



Registration of a Charge

Company name: **MILSPARES LIMITED**

Company number: **04946135**



X83HEKD7

Received for Electronic Filing: **16/04/2019**

Details of Charge

Date of creation: **16/04/2019**

Charge code: **0494 6135 0008**

Persons entitled: **WORKING CAPITAL PARTNERS LIMITED**

Brief description: **DEBENTURE ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE CHARGEES UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE FIXED AND FLOATING CHARGES OVER THE UNDERTAKING AND ALL PROPERTY AND ASSETS PRESENT AND FUTURE INCLUDING GOODWILL BOOKDEBTS UNCALLED CAPITAL BUILDINGS FIXTURES FIXED PLANT AND MACHINERY SEE THE DEBENTURE DOCUMENT FOR FULL DETAILS CONTAINS FIXED CHARGE. CONTAINS FLOATING CHARGE. FLOATING CHARGE COVERS ALL THE PROPERTY OR UNDERTAKING OF THE COMPANY. CONTAINS NEGATIVE PLEDGE.**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **ROSHNI PATEL**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4946135

Charge code: 0494 6135 0008

The Registrar of Companies for England and Wales hereby certifies that a charge dated 16th April 2019 and created by MILSPARES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 16th April 2019 .

Given at Companies House, Cardiff on 17th April 2019

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

SCHEDULE 3

DATED 16 / 04 / **2019**

(1) MILSPARES LIMITED

(2) WORKING CAPITAL PARTNERS LIMITED

DEBENTURE

THIS DEED is made on
BETWEEN:

16th day of April 2019

- (1) **MILSPARES LIMITED** (Registered in England No : 04946135) whose registered office is 1 Edison Road, Rabans Lane Industrial Area, Aylesbury, HP19 8TE (the ("**Chargor**");

And

- (2) **WORKING CAPITAL PARTNERS LIMITED** (Registered in England No: 05537522) whose registered office is at Buckingham House, 45 Vivian Avenue, London NW4 3XA ("**WCP**").

IT IS AGREED that:

1. **INTERPRETATION**

1.1 Definitions

"Charged Assets" assets charged/assigned to WCP under this deed;

"Chargor's Liabilities" all the Chargor's obligations to WCP of any kind and in any currency (whether now or in the future, actual or contingent (including reimbursement of Purchased Debts which are recoured under the Facility Agreement and costs or charges payable under the Facility Agreement) and whether owed by the Chargor as principal or surety or incurred alone or jointly with another and whether owed to WCP as original obligee or as assignee or transferee) and "**Chargor's Liability**" means any one of these obligations;

"Contract of Sale" a contract in any form (including a purchase order) for the sale or hire of goods and/or provision of services to a Customer under which a Debt arises;

"Customer" a party under a Contract of Sale obliged to pay the Chargor a Debt and, where the context permits, a prospective Customer;

"Debt" any present, future or contingent obligation (including any tax or duty) of a Customer to make payment under a Contract of Sale (whether invoiced or not) and, where the context permits, includes part of a Debt;

"Encumbrance" includes any mortgage, charge, (fixed or floating), pledge, hypothecation or lien and any other arrangement or interest (whether by way of assignment, trust, title retention or otherwise) which has the effect of providing security (including, without limitation, the deposit of monies or property with a person with the intention of affording such person a right of set-off or lien) and any sale or leaseback, sale and repurchase or deferred purchase arrangements and any other agreement or arrangement having a similar economic effect;

