



Registration of a Charge

Company name: **INNOVATIONAL TECHNOLOGIES LIMITED**

Company number: **11351260**



X7DQ0XS9

Received for Electronic Filing: **03/09/2018**

Details of Charge

Date of creation: **23/08/2018**

Charge code: **1135 1260 0001**

Persons entitled: **CHRISTOPHER JAMES DAKIN AND JUSTINE DAKIN**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **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: **BAND HATTON BUTTON LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11351260

Charge code: 1135 1260 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd August 2018 and created by INNOVATIONAL TECHNOLOGIES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd September 2018 .

Given at Companies House, Cardiff on 5th September 2018

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated

23 August

2018

Christopher James Dakin and Justine Dakin

and

Innovational Technologies Limited

DEBENTURE



Delivering excellent legal services with a human touch

25 Warwick Road | Coventry | CV1 2EZ

WE CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL

Thursfield 30.8.18

THURSFIELDS SOLICITORS
9-10 THE TYTHING WORCESTER WR1 1HD

THIS DEBENTURE is made as a deed on 22 August

2018

PARTIES

- (1) Christopher James Dakin and Justine Dakin both of 193 Butt Lane, Allesley, Coventry CV5 9PD (the **Lender**); and
The Lender
(2) **Innovational Technologies Limited** a company incorporated in England and Wales under number 11351260 whose registered office is at Seven Stars House, 1 Wheler Road, Coventry CV3 4LB (the **Borrower**);

(each of the **Lender** and the **Borrower** being a **Party** and together the **Lender** and the **Borrower** are the **Parties**).

THE PARTIES AGREE:

1 Definitions and interpretation

1.1 In this Deed, unless otherwise provided:

Charged Assets	means all the Land, the shares in the Company, assets, goodwill and undertakings of the Borrower present or future for the time being subject to the security interests created by this Deed (including those listed in Schedules 1 and 2 (if any));
Company	means Gas Data Limited a company incorporated in England, company registration number 02640682;
Default Rate	means 2% above the base rate for the time being of Lloyds Bank Plc;
Encumbrance	means any mortgage, charge, pledge, lien or other security interest of any kind, and any right of set off, assignment, trust, flawed asset or other agreement or arrangement whatsoever for the purpose of providing security or having similar effect to the provision of security, other than liens arising by operation of law in the ordinary course of the Borrower's business;
Event of Default	has the meaning given to it in clause 8.1;
Insurance	means each contract or policy of insurance to which the Borrower is a party or in which it has an interest (including

those listed in Schedule 3 (if any));

Intellectual Property

means copyright, patents, know-how, trade secrets, trade marks, trade names, the right to sue in passing off, design right, get-up, database right, customer lists, chip topography rights, mask works, utility models, domain names and all similar rights and, in each case: (i) whether registered or not, (ii) including any applications to protect or register such rights, (iii) including all renewals and extensions of such rights or applications, (iv) whether vested, contingent or future, (v) to which the Borrower is or may be entitled and (vi) wherever existing and the benefit of any agreement or any licence for the use of any such right;

Land

means any right or interest in or over land wherever situated, including without limitation any buildings and fixtures on land, and the benefit of any covenants or rights owed to any person or enforceable by such person by virtue of the ownership, possession or occupation of land and/or 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 (including (but not limited to) the properties briefly described in Schedule 1 (if any));

Receiver

means a receiver appointed pursuant to this Deed or to any applicable law, whether alone or jointly, and includes a receiver and/or manager and an administrative receiver (if the Lender is permitted to appoint such administrative receiver);

Secured Liabilities

means the liabilities of the Borrower to the Lender to pay the Deferred Consideration as more particularly described in the SPA;;

Securities

means all right, title and interest of the Borrower, now or in the future, in any:

- (a) stocks,
- (b) shares including shares in the Company,
- (c) instruments creating, or

- (d) acknowledging any debt or other securities issued by any person, and

Security Period means the period starting on the date of this debenture and ending on the day on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding;

SPA means a share purchase agreement dated on or around the date of this Deed and entered into between the Lender and the Borrower.

