



Registration of a Charge

Company name: **L M G FENWICK LIMITED**

Company number: **11377292**

Received for Electronic Filing: **09/11/2018**



X7ICCK6X

Details of Charge

Date of creation: **02/11/2018**

Charge code: **1137 7292 0001**

Persons entitled: **DAVID FENWICK
CLAIR FENWICK**

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



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11377292

Charge code: 1137 7292 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 2nd November 2018 and created by L M G FENWICK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th November 2018 .

Given at Companies House, Cardiff on 13th November 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

2 November

2018

- (1) L M G FENWICK LIMITED
- (2) DAVID FENWICK and CLAIR FENWICK

Debenture

Mincoffs
SOLICITORS

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THIS DEBENTURE is dated the 2nd day of November 2018

PARTIES

- (1) **L M G Fenwick Limited** (incorporated and registered in England and Wales with company number 11377292) whose registered office is located at 36 Cheswick Drive, Newcastle Upon Tyne, NE3 5DT (**Chargor**).
- (2) **David Fenwick and Clair Fenwick** both of 49 Earnshaw Way, Whitley Bay, Tyne & Wear, NE25 9UL (together **Chargee**).

AGREED TERMS

1. Definitions and interpretation

Unless the context otherwise requires, the definitions and rules of interpretation in this clause 1 apply in this debenture.

1.1 Definitions:

Administrator

an administrator appointed to manage the affairs, business and property of the Chargor pursuant to paragraph 13 of Schedule 3.

Agreement

the share purchase agreement dated on the date of this deed and made between the Chargee, as seller (1) and the Chargor, as buyer (2).

Book Debts

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

Borrowed Money

any indebtedness of the Chargor for or in respect of:

- (a) borrowing or raising money (with or without security), including any premium and any capitalised interest on that money;
- (b) any bond, note, loan stock, debenture, commercial paper or similar instrument;
- (c) any acceptances under any acceptance credit or bill discounting facility (or dematerialised equivalent) or any note purchase or documentary credit facilities;
- (d) monies raised by selling, assigning or discounting receivables or other financial assets on terms that recourse may be had to the Chargor in the event of non-payment of such receivables or financial assets when due;
- (e) any deferred payment for assets or services acquired, other than trade credit that is given in the ordinary course of trading and which does not involve any deferred payment of any amount for more than 60 days;
- (f) any rental or hire charges under any finance lease (whether for land, machinery, equipment or otherwise);
- (g) any counter-indemnity obligation in respect of any guarantee, bond, indemnity, standby letter of credit or other instrument issued by a third party in connection with the Chargor's

	performance of a contract;
	(h) any other transaction that has the commercial effect of borrowing (including any forward sale or purchase agreement and any liabilities which are not shown as borrowed money on the Chargor's balance sheet because they are contingent, conditional or otherwise);
	(i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and when calculating the value of any derivative transaction, only the mark to market value shall be taken into account); and
	(j) any guarantee, counter-indemnity or other assurance against financial loss that the Chargor has given for any Indebtedness of the type referred to in any other paragraph of this definition incurred by any person.
Business Day	any day (other than a Saturday, Sunday or public holiday in England) when banks in London are open for non-automated transactional business.
Charged Property	all the assets, property and undertaking for the time being subject to the Security created by this debenture.
Costs	all costs, charges, expenses and liabilities of any kind (including, costs and damages in connection with litigation, professional fees, disbursements) and any value added tax charged on those Costs.
Default Interest Rate	8% per annum.
Equipment	all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations, apparatus and other tangible moveable property for the time being owned by the Chargor, including any part of it and all spare parts, replacements, modifications and additions.
Event of Default	any of the following events: <ul style="list-style-type: none"> (a) the Chargor fails to pay any of the Secured Liabilities when due; (b) the Chargor is in breach of any of its obligations to the Chargee and that breach (if capable of remedy) has not been remedied to the satisfaction of the Chargee within 14 days of notice by the Chargee to the Chargor to remedy the breach; (c) any Borrowed Money is not paid when due or within any originally applicable grace period; (d) any Borrowed Money becomes due, or capable of being declared due and payable prior to its stated maturity by reason of an event of default however described; (e) any commitment for Borrowed Money is cancelled or suspended by a creditor of the

Chargor by reason of an event of default however described;