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"Endorsed Debts"	debts arising from a Contract of Sale (which are neither Purchased Debts nor Non Vesting Debts) the invoice relating to which has been endorsed with a notice of assignment to WCP which are not assigned absolutely to WCP for any reason, together with the Related Rights to such debts;
"Expenses"	all expenses (on a full indemnity basis), including (without limitation) legal fees, from time to time paid or incurred by WCP or any receiver at any time in connection with the Charged Assets or the Chargor's Liabilities or in taking, perfecting, preserving, defending or enforcing this deed (or any of the Security) or in exercising any right or power under this deed or otherwise;
"Facility Agreement"	the agreement for the sale and purchase of certain Debts between the Chargor and WCP as varied, amended, supplemented or replaced from time to time;
"Fixed Charged Debts"	Debts arising from a Contract of Sale (which are neither Purchased Debts nor Non Vesting Debts nor Endorsed Debts) the Remittances in or towards settlement of which are paid into the Trust Account and the Related Rights to such Debts;
"Insured Risks"	fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft and other aerial devices and articles dropped from them, riot, civil commotion, malicious damage, landslip, subsidence, burst pipes, environmental pollution, terrorist acts and other such risk as WCP may from time to time require to be insured;
"Interest"	interest at the rate or rates agreed between WCP and the Chargor in respect of any corresponding Chargor's Liability or in the absence of agreement or of a corresponding Chargor's Liability at the rate of 10% per annum above the base rate of Lloyds TSB from time to time;
"LPA"	the Law of Property Act 1925;
"Non Vesting Debts"	all or any Purchased Debts from time to time purported to be assigned to WCP pursuant to the Facility Agreement are not assigned absolutely to WCP for any reason (and whether or not held on trust for WCP) together with the Related Rights to such Debts;
"Nominated Account"	any account opened pursuant to clause 6.1.4;

"Other Debts"	all book debts, revenues and claims whether actually or contingently owing to the Chargor whether or not on account of its trading both present and future and including all choses in action which may give rise to a debt, revenue or claim and any security held by the Chargor for such debt, revenue or claim and any other rights relating thereto, such as, reservation of title or an unpaid vendor's lien, but excluding: <ul style="list-style-type: none"> (i) Purchased Debts; (ii) Non Vesting Debts; (iii) Endorsed Debts; and (iv) Fixed Charge Debts;
"Purchased Debts"	Debts which are assigned to WCP pursuant to the Facility Agreement;
"Real Property"	all the freehold and leasehold property (present and future) vested in or charged to the Chargor or in which it otherwise has an interest;
"Related Rights"	In relation to any Purchased Debt, Non Vesting Debt or Fixed Charge Debt: <ul style="list-style-type: none"> (i) the Chargor's rights under any security given for that debt; (ii) all instruments (negotiable or non negotiable) securities, insurances, bonds, guarantees and indemnities relating to that debt; (iii) the Chargor's ledgers, documents, computer or electronic data (including operating systems) recording or evidencing that debt; and (iv) all goods returned to or repossessed by the Chargor or rejected by a Customer;
"Relevant Currency"	in relation to each of the Chargor's Liabilities the currency in which it is from time to time denominated;
"Remittances"	cash, cheques, bills of exchange, negotiable and non-negotiable instruments, letters of credit, orders, drafts, promissory notes, electronic payments and any other instruments, methods or forms of payment or engagement;
"Securities"	all shares, stock, warrants, debentures and other securities (certificated or uncertificated) or units in an account or balance (whether held in the name of the Chargor or by a nominee) of the Chargor (present and future) and all income and rights deriving from or attaching to the same;
"Security"	the security constituted by this deed; and
"Trust Account"	any bank account into which Customers are required under the Facility Agreement and/or this Debenture to pay all Debts.

1.2 General Interpretation – references to:

- 1.2.1 the "Chargor" or "WCP" where the context admits include a reference to its respective successors, assigns and/or transferees;
- 1.2.2 persons include bodies corporate, unincorporated associations and partnerships in each case whether or not having a separate legal personality; and
- 1.2.3 this deed or to a provision of this deed, or any other document are references to it as amended or supplemented, whether before the date of this deed or otherwise.
- 1.2.4 Third Parties - this deed does not confer any rights on any person who is not a party to this deed pursuant to the Contracts (Rights of Third Parties) Act 1999.

