



Registration of a Charge

Company Name: **HANDBAG CLINIC LTD**

Company Number: **11552082**



XBYP0K43

Received for filing in Electronic Format on the: **03/03/2023**

Details of Charge

Date of creation: **03/03/2023**

Charge code: **1155 2082 0002**

Persons entitled: **ENTERPRISE VENTURES (GENERAL PARTNER NE VENTURE) LIMITED
(AS SECURITY TRUSTEE)**

Brief description: **CHARGES BY LEGAL MORTGAGE ALL THE PROPERTY NOW VESTED
IN OR CHARGED TO THE COMPANY AND BY FIXED CHARGE ALL
ESTATES AND INTERESTS IN ANY OTHER PROPERTY NOW AND
IN THE FUTURE VESTED IN OR CHARGED TO THE COMPANY AND
ALL INTELLECTUAL PROPERTY RIGHTS NOW AND IN THE FUTURE
BELONGING TO THE COMPANY. FOR FURTHER DETAILS PLEASE REFER
TO THE INSTRUMENT.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **DANNY RAND - WOMBLE BOND DICKINSON (UK) LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11552082

Charge code: 1155 2082 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd March 2023 and created by HANDBAG CLINIC LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd March 2023 .

Given at Companies House, Cardiff on 6th March 2023

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



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

03 March 2023

Debenture

Handbag Clinic Limited

in favour of

Enterprise Ventures (General Partner NE Venture) Limited

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DEBENTURE

Dated: 03 March 2023

made by **Handbag Clinic Ltd** (CN **11552082**) (the **Company**) whose registered office is at Unit 10 Hobson Industrial Estate, Burnopfield, Newcastle Upon Tyne, United Kingdom, NE16 6EA

in favour of **ENTERPRISE VENTURES (GENERAL PARTNER NE VENTURE) LIMITED** incorporated and registered in England and Wales with company number 10514693, whose registered office is at Preston Technology Management Centre, Marsh Lane, Preston, PR1 8UQ in its capacity as security trustee for and on behalf of the Stockholders (as defined below) from time to time (**Security Trustee**).

1. INTERPRETATION

1.1 In this deed the following expressions have the following meanings:

Administrator	an administrator appointed under the Insolvency Act 1986.
Business	the business or businesses and operations carried on by the Company from time to time.
Business Day	a day (not being a Saturday or a Sunday) on which clearing banks are open for general banking business in London.
Charged Property	the assets and undertaking charged or assigned by clause 4.
Default Rate	the highest rate of interest referred to in the Loan Stock Instrument
Encumbrance	includes any mortgage, charge (fixed or floating), pledge, lien and any other arrangement or interest (whether by way of assignment, trust, title retention or otherwise) which has the effect of creating security or payment priority.
Environment	the natural and man-made environment and all or any of air, water and land, including air within buildings and air within other natural or man-made structures above or below ground.
Environmental Law	all laws, regulations, directives, statutes, subordinate legislation, common law and other national and local laws, judgments, orders, instructions or awards of any court or competent authority and all codes of practice and guidance notes which relate to the Environment or human health or the health of animals or plants.
Existing Debenture	the debenture dated 28 April 2022 made by the Company in favour of the Security Trustee.
Expenses	(a) all expenses (on a full indemnity basis) incurred by an Administrator of the Company in carrying out his statutory functions and that Administrator's remuneration; and (b) all expenses (on a full indemnity basis) including legal and valuation fees, from time to time paid or incurred by the Security Trustee or any Receiver at any time in connection with the Charged Property or the Obligations or in taking, perfecting or enforcing this deed or in exercising any right or

power under this deed or otherwise together with VAT upon such expenses where appropriate and interest at the Default Rate from the date they are incurred.

Lease	any letting, underlease or sub-lease and any tenancy, licence or other agreement for possession or occupation.
Licences	all licences, consents, certificates, registrations, permits or other similar matters required in connection with the Company's property, assets, undertaking and the Business.
Loan Stock	the £500,000 10% secured loan stock 2025 created by the Company.
Loan Stock Instrument	the instrument creating the Loan Stock.
Material Adverse Effect	a material adverse effect on the Company's ability to comply with the Obligations.
Obligations	the obligations and liabilities covenanted to be discharged or paid under clause 2.
Planning Acts	any legislation, directions, notices, bye-laws from time to time in force relating to town and country planning, building and construction.
Property	any freehold and/or leasehold land and buildings from time to time owned or occupied by the Company.
Receiver	any person appointed as receiver, administrative receiver, manager or receiver and manager.
Relevant Currency	in relation to each of the Obligations and Expenses the currency in which it is from time to time expressed.
Rents	all rents, profits, income, fees and other sums at any time payable to the Company by any lessee, tenant, licensee or other occupier of the Charged Property except any sums payable in respect of services or insurance provided by the Company.
Security Period	<p>the period starting on the date of this deed and ending on the earlier to occur of:</p> <p>(a) the date the Loan Stock is converted into shares in the capital of the Company, pursuant to the terms of the Loan Stock Instrument; and</p> <p>(b) the date the Loan Stock is repaid in full.</p>
Stockholders	the registered holders for the time being of the Loan Stock.
Subsidiary Undertaking	has the meaning given by section 1162 of the Companies Act 2006.
Tax	any form of taxation, levy, duty, charge, contribution or impost (including any applicable fine, penalty, surcharge or interest) imposed by any local, municipal, governmental,

state, federal or other fiscal, revenue, customs and/or excise authority, body or official anywhere in the world.