- (f) any creditor of the Chargor becomes entitled to declare any Borrowed Money due and payable prior to its stated maturity by reason of an event of default (however described);
- (g) the Chargor stops or suspends payment of any of its debts or is unable to, or admits its inability to, pay its debts as they fall due;
- (h) the value of the Chargor's assets is less than its liabilities (taking into account contingent and prospective liabilities);
- (i) a moratorium is declared in respect of any Indebtedness of the Chargor;
- (j) any action, proceedings, procedure or step is taken for the suspension of payments, a moratorium of any Indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Chargor;
- (k) any action, proceedings, procedure or step is taken for the composition, compromise, assignment or arrangement with any creditor of the Chargor;
- (l) any action, proceedings, procedure or step is taken for the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Chargor or any of its assets;
- (m) the Chargor commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors with a view to rescheduling any of its Indebtedness (because of actual or anticipated financial difficulties);
- (n) any event occurs in relation to the Chargor similar to those set out in paragraphs (j) to (n) (inclusive) under the laws of any applicable jurisdiction;
- (o) a distress, attachment, execution, expropriation, sequestration or another analogous legal process is levied, enforced or sued out on, or against, the Chargor's assets and is not discharged or stayed within 21 days;
- (p) any Security on or over the assets of the Chargor becomes enforceable;
- (q) any provision of this debenture or any document under which the Chargor owes obligations to the Chargee is or becomes, for any reason, invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect;

- (r) the Chargor repudiates or shows an intention to repudiate this debenture or any document under which the Chargor owes obligations to the Chargee;
- (s) the Chargor ceases, or threatens to cease, to carry on all or a substantial part of its business; and
- (t) any event occurs (or circumstances exist) which, in the reasonable opinion of the Chargee, has or is likely to materially and adversely affect the Chargor's ability to perform all or any of its obligations under, or otherwise comply with the terms of, this debenture or any document under which the Chargor owes obligations to the Chargee.

Excluded Property

any leasehold property held by the Chargor under a lease which precludes, either absolutely or conditionally (including requiring the consent of any third party), the Chargor from creating any charge over its leasehold interest in that property.

Financial Collateral

shall have the meaning given to that expression in the Financial Collateral Regulations.

Financial Collateral Regulations

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

Indebtedness

any obligation to pay or repay money, present or future, whether actual or contingent, sole or joint and any guarantee or indemnity of any of those obligations.

Insurance Policies

the insurance policies referred to in clause 3.1(c).

Intellectual Property

the Chargor's present and future patents, rights to inventions, copyright and related rights, trade marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world, together with all fees, royalties and other rights derived from, or incidental to, these rights.

Investments

all present and future stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Chargor, including all rights accruing or incidental to those investments from time to time.

Properties

all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or at any time after the date of this debenture (and from time to time) owned by the

	Chargor, or in which the Chargor holds an interest (and Property means any of them).
Receiver	a receiver and/or manager of any or all of the Charged Property appointed under paragraph 6 of Schedule 3.
Secured Liabilities	all present and future obligations and liabilities of the Chargor to the Chargee, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with: <ul style="list-style-type: none"> (a) the Agreement; and/or (b) this debenture, together with all interest (including, default interest) accruing in respect of those obligations or liabilities.
Security	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 Financial Collateral Arrangement	shall have the meaning given to that expression in the Financial Collateral Regulations.
Security Period	the period starting on the date of this debenture and ending on the date 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.

1.2 Rules of interpretation:

(a) A reference to:

- (i) a **charge** or **mortgage** of any freehold, leasehold or commonhold property includes:
 - (1) all buildings and fixtures (including trade and tenant's fixtures) which are situated on that property at any time; and
 - (2) the proceeds of the sale of any part of that property; and
 - (3) the benefit of any covenants for title given, or entered into, by any predecessor in title of the Chargor in respect of that property, and any monies paid or payable in respect of those covenants;
- (ii) a **clause** or **Schedule** is to a clause of, or schedule to, this debenture and a reference to a **paragraph** is to a paragraph of the relevant Schedule;
- (iii) a party, the parties, the Chargor or the Chargee is to those persons detailed in the Parties recital to this debenture and/or, where applicable, that party's successors, permitted assigns and permitted transferees;
- (iv) a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees;
- (v) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (vi) a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time; and includes all subordinate legislation made from time to time under that statute or statutory provision;