1.2 Unless the context otherwise requires:

- 1.2.1 each gender includes the others;
- 1.2.2 the singular and the plural are interchangeable;
- 1.2.3 references to clauses, Schedules or Appendices mean to clauses or Schedules of and Appendices to this Deed;
- 1.2.4 references to this Deed include its Schedule and Appendices, as amended;
- 1.2.5 references to persons include individuals, unincorporated bodies, government entities, companies and corporations;
- 1.2.6 clause headings do not affect their interpretation; and
- 1.2.7 references to legislation exclude any re-enactment or modification after the date of this Deed to the extent they make any party's obligations more onerous.

1.3 Writing excludes faxes and emails.

2 Borrower's obligation to pay

- 2.1 The Borrower covenants with the Lender that it will pay and discharge to the Lender the Secured Liabilities on demand when due.
- 2.2 The making of one demand under this Deed will not stop the Lender making any further demands.

3 Creation of security

- 3.1 As continuing security for the payment and discharge of the Secured Liabilities the Borrower charges to the Lender with full title guarantee:

- 3.1.1 by way of first legal mortgage all Land now owned by the Borrower;
- 3.1.2 by way of first fixed charge:
 - (a) any right, title or interest which the Borrower has now or acquires in the future to any Land; and
 - (b) the assets set out in Schedule 2; and
- 3.1.3 by way of first floating charge the Borrower's bank accounts and other assets not otherwise effective charged by clauses 3.1.1 and 3.1.3.
- 3.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 3.1.3.
- 4 Crystallisation**
- 4.1 The floating charge created by clause 3.1.3 will crystallise into a fixed charge:
 - 4.1.1 by notice in writing given by the Lender to the Borrower at any time after the security constituted by this Deed becomes enforceable, specifying the Charged Assets over which the crystallisation will take effect and if no Charged Assets are specified, the notice shall take effect over all the Charged Assets of the Borrower; or
 - 4.1.2 automatically and instantly without notice if the Borrower resolves, without the Lender's prior written consent, to take or takes any step to:
 - (a) create an Encumbrance over any or all of the Charged Assets;
 - (b) create a trust over any or all of the Charged Assets;
 - (c) dispose of any or all of the Charged Assets, other than Charged Assets that are only subject to the floating charge while it remains uncrystallised and except if such disposal is in the ordinary course of the Borrower's business;
 - 4.1.3 automatically and instantly without notice if any person resolves, without the Lender's prior written consent, to take or takes any step to levy any distress, execution, sequestration or other process against any or all of the Charged Assets; or
 - 4.1.4 automatically and instantly without notice if an Event of Default occurs.
- 4.2 Any asset acquired by the Borrower after crystallisation has occurred under clause 4.1 which would be subject to a floating charge if crystallisation had not occurred will be charged by way of a fixed charge, unless the Lender confirms otherwise in writing.
- 4.3 Any charge by the Borrower that has crystallised under clause 4.1 may, by notice in writing given at any time by the Lender to the Borrower, be reconverted into a floating charge in relation to the Charged Assets specified in the notice and if no Charged Assets are specified, the notice shall take effect over all the Charged Assets of the Borrower.

5 Borrower's representation and warranties

5.1 The Borrower represents and warrants to the Lender as follows:

- 5.1.1 *Ownership:*** The Borrower is the legal and beneficial owner of the Charged Assets free from any Encumbrance other than the Encumbrances created by this Deed.
- 5.1.2 *Adverse claims and covenants:*** The Borrower has not received or acknowledged notice of any material adverse claim by any person in respect of the Charged Assets and there are no covenants, agreements, conditions, interests rights or other matters which may materially adversely affect the Charged Assets.
- 5.1.3 *Breach of law or regulation:*** The Borrower has at all times complied in all respects with all applicable laws and regulations and has not breached any law or regulation which would adversely affect the Charged Assets.
- 5.1.4 *Third Party Rights:*** The Charged Assets are not subject to terms entitling a third party to terminate or limit the use of any facility necessary for the enjoyment and use of the Charged Assets.
- 5.1.5 *Overriding interests:*** Nothing has arisen, has been created or is subsisting, which would be an overriding interest in any Land.
- 5.1.6 *Liquidation or administration:*** No Encumbrance expressed to be created by this Deed is liable to be avoided or otherwise set aside on the liquidation or administration of the Borrower or otherwise.