VAT

value added tax or any other tax on added value or on turnover for the time being in force.

1.2 In this deed, each reference to:

1.2.1 **Charged Property, Expenses, Obligations or Property** includes a reference to any part of them or it;

1.2.2 **Company** includes a reference to any person deriving title through the Company;

1.2.3 **Security Trustee** includes a reference to any person who claims any title or interest through the Security Trustee or any person to whom the business of the Security Trustee is transferred;

1.2.4 any document (including the Loan Stock Instrument and this deed) or a provision of such document includes a reference to such document or provision as supplemented, varied or replaced from time to time;

1.2.5 a statutory provision includes a reference to any modification, consolidation or re-enactment of the provision from time to time in force and all subordinate instruments, order or regulations made under it;

1.2.6 the singular includes the plural and vice versa;

1.2.7 a person includes a body corporate, unincorporated association, government, state, partnership or trust (in each case, whether or not having separate legal personality);

1.2.8 **dispose** includes charging, selling, leasing, assigning or transferring or agreeing to do any of the same, granting an option or similar right, creating a trust or other equitable interest or sharing or parting with possession or occupation; and

1.2.9 a term that is analogous to the **reasonableness of the Security Trustee** shall be deemed to include an additional statement that such reasonableness shall be subject to the particular requirements and fund rules (and investment committee approval) of the North East (ERDF) Venture Capital Limited Partnership.

1.3 General words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of acts, matters or things.

1.4 Headings in this deed are for convenience only and shall not affect its interpretation.

2. SECURED LIABILITIES

The Company covenants to:

2.1 discharge on demand from time to time all its obligations and liabilities to the Stockholders of any kind in respect of the Loan Stock (whether present or future, actual or contingent) when they become due pursuant to the terms of the Loan Stock Instrument;

2.2 pay to the Security Trustee on demand from time to time the Expenses; and

2.3 pay to the Security Trustee on demand from time to time Interest on any amount payable under clauses 2.1 and 2.2 from the date of demand.

In the case of any of the Obligations which is not (but for this clause 2) due for discharge on demand, the Security Trustee shall not make demand before the due date.

3. **SECURITY TRUSTEE**

- 3.1 The Security Trustee is acting as agent and security trustee for the Stockholders.
- 3.2 Any moneys recovered by the Security Trustee following enforcement of its rights under or otherwise pursuant to this Debenture shall (subject to clause 11.3 and to deduction of any costs, charges and expenses incurred by the Security Trustee) be distributed to the Stockholders as nearly as may be according to their respective holdings of the Loan Stock or as otherwise agreed by all of the Stockholders.

4. **SECURITY**

As a continuing security for the discharge and payment of the Obligations and with full title guarantee, the Company:

- 4.1 charges to the Security Trustee by way of legal mortgage all the Property now vested in or charged to the Company;
- 4.2 charges to the Security Trustee by way of fixed charge all estates and interests in any other Property now and in the future vested in or charged to the Company;
- 4.3 assigns to the Security Trustee the benefit of all covenants, rights, claims and guarantees relating to the Company's present and future Property or that Property's construction, use or title and the benefits of all easements serving or relating to such property, subject to reassignment on redemption;
- 4.4 charges to the Security Trustee by way of fixed charge all rights and interests in and claims under all policies of insurance and assurance now or in the future held, to be held or insuring to the Company's benefit and all rights and claims to which the Company is now or may in the future be entitled under any contracts;
- 4.5 charges to the Security Trustee by way of fixed charge all the plant, machinery, fixtures, fittings, vehicles, inventory, materials, computers and equipment now and in the future belonging to the Company and assigns to the Security Trustee all right, title and interest of the Company under any agreements (present or future) relating to the purchase, lease or hire purchase of the same, subject to reassignment on redemption;
- 4.6 charges to the Security Trustee by way of fixed charge all the goodwill and uncalled capital of the Company present and future;
- 4.7 charges to the Security Trustee by way of fixed charge all shares, stock and other securities (whether certificated or uncertificated, represented as units or balance in an account within any clearing or settlement system) now and in the future belonging to the Company;
- 4.8 charges to the Security Trustee by way of fixed charge all intellectual property rights now and in the future belonging to the Company;
- 4.9 charges to the Security Trustee by way of floating charge all the undertaking and all property, assets and rights of the Company present and future wherever situate not from time to time subject to a mortgage, fixed charge or assignment under this deed.

5. **FLOATING CHARGE**

- 5.1 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by this deed.