- (vii) **an amendment** includes a novation, re-enactment, supplement or variation (and **amended** shall be construed accordingly);
- (viii) **an authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- (ix) **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (x) **business hours** is to the period commencing at 09:00 and ending at 17:30 on a Business Day;
- (xi) **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- (xii) **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it;
- (xiii) **one gender** shall include a reference to the other genders;
- (xiv) **the Charged Property** shall include references to any part of it;
- (xv) **this debenture** (or any provision of it) or to any other agreement or document referred to in this debenture, is a reference to this debenture, that provision or such other agreement or document as amended (in each case, other than in breach of its provisions) from time to time;
- (xvi) **transactions entered into in the ordinary course of business** excludes:
 - (1) any unprecedented or exceptional transactions;
 - (2) any transaction entered into in breach of directors' duties; and
 - (3) any transaction that may be classified as being a preference or at an undervalue; and
- (xvii) **writing** or **written** does not include fax or e-mail.
- (b) An obligation on a party not to do something includes an obligation not to allow that thing to be done.
- (c) Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- (d) Clause, Schedule and paragraph headings are inserted for convenience only and shall not affect the interpretation of this debenture.
- (e) If the rule against perpetuities applies to any trust created by this debenture, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).
- (f) If the Chargee considers that an amount paid by the Chargor in respect of the Secured Liabilities is capable of being avoided, or otherwise set aside, on the liquidation or administration of the Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this debenture.
- (g) Paragraph 14 of Schedule B1 of the Insolvency Act 1986 (as inserted by section 248 of, and Schedule 16 to, the Enterprise Act 2002) applies to the floating charge created by this debenture.
- (h) The Schedules form part of this debenture and shall have effect as if set out in full in the body of this debenture. Any reference to this debenture includes the Schedules.
- (i) This debenture shall be binding on, and enure to the benefit of, the parties to this debenture and their respective personal representatives, successors and permitted assigns.
- (j) Words in the singular shall include the plural and in the plural shall include the singular.

2. **Covenant to pay**

Covenant to pay

- 2.1 The Chargor shall, on demand, pay to the Chargee and discharge the Secured Liabilities when they become due.

Interest

- 2.2 The Chargor covenants with the Chargee to pay interest on any amounts due under clause 2.1 from day to day until full discharge (whether before or after judgment, liquidation, winding-up or administration of the Chargor) at the Default Interest Rate, provided that, in the case of any cost or expense, such interest shall accrue and be payable as from the date on which the relevant cost or expense arose without the necessity for any demand being made for payment.

3. Grant of security

Charging clause

- 3.1 As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor, with full title guarantee:
- (a) charges to the Chargee, by way of first legal mortgage, all the Properties which the Chargor has acquired or has an interest in as at the date of this debenture;
 - (b) charges to the Chargee, by way of first fixed charge:
 - (i) all Properties acquired by the Chargor after the date of this debenture;
 - (ii) all present and future interests of the Chargor not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;
 - (iii) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties;
 - (iv) all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Chargor's business or the use of any Charged Property, and all rights in connection with them;
 - (v) all present and future goodwill and uncalled capital for the time being of the Chargor;
 - (vi) all the Equipment;
 - (vii) all the Intellectual Property; and
 - (viii) all the Book Debts;
 - (c) assigns to the Chargee, by way of first fixed mortgage, all its rights in any policies of insurance or assurance present or future (including, any insurances relating to the Properties or the Equipment); and
 - (d) charges to the Chargee, by way of first floating charge, all the assets, property, rights and undertaking of the Chargor wherever located both present and future (i) other than assets effectively charged by way of standard security or by way of legal mortgage or fixed charge or assigned pursuant to clause 3.1(a) to 3.1(c) inclusive but (ii) including (whether or not so effectively charged) all of its assets and undertaking situated in Scotland or governed by Scottish law.

Leasehold security restrictions

- 3.2 The charges created by clause 3.1 shall not apply to Excluded Property so long as any relevant consent or waiver of prohibition has not been obtained, but:
- (a) for each Excluded Property, the Chargor undertakes to:
 - (i) apply for the relevant consent or waiver of prohibition or conditions within five Business Days of the date of this debenture and to use its best endeavours to obtain that consent or waiver of prohibition as soon as possible;
 - (ii) keep the Chargee informed of its progress in obtaining such consent or waiver; and
 - (iii) immediately on receipt of such consent or waiver, provide the Chargee with a copy; and
 - (b) immediately on receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Chargee under clause 3.1. If required

by the Chargee at any time following receipt of that waiver or consent, the Chargor shall execute a valid fixed charge in such form as the Chargee requires.

