Securities Department with a copy to us.

Yours faithfully,

.....  
(Authorised signatory)

[the Borrower]



**PART A2 - ACKNOWLEDGEMENT OF ACCOUNT BANK**

[On the letterhead of the Account Bank]

To: [LHV Bank Limited, One Angel Court, 1 Angel Court, London, United Kingdom, EC2R 7HJ]  
Attention: [Securities Department]  
Copy: [the Borrower]

[Date]

Dear Sirs,

**Debenture dated [●] between the Borrower  
and the Lender (the "Debenture")**

We confirm receipt from [●] (the "**Borrower**") of a notice dated [●] of a charge upon the terms of the Debenture over all the rights of the Borrower to any amount standing to the credit of any of the Borrower's accounts with us (the "**Accounts**").

We confirm that we:

- (a) accept the instructions contained in the notice and agree to comply with the notice;
- (b) have not received notice of the interest of any third party in any Account;
- (c) have neither claimed nor exercised, nor will claim or exercise, any Security Interest, set-off, counter-claim or other right in respect of any Account; and
- [(d) will not permit any amount to be withdrawn from any Account without your prior written consent [if you notify us that an Event Default is outstanding (as defined in the Debenture).]] [*amend accordingly*]

The Accounts maintained with us are:

[●]

We confirm that the above are the Borrower's only accounts with us.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

.....  
(Authorised signatory)

[Account Bank]





**PART B1 - NOTICE TO COUNTERPARTY TO A HEDGING ARRANGEMENT**

[on the letterhead of the Borrower]

To: [Counterparty]

[Date]

Dear Sirs

**Debenture dated [●] between the Borrower  
and the Lender (the "Debenture")**

This letter constitutes notice to you that under the Debenture we assigned (by way of security) to LHV Bank Limited (the "**Lender**") all our rights under any hedging arrangements between you and us (the "**Hedging Arrangements**").

We irrevocably instruct and authorise you to:

- (a) disclose to the Lender without any reference to or further authority from us and without any inquiry by you as to the justification for the disclosure, any information relating to the Hedging Arrangements which the Lender may request from you; and
- (b) pay any sum payable by you under the Hedging Arrangements to our account at [●], Sort Code [●], Account No. [●] (the "**Blocked Account**").

We will also remain entitled to exercise all our rights, powers and discretions under the Hedging Arrangements, and you should continue to give notices under the Hedging Arrangements to us, unless and until you receive notice from the Lender to the contrary stating that an Event of Default is continuing (as defined in the Debenture). In this event, all the rights, powers and discretions will be exercisable by, and notices given to the Lender or as it directs.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Please confirm your agreement to the above by sending the enclosed acknowledgement to the Lender with a copy to us.

Yours faithfully,

.....  
(Authorised signatory)

[the Borrower]



**PART B2 - ACKNOWLEDGEMENT OF COUNTERPARTY TO A HEDGING ARRANGEMENT**

To: [LHV Bank Limited, One Angel Court, 1 Angel Court, London, United Kingdom, EC2R 7HJ]  
Attention: [Securities Department]  
Copy: [the Borrower]

[Date]

Dear Sirs,

**Debenture dated [●] between the Borrower  
and the Lender (the "Debenture")**

We confirm receipt from [●] (the "**Borrower**") of a notice dated [●] (the "**Notice**") of an assignment upon the terms of the Debenture of all the Borrower's rights under the Hedging Arrangements (as defined in the Notice).

We confirm that we:

- (a) have not received notice of the interest of any third party in the Hedging Arrangements;
- (b) must pay any amount payable by us under the Hedging Arrangements to the Borrower's account at [●], Sort Code [●], Account No. [●], (the "**Blocked Account**");
- (c) must accept your instructions in relation to the Borrower's rights under the Hedging Arrangements following a confirmation that an Event of Default is continuing (as defined in the Debenture); and
- (d) will not agree to any amendment, waiver or variation of the terms of the Hedging Arrangements without your prior written consent.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully,

.....  
(Authorised signatory)

[●]



## PART C1 - NOTICE TO INSURER

[On the letterhead of the Borrower]

To: [Insurer]

[Date]

Dear Sirs,

### Debenture dated [●] between the Borrower and the Lender (the "Debenture")

We hereby give you notice that under the Debenture we assigned to LHV Bank Limited (the "**Lender**") all our rights to and title and interest from time to time in, to and under insurance policy number[s] [●] effected by us or whomsoever in relation to [●] (including all moneys payable thereunder, proceeds of all claims, awards and judgments) and all other insurances entered into supplemental to or in replacement of such policy[ies] of insurance (the "**Policy[ies]**").