- 5.2 The Security Trustee may at any time, on or following, and for so long as, the security constituted by this deed becoming enforceable in accordance with its terms, by written notice to the Company convert the floating charge created by this deed into a fixed charge as regards any of the Charged Property specified in the notice and the floating charge created by this deed will, without notice from the Security Trustee, automatically be converted with immediate effect into a fixed charge:
- 5.2.1 in respect of any Charged Property which becomes subject to a fixed charge in favour of any other person other than with the prior written consent of the Security Trustee;
 - 5.2.2 in respect of any Charged Property charged under clause 4.9 if and when the Company ceases to carry on business as a going concern;
 - 5.2.3 in respect of any Charged Property which is subject to any step by any third party to levy any distress, attachment, execution or other legal process on it; and
 - 5.2.4 in respect of all the Charged Property on the making of an order for the compulsory winding up of the Company, on the convening of a meeting for the passing of a resolution for the voluntary winding up of the Company or taking of any step (including the making of an application or the giving of any notice) by the Company or any other person for the appointment of an administrator in respect of the Company.
- 5.3 Any mortgage, fixed charge or other fixed security created by the Company in favour of the Security Trustee will have priority over the floating charge created by clause 4.9, unless the Security Trustee states otherwise on or after its creation.

6. RESTRICTIONS

- 6.1 The Company will not without the Security Trustee's prior written consent:
- 6.1.1 create or permit to arise or continue any Encumbrance affecting the Charged Property (other than pursuant to the Existing Debenture) or increase or extend any liability of the Company secured on any of the Charged Property;
 - 6.1.2 dispose of the Charged Property charged by clauses 4.1 to 4.8 inclusive or, following crystallisation of the floating charge created by clause 4.9, the Charged Property charged by clause 4.9, save for the grant of non-sole/non-exclusive licences to use the Company's intellectual property rights to its customers and agents in the ordinary course of, and for the purposes of, carrying on its business;
 - 6.1.3 dispose of the Charged Property charged by clause 4.9 other than in the ordinary course of, and for the purposes of, carrying on its business while the floating charge remains uncrystallised; or
 - 6.1.4 grant or accept a surrender of any Lease, or part with or share possession or occupation of, its Property nor vary any Lease or reduce any sum payable under any such Lease nor enter into any materially onerous or restrictive obligations affecting its Property.
- 6.2 The Company applies to the Chief Land Registrar to enter a restriction on the Register of Title of all present and future Property in the following terms: "no disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated 2023 in favour of Enterprise Ventures (General Partner NE

Venture) Limited (as general partner of The North East (ERDF) Venture Capital Limited Partnership) referred to in the charges register or their conveyancer”.

7. INSURANCE

- 7.1 The Company will to the Security Trustee's reasonable satisfaction keep comprehensively insured for its full reinstatement cost plus VAT (due allowance being made for inflation during the period of insurance and reinstatement) all of the Charged Property which is of an insurable nature in such name and in such offices as the Security Trustee shall in writing approve and on such terms, for such amounts and of such types as would be effected by prudent companies carrying on business similar to the Company (including in respect of environmental pollution, subsidence and terrorism), and on terms requiring the insurers not to cancel the policy without giving at least 14 days' prior notice to the Security Trustee.
- 7.2 If any part of the Charged Property is subject to a Lease, then the Company will also insure for three years loss of rent.
- 7.3 The Company will have the policies of insurance of the Charged Property endorsed with notice of the Security Trustee's interest and will punctually pay when due all premiums payable in respect of any insurance of the Charged Property and, if required by the Security Trustee, will deliver to the Security Trustee evidence satisfactory to the Security Trustee of payment of such premiums together with a copy of the insurance policies.
- 7.4 Subject to the provisions of any Lease of the Charged Property (and without prejudice to any obligation in the policy of insurance or to any other obligation having priority to the obligation imposed by this deed), the Company shall hold in trust for the Security Trustee all monies received by it under any insurance of the Charged Property and at the Security Trustee's option will apply the same in making good the relevant loss or damage or, if any of the Obligations shall have become due and payable, in or towards discharge of such Obligations and in the meantime will pay all such monies into such account as the Security Trustee may specify.
- 7.5 The Company covenants:
- 7.5.1 to comply with the recommendations and requirements of the insurers; and
- 7.5.2 not to do or allow to be done anything on the Charged Property which might prejudicially affect any insurance policy,
- where, in the opinion of the Security Trustee (acting reasonably) failure to comply would have a Material Adverse Effect.
- 7.6 If the Company is required under any Lease to insure the Charged Property or to reimburse the landlord any insurance premiums:
- 7.6.1 if the Company fully complies with such requirements, the Company will be deemed to have complied with clauses 7.1 and 7.2 if such insurance, whether by the Company or by the landlord, extends to cover at least the risks required by the Security Trustee in at least the amounts specified in such clauses; and
- 7.6.2 the Company will on request from the Security Trustee from time to time produce satisfactory evidence of such insurance.
- 7.7 If the Company defaults in its obligations under this clause 7 or at any time after the Security Trustee has demanded repayment of the Obligations or if the Company does not ensure that any landlord insures the Charged Property (where applicable) in accordance with clause 7.6, the Security Trustee or any Receiver may effect insurance as specified in this clause 7

without becoming liable to account as Security Trustee in possession and the cost of so doing shall be an Expense.

- 7.8 The Company shall notify the Security Trustee as soon as possible after an event has occurred which is likely to lead to a claim in excess of £5,000 being made under any insurance policy relating to the Charged Property, if such claim would have a Material Adverse Effect.