2. **SECURED LIABILITIES**

The Chargor covenants with WCP that it will on demand:

- 2.1 Payment Covenant – pay the Chargor's Liabilities as and when they fall due;
- 2.2 Expenses - from time to time pay the Expenses; and
- 2.3 Interest - from time to time pay interest on the amounts covenanted to be paid by the Chargor under clauses 2.1 and 2.2 from the date on which the Chargor has agreed to pay Interest on them or, if there is no such agreement, from the date on which they become due or (in the case of any Expense) the date of WCP's expenditure, until payment by the Chargor.

3. **GRANT OF SECURITY**

- 3.1 Charging clause - as a continuing security for the payment and discharge of the Chargor's Liabilities, the Chargor with full title guarantee charges to WCP, by way of first fixed charge:
 - 3.1.1 Present freehold/leasehold property - charges to WCP by way of legal mortgage all the freehold and leasehold property now vested in or charged to the Chargor, including the property specified in Schedule A;
 - 3.1.2 Future freehold/Leasehold property - charges to WCP by way of fixed charge all estates or interests in any freehold and leasehold property now and in the future vested in or charged to the Chargor, except the property charged by clause 3.1.1;
 - 3.1.3 Rents - charges to WCP by way of fixed charge all rents receivable from any lease granted out of any Real Property;
 - 3.1.4 Rights attaching to the Real Property - charges to WCP the benefit of all covenants and rights relating to the Real Property and the benefit of all easements serving or relating to such property;
 - 3.1.5 Fixtures and fittings - charges to WCP by way of fixed charge all fixtures and fittings from time to time attached to any Real Property to the extent that they are not subject to a charge under clauses 3.1.1 or 3.1.2;
 - 3.1.6 Plant, machinery etc. - charges to WCP by way of fixed charge all the plant, machinery, vehicles and computer equipment of the Chargor (present and future) not regularly disposed of in the ordinary course of business together with all right, title and interest of the Chargor under any agreements relating to the purchase, lease, hire purchase or maintenance of the same;
 - 3.1.7 Furniture etc. - charges to WCP by way of fixed charge all furniture, furnishings, equipment, tools and other chattels of the Chargor

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(present and future) not regularly disposed of in the ordinary course of business together with all right, title and interest of the Chargor under any agreements relating to the purchase, lease or hire-purchase of the same;

- 3.1.8 Licences etc. - charges to WCP by way of fixed charge the benefit of all licences, consents and authorisations held or utilised by the Chargor (present and future) in connection with its business or the use of any of its assets;
- 3.1.9 Goodwill/uncalled capital - charges to WCP by way of fixed charge all the goodwill and uncalled capital of the Chargor (present and future);
- 3.1.10 Securities - charges to WCP by way of fixed charge, all the Securities not regularly disposed of in the ordinary course of business;
- 3.1.11 Choses in action/claims/intellectual property - charges to WCP by way of fixed charge all choses in action, claims and intellectual property rights (including contract rights in patents, inventions, copyrights, design rights, trademarks, service marks, database rights, confidential information, know-how, domain names and business names) of the Chargor (present and future);
- 3.1.12 Debts:
 - (a) by way of fixed charge, all Non Vesting Debts and all Remittances in respect thereof;
 - (b) by way of fixed charge, all Endorsed Debts and all Remittances in respect thereof; and
 - (c) by way of fixed charge, all Fixed Charged Debts and all Remittances in respect thereof;
- 3.1.13 Other Debts:
 - (a) by way of fixed charge, all Other Debts required by WCP to be paid into a Nominated Account and all cash in respect thereof; and
 - (b) by way of fixed charge, any credit balance on any Nominated Account.
- 3.1.14 Insurances - charges to WCP by way of fixed charge the proceeds of each policy of insurance (present and future) issued in relation to the Charged Assets;
- 3.1.15 Hedging arrangements - charges to WCP by way of fixed charge the benefit of any interest rate swap, currency swap, cap or collar arrangement, future, option, forward rate agreement or other derivative instrument (howsoever described) or any other agreement with WCP or any third party for protecting or hedging any of the Chargor's Liabilities to WCP at any time; and
- 3.1.16 Other property - charges to WCP by way of floating charge all the undertaking and all property, assets and rights of the Chargor (present and future) wherever situate not from time to time subject to a mortgage or fixed charge under this deed.
- 3.2 assigns to WCP, by way of first fixed mortgage, all its rights in any policies of insurances or assurance present or future (including, without limitation, any insurances relating to the Book Debts);
- 3.3 charges to WCP, by way of first floating charge, all the undertaking, property, assets and rights of the Chargor at any time not effectively mortgaged, charged or assigned pursuant to the clauses above.

