



**Registration of a Charge**

Company name: **SWEET CURES LIMITED**

Company number: **12522493**



X9DD7AYJ

Received for Electronic Filing: **11/09/2020**

---

**Details of Charge**

Date of creation: **28/08/2020**

Charge code: **1252 2493 0002**

Persons entitled: **ANNA SAWKINS**

Brief description: **ALL ESTATES AND INTERESTS AT THE DATE OF THE DEBENTURE OR AT ANY TIME IN THE FUTURE OWNED BY THE CHARGOR IN OR TO ANY FREEHOLD OR LEASEHOLD PROPERTIES (WHETHER REGISTERED OR UNREGISTERED). ALL OF THE CHARGOR'S PRESENT AND FUTURE PATENTS, TRADEMARKS, SERVICE MARKS, TRADE NAMES, BUSINESS NAMES, DESIGNS, COPYRIGHTS, INVENTIONS, TOPOGRAPHICAL OR SIMILAR RIGHTS, CONFIDENTIAL INFORMATION AND KNOW-HOW AND ANY OTHER INTELLECTUAL PROPERTY OR SIMILAR RIGHTS AND INTEREST IN ANY OF THESE RIGHTS, WHETHER OR NOT REGISTERED, INCLUDING ALL APPLICATIONS AND RIGHTS TO APPLY FOR REGISTRATION AND ALL FEES, ROYALTIES AND OTHER RIGHTS DERIVED FROM, OR INCIDENTAL TO, THESE RIGHTS.**

**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**

## 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: **NICOLA NUTLEY**



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

Company number: 12522493

Charge code: 1252 2493 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th August 2020 and created by SWEET CURES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th September 2020 .

Given at Companies House, Cardiff on 14th September 2020

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 28 August 2020

## Debenture

(1) Sweet Cures Limited

(2) Anna Sawkins

This debenture and the charges over the Company's assets created by it are subordinated to, and subject to, the debenture dated 28 August 2020 and the charges created by it given by the Company in favour of HSBC UK Bank PLC and subject to a deed of priority dated 2020.

THIS DEED is dated

28 August

20  
2018

## **PARTIES**

- (1) **SWEET CURES LIMITED** incorporated and registered in England and Wales with company number 12522493 whose registered office is at Time Central, 32 Gallowgate, Newcastle Upon Tyne, Tyne And Wear, United Kingdom, NE1 4BF (**Chargor**); and
- (2) **ANNA SAWKINS** of 1 Cottage Gardens, The Lane, Gate Hemsley, York YO41 1QT (**Chargee**).

## **RECITALS**

- (A) Pursuant to an agreement of today's date, the Company has acquired the Chargee's Sweet Cures assets and business pursuant to the APA.
- (B) Part of the consideration for those assets and business in the aggregate sum of £345,000 is deferred, payable by way of four annual instalments.
- (C) This debenture provides the security which the Chargor has agreed to provide to the Chargee to secure the payment of that deferred consideration.

## **AGREED TERMS**

### **1. Definitions and Interpretation**

#### **1.1 In this debenture the following words and phrases shall have the following meanings:**

<b>Administrator</b>	an administrator appointed to manage the affairs, business and property of the Chargor pursuant to paragraph 15 of Schedule 3;
<b>APA</b>	The Asset Sale Agreement dated today between the Chargor and the Chargee relating to the sale and purchase of the Business;
<b>Assigned Agreement</b>	any contract, deed or agreement to which the Chargor may from time to time be a party and which the Chargee may at any time or from time to time elect should be an Assigned Agreement for the purposes of this debenture by serving written notice of such election upon the Chargor;
<b>Bank</b>	HSBC UK Bank plc incorporated and registered in England and Wales with company number 09928412) whose registered office is 1 Centenary Square, Birmingham, B1 1HQ;
<b>Bank Debenture</b>	the debenture dated today given by the Company in favour of the Bank;
<b>Book Debts</b>	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;