8. UNDERTAKINGS BY THE COMPANY

The Company undertakes with the Security Trustee:

- 8.1 punctually to pay all rents, rates, Taxes, duties, assessments and other outgoings payable in respect of the Company's assets and property and on demand to produce to the Security Trustee the receipt for every such payment;
- 8.2 to observe and perform all covenants (positive and restrictive), conditions, permissions and stipulations from time to time affecting its Property, where, in the opinion of the Security Trustee (acting reasonably) failure to do so would have a Material Adverse Effect;
- 8.3 to keep all buildings, gates, fences, drains, roads, pathways and other works on its property in good and substantial repair and all fixtures and fixed plant and equipment in working order and not to permit its property to suffer material depreciation by neglect;
- 8.4 to permit the Security Trustee and its representatives to enter and view the state and condition of the Charged Property and on default by the Company to effect repairs (without the Security Trustee becoming liable to account as Security Trustee in possession);
- 8.5 to comply with all applicable laws and regulations (including, without limitation, all environmental laws, legislation relating to public health, control and handling of hazardous substances or waste, fire precautions, health and safety at work, product safety and the Planning Acts), where, in the opinion of the Security Trustee (acting reasonably) failure to comply would have a Material Adverse Effect;
- 8.6 not to remove or sever any material fixed plant or fixture (except for the purpose of renewal or replacement by a fixture of equal or greater value);
- 8.7 not to make any change of use or carry out any structural or material alteration to any of its Property or do or permit to be done anything which is a "development" within the meaning of the Planning Acts without the prior written consent of the Security Trustee, where, in the opinion of the Security Trustee (acting reasonably) doing so would have a Material Adverse Effect;
- 8.8 where the Charged Property comprises or is or becomes subject to any Lease, observe and comply with its obligations under and enforce the due observance and performance of all other persons under such Lease and promptly (as landlord) implement all rent reviews;
- 8.9 to inform the Security Trustee immediately on becoming contractually obliged to complete the purchase of any estate or interest in any Property after the date of this deed;
- 8.10 within 14 days of receiving any order, notice, proposal, demand or other requirement affecting the Charged Property from any competent authority (including any landlord) to give full particulars to the Security Trustee and deliver to the Security Trustee copies of such documents as it may require;
- 8.11 to comply with any requirements or recommendations of any fire officer or other inspector;

- 8.12 where applicable, proceed with and continue the construction of any building or alterations to any building on any of its freehold or leasehold property in a proper manner and with due diligence and to the satisfaction of the Security Trustee (acting reasonably) and complete and fit out the same within such time as the Security Trustee (acting reasonably) shall require;
- 8.13 to collect in the ordinary course of business and in a proper and efficient manner all monies which it receives in respect of any policies of insurance, fees, royalties, income or book or other debts or any other of the rights and claims charged or assigned under clause 3;
- 8.14 to enforce the prompt payment of Rents and to use its reasonable endeavours to ensure that any tenant, licensee or occupier of any of its property complies with all the terms of any Lease;
- 8.15 to promptly serve all notices and take all action reasonably necessary to ensure that all rent reviews imposed by any Lease relating to its property are quickly resolved and to achieve for the Company the best rent reasonably obtainable;
- 8.16 upon request of the Security Trustee from time to time to inform the Security Trustee in writing who is in occupation of each part of its property and upon what terms;
- 8.17 if any Charged Property is leasehold, immediately upon acquiring any extended Lease or the freehold or an interest in the freehold, if required by the Security Trustee (acting reasonably), to execute as a deed at the Company's cost a legal charge in favour of the Security Trustee in such form as the Security Trustee may require over such additional interest as security for the Obligations;
- 8.18 to preserve and maintain all intellectual property rights owned or used by the Company;
- 8.19 to take out, renew and maintain all Licences;
- 8.20 to notify the Security Trustee immediately if:
 - 8.20.1 any creditor executes diligence against the Company or if any distress or execution is levied or enforced against the Company or any third party debt order or freezing order is made or served on the Company; or
 - 8.20.2 any steps (including the making of any application or the giving of any notice) are taken by any person (including the Company) in relation to the administration, receivership, winding up or dissolution of the Company;
- 8.21 to not allow any person other than itself to be registered under the Land Registration Act 2002 as proprietor of any of its properties (or any part of its properties) or create or permit to arise any overriding interest as specified in Schedule 1 or Schedule 3 to the Land Registration Act 2002 affecting any such properties;
- 8.22 to ensure that:
 - 8.22.1 the conduct of the Business, including the use, maintenance and operation of its Property and the receipt, storage, treatment, shipment, removal and disposal of waste, hazardous or toxic materials and other environmental contaminants, at all times complies with Environmental Law in all material respects;
 - 8.22.2 no hazardous or toxic materials, substances, pollutants, contaminants or wastes are at any time released into the Environment or deposited, discharged or disposed of at or near any of its property except in accordance with all permits or consents required by Environmental Law;

8.22.3 the Security Trustee is immediately informed in writing of the Company receiving or becoming aware of:

- (a) any notice of non-compliance with any Environmental Law;
- (b) any notice which results or may result in a modification, suspension or revocation of any authorisation under any Environmental Law;
- (c) any order imposing a responsibility or liability requiring any work, repair, construction or expenditure with respect to the Business or to the Charged Property or requiring remedial action; or
- (d) any actual or threatened claim, order, proceeding or investigation in relation to any Environmental Law;

8.22.4 it takes such action as the Security Trustee (acting reasonably) shall require to prevent pollution or damage to the Environment and as soon as reasonably practicable after demand, to provide such specialist reports on Environmental matters as the Security Trustee shall reasonably require; and

8.23 generally not to do or cause or permit to be done anything to lessen the value or marketability of the Charged Property that would or might, each in the opinion of the Security Trustee (acting reasonably) limit or reduce or otherwise fetter the Company's ability to meet its Obligations as provided for in the Loan Stock Instrument.