5.2 The Borrower repeats the representations and warranties in clause 5.1 above on each day during the Security Period.

6 Borrower's undertakings and covenants

6.1 The Borrower covenants not, without the prior written consent of the Lender, to:

- 6.1.1** (except in the case of assets charged by way of floating charge only which the Borrower may deal with in the ordinary course of its business) part with possession of, or transfer, sell, lease, assign or otherwise dispose of all or any of the Charged Assets, or attempt or agree to do so;
- 6.1.2** create, attempt to create, allow to subsist any mortgage, debenture, charge or pledge, permit any lien (except a lien arising by operation of law in the ordinary course of trading) or other encumbrance to arise on or affect all or any of the Charged Assets;
- 6.1.3** permit any person to be registered as proprietor of any of the Charged Assets under the Land Registration Act 2002 or create or permit to arise any unregistered interest which overrides first registration affecting such property within Schedule 1 to that

Act, to become entitled to any proprietary right or interest which might affect the value of any land fixtures or fixed plant and machinery charged by this Deed;

- 6.1.4 redeem or purchase its own shares or declare and/or distribute dividends of an unusually high amount which, in the reasonable opinion of the Lender, could adversely affect the Borrower's ability to discharge the Secured Liabilities;
 - 6.1.5 cancel, assign or allow to lapse its interest under any credit sale, hire purchase, leasing, rental, licence or similar agreement and to produce proof of payments due under such agreements on request from the Lender;
 - 6.1.6 do or allow any act or omission which may prejudice the value to the Lender of the Charged Assets; or
 - 6.1.7 create any subsidiaries.
- 6.2 The Borrower covenants that it will, unless, in any case, the Lender has given its written consent otherwise:
- 6.2.1 carry on its business properly and efficiently and not materially change how it conducts its business;
 - 6.2.2 if requested by the Lender, supply to the Lender within the stated periods:
 - (a) a copy of its audited accounts (or if non-applicable, unaudited accounts) for the last financial period within one week of approval and signature by the board of directors of the Borrower;
 - (b) a copy of its management accounts within two weeks of the end of each month of the Borrower's financial year;
 - (c) such other information relating to the Borrower's business, assets and liabilities as the Lender may reasonably require;
 - 6.2.3 notify the Lender in writing of any breach of this Deed immediately on it becoming aware of such breach;
 - 6.2.4 within 10 days of the date of this Deed, give notice to:
 - (a) any contracting party to an agreement to be assigned to the Lender of the Lender's interest in such agreement; and
 - (b) any bank or financial institution with whom the Borrower holds an account of the Lender's interest in such account.
 - 6.2.5 get in and realise, in the ordinary course of business, all book and other debts and other assets charged under clause 3.1 and on receipt pay all monies received in respect of such assets into the Borrower's account and pending payment into the Borrower's account to hold such moneys on trust for the Lender and execute such assignment of any such asset as the Lender may require;