<b>Business</b>	The Sweet Cures business and assets sold by the Chargee to the Chargor pursuant to the APA;
<b>Business Days</b>	means a day (other than a Saturday or a Sunday) on which banks are open for general business in London;
<b>Charged Property</b>	all the assets, property and undertaking for the time being subject to the security interests created by this debenture (and references to the Charged Property include references to any part of it);
<b>Costs</b>	all costs, charges, expenses and liabilities of any kind including, without limitation, costs and damages in connection with litigation, professional fees, disbursements and any value added tax charged thereon;
<b>Deed of Priority</b>	the deed of priority between the Bank, the Chargor and the Chargee dated on or around the date of this debenture;
<b>Deferred Consideration</b>	the outstanding deferred consideration for the Business from time to time owing by the Chargor to the Chargee pursuant to the APA;
<b>Encumbrance</b>	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, lease, assignment by way of security, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;
<b>Equipment</b>	all present and future equipment (including, without limitation, computer and office equipment), plant, machinery, tools, furniture, fittings, installations and 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;
<b>Insurance Policies</b>	all the contracts and policies of insurance effected or maintained by the Chargor from time to time in respect of its assets or business;
<b>Intellectual Property</b>	the Chargor's present and future patents, trademarks, service marks, trade names, business names, designs, copyrights, inventions, topographical or similar rights, confidential information and know-how and any other intellectual property or similar rights and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights;

<b>Investments</b>	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;
<b>Permitted Encumbrances</b>	(a) the Prior Ranking Security; (b) any netting or set-off arrangement entered into by the Chargor in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances; (c) any lien or right of set-off arising by operation of law (including security interests for taxation and other governmental charges) and in the ordinary course of trading; (d) any lien or similar interest arising under retention of title provisions in the normal terms of business of suppliers to the Chargor; and (e) any lease or hire-purchase arrangements entered into by the Company in the ordinary course of business;
<b>Prior Ranking Security</b>	the prior ranking charges over the Company's assets created by the Bank Debenture;
<b>Properties</b>	all estates and interests now or in the future (and from time to time) owned by the Chargor in or to any freehold and/or leasehold properties (whether registered or unregistered) and <b>Property</b> means any of them;
<b>Receiver</b>	a receiver and/or manager of any or all of the Charged Property appointed under paragraph 5 of Schedule 3;
<b>Restriction</b>	in respect of any Investments which are at any time legally and/or beneficially owned by the Chargor or in which the Chargor has any interest, any prohibition or restriction (whether contained within the terms of the articles of association or other constitutional documents of the issuer thereof or in any shareholders' agreement or other agreement or otherwise) which would preclude the Chargor from creating any charge over its interest in those Investments on the terms set out in this debenture without first obtaining one or more consents or approvals from any other person or persons (any such consents or approvals being <b>Consents</b> );
<b>Secured Liabilities</b>	the payment of the Deferred Consideration on the respective due dates as provided in the APA;
<b>Security Period</b>	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 Unless the context otherwise requires, in this debenture:
- 1.2.1 any reference to any statute or statutory provision includes a reference to any subordinate legislation made under that statute or statutory provision, to any modification, re-enactment or extension of that statute or statutory provision and to any former statute or statutory provision which it consolidated or re-enacted before the date of this debenture;
  - 1.2.2 a reference to one gender includes a reference to the other gender and words in the singular include the plural and vice versa;
  - 1.2.3 a reference to a **clause** or **Schedule** is to a clause or Schedule of or to this debenture;
  - 1.2.4 a reference to **this debenture** or **this deed** (or any specified provision of it) or any other document shall be construed as a reference to this debenture, that provision or that document as in force for the time being and as amended or novated from time to time;
  - 1.2.5 a reference to a **person** shall be construed as including a reference to an individual, firm, corporation, unincorporated body of persons or any state or any agency of a person;
  - 1.2.6 a reference to an **amendment** includes a supplement, variation, novation or re-enactment (and amended shall be construed accordingly);
  - 1.2.7 a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
  - 1.2.8 a reference to 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;
  - 1.2.9 an obligation on a party not to do something includes an obligation not to allow that thing to be done;
  - 1.2.10 a reference to the **Chargor** or the **Chargee** shall include their successors, permitted transferees and permitted assigns and this debenture shall be binding on, and enure to the benefit of, the parties to this debenture and their personal representatives, successors, permitted assigns and permitted transferees;
  - 1.2.11 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; and
  - 1.2.12 the headings do not form part of this debenture or any part of it and do not affect its interpretation.
- 1.3 If the Chargee considers that an amount is capable of being avoided or otherwise set aside on 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.
- 1.4 A reference in this debenture to a charge or mortgage of any freehold, leasehold or commonhold property includes:
- 1.4.1 all buildings and fixtures (including trade and tenant's fixtures) which are at any time situated on that property;