9. POWERS OF THE SECURITY TRUSTEE

9.1 At any time after the security constituted by this deed has become enforceable in accordance with 9.3 the Security Trustee may without restriction grant or accept surrenders of Leases of the Charged Property or any part of it and grant or vary or reduce any sum payable under any Lease.

9.2 Section 103 of the Law of Property Act 1925 shall not apply and the Security Trustee may exercise its power of sale and other powers under that or any other Act or this deed at any time after the date of this deed provided that the Security Trustee will not exercise any of such powers until payment of all or any part of the Obligations has been demanded or a Receiver has been appointed but this proviso will not affect a purchaser or put a purchaser upon inquiry whether such demand or appointment has been validly made.

9.3 At any time after:

- 9.3.1 any of the Loan Stock shall have become due and repayable to the Stockholders in accordance with the terms of the Loan Stock Instrument;
- 9.3.2 any step or proceeding has been taken for the appointment of an Administrator, liquidator or provisional liquidator or with a view to seeking a moratorium or a voluntary arrangement in respect of the Company;
- 9.3.3 if requested by the Company;
- 9.3.4 breach or non-compliance by the Company of or with any of the provisions of this deed and which, if capable of remedy, is not remedied to the satisfaction of the Security Trustee (acting reasonably) within 10 Business Days of the date of the Company's receipt of a notice specifying the breach and requiring its remedy

the Security Trustee may appoint by writing, insofar as permitted by law, any person or persons to be a Receiver of all or any of the Charged Property or an Administrator or

Administrators and the security created by this deed shall in any of such events become immediately enforceable.

- 9.4 The Security Trustee may, to the extent permitted by law, remove a Receiver or Receivers from all or any of the Charged Property of which they are the Receivers, fix and pay the fees of a Receiver and substitute any Receiver, but any Receiver shall be the agent of the Company and the Company shall be solely responsible for the Receiver's acts, defaults and remuneration.
- 9.5 Once a Receiver is appointed, the Security Trustee will not be precluded from making any subsequent appointment of a Receiver over any Charged Property, whether or not any Receiver previously appointed continues to act.
- 9.6 At any time after the security created by this deed shall have become enforceable in accordance with clause 9.3, all or any of the powers conferred by clause 10.1 may be exercised by the Security Trustee, whether as the Company's attorney or not, without first appointing a Receiver or notwithstanding any such appointment.
- 9.7 The Security Trustee will not be liable to account to the Company as Security Trustee in possession for any money not actually received by the Security Trustee and if the Security Trustee or any Receiver takes possession of the Charged Property it or he may at any time relinquish such possession (whether it or he relinquishes such possession in whole or in part).
- 9.8 If the Company is in default of any of its obligations under this deed, the Security Trustee or any Receiver may perform such obligation and take such action as is necessary to make good the default without becoming liable to account as a Security Trustee in possession and the cost of so doing shall be an Expense.
- 9.9 Section 93(1) of the Law of Property Act 1925 shall not apply to this deed.

10. RECEIVERS AND ADMINISTRATORS

- 10.1 Any Receiver appointed by the Security Trustee shall be a receiver and manager and shall, to the maximum extent possible, have the powers specified in Schedule 1 to the Insolvency Act 1986 and the following powers exercisable upon such terms and conditions as he thinks fit:
- 10.1.1 to take possession of and generally to manage the Charged Property;
- 10.1.2 to enter into, carry into effect, complete, deliver, perform, repudiate, rescind or vary any deed, contract or arrangement to which the Company is or is to be a party;
- 10.1.3 to carry out on any Property or on any other property which it may in his opinion be necessary or desirable to work upon, any new works or complete any unfinished works of building, reconstruction, maintenance, furnishing of equipment and to apply for and obtain all planning permissions, building regulation approvals and other permissions, consents or licences as may be necessary or desirable for such purposes and to effect and/or carry out any development, building or other works;
- 10.1.4 to purchase or acquire any land or other property and purchase, acquire, grant or release any interest in or right over land or other property and enter into, take or release the benefit of covenants (positive or restrictive) binding on or benefiting the Property;
- 10.1.5 to sell, lease, licence, surrender or accept surrenders of any Leases deal with or dispose of the Charged Property without restriction including power to dispose of any fixtures separately from the land;

