



Registration of a Charge

Company Name: **HC 1323 LIMITED**

Company Number: **12586091**



Received for filing in Electronic Format on the: **30/07/2021**

XA9TLBKR

Details of Charge

Date of creation: **28/07/2021**

Charge code: **1258 6091 0003**

Persons entitled: **BLOOMSBURY LIMITED**

Brief description: **NONE**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **HARRISON CLARK RICKERBYS**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 12586091

Charge code: 1258 6091 0003

The Registrar of Companies for England and Wales hereby certifies that a charge dated 28th July 2021 and created by HC 1323 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 30th July 2021 .

Given at Companies House, Cardiff on 2nd August 2021

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

28th July

2021

THE COMPANIES SET OUT IN SCHEDULE 1

and

BLOOMSBURY LIMITED

GUARANTEE AND DEBENTURE

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THIS DEED is made on

28th July

2021 by

- (1) **THE COMPANIES** whose details are set out in Schedule 1 (the "**Companies**" and each a "**Company**");

in favour of

- (2) **BLOOMSBURY LIMITED** a company incorporated in England and Wales with company registration number 05345896 whose registered address is Unit 7 Britannia Business Centre, Britannia Way, Malvern, Worcestershire, United Kingdom, WR14 1GZ (the "**Lender**").

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"Account Bank" means any bank or financial institution with whom a Company holds an account from time to time.

"Administrator" means any person appointed under Schedule B1 to the Insolvency Act 1986 to manage any Company's affairs, business and property.

"Charged Property" means all the property, assets and undertaking of a Company which from time to time are the subject of the security created or expressed to be created in favour of the Lender by or pursuant to this Deed.

Event of Default means any of the following events:

- (a) the Secured Obligations are not paid or discharged when due other than where such failure to pay or discharge the Secured Obligations is due to administrative or technical error only and full payment is made within 5 Business Days of its due date;
- (b) a Company is in breach of any of its material obligations under this Deed and such breach is either (i) in the reasonable opinion of the Lender, not capable of remedy, or (ii) capable of remedy, however the Company fails to remedy such breach within 20 Business Days of prior written notification served by the Lender of the breach in question;
- (c) a Company shall enter into any composition or arrangement for the benefit of its creditors;
- (d) any step is taken for the administration or winding-up of a Company (which includes, without limitation, in each case, the board of directors of a Company in general meeting, passing a resolution for the same) except where: (i) in the case of winding up, the Lender has consented in writing for the purpose of reconstruction or amalgamation, or (ii) such step is, in the reasonable opinion of the Lender, vexatious in nature and stayed within 20 Business Days;
- (e) a third party shall take possession of (excluding liens arising in the ordinary course by operation of law), or a receiver shall be appointed over, or any secured creditor of a Company shall seek to enforce his security in respect of, all or any of the Charged Property or any other event shall happen which puts in jeopardy all or any part of the Security created by this Deed; or
- (f) any other event shall occur which in the reasonable opinion of the Lender is an event upon the occurrence of which this or any other security for the Secured Obligations shall be enforceable.

"EU Regulation" means the Council of the European Union Regulation No. 1346/2000 on insolvency proceedings.

"Financial Collateral" shall have the same meaning as in the Financial Collateral Regulations.

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 (S.I. 2003/3226).

"Floating Charge Property" has the meaning given in Clause 3.3 (*Floating Charges*).

"Insurance Policy" means any policy of insurance and cover note in which a Company may from time to time have an interest.

"Intellectual Property" means:

- (a) all present and future patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered;
- (b) the benefit of all applications and rights to use such assets; and
- (c) all Related Rights.

"Investments" means:

- (a) any stocks, shares, debentures, certificates of deposit, securities or other instruments creating or acknowledging indebtedness, including alternative finance investment bonds, whether held directly by or to the order of a Company or by any trustee, fiduciary or clearance system on its behalf; and
- (b) all Related Rights (including all rights against any such trustee, fiduciary or clearance system).

"Investment Derivative Rights" means all dividends, interest or distributions and all other rights and benefits of an income nature accruing at any time in respect of any Investment.

"Issuer" means the issuer of any Investment.

"Material Contracts" means:

- (a) any contract entered into by a Company that may from time to time be designated as a Material Contract by the Lender; and
- (b) all Related Rights.

"Permitted Security" means:

- (a) the debenture and guarantee dated on or around the date of this Deed between, among others, the Companies, the Lender and Adam Trow and Sarah Trow; and
- (b) the debenture dated on or around the date of this Deed between HC1322 Limited and HC1323 Limited.

"Plant and Machinery" means:

- (a) all equipment, plant, machinery, computers, vehicles, furniture, fittings and all other assets of a similar nature which are now, or at any time after the date of this Deed become, the property of a Company; and
- (b) all Related Rights.

"Real Property" means a Company's estates or interests in all present and future freehold (including commonhold), leasehold or other immovable property (including the property, if any,

specified in Schedule 2 (*Real Property*)), and any buildings, fixtures or fittings from time to time situated on or forming part of such property, and all Related Rights.

"Receivables" means:

- (a) all present and future book and other debts and monetary claims owing to a Company; and
- (b) all Related Rights.

"Receiver" means a receiver or receiver and manager or administrative receiver appointed pursuant to the provisions of this Deed or any applicable law.

"Related Rights" means, in relation to any asset,

- (a) the proceeds of sale or rental of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of, or derived from, that asset; and
- (d) any income, moneys and proceeds paid or payable in respect of that asset.

"Secured Obligations" means all present and future obligations and liabilities, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity whatsoever, owed by any Company to the Lender together with all costs, charges and expenses incurred by the Lender in connection with the protection, preservation or enforcement of its respective rights under any document evidencing or securing any such liabilities and shall include interest on the above from the date of demand until the date of payment in full (as well after as before any judgment) calculated on a daily basis at a rate of 2% per annum.

"Security" any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, 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.

"Security Financial Collateral Arrangement" shall have the same meaning as in the Financial Collateral Regulations.

"Security Period" means the period beginning on the date of this Deed and ending on the date on which the Lender is satisfied that the Secured Obligations have been irrevocably and unconditionally satisfied in full and the Lender is not under any further actual or contingent obligation to make advances or provide other financial accommodation to any Company.

"Short Leasehold Property" means a leasehold property held by a Company now or in the future under a lease granted at a rack rate which has an unexpired term of seven years or less at the date of this Deed (or in the case of future acquired leasehold property, at the date of acquisition of such property by the relevant Company).

1.2 Construction

- (a) Unless a contrary indication appears, a reference in this Deed to:
 - (i) the **"Lender"**, any **"Company"** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (ii) **"assets"** includes present and future properties, revenues and rights of every description and includes uncalled capital;
 - (iii) **"guarantee"** means any guarantee, letter of credit, bond, indemnity or similar

assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;

- (iv) **"indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (v) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- (vi) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (vii) **"Secured Obligations"** includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting any of the Companies;
- (viii) any reference to **"including"** and **"include"** shall mean including and include "without limitation" and any words following such terms shall be construed as illustrative and shall not limit the meaning or scope of the phrase or words preceding such terms;
- (ix) a provision of law is a reference to that provision as amended or re-enacted; and
- (x) a time of day is a reference to London time.