We irrevocably instruct and authorise you to pay all payments under or arising under the Policy[ies] to the account called [[●]], at [[●]], account number [●] sort code [●]. It is very important that you make all immediate arrangements for all such sums payable by you under the Policy[ies] to be paid to this account.

Please note that:

1. all remedies provided for under the Policy[ies] or available at law or in equity are exercisable by the Lender;
2. all rights to compel performance of the Policy[ies] are exercisable by the Lender; and
3. all rights, interests and benefits whatsoever accruing to or for our benefit arising under the Policy[ies] belong to the Lender.

We will remain liable to perform all our obligations under the Policy[ies] and the Lender is under no obligation of any kind whatsoever under the Policy[ies] nor under any liability whatsoever in the event of any failure by us to perform our obligations under the Policy[ies].

The instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

Please confirm your agreement to the above by signing the attached acknowledgement and returning it to the Lender at LHV Bank Limited, One Angel Court, 1 Angel Court, London, United Kingdom, EC2R 7HJ Attention Securities Department.

Yours faithfully,

.....  
(Authorised signatory)

[the Borrower]



## PART C2 - ACKNOWLEDGEMENT OF INSURER

To: [LHV Bank Limited, One Angel Court, 1 Angel Court, London, United Kingdom, EC2R 7HJ]  
Attention: [Securities Department]

[Date]

Dear Sirs,

### Debenture dated [•] between the Borrower and the Lender (the "Debenture")

We confirm receipt from [•] (the "**Borrower**") of a notice dated [•] of an assignment upon the terms of the Debenture to LHV Bank Limited (the "**Lender**") of the Borrower's right, interests and benefit in, to and under the Policy[ies] (as specified in that notice) to which we are a party.

We confirm that we have not received notice of any other assignment or charge of or over any of the rights, title and interests specified in such notice and will make all payments in accordance with the terms of the notice to the account specified in that notice.

We further confirm that:

1. no amendment, waiver or release of any such rights, interests and benefits will be effective without the prior written consent of the Lender;
2. no termination of such rights, interests or benefits will be effective unless we have given the Lender at least 30 days' written notice of the proposed termination and specifying the action necessary to avoid such termination;
3. the Borrower will remain liable to perform all of its obligations under the Policy[ies] and the Lender is under no obligation of any kind whatsoever under the Policy[ies] nor under any liability whatsoever in the event of any failure by the Borrower to perform its obligations under the Policy[ies]; and
4. as the Lender is named as composite insured, no breach or default on the part of the Borrower of any of the terms of such Policy[ies] will be deemed to have occurred unless we have given notice of such breach to the Lender specifying how to make good such breach.

We unconditionally and irrevocably waive all rights of set-off, lien, counter-claim and other similar rights (however described) which we may have now or in the future to the extent that such rights relate to amounts owed to us by the Borrower (and the proceeds thereof) and we will send you copies of all statements, orders and notices given by us relating to such debt.

This letter and any non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with English law.

Yours faithfully,

.....

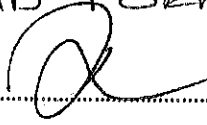
(Authorised signatory)

[Insurer]



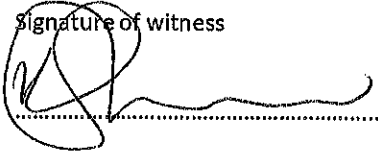
**The Borrower**

EXECUTED AS A DEED by  
BACK TO THE GARDEN  
CHILDCARE LIMITED  
acting by a director

) DAVID FORAN  
)  
)   
) .....  
) Director  
)

in the presence of:

Signature of witness

  
.....

Name of witness

(in BLOCK CAPITALS)

KELLY LONGFIELD  
.....

Address of witness

1 PICKERING CLOSE  
.....

URMSTON M41 5EB  
.....

**The Lender**

SIGNED by  Hoonah for OMLW Solicitors LLP .

for and on behalf of

)

LHV BANK LIMITED

)