3.4 Automatic conversion of floating charge

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

- 3.4.1 creates, or attempts to create, on all or any part of the Charged Property an Encumbrance without the prior written consent of WCP or any trust in favour of another person; or
- 3.4.2 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
- 3.4.3 a receiver is appointed over all or any of the Charged Property that is subject to the floating charge; or
- 3.4.4 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Charged Property; or
- 3.4.5 WCP receives notice of the appointment of, or a proposal or an intention to appoint, an administrator of the Chargor.

3.5 Conversion of floating charge by notice

WCP may, in its sole discretion, at any time and 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 WCP in that notice.

3.6 Assets acquired after any floating charge crystallisation

Any asset acquired by WCP 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 WCP confirms in writing to the contrary) be charged to WCP by way of first fixed charge.

4. RESTRICTIONS ON DEALING

- 4.1 General restrictions - The Chargor will not without the prior written consent of WCP do any of the following:
 - 4.1.1 Negative pledge - (except in favour of WCP) create or permit to arise or continue any Encumbrance affecting any of the Charged Assets nor increase nor extend any liability of the Chargor secured on any of the Charged Assets;
 - 4.1.2 Disposals of fixed charge property - dispose of the Charged Assets charged by clause 3 or, following conversion of the floating charge to a fixed charge, the Charged Assets charged by clause 3; or
 - 4.1.3 Disposals of floating charge property - dispose of the Charged Assets charged by clause 3 other than in the ordinary course of business while the floating charge remains uncrystallised; or
 - 4.1.4 Dealings with the Real Property - grant or accept a surrender of, or vary, any lease or licence of, nor part with or share possession or occupation of, the Real Property nor reduce any sum payable under them nor enter into any onerous or restrictive obligations affecting the Real Property or consent to any assignment or underletting of any interest in the Real Property.
- 4.2 Priority arrangements - If WCP does consent to the creation of a mortgage or charge on the Charged Assets it may require a priority agreement or deed with the mortgagee or chargee. In the case of registered land this will

require registration and will be a public document.

- 4.3 Restriction on registered land - The Chargor applies and agrees that WCP may apply for a restriction to be entered on the register of any Real Property which is registered land that no disposition of the registered estate by the proprietor(s) of the registered estate or by the proprietor(s) of any registered charge is to be registered without a written consent signed by the proprietor for the time being of the charge created by this deed in favour of WCP referred to in the charges register.