(b) Section, Clause and Schedule headings are for ease of reference only.

1.3 Joint and several

The liabilities and obligations of each Company under this Deed are joint and several. Each Company agrees to be bound by this Deed notwithstanding that any other Company which was intended to sign or be bound by this Deed did not so sign or is not bound by this Deed.

1.4 Third Party Rights

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce or enjoy the benefit of any term of this Deed.

1.5 Incorporation of Terms

A reference in this Deed to any freehold, leasehold or commonhold property includes all buildings, fixtures and fittings from time to time on or forming part of that property and all Related Rights.

1.6 Present and future assets

- (a) A reference in this Deed to any Charged Property or other asset includes, unless the contrary intention appears, present and future Charged Property and other assets.
- (b) The absence of or incomplete details of any Charged Property in any Schedule shall not affect the validity or enforceability of any Security under this Deed.

1.7 Separate Security

Clauses 3.1 (Fixed Charges) and 3.2 (Security Assignment) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment over each relevant asset within any particular class of assets defined in this Deed and the failure to create an effective mortgage, fixed charge or assignment (whether arising out of this Deed or any act or omission by any party) over any one asset shall not affect the nature or validity of the mortgage, charge or assignment imposed on any other asset whether within that same class of assets or not.

1.8 Effect as a Deed

This Deed is intended to take effect as a deed notwithstanding that the Lender may have executed it under hand only.

2 COVENANT TO PAY AND GUARANTEE

2.1 Secured obligations

Each Company covenants that it will, on the Lender's demand, pay, satisfy and discharge the Secured Obligations to the Lender when due in accordance with their respective terms (or if they do not specify a time for payment, immediately on demand by the Lender).

2.2 Proviso

The covenants contained in this Clause 2 and the security created by this Deed shall not extend to or include any liability or sum which would otherwise cause such covenant or security to be unlawful or prohibited by any applicable law.

2.3 Guarantee and indemnity

Each Company irrevocably and unconditionally jointly and severally:

- (a) guarantees to the Lender punctual performance by each other Company of all that Company's obligations to the Lender;
- (b) undertakes with the Lender that whenever another Company does not pay any amount when due, that Company shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with the Lender that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Lender immediately on demand against any cost, loss or liability it incurs as a result of a Company not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it on the date when it would have been due. The amount payable by a Company under this indemnity will not exceed the amount it would have had to pay under this Clause 2 if the amount claimed had been recoverable on the basis of a guarantee.

2.4 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Company, regardless of any intermediate payment or discharge in whole or in part.

2.5 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Company or any security for those obligations or otherwise) is made by the Lender in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of each Company under this Clause 2 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

2.6 Waiver of defences

The obligations of each Company under this Clause 2 will not be affected by an act, omission, matter or thing which, but for this Clause 2, would reduce, release or prejudice any of its obligations under this Clause 2 (without limitation and whether or not known to it or the Lender) including:

- (a) any time, waiver or consent granted to, or composition with, any Company or other person;
- (b) the release of any other Company or any other person under the terms of any composition or arrangement with any creditor of any Company;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Company or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of a Company or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any document evidencing any Secured Obligations or any security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under this Deed or any other document or security in favour of the Lender; or
- (g) any insolvency or similar proceedings.

2.7 Guarantor intent

Without prejudice to the generality of Clause 2.6 (*Waiver of defences*), each Company expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any Secured Obligations and/or any facility or amount made available to a Company by the Lender for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

2.8 Immediate recourse

Each Company waives any right it may have of first requiring the Lender (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Company under this Clause 2. This waiver applies irrespective of any law or any provision contained in this Deed or any other document to the contrary.

2.9 Appropriations

Until all amounts which may be or become payable by the Companies have been irrevocably paid in full, the Lender (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by

it (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Company shall be entitled to the benefit of the same; and

- (b) hold in an interest-bearing suspense account any moneys received from any Company or on account of any Company's liability under this Clause 2.

2.10 Deferral of Companies' rights

Until all amounts which may be or become payable by the Companies have been irrevocably paid in full and unless the Lender otherwise directs, no Company will exercise any rights which it may have by reason of any amount being payable, or liability arising, under this Clause 2:

- (a) to be indemnified by a Company;
- (b) to claim any contribution from any other guarantor of any Company's obligations;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender or of any other guarantee or security taken by the Lender;
- (d) to bring legal or other proceedings for an order requiring any Company to make any payment, or perform any obligation, in respect of which any Company has given a guarantee, undertaking or indemnity under Clause 2.2 (*Guarantee and indemnity*);
- (e) to exercise any right of set-off against any Company; and/or
- (f) to claim or prove as a creditor of any Company in competition with the Lender.

If a Company receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Lender by the Companies to be repaid in full on trust for the Lender and shall promptly pay or transfer the same to the Lender.

2.11 Release of Guarantors' right of contribution

If any Company (a "**Retiring Company**") with the prior written consent of the Lender, ceases to be a Company for the purpose of any sale or other disposal of that Retiring Company then on the date such Retiring Company ceases to be a Company:

- (a) that Retiring Company is released by each other Company from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Company arising by reason of the performance by any other Company of its obligations to the Lender; and
- (b) each other Company waives any rights it may have by reason of the performance of its obligations to the Lender to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under any document evidencing the Secured Obligations or of any other security taken where such rights or security are granted by or in relation to the assets of the Retiring Company.

2.12 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Lender.

2.13 Guarantee limitations

This guarantee does not apply to any liability to the extent that it would result in this guarantee constituting unlawful financial assistance within the meaning of sections 678 or 679 of the Companies Act 2006.

2.14 Interest

Each Company covenants to pay interest on any sum demanded in accordance with Clause 2.1 (*Secured obligations*) until payment (both before and after judgement) at a rate of 2% per annum.

2.15 Guarantee binding

Each Company agrees to be bound by the guarantee contained in Clause 2.2, even if any other Company which was intended to execute this Deed may not do so or may not be effectually bound.

3 GRANT OF SECURITY

3.1 Fixed Charges

Each Company with full title guarantee charges in favour of the Lender as continuing security for the payment and discharge of the Secured Obligations:

- (a) by way of legal mortgage, its interest in the Real Property and all Related Rights;
- (b) by way of fixed charge, all of its rights, title and interest in and to all its Real Property (other than any Short Leasehold Property) now or at any time after the date of this Deed belonging to the Company (to the extent not validly and effectively charged by way of legal mortgage under Clause 3.1(a) above), together with all Related Rights;
- (c) by way of fixed charge, all of its rights, title and interest from time to time in and to all Plant and Machinery and other fixtures and fittings attached to any Real Property and all Related Rights;
- (d) by way of fixed charge:
 - (i) all present and future bank accounts, cash at bank and credit balances of each Company with any bank or other person; and
 - (ii) all Related Rights in relation to the accounts charged pursuant to Clause 3.1(d)(i) above;
- (e) by way of fixed charge, all of its rights, title and interest from time to time in and to all present and future Receivables and all Related Rights, other than those validly and effectively assigned under Clause 3.2 (*Security Assignment*);
- (f) by way of fixed charge:
 - (i) all present and future Investments;
 - (ii) all Investment Derivative Rights; and
 - (iii) where any Investment is held in a system for the deposit and settlement of transactions in Investments, all rights against the operator of such system or any participant in respect of such Investment;
- (g) by way of fixed charge, all of its rights, title and interest from time to time in and to all Intellectual Property and all Related Rights;
- (h) by way of fixed charge, all of its rights, title and interest from time to time in and to any goodwill of the Company;
- (i) by way of fixed charge, the uncalled capital of the Company;
- (j) by way of fixed charge, all rights, interests and claims in the Insurance Policies, other than

those validly and effectively assigned under Clause 3.2 (*Security Assignment*);