- 6.2.6 in relation to the Land part of the Charged Assets observe all covenants, not enter into any onerous or restrictive obligation, effect or allow any development within the Town and Country Planning Acts, do, allow or omit anything infringing any statute or regulation and maintain and keep them in good and substantial repair;
- 6.2.7 maintain all plant, machinery, fixtures, fittings, vehicles, computers and office and other equipment part of the Charged Assets in good working order and condition;
- 6.2.8 in relation to the Intellectual Property part of the Charged Assets observe all covenants and obligations and maintain and renew all relevant registrations, permits and licences;
- 6.2.9 institute, pursue and defend proceedings relating to the Charged Assets as required to protect their value and apply moneys from such proceedings in discharge of sums due to the Lender under this Deed;
- 6.2.10 at its own expense, keep insured any of the Charged Assets to their full replacement value including professional fees and other expenses with reputable insurers against risks normally insured for assets of that type/against such risks as the Lender requests in the name of the Borrower or, at the Lender's request, the joint names of the Borrower and the Lender;
- 6.2.11 punctually pay all insurance premiums, and produce the insurance documents including any receipt on request of the Lender and apply moneys received from insurance in discharge of its obligations under this Deed. If the Borrower does not maintain insurance, the Lender may do so at the Borrower's expense;
- 6.2.12 punctually pay, and indemnify the Lender against, all moneys due in respect of the Charged Assets;
- 6.2.13 comply with all statutory, regulatory and other requirements applying to the Charged Assets except where actually or potentially adverse to the Lender's interest, when the Borrower will immediately consult the Lender and make or join the Lender in making such representations as the Lender may request;
- 6.2.14 deposit with the Lender or its nominee all deeds and documents of title relating to all land, buildings and other real property belonging to the Borrower, all certificates and documents of title relating to the Securities and such blank documents, signed by the registered holder, as the Lender may request to perfect or vest in itself its title to the Securities and all other documents relating to the Charged Assets as the Lender may request; or
- 6.2.15 if requested by the Lender, ensure that each subsidiary of the Borrower guarantees to the Lender payment of all monies covenanted to be paid under this Deed and charge its undertaking, property and assets to secure such payment in such manner as the Lender may request.

7 Liability of Borrower

7.1 The Borrower's liability in respect of the Secured Liabilities shall not be discharged or prejudiced by:

7.1.1 the determination or variation of the SPA or the acceptance or variation of any compromise, arrangement or settlement or the omission to claim or enforcement of payment from any other person by the Lender; or

7.1.2 any security, guarantee, indemnity, remedy or other right held by or available to the Lender being or becoming wholly or partially illegal, void or unenforceable on any ground; or

7.1.3 any other act or omission which but for this provision might have discharged or otherwise prejudiced the liability of the Borrower.

7.2 The Borrower may not require the Lender to:

7.2.1 enforce any security or other right; or

7.2.2 claim any payment from; or

7.2.3 otherwise proceed;

against any other person before enforcing this Deed against the Borrower.

8 Enforcement

8.1 The Lender may enforce this Deed at any time after:

8.1.1 the occurrence of an Event of Default; or

8.1.2 the floating charge has crystallised under clause 4.

8.2 The occurrence of any of the following is an Event of Default:

8.2.1 **Non-payment:** the Borrower fails to pay the Deferred Consideration as more particularly described in the SPA on the date it falls due;

8.2.2 **Breach of obligations:** the Borrower fails to perform promptly any of its obligations under this Deed or the SPA in respect of payment of the Deferred Consideration unless in the Lender's opinion such failure to perform can be remedied and is remedied to the satisfaction of the Lender within 5 days of the Borrower first becoming aware of the failure to so perform;

8.2.3 **Misrepresentation:** any representation or warranty contained in this Deed or in any document or instrument delivered under or in connection with this is incorrect or misleading in any material respect when made or deemed to be made;