- 1.4.2 the proceeds of sale of any part of that property and any other monies paid or payable in respect of or in connection with that property;
  - 1.4.3 all rights under any licence, agreement for sale or agreement for lease in respect of that Property; and
  - 1.4.4 the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any monies paid or payable in respect of those covenants.
- 1.5 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 the terms of the Instrument and of any side letters between any parties in relation to the Instrument are incorporated in this debenture.
- 1.6 Paragraph 14 of Schedule B1 to 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.
- 1.7 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).
- 1.8 The Schedules form part of this debenture and will be of full force and effect as though they were expressly set out in the body of this debenture.

## **2. Covenant to Pay**

The Chargor shall pay and discharge the Secured Liabilities to the Chargee when they become due as provided in the APA.

## **3. Grant of Security**

- 3.1 As a continuing security for the payment and discharge of the Secured Liabilities, the Chargor with full title guarantee, subject always to the rights of the Bank under the Prior Ranking Security and the Deed of Priority:

3.1.1 charges to the Chargee, by way of second legal mortgage, all Properties acquired by the Chargor as at the date of this debenture;

3.1.2 charges to the Chargee, by way of second fixed charge:

- (a) all Properties acquired by the Chargor in the future;
- (b) 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;
- (c) all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
- (d) all licences, consents, approvals 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;
- (e) all its present and future goodwill and uncalled capital;
- (f) all Equipment;

- (g) all Intellectual Property; and
- (h) all Investments;

- 3.1.3 assigns to the Chargee absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities, all its rights in respect of each Insurance Policy including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy;
  - 3.1.4 assigns to the Chargee absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities, to the extent it is assignable, the benefit of each Assigned Agreement and the benefit of any guarantee or security for the performance of an Assigned Agreement; and
  - 3.1.5 as a continuing security for the payment and discharge of the Secured Liabilities, charges to the Chargee, by way of second floating charge, all the undertaking, property, assets and rights of the Chargor at any time not effectively mortgaged, charged or assigned pursuant to the preceding provisions of this clause 3.1 (including, without limitation, any and all Book Debts and any and all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person).
- 3.2 The floating charge created by clause 3.1.5 shall automatically and immediately (without notice) be converted into a fixed charge over the relevant Charged Property if:
- 3.2.1 the Chargor:
    - (a) creates, or attempts to create, over all or any part of the Charged Property without the prior written consent of the Chargee an Encumbrance or any trust in favour of another person; or
    - (b) disposes or attempts to dispose of all or any part of the Charged Property (other than property subject only to the floating charge while it remains uncrystallised); or
  - 3.2.2 a receiver is appointed over all or any of the Charged Property that is subject to the floating charge; or
  - 3.2.3 any person levies or attempts to levy any distress, attachment, execution or other process against all or any part of the Charged Property; or
  - 3.2.4 any steps are taken for the appointment of an administrator in respect of the Chargor (including, without limitation, the making of any application for an administration order in respect of the Chargor, the filing of any notice of the appointment of an administrator in respect of the Chargor or the filing of any notice of intention to appoint an administrator in respect of the Chargor); or
  - 3.2.5 a resolution is passed or an order is made for the winding-up, liquidation, administration, reorganisation or dissolution of the Chargor.
- 3.3 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.

- 3.4 The Chargor undertakes that it shall not create or permit to subsist any Encumbrance (other than as expressly permitted by this debenture or the Instrument) on, over or in respect of any of the Charged Property.

**4. Liability of Chargor**

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

4.1.1 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

4.1.2 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

4.1.3 any other act or omission which but for this provision might have discharged or otherwise prejudiced or affected the liability of the Chargor.