Automatic conversion of floating charge

3.3 The floating charge created by clause 3.1(d) shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property if:

- (a) the Chargor:
 - (i) creates, or attempts to create, a Security without the prior written consent of the Chargee, or any trust in favour of another person, over all or any part of the Charged Property; or
 - (ii) disposes, or attempts to dispose of, all or any part of the Charged Property (other than property that is only subject to the floating charge while it remains uncrystallised which property may be disposed of in the ordinary course of business); or
- (b) a receiver is appointed over all or any of the Charged Property that is subject to the floating charge; or
- (c) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Charged Property; or
- (d) the Chargee receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Chargor.

Conversion of floating charge by notice

3.4 The Chargee may, in its sole discretion, at any time by written notice to the Chargor, convert the floating charge created under this debenture into a fixed charge as regards any part of the Charged Property specified by the Chargee in that notice.

Assets acquired after any floating charge crystallisation

3.5 Any asset acquired by the Chargor after any crystallisation of the floating charge created under this debenture which, but for such crystallisation, would be subject to a floating charge shall (unless the Chargee confirms in writing to the contrary) be charged to the Chargee by way of first fixed charge.

4. Liability of the Chargor

Liability not discharged

4.1 The Chargor's liability under this debenture in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Chargee being or becoming wholly or partially illegal, void or unenforceable on any ground; or
- (b) the Chargee renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from any other person; or
- (c) any other act or omission which but for this clause 4.1 might have discharged or otherwise prejudiced or affected the liability of the Chargor.

Immediate recourse

4.2 The Chargor waives any right it may have to require the Chargee to enforce any security or other right or claim any payment from or otherwise proceed against any other person before enforcing this debenture against the Chargor.

5. Covenants

The Chargor covenants with the Chargee in the terms set out in Schedule 1.

6. Powers of the Chargee

The Chargee shall have the powers set out in Schedule 2.

7. Enforcement

Enforcement events

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

Receiver's powers

- 7.2 A Receiver shall have, in addition to the powers conferred on receivers by statute, the further powers set out in Schedule 4.

Right of appropriation

- 7.3 To the extent that the Charged Property constitutes Financial Collateral and this debenture and the obligations of the Chargor hereunder constitute a Security Financial Collateral Arrangement, the Chargee shall have the right, at any time after the security constituted this debenture has become enforceable, to appropriate all or any of that Charged Property in or towards the payment and/or discharge of the Secured Liabilities in such order as the Chargee in its absolute discretion may from time to time determine. The value of any Charged Property appropriated in accordance with this clause shall be the price of that Charged Property at the time the right of appropriation is exercised as listed on any recognised market index, or determined by such other method as the Chargee may select (including independent valuation). The Chargor agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

8. Costs and indemnity

Costs

- 8.1 The Chargor shall, within five Business Days of demand pay to, or reimburse, the Chargee and any Receiver, on a full indemnity basis, all Costs incurred by the Chargee and/or any Receiver in relation to:
- (a) protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Chargee's or Receiver's rights under this debenture; or
 - (b) suing for, or recovering, any of the Secured Liabilities,
- (including, the Costs of any proceedings in relation to this debenture or the Secured Liabilities), together with interest on any amount due under clause 8.1(a) and clause 8.1(b) at the Default Interest Rate.

Indemnity

- 8.2 The Chargee, any Receiver and their respective employees and agents shall be indemnified on a full indemnity basis out of the Charged Property in respect of all actions, liabilities and Costs incurred or suffered in or as a result of:
- (a) the exercise, or purported exercise, of any of the powers, authorities or discretions vested in them under this debenture;
 - (b) any matter or thing done, or omitted to be done, in relation to the Charged Property under those powers; or
 - (c) any default or delay by the Chargor in performing any of its obligations under this debenture.

9. Release

Subject to clause 18.3, on the expiry of the Security Period (but not otherwise) the Chargee shall, at the request and cost of the Chargor, take whatever action is necessary to release the Charged Property from the security constituted by this debenture.

10. Assignment and transfer

Assignment by Chargee

- 10.1 At any time, without the consent of the Chargor, the Chargee may assign or transfer any or all of its rights and obligations under this debenture.
- 10.2 The Chargee may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Chargor, the Secured Assets and this debenture that the Chargee considers appropriate.

Assignment by Chargor

- 10.3 The Chargor may not assign any of its rights, or transfer any of its rights or obligations, under this debenture.