- 8.2.4 **Change of control:** the Borrower ceases to be the legal and beneficial owner of the entire issued share capital of the Company;
- 8.2.5 **Unlawfulness, invalidity:**
- (a) it is or becomes unlawful for the Borrower to perform any of its obligations under this Deed or the SPA to which it is a party;
 - (b) it is or becomes unlawful for the Lender to exercise any of its rights under this Deed or the SPA;
 - (c) this Deed or the SPA becomes invalid or unenforceable or ceases to be in full force and effect for any other reason; or
 - (d) the Borrower does or causes or permits to be done anything which evidences an intention to contest or repudiate this Deed or the SPA wholly or in part;
- 8.2.6 **Transfer of assets:** the Borrower or the Company in any way disposes of, or agrees or threatens to dispose of, all or a material part of its assets or of any interest in its assets whether or not the Borrower has agreed to such disposal;
- 8.2.7 **Change or suspension of business:** the Borrower or the Company changes or threatens to change the nature or scope of its business, or suspends or threatens to suspend all or a substantial part of its business operations, or commences any business other than that being carried on by it as at the date of this Deed;
- 8.2.8 **Material Adverse Effect:** any event occurs which has or is reasonably likely to have a material adverse effect, in the opinion of the Lender, on the Borrower or the Company;
- 8.2.9 **Enforcement of security:** any step is taken to enforce any security over the undertaking, property, revenue or assets of the Borrower or the Company;
- 8.2.10 **Composition:** any step is taken by the Borrower or its directors (or any agent of the Borrower) with a view to resolving to enter into, commence negotiations in respect of, make any requisite application to court in respect of, or the Borrower or its directors convene meetings for the approval of, any:
- (a) composition;
 - (b) compromise;
 - (c) moratorium (including a moratorium statutorily obtained, whether or not as a precursor to a voluntary arrangement under the Insolvency Act 1986);
 - (d) scheme of arrangement with its creditors or any of them, whether or not under the Insolvency Act 1986, the Companies Act 2006 or otherwise;
 - (e) assignment with or for the benefit of creditors; or
 - (f) re-scheduling of all or any part of the liabilities of the Borrower or the Company;

8.2.11 Winding up: any of the following occur:

- (a) the Borrower or its directors (or any agent of the Borrower) or the Company or its directors (or any agent of the Company) take any steps under the Insolvency Act 1986 to wind up the Borrower voluntarily or to apply to the court for a winding-up order;
- (b) a petition is presented to wind up the Borrower or the Company;
- (c) a provisional liquidator is appointed to the Borrower or the Company or the Borrower or the Company goes into liquidation within the meaning of that term under section 247 of the Insolvency Act 1986;
- (d) the Borrower or its directors (or any agent of the Borrower) or the Company request or suffer the appointment of a Law of Property Act 1925 receiver, court appointed receiver or other receiver/manager or similar officer over or in relation to the whole of its undertaking, property, revenue or assets or any part thereof, or any person holding security over all or any of its undertaking, property, revenue or assets takes possession of them or any part of them or any distress is executed or levied over all or any of its undertaking, property, revenue or assets;
- (e) the Borrower or its directors (or any agent of the Borrower) resolve to appoint an administrator of the Borrower or the Company or to apply to court for an administration order in respect of it or the Company, or an application for an administration order in respect of it or the Company is made or any steps pursuant to the Insolvency Act 1986, Schedule B1 and/or Insolvency Rules 1986, SI 1986/1925 OR Insolvency (England and Wales) Rules 2016, SI 2016/1024 are taken to appoint an administrator to it, the Company out of court, or it or the Company enters administration;
- (f) the Borrower, or the Company, is dissolved, or is removed from the Register of Companies, or ceases to exist (whether or not capable of reinstatement or reconstitution) or the directors or agents of the Borrower or the Company apply for the relevant company to be struck-off the Register of Companies or cause for the relevant company to be struck-off the Register of Companies; or

8.2.12 Attachment or distress: any step is taken to levy, enforce upon or sue on any distress, execution, sequestration, attachment or other process against any of the assets of the Borrower, or the Company;

8.2.13 Insolvency: the Borrower or the Company is or becomes unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 (ignoring the requirement in that section that any fact or matter 'is proved to the satisfaction of the court') or suspends or threatens to suspend making payments with respect to all or any class of its debts.