- 4.2 The Chargor waives any right it may have of requiring 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.

- 4.3 A certificate of the Chargee specifying any amount due to the Chargee from the Chargor shall, in the absence of manifest error, be prima facie evidence of such amount.

**5. Representations, Warranties and Covenants**

- 5.1 The Chargor represents and warrants to the Chargee in the terms set out in Part A of Schedule 1 on the date of this debenture and the representations and warranties shall be deemed to be made on each day of the Security Period with reference to the facts and circumstances then existing.

- 5.2 The Chargor covenants with the Chargee during the continuance of the security constituted by this debenture in the terms set out in Part B of Schedule 1.

**6. Powers of the Chargee and Enforcement**

- 6.1 The Chargee shall have the powers and rights set out in Schedule 2.

- 6.2 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.

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

- 6.4 All payments made by the Chargor to the Chargee under this debenture shall be made in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

- 6.5 Until all Secured Liabilities have been irrevocably and unconditionally paid and discharged in full, the Chargee and any Receiver may place and keep for such time as it thinks prudent any moneys received, recovered or realised under or by virtue of this debenture in a separate or suspense account to the credit of either the Chargor or the Chargee without any obligation to apply all or any part of such moneys in or towards the discharge of the Secured Liabilities.

## **7. Costs and Indemnity**

**7.1** The Chargor shall pay to or reimburse the Chargee and any Receiver on demand, on a full indemnity basis, all Costs reasonably and properly incurred by the Chargee and/or any Receiver in relation to:

7.1.1 protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Chargee's or the Receiver's rights under this debenture; or

7.1.2 suing for, or recovering, any of the Secured Liabilities,

(including, without limitation, the Costs of any proceedings in relation to this debenture or the Secured Liabilities) together with interest on the amount due at the rate of 3% per annum above the base rate for the time being of the Bank of England from the date the Costs arose until discharge in full..

**7.2** The Chargee and 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:

7.2.1 the exercise or purported exercise of any of the powers, authorities or discretions vested in them under this debenture; or

7.2.2 any matter or thing done or omitted to be done in relation to the Charged Property under those powers; or

7.2.3 any default or delay by the Chargor in performing any of its obligations under this debenture.

## **8. Release**

Subject to clause 10.3, upon the expiry of the Security Period (but not otherwise) the Chargee shall, at the request and cost of the Chargor, take whatever action is reasonably necessary to release the Charged Property from the security constituted by this debenture.

## **9. Notices**

**9.1** Any notice or other communication given under this debenture shall be in writing and, unless otherwise stated, may be made by email.

**9.2** Any communication to be made between the parties under or in connection with the debenture may be made by electronic mail or other electronic means. Any electronic communication made between those parties will be effective only when actually received in readable form and in the case of any electronic communication made by the Chargor to the Chargee only if it is addressed in such a manner as the Chargee shall specify for this purpose.

**9.3** The address and e-mail address of each party for any communication is:

9.3.1 in the case of the Chargor:

Address: Unit 7, Pyramid Court, Rosetta Way, York, YO26, 5NB

E-mail: [•]

Attention: Bryan Sun

9.3.2 in the case of the Chargee:

Address: 1 Cottage Gardens, The Lane, Gate Hemsley, York YO41 1QT  
E-mail: anna1986@live.co.uk  
Attention: Anna Sawkins

or any substitute address, e-mail address or officer as notified by the parties by not less than five Business Days' written notice.

9.4 Any communication or document made or delivered under or in connection with the debenture will only be effective:

9.4.1 if by way of e-mail, when actually received in readable form; and

9.4.2 if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address, and, if a particular department or officer is specified as part of its address details provided in this debenture, if addressed to that department or officer.

9.5 Any communication or document to be made or delivered to the parties will be effective only when actually received by the respective party.

9.6 Any communication or document which becomes effective after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

9.7 Any demand under the terms of this debenture may only be made by way of letter.

#### **10. Further Provisions**

10.1 All provisions of this debenture are subject to the terms of the Deed of Priority and subject to the rights of the Bank under the Prior Ranking Security.