- (k) by way of fixed charge, all rights, interests and claims in the Material Contracts, other than those validly and effectively assigned under Clause 3.2 (*Security Assignment*);
- (l) by way of fixed charge, the benefits of all licences, consents and authorisations held in connection with its business or the use of any Charged Property, and the right to any compensation in respect of any of them; and
- (m) by way of fixed charge, all rights, interests and claims in any pension fund now or in the future.

3.2 Security Assignment

Each Company with full title guarantee assigns absolutely to the Lender as continuing security for the payment and discharge of the Secured Obligations all of its rights, title, interest and benefit from time to time in and to:

- (a) the Material Contracts;
- (b) the Insurance Policies; and
- (c) the Receivables.

3.3 Floating Charges

Each Company charges and agrees to charge by way of first floating charge all of its present and future:

- (a) assets and undertaking (wherever located) not otherwise effectively charged by way of fixed mortgage or charge pursuant to Clause 3.1 (*Fixed Charges*) or assigned pursuant to Clause 3.2 (*Security Assignment*) or any other provision of this Deed; and
- (b) (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland,

((a) and (b) above together being the "**Floating Charge Property**"). The floating charge created pursuant to this Clause 3.3 shall be deferred in point of priority to all fixed security validly and effectively created by that Company under this Deed in favour of the Lender as security for the Secured Obligations.

3.4 Qualifying Floating Charge

Paragraph 14 of Schedule B1 of the Insolvency Act 1986 shall apply to any floating charge created by this Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

3.5 Financial Collateral

To the extent that the Charged Property constitutes Financial Collateral, each Company agrees that such Charged Property shall be held or designated so as to be under the control of the Lender (or by a person acting on its behalf) for the purposes of the Financial Collateral Regulations. To the extent that the Charged Property constitutes Financial Collateral and is subject to a Security Financial Collateral Arrangement created by or pursuant to this Deed, the Lender shall have the right at any time after this Deed becomes enforceable, to appropriate all or any part of that Charged Property in or towards the payment or discharge of the Secured Obligations. The value of any Charged Property appropriated in accordance with this Clause shall be (a) in the case of cash, the amount standing to the credit of any account, together with accrued but unposted interest, at the time the right of appropriation is exercised, and (b) in the

case of Investments, the market price of that Charged Property at the time the right of appropriation is exercised, as listed on any recognised market index, or as determined by such other method as the Lender may select (acting reasonably). Each Company agrees that the methods of valuation provided for in this Clause are commercially reasonable for the purposes of Regulation 18 of the Financial Collateral Regulations.

3.6 Implied covenants for title

- (a) The covenants set out in sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clauses 3.1 (Fixed Charges), 3.2 (Security Assignment) or 3.3 (Floating Charges)
- (b) It shall be implied in respect of Clauses 3.1 (Fixed Charges), 3.2 (Security Assignment) or 3.3 (Floating Charges) that each Company is disposing of the Charged Property free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

4 NEGATIVE PLEDGE

4.1 Security

The Companies shall not create or permit to subsist any Security over any of the Charged Property other than the Permitted Security.

4.2 Disposals

The Companies shall not (without the consent of the Lender) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, discount, factor, transfer, assign, lease, lend or otherwise dispose of any of the Charged Property other than the Floating Charge Property in the ordinary course of trading on an arm's length basis.

5 CRYSTALLISATION OF FLOATING CHARGE

5.1 Conversion of Floating Charge

The Lender may at any time by notice in writing to a Company immediately convert the floating charge created by Clause 3.3 (*Floating Charges*) into a fixed charge as regards any property or assets specified in the notice if:

- (a) an Event of Default has occurred and is continuing; or
- (b) the Lender reasonably considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- (c) the Lender reasonably considers that it is desirable in order to protect the priority of the security; or
- (d) any Company requests the Lender to exercise any of its powers under this Deed.

5.2 Automatic Conversion

- (a) If, without the prior written consent of the Lender:
 - (i) a Company creates or attempts to create any Security, over any of the Charged Property other than the Permitted Security;
 - (ii) the Company disposes of any of the Floating Charge Property other than in the ordinary course of trading on an arm's length basis; or

- (iii) any steps are taken for any of the Charged Property to become subject to any Security in favour of any other person other than the Permitted Security; or
- (iv) any person levies or attempts to levy any distress, execution or other process against any of the Charged Property; or
- (v) an Event of Default occurs and is continuing,

the floating charge created under Clause 3.3 (*Floating Charges*) by any Company will automatically be converted (without notice) with immediate effect into a fixed charge in respect of the relevant Floating Charge Property.

- (b) At any time after the floating charge constituted under this Deed shall have crystallised as a fixed charge over all or part of the Charged Property pursuant to this Clause 5 but before the appointment of any Receiver pursuant hereto, the said fixed charge shall upon the written consent of the Lender cease to attach to the assets then subject to the fixed charge and shall again subsist as a floating charge.

6 PERFECTION OF SECURITY

6.1 Deposit of Title Documents

- (a) Immediately following the execution of this Deed (or, if later, the date of acquisition of the relevant Charged Property), each Company shall deposit with the Lender:
 - (i) all deeds and documents of title relating to the Charged Property;
 - (ii) all Insurance Policies to which the Company is entitled to possession; and
 - (iii) at the request of the Lender, all certificates relating to the Investments together with stamped stock transfer forms executed in blank and other documents as the Lender may from time to time require for perfecting its title to the Investments or for vesting or enabling it to vest the Investments in itself or its nominees or in any purchaser and declarations of trust in favour of the Company executed by all persons (other than that Company) in whose name the Investments are registered.

and at any time thereafter deposit with the Lender any further such deeds, certificates and other documents, promptly upon coming into possession of any of those items.

- (b) A breach of clause 6.1(a) will not arise if there are no documents of title in respect of any part of the Charged Property.

6.2 Notices of Assignment

- (a) Each Company shall, promptly following a request by the Lender:
 - (i) give notice, in such form as the Lender shall notify to each Company, to each Account Bank of the charging of the Company's rights and interest in its bank accounts and shall procure that each Account Bank will promptly provide an acknowledgement to the Lender of such notice;
 - (ii) give notice, in such form as the Lender shall notify to each Company, to each person with whom the Company has entered into a Material Contract of the assignment of the Company's rights and interest in and under such Material Contract and shall procure that each addressee of such notice will promptly provide an acknowledgement to the Lender of such notice; and
 - (iii) give notice, in such form as the Lender shall notify to each Company, to each insurer with whom the Company has an Insurance Policy of the assignment of the Company's rights and interest in and under such Insurance Policy and shall procure

that each addressee of such notice will promptly provide an acknowledgement to the Lender of such notice.