9 Appointment, powers and removal of receivers

- 9.1 At any time after the security created by this Deed becomes enforceable the Lender may without further notice appoint in writing any one or more persons to be a Receiver. Where more than one Receiver is appointed they will have the power to act separately (unless the appointment specifies otherwise).
- 9.2 The Lender may determine the remuneration of the Receiver.
- 9.3 The appointment of a Receiver will not preclude the Lender from appointing a subsequent Receiver over all or any of the Charged Assets whether the previously appointed receiver continues to act or not.
- 9.4 The Receiver will be the agent of the Borrower and the Borrower will be solely liable for the acts, defaults, and remuneration of the Receiver unless and until the Borrower goes into liquidation after which the Receiver shall act as principal. In no event will the Receiver become the agent of the Lender.
- 9.5 The Receiver will have and be entitled to exercise all the powers set out in Schedule 1 and Schedule 2 to the Insolvency Act 1986 and the Law of Property Act 1925 and will also have the power, either in his name or in the name of the Borrower:
- 9.5.1 in connection with any sale or other disposition of the Charged Assets, to receive the consideration in a lump sum or in instalments and to receive shares and loan notes by way of consideration;
 - 9.5.2 to grant options or licences over the Charged Assets;
 - 9.5.3 to sever fixtures from and to repair, improve and make any alterations to, the Charged Assets;
 - 9.5.4 to exercise any voting rights appertaining to the Borrower;
 - 9.5.5 to do all other acts and things which the Receiver may consider desirable or necessary for realising any Charged Assets or incidental or conducive to any of the rights, powers or discretion conferred on a Receiver under or by virtue of the Deed; and
 - 9.5.6 to exercise in relation to any Charged Assets all the powers, authorities and things which he would be capable of exercising if he was absolute beneficial owner of the same.
- 9.6 Neither the Lender nor the Receiver will be liable to account as mortgagee in possession or otherwise for any money not actually received by the Lender or the Receiver.
- 9.7 Section 109 of the Law of Property Act 1925 will not apply to this Deed or to any security it creates.

10 Powers of sale, leasing etc

- 10.1 Section 103 of the Law of Property Act 1925 shall not apply to this Deed but the statutory power of sale will as between the Lender and a purchaser arise on and be exercisable at any time after the execution of this Deed but the Lender will not exercise such power unless the security created by this Deed has become enforceable or after the appointment of a Receiver under clause 9.
- 10.2 The statutory powers of sale, leasing and accepting surrenders exercisable by the Lender are extended to allow the Lender to grant or surrender leases of any land vested in the Borrower or in which it has an interest on such terms and conditions as the Lender may think fit provided that the security constituted by this Deed has become enforceable.
- 10.3 The statutory power of sale exercisable by the Lender is extended to allow the Lender to sever any fixtures from the land and sell them separately.
- 10.4 No person dealing with the Lender or a Receiver, its agents or delegates will be concerned with whether this Deed has become enforceable, whether any power exercised or purported to be exercised has become exercisable, whether any of the Secured Liabilities remain due upon this Deed, as to the necessity or expediency of any stipulations and conditions subject to which the sale of any Charged Asset is made, as to the propriety or regularity of the sale of any Charged Asset or to see to the application of any money paid to the Lender or the Receiver, or its agents or delegates and each dealing shall be deemed to be within the powers conferred by this Deed and to be valid and effectual accordingly.
- 10.5 Section 93 of the Law of Property Act 1925 will not apply to this Deed or to any security it creates.

11 New accounts

- 11.1 On receiving notice that the Borrower has encumbered or disposed of any of the Charged Assets the Lender may rule off the Borrower's account and open a new account in the name of the Borrower.
- 11.2 If the Lender does not open a new account on receipt of a notice as from that time all payments made to the Lender will be treated as if they had been credited to a new account and will not reduce the amount owing from the Borrower at the time when the notice was received.

12 Attorney

- 12.1 By way of security the Borrower irrevocably appoints the Lender, whether or not a Receiver has been appointed, and any Receiver separately as Borrower's attorney with full power to appoint substitutes and to delegate in its name and on its own behalf and as its act and deed or otherwise at any time after this security has become enforceable to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document, or perform any act that may be required of the Borrower under this Deed, or may be deemed

by such attorney necessary or desirable for any purpose of this Deed or to enhance or perfect the security intended to be constituted by such attorney or to convey or transfer legal ownership of any Charged Assets.

- 12.2 The Borrower will ratify and confirm all transactions entered into by the Lender or Receiver in the proper exercise of their powers in accordance with this Deed and all transactions entered into by the Lender or the Receiver in signing, sealing, delivering and otherwise perfecting any assignment, mortgage, charge, security, deed, assurance, document or act as aforesaid.