10.2 This debenture shall be in addition to and independent of every other security or guarantee which the Chargee may at any time hold for any of the Secured Liabilities and 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.

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

10.4 Any release, discharge or settlement between the Chargor and the Chargee shall be deemed conditional upon 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 and, notwithstanding any such release, discharge or settlement:

10.4.1 the Chargee or its nominee shall be at liberty to retain this debenture and the security created by or pursuant to this debenture, including all certificates and documents relating to the whole or any part of the Charged Property, for such period as the Chargee shall deem necessary to provide the Chargee with security against any such avoidance, reduction or order for refund; and

10.4.2 the Chargee shall be entitled to recover the value or amount of such security or payment from the Chargor subsequently as if such release, discharge or settlement had not occurred.

- 10.5 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.
- 10.6 The rights and powers of the Chargee conferred by this debenture are cumulative, may be exercised as often as the Chargee considers appropriate, and are in addition to its rights and powers under the general law. Any waiver or variation of any right by the Chargee (whether arising under this debenture or under the general law) shall only be effective if it is in writing and signed by the Chargee and applies only in the circumstances for which it was given and shall not prevent the Chargee from subsequently relying on the relevant provision. No act or course of conduct or negotiation by or on behalf of the Chargee shall in any way preclude the Chargee from exercising any right or power under this debenture or constitute a suspension or variation of any such right or power. No delay or failure to exercise any right or power under this debenture shall operate as a waiver. No single or partial exercise of any right under this debenture shall prevent any other or further exercise of that or any other such right.
- 10.7 The restriction on the right of consolidation contained in section 93 of the Law of Property Act 1925 shall not apply to this debenture.
- 10.8 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.
- 10.9 This debenture may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document. The exchange of a fully executed version of this debenture (in counterparts or otherwise) by electronic transmission in pdf or other legible electronic format (including jpeg) shall be sufficient to bind the parties to the terms and conditions of this debenture and no exchange of originals is necessary.
- 10.10 A third party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or to enjoy the benefit of, any term of this debenture.
- 10.11 The Chargor shall at its own expense promptly take whatever action the Chargee may reasonably require for:
- 10.11.1 giving effect to the security intended to be created by this debenture; and
- 10.11.2 facilitating the realisation of any of the Charged Property or the exercise of any right, power or discretion exercisable by the Chargee or any Receiver in respect of any of the Charged Property,
- including the execution of any security or other document (in such form as the Chargee may reasonably require), the giving of any notice and the making of any registration.
- 10.12 The Chargee may assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any or all of its rights and obligations under this debenture subject always to the terms of the Deed of Priority.
- 10.13 The Chargor shall not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any or all of its rights and obligations under this debenture without the prior written consent of the Chargee.
- 10.14 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

according to the law of England and Wales. The parties to this debenture irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this debenture or its subject matter or formation (including non-contractual disputes or claims).

- 10.15 The Chargor irrevocably consents to any process in any proceedings being served on it in accordance with the provisions of this debenture relating to service of notices. Nothing contained in this debenture shall affect the right to serve process in any other manner permitted by law.

In witness of which this debenture has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

**Schedule 1**  
**Part A: Representations and warranties**

1. The Charged Property is, or when acquired will be, solely, legally and beneficially owned by the Chargor free from any Encumbrance (other than the Encumbrances created by the Prior Ranking Debenture, this debenture or any other Permitted Encumbrance).
2. No Encumbrance expressed to be created by this debenture is liable to be avoided or otherwise set aside on the liquidation or administration of the Chargor under the Insolvency Act 1986.
3. As at the date of this debenture none of the Charged Property is the subject of or threatened by any litigation, arbitration or administrative proceedings and no such litigation, arbitration or administrative proceedings have been threatened or are likely in relation to any of the Charged Property.