6.3 Registration of Intellectual Property

Each Company shall, if requested by the Lender, execute all such documents and do all acts that the Lender may reasonably require to record the interest of the Lender in any registers relating to any registered Intellectual Property.

6.4 Land Registry disposal restriction

- (a) In respect of any Real Property or part of or interest in any Real Property title to which is registered at the Land Registry (or any unregistered land subject to first registration), each Company shall apply or consent to an application being made to the Chief Land Registrar to enter the following restriction on the Register of Title for such Real Property:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the Deed dated [] in favour of Bloomsbury Limited referred to in the charges register or their conveyancer."

- (b) The Lender shall not be liable to any party for the failure by a Company to perfect any Security.

6.5 Tacking

The obligation on the part of the Lender to make further advances to any Company is deemed to be incorporated in this Deed and each Company shall apply to the Chief Land Registrar for a note of such obligation to be entered on the Register of Title of all present and future registered Real Property.

7 FURTHER ASSURANCE

7.1 Extension of covenant

The covenant set out in section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in 7.2 below.

7.2 Further assurance

- (a) Each Company shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Lender may reasonably specify (and in such form as the Lender may reasonably require in favour of the Lender or its nominee(s)):
- (i) to create, perfect, protect and/or maintain the Security created or intended to be created under or evidenced by this Deed (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of this Deed) or for the exercise of any rights, powers and remedies of the Lender provided by or pursuant to any document evidencing the Secured Obligations or by law;
 - (ii) to confer on the Lender any Security over any property and assets of the Company located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this Deed; and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of this Deed.

- (b) Each Company shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Lender by or pursuant to this Deed.

8 REPRESENTATIONS

8.1 General

Each Company makes the representations and warranties set out in this clause 8 to the Lender on the date of this Deed and on each day during the Security Period. Any representation not made on the date of this Deed shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

8.2 Due incorporation

- (a) It is a duly incorporated limited liability company validly existing under the law of its jurisdiction of incorporation; and
- (b) It has the power to own its assets and carry on its business as it is being conducted.

8.3 Powers

It has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of this Deed and the transactions contemplated by it. No limit on its powers will be exceeded as a result of the grant of Security contemplated by this Deed.

8.4 Non-contravention

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not contravene or conflict with:

- (a) its constitutional documents;
- (b) any agreement or instrument binding on it or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or
- (c) any law or regulation or judicial or official order applicable to it.

8.5 Authorisations

It has obtained all required or desirable authorisations to enable it to enter into, exercise its rights and comply with its obligations under this Deed and to make it admissible in evidence in its jurisdiction of incorporation. Any such authorisations are in full force and effect.

8.6 Binding obligations

- (a) Its obligations under this Deed are legal, valid, binding and enforceable; and
- (b) This Deed creates:
 - (i) valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and
 - (ii) subject to registration pursuant to Part 25 of the Companies Act 2006 and, in the case of real property, registration at the Land Registry, perfected Security over the assets referred to in this Deed,

in favour of the Lender having the priority and ranking expressed to be created by this Deed and ranking ahead of all (if any) Security and rights of third parties, except those preferred by law.

8.7 Registration

It is not necessary to file, record or enrol this Deed (other than at Companies House or the Land Registry) with any court or other authority or pay any stamp, registration or similar taxes in relation to this Deed or the transactions contemplated by it.

8.8 No default

- (a) No Event of Default or any other event or circumstance which would, on the expiry of any grace period, the giving of notice, the making of any determination, satisfaction of any other condition or any combination thereof, constitute an Event of Default, has occurred and is continuing.
- (b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination, satisfaction of any other condition or any combination thereof, would constitute) a default or a termination event (however described) under any other agreement or instrument which is binding on it or to which any of its assets is subject which has or is likely to have a material adverse effect on its business, assets or condition, or its ability to perform its obligations under this Deed.

8.9 Litigation

No litigation, arbitration or administrative proceedings are taking place, pending or, to its knowledge, threatened against it, any of its directors or any of its assets.

8.10 Information

The information, in written or electronic format, supplied by, or on behalf of, it to the Lender in connection with this Deed was, at the time it was supplied or at the date it was stated to be given (as the case may be), to the best of its knowledge and belief:

- (a) if it was factual information, complete, true and accurate in all material respects;
- (b) if it was a financial projection or forecast, prepared on the basis of recent historical information and on the basis of reasonable assumptions and was arrived at after careful consideration;
- (c) if it was an opinion or intention, made after careful consideration and was fair and made on reasonable grounds; and
- (d) not misleading in any material respect nor rendered misleading by a failure to disclose other information,

except to the extent that it was amended, superseded or updated by more recent information supplied by, or on behalf of, it to the Lender.

8.11 Investments

The Investments are fully paid.

8.12 Centre of Main Interests

For the purposes of the EU Regulation, its centre of main interests (as that expression is used in Article 3(1) of the EU Regulation, is situated in England and Wales and it has no other "establishment" (as that term is used in Article 2(h) of the EU Regulation) in any other jurisdiction.

9 UNDERTAKINGS

Each Company undertakes to the Lender in accordance with this clause 9. The undertakings in this clause 9 shall remain in force during the Security Period.

9.1 Lease covenants

Each Company shall, in relation to any lease, agreement for lease or other right to occupy to which all or any part of the Charged Property is at any time subject:

- (a) pay the rents (if the lessee) and observe and perform in all material respects the covenants, conditions and obligations imposed (if the lessor) on the lessor or (if the lessee) on the lessee; and
- (b) not do any act or thing whereby any lease or other document which gives any right to occupy any part of the Charged Property becomes or may become subject to determination or any right of re-entry or forfeiture prior to the expiration of its term.

9.2 Real Property

Each Company shall:

- (a) notify the Lender within 14 days of receipt of every material notice, order or proposal given, or made in relation to, the Real Property by any competent authority and (if required by the Lender) immediately provide it with a copy of the same and either:
 - (i) comply with such notice, order or proposal; or
 - (ii) make such objections to the same as the Lender may require or approve;
- (b) duly and punctually pay all rates, rents and other outgoings owed by it in respect of the Real Property;
- (c) comply with all material covenants and obligations affecting any of the Real Property or the manner of use of any of it;
- (d) not, except with the prior written consent of the Lender (such consent not to be unreasonably withheld or delayed), enter into any onerous or restrictive obligation affecting any of the Real Property;
- (e) not do, cause or permit to be done or omit to do anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any of the Real Property;
- (f) maintain all buildings and erections forming part of the Real Property in a good state of repair and condition, provided that nothing in this Clause shall oblige the Company to keep any of its properties, fixtures and fittings in a better state of repair or in better working order or condition than they are at the date of this Deed, or than is required for the business of the Company, and in all cases subject to fair wear and tear;
- (g) not carry out any development within the meaning of section 55 of the Town and Country Planning Act 1990 without first obtaining such permissions as may be required under applicable legislation and, in the case of development involving a substantial change in the structure of or a substantial change in use of, any part of the Real Property, without first obtaining the written consent of the Lender;
- (h) notify the Lender promptly upon the entry into any contract, conveyance, transfer or other disposition for the acquisition by that Company (or its nominee(s)) of any Real Property;
- (i) not, except with the prior written consent of the Lender confer on any person:

- (i) any lease or tenancy of any of the Real Property or accept a surrender of any lease or tenancy (whether independently or under any statutory power);
- (ii) any right or licence to occupy any land or buildings forming part of the Real Property; or
- (iii) any licence to assign or sub-let any part of the Real Property;
- (j) not do or permit to be done anything as a result of which any lease may be liable to forfeiture or otherwise be determined;
- (k) provide the Lender with all information which it may reasonably request in relation to the Real Property;
- (l) authorise the Lender to make any application which the Lender deems appropriate for the designation of this Deed and/or any other document as exempt information documents under rule 136 of the Land Registration Rules 2003 and use its best endeavours to assist with any such application made by or on behalf of the Lender;
- (m) notify the Lender in writing as soon as it receives notice of any person's application under rule 137 of the Land Registration Rules 2003 for the disclosure of this Deed or any other document, following its designation as an exempt information document and not make any application under rule 138 of the Land Registration Rules 2003 for the removal of the designation of such document as an exempt information document;
- (n) notify the Lender immediately upon the acquisition of any Real Property;
- (o) permit the Lender and any person nominated by any of them at all reasonable times with reasonable notice to enter any part of the Real Property and view the state of it;
- (p) grant the Lender on request all reasonable facilities within the power of the Company to allow the Lender (or its lawyers) to carry out (at the Company's expense) investigations of title to the Real Property and to make all enquiries in relation to any part of the Real Property which a prudent mortgagee might carry out;
- (q) immediately upon demand by the Lender, provide the Lender with a report as to title of the Company to the Real Property concerning those items which may properly be sought to be covered by a prudent mortgagee in a lawyer's report of this nature;
- (r) in respect of any Real Property which is acquired after the date of this Deed, title to which is registered at the Land Registry or which is required to be so registered:
 - (i) give written notice of this Deed to the Land Registry and procure that notice of this Deed is clearly noted in the Register of Title for such Real Property; and
 - (ii) procure that no person is registered as proprietor of any such property under the Land Registration Acts 1925 to 2002 without the prior written consent of the Lender.

9.3 Entitlement to remedy

- (a) If any Company fails to comply with any of the undertakings contained in Clauses 9.1 (*Lease covenants*) or 9.2 (*Real Property*), the Lender shall be entitled (with such agents, contractors and others as it sees fit), to do such things as the Lender (acting reasonably) may be required to remedy such failure and all monies spent by the Lender in doing so shall be reimbursed by the relevant Company within 5 Business Days of demand.
- (b) The exercise by the Lender of its powers under this Clause 9.3 shall not render the Lender liable to account as mortgagee in possession.

9.4 Plant and Machinery

Each Company shall:

- (a) maintain at its own expense all Plant and Machinery, fixtures, fittings and other effects for the time being owned by it in good working order and condition, provided that nothing in this Clause shall oblige the Company to keep any of it in a better state of repair or in better working order or condition than they are at the date of this Deed, or than is required for the business of the Company, and in all cases subject to fair wear and tear;
- (b) immediately on request by the Lender, affix to any item of Plant and Machinery a durable notice of this Deed in such form as the Lender may require;
- (c) not make any material alterations or additions to any Plant and Machinery which are reasonably likely to depreciate, jeopardise or prejudice their value or marketability;
- (d) not remove any Plant and Machinery from the Real Property except for the purpose of maintenance pursuant to the terms of this Deed.

9.5 Insurance

Each Company shall:

- (a) ensure that all policies in relation to the Charged Property are on such terms and contain such clauses as the Lender may reasonably require and in particular will require the relevant insurer to inform the Lender of:
 - (i) any cancellation, alteration, termination or expiry of any such insurance at least 30 days before it is due to take effect;
 - (ii) any default in payment of any premium or failure to renew at least 30 days before the renewal date; or
 - (iii) any act, omission or event of which the insurer has knowledge which may make any insurance void, voidable or unenforceable (in whole or in part);
- (b) promptly pay all premiums relating to all policies of insurance;
- (c) supply to the Lender on request copies of each policy of insurance required to be maintained in accordance with this Deed together with current premium receipts relating to it;
- (d) not do or permit to be done or omit to do anything which may render any insurance void, voidable or unenforceable (in whole or in part) nor vary, amend or terminate any policy of insurance;
- (e) if it defaults at any time in effecting or maintaining such insurances or in producing any policy or receipt to the Lender on demand, authorise the Lender to take out or renew such policies of insurance in any sum which the Lender may reasonably think expedient. All moneys which are expended by the Lender in so doing shall be deemed to be properly paid by the Lender and shall be reimbursed by the Company on demand;
- (f) notify the Lender if any claim arises or may be made under the insurances;
- (g) give the Lender the sole right to conduct or settle any insurance claim;
- (h) authorise the Lender to give any discharge for insurance and to direct the application of all moneys received or receivable under any insurances either in making good the loss or damage in respect of which the same have been received or in or towards the discharge of the Secured Obligations.

9.6 Intellectual Property

Each Company shall:

- (a) observe and comply with all material obligations and laws 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) duly register in such register(s), or with such authorities as may be available for the purpose and in such name(s) as may be required by the law and practice of the place or registration, such of its Intellectual Property (and all assignments, licences and mortgages of it) as may be capable of registration in such places;
- (c) not change the specification referred to in any of its registrations of Intellectual Property or permit any disclaimer, condition, restriction, memorandum or other thing to be entered on the registration of any of the trade marks comprised within such Intellectual Property, the effect of which will be to materially and adversely affect the value of such trade marks;
- (d) not grant any licence to any person to use its Intellectual Property in any manner which will materially and adversely affect the value of such Intellectual Property;
- (e) maintain a comprehensive, detailed and up-to-date centralised record of all its Intellectual Property (including details of agents engaged in relation to registrations of it) and, when reasonably requested by the Lender, immediately provide to the Lender a copy of such record and/or a summary of all its Intellectual Property created or acquired since the date of this Deed or the date of last notification.

9.7 Receivables

Each Company shall:

- (a) deal with the Receivables in accordance with any directions given in writing from time to time by the Lender and, in the absence of such directions, hold the Receivables on trust for the benefit of the Lender;
- (b) after the security constituted by this Deed becomes enforceable, comply with any notice served by the Lender on the Company prohibiting the Company from withdrawing all or any monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, except with the prior written consent of the Lender;
- (c) if called upon so to do by the Lender, execute a legal assignment of the Receivables to the Lender in such terms as the Lender may require and give notice thereof to the debtors from whom the Receivables are due, owing or incurred;
- (d) deliver to the Lender such information as to the amount and nature of its Receivables as the Lender may from time to time reasonably require.