- 10.1.6 to complete any transaction by executing deeds or documents in the name of or on behalf of the Company;
 - 10.1.7 to insure the Charged Property and any works and effect indemnity insurance or other similar insurance and obtain bonds or give commitments, guarantees, indemnities and security;
 - 10.1.8 to call up any uncalled capital of the Company with all the powers conferred by the Articles of Association of the Company in relation to calls;
 - 10.1.9 to engage, rely on the advice of and dismiss advisers, consultants, officers, managers, agents, workmen and others;
 - 10.1.10 to purchase materials, tools, equipment, goods or supplies;
 - 10.1.11 to bring, continue or defend any claim, dispute, action or legal proceedings and enter into any arrangement or compromise;
 - 10.1.12 to redeem any security and to borrow or raise any money and secure the payment of any money in priority to the Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
 - 10.1.13 to make any elections for VAT purposes; and
 - 10.1.14 to do any other acts which he may consider to be incidental or conducive to any of his powers or to the realisation of the Charged Property.
 - 10.2 In the case of joint Receivers and Administrators any power may be exercised jointly or severally.
 - 10.3 Any moneys received under the powers conferred by this deed will, subject to the payment or repayment of any prior claims, be paid or applied in the following order of priority:
 - 10.3.1 in or towards satisfaction of all costs, charges and expenses incurred and payments made by the Security Trustee and/or the Receiver or Administrator including the remuneration of any Receiver or Administrator;
 - 10.3.2 in or towards satisfaction of the Obligations as provided for in the Loan Stock Instrument or otherwise in whatever order the Security Trustee may require;
 - 10.3.3 as to the surplus (if any) to the person(s) entitled to it
- provided that the Receiver or Administrator may retain any moneys in his hands for so long as he thinks fit and the Security Trustee may, without prejudice to any other rights it may have at any time and from time to time place and keep for such time as the Security Trustee may think fit any moneys received, recovered or realised under or by virtue of this deed to or at a separate or suspense account to the credit either of the Company or of the Security Trustee as the Security Trustee thinks fit without any intermediate obligation on the Security Trustee's part to apply such moneys or any part of such moneys in or towards the discharge of the Obligations.
- 10.4 Subject to clause 10.3, any moneys received or realised by the Security Trustee from the Company or a Receiver under this deed or any Administrator may be applied by the Security Trustee to any item of account or liability or transaction in such order or manner as the Security Trustee may determine.

11. PROTECTION OF PURCHASERS AND POWER OF ATTORNEY

- 11.1 No purchaser or other person shall be obliged or concerned to see or enquire whether the right of the Security Trustee, any Receiver or any Administrator to exercise any of the powers conferred by this deed has arisen or become exercisable nor be concerned with notice to the contrary or with the propriety of the exercise or purported exercise of such powers.
- 11.2 The receipt of the Security Trustee, any Receiver or any Administrator shall be an absolute discharge and the payer shall not be obliged to see the application of the monies paid to either of them.
- 11.3 Neither the Security Trustee nor any Receiver shall be liable to the Company in respect of any loss or damage arising out of the exercise or the attempted, purported or failure to exercise any of their respective powers or arising out of any valuation or report relating to the Charged Property.
- 11.4 Subject to clause 11.5, the Company by way of security irrevocably appoints the Security Trustee and any Receiver or Administrator severally to be the attorney for the Company (with full power of substitution and delegation) in the Company's name and on the Company's behalf and as the Company's act and deed to sign or execute all such deeds, instruments and documents and do all such acts and things as may be required by the Security Trustee or any Receiver or Administrator pursuant to this deed or the exercise of any of their powers.
- 11.5 The power of attorney granted by the Company pursuant to clause 11.4 shall only be exercisable prior to the security constituted by this deed becoming enforceable in the event that the Security Trustee has requested that the Company do such reasonable act or thing or sign or execute all such deeds, instruments and documents as may be reasonably required to enable the security constituted by this deed to be perfected and/or comply with its obligations under this deed and the Company has failed to comply with that request within five Business Days of receipt.

12. APPROPRIATION, SET-OFF AND RESTRICTION

- 12.1 Subject to clause 12.2, the Security Trustee may apply all payments received in respect of the Obligations in or towards discharge of such part of the Obligations as provided for in the Loan Stock Instrument or otherwise as the Security Trustee decides.
- 12.2 The Security Trustee may open a new account upon the Security Trustee receiving actual or constructive notice of any charge or interest affecting the Charged Property and whether or not the Security Trustee opens any such account no payment received by the Security Trustee after receiving such notice shall (if followed by any payment out of or debit to the relevant account) be appropriated towards or have the effect of discharging the Obligations outstanding at the time of receiving such notice.
- 12.3 The Security Trustee shall be entitled at any time or times without notice (both before and after demand) to set off any matured liability of the Company to the Security Trustee or the Stockholders against any matured liability of the Security Trustee or the Stockholders to the Company (in either case irrespective of the branch or office, currency or place of payment) and may for such purpose convert or exchange any currency.

13. PROTECTION OF SECURITY

- 13.1 This deed shall be a continuing security and shall extend to cover the ultimate balance due from the Company to the Security Trustee and/or the Stockholders notwithstanding that there may have been at any time a balance to the credit of the Company on any account of the Company or any other matter or thing.