**Part B: Covenants**

1. The Chargor shall not at any time, except as permitted by the Deed of Priority or except with the prior written consent of the Chargee:
  - (a) create, purport to create or permit any Encumbrance on, or in relation to, any Charged Property other than any Encumbrance created by this debenture, the Prior Ranking Debenture or any other Permitted Encumbrance;
  - (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, in the normal and usual course of business, Charged Property which is only subject to an uncrystallised floating charge); or
  - (c) create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.
2. The Chargor shall not do or omit to do, or permit to be done or omitted to be done, any act or thing, which will 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 and shall promptly provide to the Chargee whatever information, documents or papers relating to the Charged Property as the Chargee may from time to time reasonably request.
3. The Chargor shall:
  - (a) insure and keep insured all of its undertaking and assets with reputable and responsible insurers previously approved by the Chargee in such manner and to such extent as is reasonable and customary for an enterprise engaged in the same or similar business and in the same or similar localities against such risks and contingencies as the Chargee shall from time to time reasonably request;
  - (b) procure that following the discharge of the Prior Ranking Security the interest of the Chargee is noted on all its policies of insurance in such manner as the Chargee may in its absolute discretion require and shall duly and punctually pay all premiums and any other monies necessary for maintaining its insurance in full force and effect.
  - (c) apply all monies received by virtue of any insurance of the whole or any part of the Charged Property (i) in making good or in recouping expenditure incurred in making good



any loss or damage; or (ii) only after discharge of the Prior Ranking Security if the Chargee in its discretion so requires, towards the discharge of the Secured Liabilities.

4. The Chargor shall, if so requested at any time after the execution of this debenture (or, if later, the date of acquisition of the relevant Charged Property), and subject always to the rights of the Bank under the Prior Ranking Security and the Deed of Priority provide the Chargee (or its representatives) with access to and/or copies of all deeds and documents of title relating to the Charged Property which are in the possession or control of the Chargor and/or such other records, documents or information (on whatever medium held) relating to the Chargor, its business and/or any of the Charged Assets.
5. 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 shall from time to time reasonably require over all or any part of the Charged Property and give all notices, orders and directions which the Chargee may reasonably require for perfecting, protecting or facilitating the realisation of its security over the Charged Property.
6. The Chargor shall comply with all obligations in relation to the Charged Property under any present or future law, regulation, order or instrument of any competent authority or other approvals, licences or consents in all material respects and with any covenants or obligations affecting any of the Charged Property or the manner of use of any of it which are necessary.
7. The Chargor shall:
  - (a) observe and comply with all material obligations to which it is subject in its capacity as registered proprietor, beneficial owner, user, licensor or licensee of its Intellectual Property or any part of it;
  - (b) pay when due all fees necessary to maintain, protect and safeguard any registered Intellectual Property;
  - (c) take all reasonable steps (including the commencement of legal proceedings) as may be necessary to protect, safeguard and maintain the validity, reputation, integrity, registration or subsistence of its Intellectual Property;
  - (d) not, except with the prior written consent of the Chargee, grant any franchise, licence or other authority to any person to use its company name, trade name or business name or any other business asset which will or is likely to materially adversely affect the value of the goodwill of the Chargor.
8. The Chargor shall after the security constituted by this debenture becomes enforceable, subject to the rights of the Bank under the Prior Ranking Security:
  - (a) hold all dividends, distributions and other moneys paid on or derived from the Investments on trust for the Chargee;
  - (b) comply (and procure that its nominees comply) with any directions from the Chargee concerning the exercise of any voting or other rights and powers attaching to the Investments;
  - (c) permit the Chargee to complete any instrument(s) of transfer for the Investments on behalf of the Chargor in favour of itself or such other person as it may select.