9.8 Investments

Each Company shall:

- (a) promptly pay all calls or other payments which may become due in respect of the Investments;
- (b) promptly send to the Lender copies of all notices, circulars, reports, accounts and other documents which are sent to the holders of any Investments;
- (c) at the request of the Lender, procure all consents, waivers and approvals which are necessary, under the articles of association of any Issuer or otherwise, for the transfer of the Investments to the Lender or its nominee or to a purchaser upon the enforcement of

this Deed and to procure the amendment of the share transfer provisions of each Issuer's articles of association in such manner as the Lender may require in order to permit such a transfer;

- (d) if so requested by the Lender:
 - (i) instruct any clearance system to transfer any Investment held by it for the Company or its nominee to an account of the Lender or its nominee with that clearance system; and
 - (ii) take whatever action the Lender may request for the dematerialisation or re-materialisation of any Investment held in a clearance system;
- (e) without prejudice to the above, permit the Lender, at the expense of the Company, to take whatever action it deems necessary for the dematerialisation or re-materialisation of any Investment;
- (f) until the security constituted by this Deed becomes enforceable, be entitled to:
 - (i) receive and retain all dividends, distributions and other moneys paid on or derived from the Investments; and
 - (ii) exercise all voting and other rights and powers attaching to the Investments provided that it must not do so in a manner which is prejudicial to the interests of the Lender under this Deed;
- (g) after the security constituted by this Deed becomes enforceable:
 - (i) hold all dividends, distributions and other moneys paid on or derived from the Investments on trust for the Lender; and
 - (ii) comply and procure that its nominees comply with any directions from the Lender concerning the exercise of all voting and other rights and powers attaching to the Investments;
- (h) at any time after the security constituted by this Deed becomes enforceable, permit the Lender to complete the instrument(s) of transfer for the Investments on behalf of the Company in favour of itself or such other person as it may select.

9.9 Material Contracts

Each Company shall:

- (a) not, without the prior written consent of the Lender, amend or waive any term of any Material Contract, terminate any Material Contract or release any other party from its obligations under any Material Contract;
- (b) duly perform its obligations under each Material Contract, notify the Lender of any material default by it or any other party under any Material Contract and not take any action which would reduce or impede recoveries in respect of any Material Contract;
- (c) provide to the Lender, as soon as practicable upon receipt, copies of all notices which it may from time to time receive from any other party to any Material Contract.

9.10 Centre of Main Interests

No Company shall, without the prior written consent of the Lender, change its centre of main interest (as that expression is used in Article 3(1) of the EU Regulation) to somewhere other than

England and Wales, nor will it have any establishment (as that term is used in Article 2(h) of the EU Regulation) in any other jurisdiction.

9.11 Goodwill

Each Company shall:

- (a) not, except with the prior written consent of the Lender, 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 materially and adversely affect the value of the goodwill of the Company;
- (b) where the prior written consent of the Lender had been given under Clause 9.11(a), comply with Clause 9.7 (*Receivables*) in relation to any income or monies receivable in respect of such franchise, licence or authority as if such income or monies were Receivables.

9.12 Uncalled capital

Each Company shall:

- (a) not call up, or receive in advance of its due date, any uncalled capital; and
- (b) promptly apply any paid capital towards the repayment, in full or in part, of the Secured Obligations.

10 ENFORCEMENT OF SECURITY

10.1 Enforcement

The security constituted by this Deed shall become immediately enforceable if an Event of Default occurs.

10.2 Powers on enforcement

At any time after the security created under this Deed becomes enforceable, the Lender may, without notice to any Company or prior authorisation from any court and whether or not it has appointed a Receiver, in its absolute discretion:

- (a) secure and perfect its title to all or any part of the Charged Property;
- (b) enforce all or any part of the security at the times, in the manner and on the terms it thinks fit and take possession of and hold or dispose of all or any part of the Charged Property (and any assets of the relevant Company which, when got in, would be part of the Charged Property) at the times, in the manner and on the terms it thinks fit (including whether for cash or non-cash consideration);
- (c) exercise all or any of the powers, authorities and discretions conferred on mortgagees by the Law of Property Act 1925 (as varied or extended by this Deed);
- (d) exercise all of the powers conferred on the holder of a qualifying floating charge (as defined in the Insolvency Act 1986) by the Insolvency Act 1986; and
- (e) exercise all or any of the powers conferred by this Deed.

10.3 No Liability as Mortgagee in Possession

Neither the Lender nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Charged Property for which a mortgagee

in possession might otherwise be liable other than in the case of gross negligence or willful default upon its part.

11 POWERS OF THE LENDER

11.1 Extension of Powers

The power of sale conferred on the Lender and on any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Deed.

11.2 Restrictions

Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Deed.

11.3 Power of Leasing

At any time after the security created by this Deed becomes enforceable, the Lender may lease or make arrangements to lease, at a premium or otherwise, and accept surrenders of leases without any restriction and in particular without the need to comply with any restrictions imposed by Sections 99 and 100 of the Law of Property Act 1925. For the purposes of sections 99 and 100 of the Law of Property Act 1925, the expression "Mortgagor" will include any incumbrancer deriving title under any Company and neither section 99(18) nor section 100(12) of the Law of Property Act 1925 will apply.

11.4 Discretion

Any liberty or power which may be exercised or any determination which may be made hereunder by the Lender or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

11.5 Delegation

The Lender and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed (including the power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise of such power, authority or discretion by the Lender or the Receiver itself or any subsequent delegation or revocation thereof.

11.6 Investigations

If an Event of Default occurs then (while it is continuing), the Lender may initiate an investigation of, and/or instruct any report (accounting, legal, valuation or other) on the business and affairs of a Company which it considers necessary to ascertain the financial position of the Company. All fees and expenses incurred by the Lender in connection with such investigations shall be payable by the Company and the Company consents to the provision by the Lender of all information in relation to the Company which the Lender provides to any person in relation to the preparation of any such report.

11.7 Power to Remedy

If at any time a Company does not comply with any of its obligations under this Deed, the Lender may (but shall not be obliged to) rectify such default and the Company irrevocably authorises the Lender, its employees and agents, at the Company's expense, to do all such things as are necessary or desirable to rectify such default.

11.8 Statutory powers

The powers conferred by this Deed on the Lender are in addition to and not in substitution for the powers conferred on mortgagees and mortgagees in possession under the Law of Property Act 1925, the Insolvency Act 1986 or otherwise by law (as extended by this Deed) and such powers shall remain exercisable from time to time by the Lender in respect of any part of the Charged Property. In the case of any conflict between the statutory powers contained in any such acts and those conferred by this Deed, the terms of this Deed shall prevail.

12 APPOINTMENT OF RECEIVER OR ADMINISTRATOR

12.1 Appointment and Removal

- (a) At any time after the security created under this Deed becomes enforceable, or if requested to do so by a Company, the Lender may (by deed or otherwise and acting through its authorised officer) without prior notice to any Company:
 - (i) appoint one or more persons jointly or severally to be a Receiver of the whole or any part of the Charged Property;
 - (ii) appoint two or more Receivers of separate parts of the Charged Property;
 - (iii) remove (so far as it is lawfully able) any Receiver(s) so appointed;
 - (iv) appoint another person(s) as an additional or replacement Receiver(s); and
 - (v) appoint one or more persons to be an Administrator of that Company.
- (b) The Lender may apply to the Court for an order removing an Administrator from office and may by notice in writing in accordance with this clause appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.
- (c) Notwithstanding anything to the contrary in this Deed, neither the obtaining of a moratorium by a Company under schedule A1 to the Insolvency Act 1986 nor the doing of anything by a Company with a view to obtaining such a moratorium (including any preliminary decision or investigation) shall be, or be construed as:
 - (i) an event under this Deed which causes any floating charge created by this Deed to crystallise;
 - (ii) an event under this Deed which causes any restriction which would not otherwise apply to be imposed on the disposal of any property by the Borrower; or
 - (iii) a ground under this Deed for the appointment of a Receiver.