13 Application of moneys received

- 13.1 Any money received under this Deed will, subject to the discharge of any prior-ranking claims, be paid or applied in the following order of priority:

13.1.1 in satisfaction of all costs, charges and expenses incurred and payments made by the Lender and/or the Receiver and of the remuneration of the Receiver;

13.1.2 in or towards satisfaction of the Secured Liabilities; and

13.1.3 as to the surplus, if any, to the Borrower or other person or persons entitled to it.

- 13.2 The Lender may, in its absolute discretion on or at any time or times after demand and pending the payment to the Lender of the whole of the Secured Liabilities, place and keep to the credit of a separate or suspense account any money received, recovered or realised by the Lender by virtue of this Deed for so long and in such manner as the Lender may determine without any intermediate obligation to apply it in or towards the discharge of any of the Secured Liabilities.

14 Indemnity

- 14.1 The Borrower will indemnify the Lender against all and any costs, charges and expenses arising:

14.1.1 out of any of the assets charged or assigned pursuant to clause 3 resulting in the Borrower or the Lender or the Receiver infringing or allegedly infringing any third party rights; and

14.1.2 in relation to any proceedings referable to the Borrower brought against the Lender and/or the Receiver or to which the Lender and/or the Receiver may be joined whether as the plaintiff or defendant that relate to any of the Charged Assets.

- 14.2 The Borrower agrees that if it fails to pay any moneys in respect of the Charged Assets or to take (or not take) any action which might diminish the value of the Charged Assets to the Lender, the Lender may pay such monies or take such action and recover the cost from the Borrower.

- 14.3 The Borrower indemnifies the Lender fully at all times against any claim, liability, loss or expense incurred by the Lender directly or indirectly as a result of any delay or failure of the Borrower in complying with clause 6 or with any law, regulation, directive or code of practice applicable to the Borrower or to its business or the Charged Assets or relating to the protection of the environment or to health and safety matters.
- 14.4 Without prejudice to the generality of this clause the costs recoverable by the Lender and/or any Receiver under this Deed shall include:
- 14.4.1 all reasonable costs incurred by the Lender in preparing and administering this Deed or perfecting the security created by it;
 - 14.4.2 all costs, whether or not allowable on a taxation by the courts, of all proceedings for the enforcement of this Deed or for the recovery or attempted recovery of the Secured Liabilities;
 - 14.4.3 all money expended and all costs arising out of the exercise of any power, right or discretion conferred by this Deed; and
 - 14.4.4 all costs and losses arising from any default by the Borrower in the payment when due of any of the Secured Liabilities or the performance of its obligations under this Deed.
- 14.5 Any overdue amounts secured by the Deed will carry interest at the Default Rate. Interest will accrue on a day-to-day basis to the date of repayment in full. Interest shall continue to be charged and compounded on this basis after as well as before any demand or judgment.

15 Release

- 15.1 Subject to clause 15.2 below, the Lender will, at the request and cost of the Borrower, execute all documents as the Borrower may reasonably require to release the Charged Assets from the security constituted by this Deed and reassign the Charged Assets to the Borrower.
- 15.2 Any release, discharge or settlement between the Lender and the Borrower will be conditional upon 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 and, notwithstanding any such release, discharge or settlement:
- 15.2.1 the Lender or its nominee will be at liberty to retain this Deed and the security created by or pursuant to this Deed, including all certificates and documents relating to the whole or any part of the Charged Assets, for such period as the Lender may deem necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and

15.2.2 the Lender will be entitled to recover the value or amount of such security or payment from the Borrower subsequently as if such release, discharge or settlement had not occurred.

16 Continuing security

This Deed will remain as continuing security in favour of the Lender unless and until the Lender discharges this Deed in writing.

17 Further security

The Borrower will on the demand of the Lender execute and deliver to the Lender at the cost of the Borrower any document that the Lender requires further to secure the payment of the Secured Liabilities, or to create, enhance or perfect any fixed security over any of the Charged Assets or to give full effect to this debenture or to vest title to any of the Charged Assets in the Lender or the Lender's nominee or any purchaser.