**Schedule 2**  
**Powers of Chargee**

1. 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. The rights of the Chargee under paragraph 1 of this Schedule are subject to the rights of the Bank under the Prior Ranking Security and their exercise by the Bank but are otherwise without prejudice to any other rights of the Chargee under this debenture and the exercise of those rights shall not make the Chargee liable to account as a mortgagee in possession.
3. At any time after the security constituted by this debenture shall have 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. At any time after the security constituted by this debenture shall have become enforceable or after any powers conferred by any Encumbrance having priority to this debenture shall have become exercisable, the Chargee may (a) redeem such or any other prior Encumbrance or procure its transfer to itself; and (b) settle any account of the holder of any prior Encumbrance. The settlement of any such account shall be conclusive and binding on the Chargor and 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 and be secured as part of the Secured Liabilities.
5. If the Chargee (a) receives notice of any subsequent Encumbrance or other interest affecting all or part of the Charged Property, the Chargee may open a new account or accounts for the Chargor in the Chargee's books and (without prejudice to the Chargee's right to combine accounts) no money paid to the credit of the Chargor in any such new account will be appropriated towards or have the effect of discharging any part of the Secured Liabilities; or (b) does not open a new account or accounts immediately on receipt of notice under paragraph 5(a) of this Schedule, then, unless the Chargee gives express written notice to the contrary to the Chargor, as from the time of receipt of the relevant notice by the Chargee all payments made by the Chargor to the Chargee shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.
6. The Chargee may in 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 are 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. This debenture shall be enforceable if:

- (a) any of the Secured Liabilities shall not be paid or discharged when the same ought to be paid or discharged by the Chargor (whether on demand or at scheduled maturity or by acceleration or otherwise, as the case may be) and if failure to pay is caused by administrative or technical error within 3 Business Days of the due date;
- (b) the Chargor shall be in breach of any of its obligations under this debenture or under the Instrument;
- (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);
  - (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;
- (d) the Chargor passes any resolution or takes any action, or a petition is presented or proceedings are commenced or any action is taken by any person, for the winding-up, liquidation, dissolution, administration or re-organisation of the Chargor or for the appointment of a receiver, liquidator, administrative receiver, administrator, trustee or similar officer of the Chargor or of any or all of its revenues and/or assets;
- (e) a distress, execution, attachment or other legal process is levied or enforced upon or sued against all or any part of the assets of the Chargor, whether under the Prior Ranking Debenture or otherwise, and remains undischarged for fourteen days;
- (f) any event occurs in relation to the Chargor that is analogous to those set out in paragraph 1(c)(iii), paragraph 1(d) or paragraph 1(e) of this Schedule; 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 in any material respect when made or deemed to be made,

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, subject always to the Prior Ranking Security.

2. The powers of sale conferred upon mortgagees under 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 in accordance with its terms.
3. The statutory powers of sale, leasing and accepting surrenders conferred upon 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 make any lease or agreement for lease, accept surrenders of lease or grant

any option of the whole or any part or parts of the freehold and leasehold property of the Chargor with whatever rights relating to other parts of it and containing whatever covenants on the part of the Chargor and 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. 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. 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 upon realisation of, or for any neglect or default of any nature whatsoever in connection with, all or any of the Charged Property for which a mortgagee in possession might as such be liable unless this is directly caused by gross negligence or wilful misconduct.

6. The Chargee may:

(a) without further notice at any time after the security constituted by this debenture has become enforceable, or at the request of the Chargor:

(i) appoint 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

(ii) (subject to section 45 of the Insolvency Act 1986) from time to time, remove any person appointed to be Receiver and may in like manner appoint another in his place.

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

(b) 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. The:

(a) 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;

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

8. 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. 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, the Insolvency Act 1986 and any other statute for the time being in force, have 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. All monies received by the Chargee or a Receiver in the exercise of any enforcement powers conferred by this debenture, to the extent available following payment of all secured liabilities of the Chargor under the Prior Ranking Security, 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 him and the Chargee);
  - (c) third in or towards discharge of the Secured Liabilities in such order and manner as the Chargee shall determine; and
  - (d) finally in paying any surplus to the Chargor or any other person entitled to it.
11. 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 as between any of the Secured Liabilities.
12. 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. By way of security the Chargor irrevocably appoints (such appointment effective only during such periods as the security created by this deed is enforceable) the Chargee and every Receiver separately to be the attorney of the Chargor and in its name and on its behalf and as its act and deed to:
- (a) execute any documents, and do any acts and things which the Chargor is required to execute and do under this debenture; and/or
  - (b) execute any documents, and do any acts and things which 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.
  - (c) exercise any and all rights, powers and privileges and receive any and all benefits and entitlements attaching now or at any time hereafter to any of the Investments or which are otherwise capable of being exercised by the registered holder of any of the Investments including, without prejudice to the generality of the foregoing, any or all of the following:
    - (i) to attend, participate in and direct the exercise of any voting rights attaching to any of the Investments at any meeting of the members of any Issuer of those Investments at which such rights are capable of being exercised;
    - (ii) to approve, complete or otherwise sign or execute any requisition of any meeting, consent to short notice, proxy, written resolution, agreement of the members of

any issuer of any of the Investments or other document capable of being signed by a registered holder of any of the Investments;