11. Further assurance

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

12. Power of attorney

Power of attorney

- 12.1 By way of security, the Chargor irrevocably appoints the Chargee and every Receiver separately, to be the attorney of the Chargor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things which:
- (a) the Chargor is required to execute and do under this debenture, (including, the execution of any document required by the Chargee under clause 11); and
 - (b) any attorney may deem proper or desirable in exercising any of the powers, authorities and discretions conferred by this debenture or by law on the Chargee or any Receiver.

Ratification of acts of attorney

- 12.2 The Chargor ratifies and confirms, and agrees to ratify and confirm, anything which any of its attorneys may do in the proper and lawful exercise or purported exercise of all or any of the powers, authorities and discretions referred to in clause 12.1.

13. Set-off

Chargee's right of set-off

- 13.1 The Chargee may at any time set off any liability of the Chargor to the Chargee against any liability of the Chargee to the Chargor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this debenture. If the liabilities to be set off are expressed in different currencies, the Chargee may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Chargee of its rights under this clause 13 shall not limit or affect any other rights or remedies available to it under this debenture or otherwise.

No obligation to set off

- 13.2 The Chargee is not obliged to exercise its rights under clause 13.1. If, however, it does exercise those rights it must promptly notify the Chargor of the set-off that has been made.

14. Amendments, waivers and consents

Amendments

- 14.1 No amendment of this debenture shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

Waivers and consents

- 14.2 A waiver of any right or remedy under this debenture or by law, or any consent given under this debenture, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- 14.3 A failure or delay by a party to exercise any right or remedy provided under this debenture or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this debenture. No single or partial exercise of any right or remedy provided under this debenture or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this debenture by the Chargee shall be effective unless it is in writing.

Rights and remedies

- 14.4 The rights and remedies provided under this debenture are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

15. Severance

If any provision (or part of a provision) of this debenture is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this debenture.

16. Counterparts

- 16.1 This debenture may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one debenture.
- 16.2 No counterpart shall be effective until each party has executed and delivered at least one counterpart.

17. Third party rights

Except as expressly provided elsewhere in this debenture a person who is not a party to this debenture shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this debenture. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

18. Further provisions

Independent security

- 18.1 This debenture shall be in addition to, and independent of, every other security or guarantee which the Chargee may hold for any of the Secured Liabilities at any time. No prior security held by the Chargee over the whole or any part of the Charged Property shall merge in the security created by this debenture.

Continuing security

- 18.2 This debenture shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account or intermediate payment or other matter or thing, unless and until the Chargee discharges this debenture in writing.

Discharge conditional

- 18.3 Any release, discharge or settlement between the Chargor and the Chargee shall be deemed conditional on no payment or security received by the Chargee in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to

insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

- (a) the Chargee or its nominee may retain this debenture and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as the Chargee deems necessary to provide the Chargee with security against any such avoidance, reduction or order for refund; and
- (b) the Chargee may recover the value or amount of such security or payment from the Chargor subsequently as if such release, discharge or settlement had not occurred.

Certificates

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

Consolidation

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

Partial invalidity

- 18.6 The invalidity, unenforceability or illegality of any provision (or part of a provision) of this debenture under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.

19. Notices

Delivery

- 19.1 Any notice or other communication to be given to a party under or in connection with this debenture shall be:
- (a) in writing, in the English language;
 - (b) delivered by hand or sent by first class post or other next Business Day delivery service providing proof of postage, in either case, to that party's address specified in the Parties recital of this debenture (or to such other address as that party may notify from time to time); and
- deemed received (provided the foregoing provisions of this clause 19.1 have been complied with), in accordance with clauses 19.2 or 19.4 (as appropriate).

Receipt by Chargor

- 19.2 Any notice or other communication that the Chargee gives to the Chargor shall be deemed to have been received:
- (a) if delivered by hand, at the time it is left at the relevant address;
 - (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
 - (c) if sent by fax, when received in legible form.
- 19.3 A notice or other communication given as described in clause 19.2(a) or clause 19.2(c) on a day that is not a Business Day, or after business hours, in the place it is received, shall be deemed to have been received at the commencement of business hours on the next Business Day thereafter.

Receipt by Chargee

- 19.4 Any notice or other communication given to the Chargee shall be deemed to have been received only on actual receipt.

Service of proceedings

- 19.5 Subject to clause 19.6, this clause 19 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.
- 19.6 The Chargor irrevocably consents to any process in any proceedings being served on it in accordance with the provisions of clause 19. Nothing contained in this debenture shall affect the right to serve process in any other matter permitted by law.