5. **INSURANCE**

- 5.1 Insured risks - except where insured by the lessor of any Real Property, the Chargor will insure all of the Charged Assets (which are of an insurable nature) against:
- 5.1.1 the Insured Risks;
 - 5.1.2 loss of rents payable by the tenants or other occupiers of the Real Property for a period of three years;
 - 5.1.3 third party and public liability; and
 - 5.1.4 any other risks normally insured against by persons carrying on the same class of business as that carried on by it.
- 5.2 Replacement Value - any insurance must be in a sum or sums not less than the replacement value of the Charged Assets. For this purpose, "replacement value" means the total cost of rebuilding, reinstating or replacing those Charged Assets in the event of their being completely destroyed, together with any relevant architects' and surveyors' fees.
- 5.3 Insurance Company - any insurance required under this clause must be with an insurance company or underwriters acceptable to WCP.
- 5.4 Application - subject to the provisions of any lease or prior charge of all or part of the Charged Assets, all monies received or receivable under any insurance must be applied:
- 5.4.1 in replacing, restoring or reinstating the Charged Assets destroyed or damaged or in any other manner which WCP may agree; or
 - 5.4.2 if WCP so directs and the terms of the relevant insurances allow, in or towards satisfaction of the Chargor's Liabilities.
- 5.5 Note of Interest - If required by WCP, the Chargor will procure that a note of the interest of WCP is endorsed upon all policies of insurance maintained by the Chargor and will ensure that such insurance policy contains such provisions for the protection of WCP as WCP may from time to time reasonably require.
- 5.6 Avoidance of Policy - the Chargor will not do or permit anything to be done which may make void or voidable any policy of insurance in connection with any Charged Assets.
- 5.7 Premiums - the Chargor will promptly pay all premiums and do all other things necessary to keep each policy of insurance in respect of the Charged Assets in force.
- 5.8 Production of Policy - the Chargor will, immediately on demand by WCP, produce to WCP the policy, certificate or cover note relating to any insurance policy and the receipt for the payment of the last premium.

6. **DEALINGS WITH DEBTS**

- 6.1 The Chargor agrees with WCP that it will:
- 6.1.1 in relation to Non Vesting Debts:

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- (a) observe and perform all the warranties and covenants given by it in the Facility Agreement;
 - (b) procure that all Remittances are paid into the Trust Account or any other account nominated by WCP from time to time;
- 6.1.2 in relation to all Endorsed Debts:
 - (a) not require Customers to settle them other than by payment into the Trust Account;
 - (b) collect them in the ordinary course of its business or in accordance with any directions given by WCP from time to time;
 - (c) not assign, factor or discount them;
 - (d) not waive any right of recovery or do or omit to do anything which may delay or prejudice recovery;
 - (e) not compromise, compound or release them, exercise (or allow any other person to exercise) set off against them or otherwise deal or dispose of them;
 - (f) not extend the due date for payment (other than by way of normal trade credit in the ordinary course of business);
 - (g) hold any payment received on trust for WCP pending payment into the Trust Account or other account nominated by WCP from time to time; and
 - (h) on WCP's request, send to it details of all Endorsed Debts, including the identity of the debtor, the amount owing and the due date for payment.
- 6.1.3 in relation to all Fixed Charged Debts:
 - (a) on WCP's request, serve (or require the Chargor to serve) notice of the charge of those debts to WCP on the Customer directing that all Remittances are paid into the Trust Account;
 - (b) comply with the covenants given in relation to Endorsed Debts set out in clause 6.1.2(b) to (h) above; and
 - (c) on WCP's request, send to it details of all Fixed Charged Debts including the identity of the debtor, the amount owing and the due date for payment.
- 6.1.4 in relation to Other Debts and, until notice is served pursuant to clause 6.1.3(a), Fixed Charged Debts:
 - (a) unless or until WCP requires otherwise, procure that all Remittances are paid into its current account with its bankers advised to WCP from time to time; and
 - (b) collect them in the ordinary course of its business or in accordance with any directions given by WCP from time to time;
- 6.1.5 if requested by WCP, open such bank accounts (including separate designated accounts, blocked accounts or trust accounts) in the name of the Chargor with such mandates as WCP may specify; and if requested by WCP, procure that all Remittances in respect of its Purchased Debts, Non Vesting Debts, Endorsed Debts, Fixed Charged Debts and/or Other Debts are paid into such bank accounts and only deal with the monies in any such account in accordance with the written directions of WCP from time to time (subject only to such rights as the bank at which the account is held may have in respect thereof);
- 6.1.6 on WCP's demand execute an assignment of any Non-Vesting Debts,

Endorsed Debts, Fixed Charged Debts or Other Debts in such form as WCP may require and serve notice thereof on the relevant debtors.

- 6.1.7 upon crystallisation of the floating charge in clause 3.3 not pay otherwise deal with the monies in any of the Chargor's bank accounts except in accordance with any written directions WCP may give from time to time (subject to any rights which the bank at which the account is held has in respect thereof).