13.2 This deed is in addition to any other rights or security, present or future, held by the Security Trustee from the Company or any other person for the Obligations and shall not merge with or prejudice or be prejudiced by any such rights or security or any other contractual or legal rights of the Security Trustee. Such rights or security may be enforced in whatever order the Security Trustee decides.

13.3 No security or payment which may be avoided or adjusted under any law relating to insolvency or similar legislation binding on the Company in whatever jurisdiction and no release, settlement or discharge given or made by the Security Trustee on the faith of any such security or payment shall prejudice or affect the right of the Security Trustee to recover from the Company (including the right to recover any monies refunded under the Insolvency Act 1986 and any costs payable by it or incurred in connection with any such process) or to enforce the security created by or pursuant to this deed to the full extent of the Obligations. Any such release, settlement or discharge will be deemed to have been made upon the condition that it will become entirely void if the security or payment on the faith of which it was made or given is at any time avoided (in whole or in part).

14. **FURTHER ASSURANCE**

The Company will at its own cost at the Security Trustee's or any Receiver's request execute any deed or document and take any action required by the Security Trustee or any Receiver to perfect or protect this security or its priority or further to secure on the Charged Property the Obligations or for facilitating the realisation of the Charged Property or the exercise of any rights or powers of the Security Trustee or any Receiver or for establishing the nature or extent of the Charged Property.

15. **ARRANGEMENTS WITH THE COMPANY AND OTHERS**

The Security Trustee and the Stockholders may without releasing or affecting the security created by this deed do any of the following:

- 15.1 allow to the Company or any other person any time or indulgence;
- 15.2 grant to the Company or any other person any new or increased facility or loan and increase any rate of interest or charge;
- 15.3 enter into, renew, vary or end any agreement or arrangement with or liability of the Company or any other person;
- 15.4 renew, vary, refrain from enforcing or release any present or future security or guarantee which the Security Trustee holds from the Company or any other person; and
- 15.5 compound with the Company or any other person.

16. **CURRENCY**

16.1 The Company's liability under this deed is to discharge the Obligations in the Relevant Currency.

16.2 If at any time the Security Trustee receives a payment (including by set-off) referable to any of the Obligations from any source in a currency other than the Relevant Currency, then:

16.2.1 such payment shall take effect as a payment to the Security Trustee of the amount in the Relevant Currency which the Security Trustee is able to purchase (after deduction of any relevant costs) with the amount of the payment so received in accordance with its usual practice; and

16.2.2 if such payment is made under a court order and is treated by clause 16.2.1 as a payment of an amount which falls short of the relevant liability of the Company

expressed in the Relevant Currency, the Company as a separate and independent obligation shall on demand from time to time indemnify the Security Trustee against such shortfall and pay interest on such shortfall from the date of such payment to the date on which the shortfall is paid.

17. PAYMENTS TO BE MADE WITHOUT DEDUCTION

- 17.1 All sums payable by the Company shall be paid in the Relevant Currency in immediately available funds and shall be paid to the credit of such account as the Security Trustee may designate. All such payments shall be made in full without set-off of any sum owing by the Security Trustee to the Company or counter-claim and free and clear of any deduction of or withholding for or on account of any Tax or for any other reason, except to the extent that any such deduction or withholding is required by law.
- 17.2 If at any time the Company is required by law to make any deduction or withholding from any payment due from the Company to the Security Trustee, the Company shall simultaneously pay to the Security Trustee whatever additional amount is necessary to ensure that the Security Trustee receives and retains a net sum equal to the payment it would have received had no deduction or withholding been made.

18. CERTIFICATES

A certificate signed by an official of the Security Trustee as to the amount due or owing from the Company shall be conclusive evidence against the Company, except in the case of obvious error.

19. MERGER OR AMALGAMATION

The Obligations shall include all liabilities of the Company to the Security Trustee notwithstanding any change to the name, style or constitution of the Security Trustee and/or the Security Trustee's absorption by or in or amalgamation with any other person or the acquisition of all or part of its undertaking by any other person and all sums in respect of advances and other facilities from such other person.

20. PRIOR CHARGES

If there is any Encumbrance which ranks in priority to the security created by this deed and the person with the benefit of such Encumbrance does anything to enforce it, the Security Trustee, any Administrator or any Receiver may repay the monies owed under that Encumbrance or arrange for it to be transferred to the Security Trustee and the costs of doing so shall be an Expense.

21. NOTICES

- 21.1 All notices or demands must be in writing.
- 21.2 Any notice or demand to the Company may be sent by prepaid post, facsimile transmission or delivered to the Company at its registered office or the Company's last known place of business (or, if more than one, any one of such places). Notices or demands to the Company may also be delivered to one of its officers.
- 21.3 Any notice to the Security Trustee must be sent by prepaid post or delivered to the Security Trustee at its address as set out in this deed unless it has communicated another address to the Company in which case it must be sent to the last address so communicated.
- 21.4 The address for service on the Security Trustee in the case of any registered land is Preston Technology Management Centre, Marsh Lane, Preston, PR1 8UQ.
- 21.5 A notice or demand by the Security Trustee sent by post will be deemed served on the day after posting (but, if to another country, three days after posting) and if sent by facsimile

transmission shall be deemed to have been given when sent provided a transmission report is received and if delivered, when delivered.