No notice by e-mail

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

20. Governing law and jurisdiction

- 20.1 This debenture and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of England.
- 20.2 Each party irrevocably agrees that, subject as provided below, the courts of England shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this debenture or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Chargee to take proceedings against the Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

IN WITNESS WHEREOF this debenture has been executed and delivered as a **Deed** and takes effect on the date first stated above.

Schedule 1 Covenants

1. Negative pledge and disposal restrictions

The Chargor shall not, at any time, except with the prior written consent of the Chargee:

- (a) create, purport to create or permit to subsist any Security on or in relation to the Charged Property other than this debenture; or
- (b) sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Charged Property except disposals in the ordinary course of business of assets which are only subject to the floating charge under clause 3.1(d) at a time when the floating charge has not crystallised; or
- (c) create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

2. Preservation of Charged Property

The Chargor shall not do, or permit to be done, any act or thing which would or might depreciate, jeopardise or otherwise prejudice the security held by the Chargee or materially diminish the value of any of the Charged Property or the effectiveness of the security created by this debenture.

3. Enforcement of rights

The Chargor shall use its best endeavours to:

- (a) procure the prompt observance and performance of the covenants and other obligations imposed on the Chargor's counterparties; and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Charged Property which the Chargee may require from time to time.

4. Compliance with laws

The Chargor will at all times comply, in all material respects, with all laws in respect of or affecting the Charged Property.

5. Notice of breaches

The Chargor shall within two Business Days of becoming aware of any of the same give the Chargee notice in writing of any breach of any covenant set out in this Schedule 1.

6. Conduct of business

The Chargor shall carry on its trade and business in accordance with the standards of good management from time to time current in such trade or business (and, in particular, .

7. Chargor's waiver of set-off

The Chargor waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Chargor under this debenture).

Schedule 2 Powers of the Chargee

1. Power to remedy

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

2. Exercise of rights

The rights of the Chargee under paragraph 1 of this Schedule 2 are without prejudice to any other rights of the Chargee under this debenture. The exercise of those rights shall not make the Chargee liable to account as a mortgagee in possession.

3. Power to dispose of chattels

At any time after the security constituted by this debenture has become enforceable, the Chargee or any Receiver:

- (a) may dispose of any chattels or produce found on any Property as agent for the Chargor; and
- (b) without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce, shall be indemnified by the Chargor against any liability arising from such disposal.

4. Prior Security

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

- (a) redeem such or any other prior Security or procure its transfer to itself; and
- (b) settle any account of the holder of any prior Security.

Any accounts shall be, in the absence of any manifest error, conclusive and binding on the Chargor. All monies paid by the Chargee to an encumbrancer in settlement of such an account shall, as from its payment by the Chargee, be due from the Chargor to the Chargee on current account and shall bear interest at the Default Interest Rate and be secured as part of the Secured Liabilities.

5. Chargee's set-off rights

If the Chargee has more than one account for the Chargor in its books, the Chargee may, at any time after:

- (a) the security constituted by this debenture has become enforceable; or
- (b) the Chargee has received notice of any subsequent Security or other interest affecting all or any part of the Charged Property,

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account which may be in debit (but the Chargee shall notify the Chargor of the transfer once made).

6. Indulgence

The Chargee may, at its discretion, grant time or other indulgence or make any other arrangement, variation or release with any person or persons not being a party to this debenture (whether or not such person or persons is jointly liable with the Chargor) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this debenture, or to the liability of the Chargor for the Secured Liabilities.

Schedule 3 Enforcement

1. Enforcement events

This debenture shall be enforceable if:

- (a) any of the Secured Liabilities are not paid or discharged when the same ought to be paid or discharged by the Chargor (whether on demand, at scheduled maturity, or by acceleration or otherwise, as the case may be); or
- (b) the Chargor is in breach of any of its obligations under this debenture or under any other agreement between the Chargor and the Chargee (including, the Facility Agreement), and that breach (if capable of remedy) has not been remedied to the satisfaction of the Chargee within 14 days of notice by the Chargee to the Chargor to remedy the breach; or
- (c) the Chargor:
 - (i) becomes unable to pay its debts as they fall due (and/or the value of the Chargor's assets is less than the amount of its liabilities, taking into account the Chargor's contingent and prospective liabilities); or
 - (ii) commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its Indebtedness; or
 - (iii) makes a general assignment for the benefit of or a composition with its creditors; or
- (d) the Chargor passes any resolution or takes any corporate action, or a petition is presented or proceedings are commenced, or any action is taken by any person for its winding-up, dissolution, administration or re-organisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of it or of any or all of its revenues or assets; or
- (e) a distress, execution, attachment or other legal process is levied or enforced on, or sued out against, all or any part of the assets of the Chargor and remains undischarged for seven days; or
- (f) any event occurs in relation to the Chargor that is analogous to those set out in paragraph 0(c), paragraph 0(d) or paragraph 0(e) of this Schedule 3; or
- (g) any representation, warranty or statement made or deemed to be made by the Chargor under this debenture is or proves to have been incorrect or misleading when made or deemed to be made; or
- (h) an Event of Default occurs,