18 Miscellaneous

18.1 Survival

Notwithstanding termination of this Deed, any provisions which have not been fully implemented or performed remain in full force and effect and will continue to bind, and to be enforceable against the relevant party and will not be extinguished or affected by any other event or matter except a specific and duly authorised written waiver or release of the other party to this Deed.

18.2 Variation

Variations to this Deed will only have effect when agreed in writing.

18.3 Severability

The unenforceability of any part of this Deed will not affect the enforceability of any other part.

18.4 Waiver

Unless otherwise agreed, no delay, act or omission by either party in exercising any right or remedy will be deemed a waiver of that, or any other, right or remedy.

18.5 Consent

Consent by a party, where required, will not prejudice its future right to withhold similar consent.

18.6 Further assurance

Each party will, at its own cost, do all further acts and execute all further documents necessary to give effect to this Deed.

18.7 Rights of third parties

This Deed is not enforceable by any third party under the Contracts (Rights of Third Parties) Act 1999.

18.8 Assignment and subcontracting

18.8.1 The Lender may assign any of its rights under this Deed or transfer all its rights or obligations by novation a third party.

18.8.2 The Borrower may not assign any of it rights or transfer any rights or obligations under this Deed.

18.9 Entire agreement

This Deed and documents referred to in it represent the entire agreement between the parties and supersede all previous agreements, and understandings relating to the subject matter whether written or oral.

18.10 Succession

This Deed will bind and benefit each party's successors and assignees.

18.11 Counterparts

This Deed may be signed in any number of separate counterparts. Each, when executed and delivered by a party, will be an original; all counterparts will together constitute one instrument.

19 Notices

19.1 Notices under this Deed will be in writing and sent to the persons and addresses on page 1. They may be given, and will be deemed received:

19.1.1 by first-class post: two Business Days after posting; and

19.1.2 by hand: on delivery.

20 Confidential Information

20.1 Neither party will use the other's confidential information except to perform this Deed.

20.2 Confidential Information does not include information which:

20.2.1 is or becomes public other than by breach of this Deed;

20.2.2 was known to the other party before this Deed without breach of confidence;

20.2.3 is independently developed by or becomes available to the other party; or

20.2.4 is required to be disclosed by law or regulatory authority.

21 Governing law and jurisdiction

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

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

IN WITNESS WHERE OF the Party have executed and delivered this Deed on the day and year first above written.

SCHEDULE 1
LAND CHARGED BY WAY OF LEGAL MORTGAGE

Part A
Registered Land

Description and address	Title number

Part B
Unregistered Land

Description and address	Documents evidencing root of title

SCHEDULE 2
ASSETS CHARGED BY WAY OF FIXED CHARGE

- 1 All shares held by the Borrower in any other company whether a subsidiary or not, including the shares in the Company.
- 2 All dividends, allotments, options, bonuses, rights issues, offers, benefits and advantages accruing, arising or offered in respect of the shares and investments described in paragraphs 1 above.
- 3 All fixed and moveable plant, machinery, tools, vehicles, computers and office and other equipment of the Borrower and the benefit of any agreements, licences and warranties in respect thereof.
- 4 All book debts of the Borrower arising in the ordinary course of its business and all benefits, security and rights held in or to secure the payment of the book debts.
- 5 All Intellectual Property belonging to the Borrower.
- 6 All present and future goodwill in the Borrower.
- 7 All uncalled capital in the Borrower.
- 8 All rights under any agreement to which the Borrower is a party which has not been assigned to the Lender.

SCHEDULE 3
LIST OF INSURANCE POLICIES

1

1

Executed as a deed by **Christopher James Dakin** in the presence of:

.....
Christopher James Dakin

.....
signature of witness

.....
name of witness

.....
address of witness

Executed as a deed by **Justine Dakin** in the presence of:

.....
Justine Dakin

.....
signature of witness

.....
name of witness

.....
Address of witness

Executed as a deed by Piotr Cieslak,
a director for and on behalf of **Innovational
Technologies Limited** in the presence of:


.....
Director


.....

signature of witness


.....

name of witness

.....
address of witness

**Thursfields Solicitors
9-10 The Tything
Worcester
WR1 1HD**