7. DEPOSIT OF DOCUMENTS

The Chargor will from time to time deposit with WCP all deeds and documents of title relating to the Charged Assets and such other documents relating to the Charged Assets as WCP may from time to time require.

8. POWER TO REMEDY

If the Chargor fails to comply with any of the covenants or obligations set out in this deed and such failure is not remedied promptly to the satisfaction of WCP, the Chargor will allow WCP, its agents or contractors to take such action on behalf of the Chargor as may be necessary to ensure that such covenant or obligation is complied with without becoming liable to account as a mortgagee in possession.

9. POWERS OF WCP

- 9.1 Dealings with the Real Property - WCP may without restriction grant or accept surrenders of leases or licences of the Real Property and grant, vary or reduce any sum payable under any leases or licences.
- 9.2 Exercise of powers - Section 103 of the LPA will not apply and WCP may exercise its power of sale and other powers under that or any other Act or this deed at any time and from time to time after the date of this deed.
- 9.3 Receivers - WCP may under the hand of any official or manager or by deed, appoint or remove a receiver or receivers of the Charged Assets, fix and pay the fees of a receiver and remove any receiver so appointed and appoint another in his place, but any receiver will be deemed to be the agent of the Chargor and the Chargor will be solely responsible for the receiver's acts, defaults and remuneration.
- 9.4 Administrator - WCP may under the hand of any official or manager or by deed appoint an administrator of the Chargor.
- 9.5 Other powers - all or any of the powers conferred on a receiver by clause 10 may be exercised by WCP without first appointing a receiver or notwithstanding any such appointment.
- 9.6 Possession - WCP will not be liable, by reason of entering into possession of a Charged Asset, to account as mortgagee in possession or for any loss on realisation, howsoever arising, or for any default or omission for which a mortgagee in possession might be liable.
- 9.7 Consolidation permitted - Section 93(1) of the LPA will not apply to this deed.
- 9.8 Securities - WCP may as it thinks fit exercise any rights attaching to the Securities for the purpose of preserving their value or realising them but otherwise WCP will only exercise such rights in accordance with the Chargor's instructions.
- 9.9 Protection of purchaser - no purchaser or other person will be obliged or concerned to see or enquire whether the right of WCP to appoint a receiver or the right of WCP or any receiver 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.

10. **RECEIVERS**

10.1 Powers - any receiver appointed by WCP will (in addition to all powers conferred on him by law) have the following powers exercisable upon such terms and conditions as he thinks fit:

- 10.1.1 Possession/management - to take possession of and generally to manage the Charged Assets and any business of the Chargor;
- 10.1.2 Contracts - to enter into, carry into effect, complete, deliver, perform, repudiate, rescind or vary any deed, contract, transaction or arrangement to which the Chargor is or is to be a party;
- 10.1.3 Work on the Real Property - to carry out on any Real 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 or 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;
- 10.1.4 Acquisitions, grants, releases and covenants - to purchase or acquire any land and purchase, acquire, grant or release any interest in or right over land and enter into, take or release the benefit of covenants (positive or restrictive) binding on or benefiting the Real Property;
- 10.1.5 Disposals - to sell, lease, licence, surrender or accept surrenders of leases or licences of, charge or otherwise deal with and dispose of the Charged Assets without restriction including (without limitation) power to dispose of any fixtures separately from the land;
- 10.1.6 Execution of documentation - to carry into effect and complete any transaction by executing deeds or documents in the name of or on behalf of the Chargor;
- 10.1.7 Insurance/bonds - to insure the Charged Assets and any works and effect indemnity insurance or other similar insurance and obtain bonds or give commitments, guarantees, indemnities and security;
- 10.1.8 Capital calls - call any uncalled capital of the Chargor with all the powers conferred by the articles of association of the Chargor in relation to calls;
- 10.1.9 Advisers/employees - to engage, rely on the advice of and discharge advisers, consultants, officers, managers, agents, workmen and others;
- 10.1.10 Supplies - to purchase materials, tools, equipment, goods or supplies;
- 10.1.11 Litigation - to bring, continue or defend any claim, dispute, action or legal proceedings and enter into any arrangement or compromise;
- 10.1.12 Borrowing and security - to redeem any security and to borrow or raise any money and secure the payment of any money in priority to the Chargor's Liabilities 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 VAT - to make any elections for value added tax purposes;
- 10.1.14 Other acts - 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 Assets.