22. REPRESENTATIONS AND WARRANTIES

- 22.1 The Company represents and warrants to the Security Trustee that it has the appropriate power and authority to carry on the Business, own its assets and property and enter into and comply with the Obligations;
- 22.2 it is duly constituted and validly existing under the laws of the country in which it is incorporated;
- 22.3 the obligations expressed as being assumed by it under this deed are and will remain legal and valid obligations which are enforceable against it;
- 22.4 none of the provisions, covenants and obligations contained in this deed contravenes any of the provisions of its Memorandum or Articles of Association or other constitutional documents nor will this deed or its performance infringe any law or obligation binding upon it;
- 22.5 it has complied with every formality and obtained every licence or consent and satisfied every other requirement (statutory or otherwise) which may be necessary to procure the effectiveness of this deed;
- 22.6 the Charged Property is not subject to any Encumbrance other than the charges contained in this deed and the Existing Debenture.

23. LAW AND JURISDICTION

- 23.1 This deed is governed by and will be construed in accordance with English law.
- 23.2 The Company irrevocably submits to the exclusive jurisdiction of the English courts.

24. ASSIGNMENT AND TRANSFER

- 24.1 The successors in title of the parties shall have the benefit of and be subject to this deed.
- 24.2 The Security Trustee may at any time dispose of or deal in any manner with or without notice to any other person all or any part of its rights, beneficial interests or benefits under this deed.
- 24.3 The Company shall not dispose of any one or more of its rights, beneficial interests and/or obligations under this deed.
- 24.4 The Security Trustee may give such information relating to the Company, its affairs or this deed as it thinks fit to any of the Stockholders, and to any third party proposing to take an assignment and/or transfer from the Security Trustee and/or to enter into contractual relations with the Security Trustee with respect to this deed.

25. INDEMNITY

The Company will indemnify the Security Trustee on demand against any loss or expense (including legal fees) sustained or incurred as a result either of a failure by the Company to perform any of its obligations under this deed or the Loan Stock Instrument or as a result of any representation or warranty made in this deed having been incorrect when made.

26. WAIVER

- 26.1 No failure to exercise or any delay in exercising any right or remedy under this deed shall operate as a waiver of it or of any other right or remedy under it. No single or partial exercise of any such right or remedy shall prevent any further or other exercise of it or the exercise of any other right or remedy.
- 26.2 Any waiver given by the Security Trustee must be in writing and expressly stated by the Security Trustee to be a waiver. Such waiver will only apply to the specific events or circumstances to which it is stated to relate, and not to any other events or circumstances, past or future.

27. SEVERANCE

- 27.1 If any provision of this deed shall be found by any court or authority of competent jurisdiction to be invalid or unenforceable, such provision shall be severed from the remainder of this deed which remain in full force and effect to the extent permitted by law.
- 27.2 If any provision of this deed is so found to be invalid or unenforceable but would be valid or enforceable if some part of the provision were reduced in application, the provision in question shall apply with such modification as may be necessary to make it valid.

28. RELEASE

At the end of the Security Period, the Security Trustee shall use reasonable endeavours to support the Company to take whatever action is necessary to:

- 28.1 release the Charged Property from the security constituted by this deed; and
- 28.2 reassign the Charged Property to the Company.

29. MISCELLANEOUS

- 29.1 Interest will be calculated both before and after judgment on the basis agreed with the Company, or if none has been agreed, on a daily basis and on the basis of a 365 day year or according to the usual practice of the Security Trustee and be compounded according to the usual practice of the Security Trustee or, if there is no such practice, quarterly.
- 29.2 The charges contained in this deed are made for securing further advances by the Stockholders and the Company applies to the Chief Land Registrar for a note of such obligation to be entered on the Register of Title of all present and future Property of the Company.
- 29.3 The Company agrees that the Security Trustee may from time to time seek from any person having dealings with the Company such information about the Company and its affairs as the Security Trustee may think fit and authorises and requests any such person to provide that information to the Security Trustee and agrees to provide such further authority for this purpose as the Security Trustee may from time to time require.
- 29.4 The terms of the Loan Stock Instrument are incorporated into this deed to the extent required for any purported disposition of the Charged Property (or any part of it) contained in this deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

IN WITNESS whereof this deed was duly signed as a deed and delivered on the date which first appears on page 1.

EXECUTION PAGE

Signed as a deed by **Handbag Clinic Ltd**)
acting by a director,)
Charlotte Staerck in the)
presence of:)

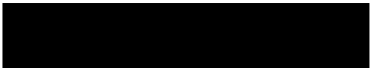


Witness Signature

DocuSigned by:
[Redacted Signature]
4F12D3CDABD0460...
Erin Dougherty

Witness Name

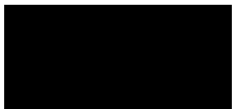
Witness Address



Witness Occupation



Signed as a deed by **Enterprise Ventures**)
(General Partner NE Venture) Limited (as)
general partner of **The North East (ERDF)**)
Venture Capital Limited Partnership))
Ian Wilson in the presence of:



Witness Signature



Witness Name

Alex Simpson

Witness Address



Witness Occupation