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

2. Statutory power of sale

The statutory powers of sale conferred by the Law of Property Act 1925 shall, as between the Chargee and a purchaser from the Chargee, arise on and be exercisable at any time after, the execution of this debenture but the Chargee shall not exercise such power of sale until the security constituted by this debenture has become enforceable under paragraph 1 of this Schedule 3.

3. Extension of statutory powers

The statutory powers of sale, leasing and accepting surrenders conferred on mortgagees under the Law of Property Act 1925 and/or by any other statute shall be exercisable by the Chargee under this debenture and are extended so as to authorise the Chargee, whether in its own name or in that of the Chargor, to grant a lease or agreement to lease, accept surrenders of lease or grant any option of the whole or any part of the freehold and leasehold property of the Chargor with whatever rights relating to other parts of it, containing whatever covenants on the part of the Chargor, generally on such terms and conditions (including the

payment of money to a lessee or tenant on a surrender) and whether or not at a premium, as the Chargee thinks fit.

4. Protection of third parties

No purchaser, mortgagee or other person dealing with the Chargee or any Receiver shall be concerned:

- (a) to enquire whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged, or whether the power the Chargee or a Receiver is purporting to exercise has become exercisable; or
- (b) to see to the application of any money paid to the Chargee or any Receiver.

5. No liability as mortgagee in possession

Neither the Chargee, nor any Receiver nor any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Charged Property for which a mortgagee in possession might be liable as such.

6. Appointment of Receiver

6.1 At any time after the security constituted by this debenture has become enforceable, or at the request of the Chargor, the Chargee may, without further notice:

- (a) appoint by way of deed, or otherwise in writing, any one or more person or persons to be a receiver or a receiver and manager, of all or any part of the Charged Property; and
- (b) (subject to section 45 of the Insolvency Act 1986) from time to time, by way of deed, or otherwise in writing, remove any person appointed to be Receiver and may, in a similar manner, appoint another in his place.

6.2 Where more than one person is appointed Receiver, they shall have power to act separately (unless the appointment by the Chargee specifies to the contrary).

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

7. Power of sale additional

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

7.2 The power to appoint a Receiver (whether conferred by this debenture or by statute) shall be, and remain, exercisable by the Chargee despite any prior appointment in respect of all or any part of the Charged Property.

8. Agent of the Chargor

Any Receiver appointed by the Chargee under this debenture shall be the agent of the Chargor and the Chargor shall be solely responsible for his acts and remuneration, as well as for any defaults committed by him.

9. Powers of Receiver

Any Receiver appointed by the Chargee under this debenture shall, in addition to the powers conferred on him by the Law of Property Act 1925 and the Insolvency Act 1986, have the power to do all such acts and things as an absolute owner could do in the management of such of the Charged Property over which the Receiver is appointed and, in particular, the powers set out in Schedule 4.

10. Order of application of proceeds

All monies received by the Chargee or a Receiver in the exercise of any enforcement power conferred by this debenture shall be applied:

- (a) first, in paying all unpaid fees, costs and other liability incurred by or on behalf of the Chargee (and any Receiver, attorney or agent appointed by it);
- (b) second, in paying the remuneration of any Receiver (as agreed between the Receiver and the Chargee);
- (c) third, in or towards discharge of the Secured Liabilities in such order and manner as the Chargee determines; and
- (d) finally, in paying any surplus to the Chargor or any other person entitled to it.

11. Appropriation

Neither the Chargee nor any Receiver shall be bound (whether by virtue of section 109(8) of the Law of Property Act 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

12. Suspense account

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

13. Appointment of an Administrator

13.1 The Chargee may, without notice to the Chargor, appoint any one or more persons to be an administrator of the Chargor pursuant to Paragraph 14 Schedule B1 of the Insolvency Act 1986 if this debenture becomes enforceable.

13.2 Any appointment under this paragraph 13 of Schedule 3 shall:

- (a) be in writing signed by a duly authorised signatory of the Chargee; and
- (b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986, when the requirements of paragraph 18 of that Schedule B1 are satisfied.