- 10.2 Joint receivers - In the case of joint receivers any power may be exercised jointly or severally.
11. **APPLICATION OF RECEIPTS**
- Any money received by the receiver will be applied in the following order:
- 11.1 in payment of all money borrowed by him and his expenses, liabilities and fees; and
- 11.2 in or towards the remaining matters specified in section 109(8) of the LPA.
12. **APPROPRIATION**
- 12.1 Appropriation - subject to clause 12.2, WCP may at any time and from time to time without notice (both before and after demand) apply all payments received in respect of the Chargor's Liabilities in or towards discharge of such part of the Chargor's Liabilities as it thinks fit.
- 12.2 Notice of other Interest - WCP may open a new account upon receiving actual or constructive notice of any charge or interest affecting the Charged Assets and whether or not WCP opens any such account no payment received by WCP after receiving such notice will (if followed by any payment out of or debit to the relevant account) be appropriated towards or have the effect of discharging the Chargor's Liabilities outstanding at the time of receiving such notice.
13. **PROTECTION OF SECURITY**
- 13.1 Preservation of security and rights - this deed is in addition to any other rights or security, now and in the future, held by WCP from the Chargor or any other person for the Chargor's Liabilities and will not merge with or prejudice or be prejudiced by any such rights or security or any other contractual or legal rights of WCP.
- 13.2 Further assurance - at the request of WCP or any receiver, the Chargor will at its own cost execute any deed or document and take any action required by WCP or any receiver to perfect or protect this security or its priority or further to secure on the Charged Assets, the Chargor's Liabilities or for facilitating the realisation of the Charged Assets or the exercise of any rights or powers of WCP or any receiver.
- 13.3 Power of attorney - the Chargor by way of security irrevocably appoints WCP and any receiver severally to be the attorney for the Chargor (with full power of substitution and delegation) in the Chargor's name and on the Chargor's behalf and as the Chargor's act and deed to sign or execute all deeds, instruments and documents and do all acts and things (including taking, continuing or defending any proceedings) as may be required by WCP or any receiver pursuant to this deed or the exercise of any of their powers.
14. **PAYMENTS**
- 14.1 Set-off - WCP will be entitled (but not obliged) at any time or times without notice (both before and after demand) to set off any liability of the Chargor to WCP against any liability of WCP to the Chargor (whether actual or contingent, present or future).
- 14.2 Certificates - a certificate signed by a director of WCP as to the amount due or owing from the Chargor will be conclusive evidence against the Chargor except in the case of manifest error or any question of law.
15. **DISCHARGE**
- 15.1 Upon the Chargor's Liabilities being irrevocably and unconditionally paid or discharged in full, WCP will at the request and cost of the Chargor, release the Charged Assets from the security created by (and the Chargor from the obligations contained in) this Debenture. WCP will also reassign to the Chargor

any Charged Assets which have been assigned to it.

15.2 If any payment by the Chargor or any other person or any release given by WCP is avoided or adjusted pursuant to the Insolvency Act:

15.2.1 the Chargor's liability for the Chargor's Liabilities will continue as if the payment, release, avoidance or adjustment had not occurred; and

15.2.2 WCP will be entitled to recover the value or amount of that payment or security from the Chargor as if the payment, release, avoidance or adjustment had not occurred.

16. **COMMUNICATIONS**

16.1 Written - any communication to be given in connection with this deed will be in writing.

16.2 Addresses - any communication will either be delivered by hand or sent by first class prepaid post to WCP or the Chargor at its address shown on page 1 unless it has communicated another address to the other in which case it must be sent to the last address so communicated.