12.2 Capacity of Receivers

Each Receiver shall be:

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver;
- (b) an agent of the relevant Company which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Lender; and
- (c) entitled to remuneration for his services at a rate to be fixed by the Lender from time to time (without being limited to the maximum rate specified in Section 109(6) of the Law of Property Act 1925).

13 POWERS OF RECEIVER

13.1 General Powers

Every Receiver shall have all the powers:

- (a) conferred by the Law of Property Act 1925 on mortgagees in possession and receivers appointed under that Act;
- (b) set out in Schedule 1 to the Insolvency Act 1986; and
- (c) conferred from time to time on receivers by statute.

13.2 Additional Powers

In addition to the powers referred to in Clause 13.1 (*General Powers*) a Receiver shall have the power, at the cost of a Company and either in his own name or in the name of the Company or (with the written approval of the Lender) in the name of the Lender:

- (a) to take possession of, collect and get in all or any part of the Charged Property;
- (b) to carry on, manage or concur in carrying on and managing all or any part of the business of the Company;
- (c) to borrow or raise money and secure the payment of any money in priority to the charges created by this Deed for the purpose of exercising his powers and/or defraying any costs or expenses incurred by him in such exercise;
- (d) without the need to comply with any restrictions imposed by Sections 99 and 100 of the Law of Property Act 1925, to sell, let, lease or concur in selling, letting or leasing and to vary the terms or determine, surrender and to accept surrenders of leases or tenancies of or grant options or licences over all or any part of the Charged Property in any manner and on such terms as he thinks fit and the consideration for any such transaction may consist of cash or of shares or securities of another company (and the amount of such consideration may be dependent on profit or turnover or be determined by a third party) and may be payable in a lump sum or in instalments; all moneys paid to the holder of such Security in accordance with such accounts shall form part of the Secured Obligations;
- (e) to sever any fixtures (including trade and tenants fixtures) from the property of which they form part, without the consent of the Company;
- (f) to exercise all powers, rights and/or obligations under any contract or agreement forming part of the Charged Property, including, without limitation, all voting and other rights attaching to the Investments;
- (g) to make and effect all repairs, renewals, improvements, and insurances;
- (h) to redeem any prior Security in respect of all or any of the Charged Property and to settle and pass the accounts of the holder of such prior Security and any accounts so settled and passed will, in the absence of manifest error, be conclusive and binding on the Company (all moneys paid to the holder of such Security in accordance with such accounts shall form part of the Secured Obligations);
- (i) to promote the formation of subsidiaries of the Company for the purpose of purchasing, leasing, licensing or otherwise acquiring interests in all or any of the assets of the Company and to arrange for any such subsidiaries to trade or cease to trade on such terms as the Receiver thinks fit;
- (j) to take such proceedings and to make any arrangement or compromise which the Lender or the Receiver may think fit;

- (k) to appoint managers, officers and agents at such salaries and for such periods as the Receiver may determine;
- (l) to 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; and/or
- (m) to do all other acts and things as may be considered by the Receiver to be incidental or conducive to the above or otherwise expedient for or incidental or conducive to the preservation, improvement or realisation of the Charged Property.

14 APPLICATION OF MONEYS

14.1 Application

- (a) All moneys received or recovered by the Lender or any Receiver pursuant to this Deed, including any non-cash recoveries, shall (subject to the rights and claims of any person having security ranking in priority to the security constituted by this Deed) be applied in the following order:
 - (i) first, in satisfaction of, or provision for, all costs, charges and expenses incurred by the Lender or any Receiver and the payment of the remuneration of any Receiver;
 - (ii) second, in or towards payment of any debts or claims which are required by law to be paid in preference to the Secured Obligations, but only to the extent to which such debts or claims have such preference;
 - (iii) third, in or towards payment of all matters referred to in the first three paragraphs of Section 109(8) of the Law of Property Act 1925 (other than the remuneration of the Receiver);
 - (iv) fourth, in or towards satisfaction of the Secured Obligations; and
 - (v) fifth, any surplus shall be paid to the relevant Company or any other person entitled thereto.
- (b) Only money actually paid by the Receiver to the Lender, or received or recovered by the Lender under this Deed, shall be capable of being applied in or towards the satisfaction of the Secured Obligations and a Company shall have no rights in respect of the application by the Lender of any sums received, recovered or realised by the Lender under this Deed.

14.2 Suspense Account

Until all Secured Obligations have been irrevocably and unconditionally paid and discharged in full, the Lender 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 Deed in a separate or suspense account to the credit of either a Company or of the Lender without any obligation to apply all or any part of such moneys in or towards the discharge of the Secured Obligations. Amounts standing to the credit of such suspense account shall bear interest at a fair market rate.

14.3 Avoidance of Payments

If the Lender reasonably considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Companies under this Deed and the security constituted hereby shall continue and such amount shall not be considered to have been irrevocably paid.

14.4 Use of insurance proceeds

All moneys receivable by virtue of any of the Insurance Policies shall be paid to the Lender (or if not paid by the insurers directly to the Lender shall be held on trust for the Lender) and shall at the option of the Lender be applied in replacing, restoring or reinstating the Charged Property (any deficiency being made good by the Companies) or (except where the relevant Company is obliged (as landlord or tenant) to lay out such insurance moneys under the provisions of any lease of any Real Property) in reduction of the Secured Obligations.

15 PROTECTION OF PURCHASERS

15.1 Receipts

The receipt of the Lender or its delegate or any Receiver shall be conclusive discharge to a purchaser in any sale or disposal of any of the Charged Property.

15.2 Protection of Purchasers

No purchaser or other person dealing with the Lender or its delegate or any Receiver shall be bound to inquire whether the right of the Lender or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any notice to the contrary, or be concerned to see whether any such delegation by the Lender shall have lapsed for any reason or have been revoked.

16 POWER OF ATTORNEY

16.1 Appointment

Each Company, by way of security and to more fully secure the performance of its obligations under this Deed, irrevocably appoints the Lender and each person to whom the Lender shall from time to time have delegated the exercise of the power of attorney conferred by this Clause and any Receiver jointly and severally to be its attorney and in its name and on its behalf to execute, deliver and perfect all documents and to do all things which the attorney may consider to be necessary for:

- (a) carrying out any obligation imposed on the Company by this Deed that the Company has failed to perform (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Charged Property); and
- (b) enabling the Lender and any Receiver to exercise any of the powers conferred on them by or pursuant to this Deed or by law.

16.2 Ratification

Each Company ratifies and confirms to agree to ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers.