- (iii) to agree to any compromise or arrangement affecting the Investments and to use any lawful means that may appear to the attorney necessary or desirable in order to safeguard the interests or enforce the rights of the registered holder of any of the Investments; and
- (iv) to approve, sign, complete and deliver on behalf of the Chargor any form of transfer in respect of any of the Investments.

14. 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 paragraph 13 of this Schedule.

15. 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. Any appointment under this paragraph 15 shall:

- (a) be in writing signed by 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.

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 15 and appoint under this paragraph 15 a replacement for any Administrator whose appointment ends for any reason.

#### **Schedule 4** **Further Powers of Receiver**

A Receiver may:

1. undertake or complete any works of repair, building or development on the Properties;
2. grant or accept surrenders of any leases or tenancies affecting the Properties upon such terms and subject to such conditions as he thinks fit;
3. provide services and employ, or engage, such managers, contractors and other personnel and professional advisors on such terms as he deems expedient;
4. make such elections for value added tax purposes as he thinks fit;
5. 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. collect and get in the Charged Property in respect of which he is appointed or any part thereof and for that purpose make such demands and take any proceedings as may seem expedient and to take possession of the Charged Property with like rights;
7. carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the Chargor's business;
8. 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 he shall think fit and he may promote or concur in promoting a Chargor to purchase the property to be sold;
9. make any arrangement, settlement or compromise between the Chargor and any other person which he may think expedient;
10. make substitutions of, or improvements to, the Equipment as he may think expedient;
11. 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;
12. appoint managers, officers, servants, workmen and agents for the aforesaid purposes at such salaries and for such periods and on such terms as he may determine;
13. if he thinks fit, but without prejudice to the indemnity in clause 7, effect with any insurer any policy or policies of insurance either in lieu or satisfaction of, or in addition to, such insurance;
14. 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;

15. exercise in relation to all or any part of the Charged Property all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Charged Property;
16. for any of the purposes authorised by this Schedule 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 upon such terms (including if the Chargee shall consent to terms under which such security ranks in priority to this debenture) as he shall think fit;
17. redeem any prior Encumbrance and settle and pass the accounts to which the Encumbrance relates and any accounts so settled and passed shall be conclusive and binding on the Chargor and the monies so paid will be deemed to be an expense properly incurred by him;
18. do all such other acts and things as he may consider incidental or conducive to any of the matters or powers in this Schedule or which he considers expedient for or incidental or conducive to the preservation, improvement or realisation of any of the Charged Property or which he lawfully may or can do as agent for the Chargor.

Any exercise of any of these powers may be on behalf of the Chargor, the directors of the Chargor or himself.



EXECUTION PAGE

EXECUTED as a deed by  
SWEET CURES LIMITED  
acting by: HONGKOW SUN  
in the presence of:

)  
)  
)  
)  
)  
)

Director



Witness:

Signature:



Name:

EDWARD FORSHAW

Address:

**Muckle LLP**

Time Central

32 Gallowgate

Newcastle upon Tyne NE1 4BF

Occupation:

SOLICITOR

EXECUTED as a deed by  
ANNA SAWKINS

)  
)  
)

Witness:

Signature:

Name:

Address:


Occupation:

EXECUTION PAGE

EXECUTED as a deed by )  
SWEET CURES LIMITED )  
acting by: ..... ) Director  
in the presence of: )  
 )  
 )  
 )  
 )

Witness:  
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Occupation: \_\_\_\_\_

EXECUTED as a deed by )  
ANNA SAWKINS )  
 ) 

Witness:   
Signature: \_\_\_\_\_  
Name: HILARY LENOIR  
Address: The Coach House  
Melbourne Street  
YORK YO10 5AQ  
Occupation: MUSIC TEACHER