16.3 Delivery - a communication sent by WCP under clause 16.2 will be deemed to have been received:

16.3.1 if delivered by hand, at the time of delivery; or

16.3.2 if sent by first class prepaid post, on the next day after posting.

A communication by the Chargor will be deemed made only when actually received by WCP.

17. **ASSIGNMENT**

17.1 Right of WCP to assign - WCP may at any time assign or otherwise transfer all or any part of its rights under this deed to any person to whom it assigns or novates its rights under the Facility Agreement.

17.2 Restriction on Chargor - the Chargor may not assign or transfer any of its rights or obligations under this deed.

17.3 Confidentiality - WCP may give such information relating to the Chargor and the Chargor's Liabilities as it thinks fit to any person proposing to take an assignment and/or transfer from WCP and/or to enter into contractual relations with WCP with respect to this deed.

17.4 Any person to whom the benefit of this debenture is assigned or charged may enforce any term of this debenture.

18. **LAW AND JURISDICTION**

This deed (and any dispute, controversy, proceedings or claim of whatever nature arising out of or any way relating to this deed or its formation) shall be governed by and construed in accordance with English law and each of the parties irrevocably agrees that the courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings and/or settle any disputes which may arise out of or in connection with this deed and, for these purposes, each party irrevocably submits to the jurisdiction of the courts of England.

19. **MISCELLANEOUS**

19.1 Interest - interest payable by the Chargor to WCP will accrue both before and after judgment on a daily basis and on the basis of a 360 or 365 day year according to the usual practice of WCP and will be compounded (both before and after judgment) according to the usual practice of WCP or, if there is no such practice, quarterly. After a demand, Interest will also be calculated on

the Chargor's Liabilities together with accrued Interest as at the date of the demand.


- 19.2 Delays - the rights and powers of WCP under this deed are cumulative and not exclusive of its rights under general law and will not be affected or impaired by any delay or omission by WCP in exercising them or any previous exercise of or failure to exercise any such rights or powers.
- 19.3 Severability - each of the provisions of this deed will be severable and distinct from one another and if at any time any one or more of those provisions (or any part thereof) is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.
- 19.4 Variations - no variation of the terms of this deed will be valid unless it is in writing signed by the Chargor and confirmed in writing by WCP.

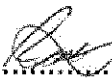
DLS

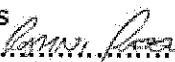
IN WITNESS whereof this instrument is executed by the parties or their duly authorised officers as a deed the day and year first above written


NOTE TO COMPANY: THIS IS AN IMPORTANT DOCUMENT. YOU SHOULD TAKE INDEPENDENT LEGAL ADVICE BEFORE SIGNING AND SIGN ONLY IF YOU WANT TO BE LEGALLY BOUND.

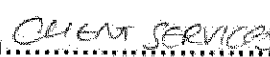
Signed as a deed by **WORKING CAPITAL PARTNERS LIMITED** acting by a director, in the presence of:

X 
Director

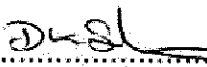
X  [SIGNATURE OF WITNESS]

Witness name 

Witness Address 
BUCKINGHAM ROAD
NW4 3AA

Witness Occupation  CLIENT SERVICES

Signed as a deed by **MILSPARES LIMITED** acting by signature of **DAVID KEITH SHORTMAN** a Director, in the presence of:

X 
DIRECTOR

X 
[SIGNATURE OF WITNESS]

Witness name ANGELA BARBARA FEORE

Witness Address TINGHAM AVE
M41 5BURY
BUCKS
HP21 9DW

Witness Occupation Chartered Accountant

SCHEDULE A

**FREEHOLD AND LEASEHOLD PROPERTY SPECIFICALLY
CHARGED BY CLAUSE 3.1**

Title Number (if any)

Address or Description of Real Property

(Registered) Proprietor