17 CONTINUING SECURITY

17.1 Continuing Security

The security created by or pursuant to this Deed will be a continuing security for the Secured Obligations notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or other matter or thing whatsoever and will be without prejudice and in addition to and shall not merge with any other right, remedy or security which the Lender may hold at any time for the Secured Obligations and will not be affected by any release, reassignment or discharge of such other right, remedy or security.

17.2 Settlements conditional

Any release, discharge or settlement between a Company, the Lender shall be conditional upon no security, disposition or payment to the Lender by the Company or any other person being void, set aside or ordered to be refunded pursuant to any enactment or law relating to bankruptcy or insolvency or for any other reason whatsoever, and if such condition shall not be fulfilled the Lender shall be entitled to enforce this Deed subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.

18 PRIOR SECURITY INTERESTS

18.1 Redemption or transfer

In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Charged Property or in case of exercise by the Lender or any Receiver of any power of sale or right of appropriation or application under this Deed, the Lender may redeem such prior Security or procure the transfer thereof to itself.

18.2 Accounts

The Lender may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on each Company.

18.3 Costs of redemption or transfer

All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by each Company to the Lender on demand.

19 NEW ACCOUNTS

If the Lender at any time receives or is deemed to have received notice of any subsequent Security affecting all or any part of the Charged Property it may open a new account or accounts with a Company. If the Lender does not open a new account or accounts it shall nevertheless be treated as if it had done so as at the time when it received or was deemed to have received such notice and as from such time all payments made to the Lender shall be credited or be treated as having been credited to such new account or accounts and shall not operate to reduce the amount of the Secured Obligations.

20 RELEASE OF SECURITY

20.1 Release of Security

Upon the expiry of the Security Period, the Lender shall, at the request and cost of each Company, release and cancel the Security created by this Deed and procure the reassignment to the relevant Company of the property and assets assigned to the Lender pursuant to this Deed, in each case subject to Clause 20.2 (*Clawback*) and without recourse to, or any representation or warranty by, the Lender or any of its nominees.

20.2 Clawback

If the Lender considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of each Company under this Deed and the Security created by it will continue and such amount will not be considered to have been irrevocably paid or credited.

20.3 Set-Off

Each Company authorises the Lender (but the Lender shall not be obliged to exercise such right), after the Security created by or pursuant to this Deed has become enforceable in accordance with Clause 10 (*Enforcement of Security*), to set off against the Secured Obligations any amount or other obligation owing (contingent or otherwise) by the Lender to any Company and apply any

credit balance to which that Company is entitled on any account with the Lender in accordance with Clause 14 (*Application of Moneys*) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

21 EXPENSES AND INDEMNITY

21.1 Indemnity

Each Company shall, notwithstanding any release or discharge of all or any part of the security constituted by this Deed, indemnify the Lender, its agents, attorneys and any Receiver against any action, proceeding, claim, loss, liability and cost which it may sustain:

- (a) in the exercise (or purported exercise) of any of the rights, powers or discretions vested in them by this Deed (or by law); and/or
- (b) in connection with or otherwise relating to this Deed or the Charged Property.

22 MISCELLANEOUS

22.1 Assignment and disclosure of information

The Lender may assign and transfer all or any of its rights and obligations under this Deed. The Lender shall be entitled to disclose such information concerning the Companies and this Deed as the Lender considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.

22.2 Perpetuity Period

The perpetuity period under the rule against perpetuities, if applicable to this Deed, shall be the period of one hundred and twenty five years from the date of this Deed.

22.3 No Liability

None of the Lender, its delegate(s) nominee(s) or any Receiver shall be liable for any loss by reason of (a) taking any action permitted by this Deed or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all or any part of the Charged Property, except in the case of gross negligence or wilful default upon its part.

22.4 Remedies and Waivers

No failure on the part of the Lender to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver thereof, nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right.

23 NOTICES

23.1 Communications in writing

Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by email or letter.

23.2 Addresses

The address or email (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Deed is:

- (a) in the case of a Company, that identified with its name in Schedule 1 (*The Companies*) below or the Company's registered office;

(b) in the case of the Lender:

Unit 7 Britannia Way, Britannia Business Park, Malvern, Worcestershire, WR14 1GZ

Email: ~~adamtrow@xypexuk.com~~ ^{not} adamtrow@bloomsbury-uk.com

or any substitute address, email, or department or officer as one party may notify to the other party by not less than seven days' notice.

23.3 Delivery

(a) Subject to clause 23.3(b) below, any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:

- (i) if by way of email, when sent in legible form; or
- (ii) if by way of letter, when it has been left at the relevant address or four days following the day on which it was despatched by first-class mail postage prepaid,

and, if a particular department or officer of any Party is specified on the execution page below, if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer (or any substitute department or officer) as the Lender may specify from time to time for this purpose.

23.4 Internet communications

Each Company acknowledges that internet communications are not secure and may be intercepted by third parties, and, as such, the Lender does not accept any responsibility, legal or otherwise, for any interception of internet communications or interference by third parties.

24 COUNTERPARTS

This Deed may be executed in any number of counterparts, each of which is an original and all of which together evidence the same agreement.

25 GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with English law.

26 JURISDICTION

26.1 English Courts

The courts of England have exclusive jurisdiction to settle any disputes (a "**Dispute**") arising out of, or connected with this Deed (including a dispute regarding the existence, validity or termination of this Deed or the consequences of its nullity).

26.2 Convenient Forum

The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

26.3 Exclusive Jurisdiction

This Clause 26 is for the benefit of the Lender only. As a result and notwithstanding Clause 26.1 (*English Courts*), it does not prevent the Lender from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law the Lender may take concurrent proceedings in any number of jurisdictions.

THIS DEED has been signed on behalf of the Lender and **EXECUTED AS A DEED** by the Companies and is delivered by them on the date first specified above.

SCHEDULE 1 **THE COMPANIES**

Name of Company	Company number	Registered Office	Email
HC 1322 Limited	12586105	Unit 7 Britannia Business Centre, Britannia Way, Malvern, Worcestershire, United Kingdom, WR14 1GZ	adamtrow@xypexuk.com bloomsbury.uk.com HLL
HC1323 Limited	12586091	Unit 7 Britannia Business Centre, Britannia Way, Malvern, Worcestershire, United Kingdom, WR14 1GZ	adamtrow@xypexuk.com bloomsbury.uk.com HLL

**SCHEDULE 2
REAL PROPERTY**

Part A
Registered Land

Company	Address	Title Number

Part B
Unregistered Land

		Document describing the Real Property		
Company	Address	Date	Document	Parties

EXECUTION CLAUSES TO THE GUARANTEE AND DEBENTURE

Executed as a deed by

HC 1322 LIMITED

acting by a director in the presence of:

Director

Witness signature

Witness name
(block capitals)

Witness address

Witness Occupation *PERSONAL ASSISTANT*

Executed as a deed by

HC 1323 LIMITED

acting by a director in the presence of:

Director

Witness signature

Witness name
(block capitals)

Witness address

Witness Occupation *PERSONAL ASSISTANT*

Executed as a deed by
BLOOMSBURY LIMITED

acting by a director in the presence of:

 Director

Witness signature

Witness name
(block capitals)

Witness address

Witness Occupation *PERSONAL ASSISTANT*