13.3 The Chargee may (subject to any necessary approval from the court) end the appointment of an Administrator by notice in writing in accordance with this paragraph 13 of Schedule 3 and appoint a replacement for any Administrator whose appointment ends for any reason under that paragraph.

Schedule 4 Further powers of a Receiver

1. Power to repair and develop Properties

A Receiver may undertake or complete any works of repair, building or development on the Properties.

2. Power to surrender leases

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting the Properties on such terms and subject to such conditions as he thinks fit.

3. Power to employ personnel and advisors

A Receiver may provide services and employ or engage such managers, contractors, and other personnel and professional advisors on such terms as he deems expedient.

4. Power to make VAT elections

A Receiver may make such elections for value added tax purposes as he thinks fit.

5. Power to charge for remuneration

A Receiver may charge and receive such sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) as the Chargee may prescribe or agree with him.

6. Power to realise Charged Property

A Receiver may collect and get in the Charged Property, or any part of it, in respect of which he is appointed and make such demands and take such proceedings as may seem expedient for that purpose, and to take possession of the Charged Property with like rights.

7. Power to manage or reconstruct the Chargor's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Chargor.

8. Power to dispose of Charged Property

A Receiver may grant options and licences over all or any part of the Charged Property, sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases of all or any of the property of the Chargor in respect of which he is appointed in such manner, and generally on such terms and conditions, as he thinks fit (fixtures and plant and machinery may be severed and sold separately from the premises in which they are contained without the consent of the Chargor), and to carry any such sale, assignment, leasing or surrender into effect. Any such sale may be for such consideration as the Receiver thinks fit and he may promote, or concur in promoting, a company to purchase the property to be sold.

9. Power to sell Book Debts

A Receiver may sell and assign all or any of the Book Debts in respect of which he is appointed in such manner, and generally on such terms and conditions, as he thinks fit.

10. Power to make settlements

A Receiver may make any arrangement, settlement or compromise between the Chargor and any other person which he may think expedient.

11. Power to improve the Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as he may think expedient.

12. Power to make calls on Chargor members

A Receiver may make calls, conditionally or unconditionally, on the members of the Chargor in respect of the uncalled capital with such and the same powers for that purpose, and for

the purpose of enforcing payments of any calls so made, as are conferred by the articles of association of the Chargor on its directors in respect of calls authorised to be made by them.

13. Power to appoint

A Receiver may appoint managers, officers, servants, workmen and agents for the purposes of this Schedule 4 at such salaries, for such periods and on such terms as he may determine.

14. Power to insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 8, effect with any insurer any policy of insurance, either in lieu or satisfaction of, or in addition to, such insurance.

15. Powers under Law of Property Act 1925

A Receiver may exercise all powers provided for in the Law of Property Act 1925 in the same way as if he had been duly appointed under that act, and exercise all powers provided for an administrative receiver in Schedule 1 of the Insolvency Act 1986.

16. Power to borrow

A Receiver may, for any of the purposes authorised by this Schedule 4, raise money by borrowing from the Chargee (or from any other person) on the security of all or any of the Charged Property in respect of which he is appointed on such terms as he shall think fit (including, if the Chargee consents, terms under which such security ranks in priority to this debenture).

17. Power to redeem prior Security

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargor and the monies so paid shall be deemed to be an expense properly incurred by him.

18. Incidental powers

A Receiver may do all such other acts and things as he may consider incidental or conducive to any of the matters or powers in this Schedule 4 or which he lawfully may or can do as agent for the Chargor.

19. Scope of powers

Any exercise of any of the powers given by this Schedule 4 may be on behalf of the Chargor, the directors of the Chargor (in the case of the power contained in paragraph 12 of Schedule 4) or himself.

Signed as a Deed by
L M G Fenwick Limited
acting by one of its directors
in the presence of:

Witness Signature:
Name:
Address:

[Signature]
LOKE PHILPOTT
The Cube
Bartick Road
NE4 5DB

Occupation:

Solicitor

Director

[Signature]
Mark Fenwick
Name (PRINT)

Signed as a Deed by
David Fenwick
in the presence of:

Witness Signature:
Name:
Address:

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.....
.....
.....
.....

Occupation:

.....

D. Fenwick

Signed as a Deed by
Clair Fenwick
in the presence of:

Witness Signature:
Name:
Address:

.....
.....
.....
.....
.....
.....

Occupation:

.....

C. Fenwick