



Registration of a Charge

Company name: **A4 LASER LABELS LIMITED**

Company number: **10798259**

Received for Electronic Filing: **29/03/2021**



XA1APVP6

Details of Charge

Date of creation: **26/03/2021**

Charge code: **1079 8259 0001**

Persons entitled: **C.F. LABELS LTD (IN ADMINISTRATION)**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **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:

CHRIS PARRY



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10798259

Charge code: 1079 8259 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 26th March 2021 and created by A4 LASER LABELS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th March 2021 .

Given at Companies House, Cardiff on 30th March 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**

HILL DICKINSON

Dated 26 March 2021

DEBENTURE

Between

(1) A4 LASER LABELS LIMITED

and

(2) C.F. LABELS LTD (IN ADMINISTRATION)

and

(3) MICHAEL DILLON AND KATY MCANDREW AS
JOINT ADMINISTRATORS OF THE SELLER

Debenture in favour of C.F. LABELS LTD (in
administration) as seller of certain assets under a
sale and purchase agreement

CONTENTS

CLAUSE		PAGE
1	INTERPRETATION	1
2	COVENANT TO PAY	4
3	GRANT OF SECURITY	4
4	CONVERSION OF FLOATING CHARGE	5
5	REPRESENTATIONS	6
6	UNDERTAKINGS	7
7	RIGHTS OF ENFORCEMENT	11
8	POWERS OF A RECEIVER	13
9	APPLICATION OF PROCEEDS	14
10	PROTECTION OF THIRD PARTIES	14
11	PROTECTION OF SELLER	15
12	SAVING PROVISIONS	15
13	EXCLUSIONS	17
14	ADMINISTRATORS	18
15	PARTIAL INVALIDITY	18
16	REMEDIES AND WAIVERS	18
17	CHANGES TO THE PARTIES	19
18	NOTICES	19
19	COUNTERPARTS	19
20	GOVERNING LAW	19
21	JURISDICTION	19
22	EXECUTION	20

THIS DEED is made on

26 March 2021

BETWEEN:

- (1) **A4 LASER LABELS LIMITED** incorporated and registered in England and Wales with company number 10798259 whose registered office is at Unit 1, Lancaster House Buxton Road, New Mills, High Peak, Sk22 3JT (**Buyer**);
- (2) **C.F. LABELS LTD** (in administration) incorporated and registered in England and Wales with company number: 06077065 whose registered office is at 123 Wellington Road South, Stockport, SK1 3TH (**Seller**) acting by the Administrators; and
- (3) **MICHAEL DILLON** and **KATY MCANDREW** as joint administrators of the Seller, both of Leonard Curtis Business Rescue and Recovery of Riverside House, Irwell Street, Manchester, M3 5EN (**Administrators**);

BACKGROUND

- (A) On ~~[26 March]~~, the Administrators were appointed administrators of the Seller.
- (B) The Seller, the Administrators and the Buyer agreed to the transfer of various assets on the terms of and subject to the SPA (as defined below).
- (C) As a result of completing the SPA, the Buyer owes the Secured Obligations to the Seller and has agreed to execute this Deed to secure the payment of the Secured Obligations to the Seller.
- (D) The Administrators are joined as a party to this Deed for the purposes of receiving the benefit of the waivers, exclusions of liability and indemnities in their favour contained in this Deed.

IT IS AGREED as follows:

1 INTERPRETATION

1.1 Definitions

In this Deed the following words and expressions have the following meanings unless the context otherwise requires:

Assigned Asset means any assets expressed to be assigned under clause 1.1;

Associated Benefits means in respect of any asset:

- (a) all monies including (where relevant) all rent, dividends, distributions, profits, compensation, damages, income or interest paid or payable relating to that asset; and
- (b) all rights, benefits, claims or property at any time relating to that asset;

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

Buyer's Book Debts means in relation to any Buyer, all book and other debts, revenues and monetary claims of or owing to, or other amounts recoverable or receivable by, that Buyer and any rights or claims of that Buyer in respect of such debts, revenues and monetary claims;

Charged Property means the assets of the Buyer which from time to time are, or are expressed to be, the subject of any Security created by this Deed;

Enforcement Event has the meaning given in clause 7.3;

Finance Debt means any indebtedness for or in respect of:

- (a) the Secured Obligations;
- (b) moneys borrowed;
- (c) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (d) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (d) above;

Floating Charge Asset means at any time, any Charged Property which, at that time, is the subject of the floating charge created by this Deed;

Guarantor means Stephen Plant

IA 1986 means the Insolvency Act 1986;

Insurances means all contracts or policies of insurance of whatever nature;

LPA 1925 means the Law of Property Act 1925;

Real Property means:

- (a) all estates or interests in any freehold or leasehold property;
- (b) any buildings, fixtures, fittings, fixed plant or machinery at any time situated on or forming part of that property;
- (c) all easements, rights, agreements and other benefits in respect of that property; and
- (d) the benefit of any covenants for title given or entered into by any predecessor in title of the Buyer in respect of that property;

Receiver means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property;

Secured Obligations means all present and future liabilities and obligations at any time due, owing or incurred by the Buyer to the Seller or the Administrators pursuant to clauses 3.2 & 3.3 of the SPA, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity together with any expenses, losses and liabilities incurred by the Seller and the Administrators in connection with this Deed;

Security means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

SPA means the agreement dated the date of this Deed between the Buyer, the Seller the Administrators and the Guarantor for the sale and purchase of the business and assets of the Seller.

1.2 Construction

1.2.1 Unless a contrary indication appears in this Deed:

1.2.1.1 terms defined in the SPA have the same meaning in this Deed; and

1.2.1.2 the provisions of clause 1.2 (*Construction*) of the SPA apply to this Deed as if set out in full in this Deed except that references to the SPA will be construed as references to this Deed.

1.2.2 Unless a contrary indication appears, any reference in this Deed to:

1.2.2.1 the "Buyer" or the "Seller" or any other person will be construed so as to include its successors in title;

1.2.2.2 a document in "**agreed form**" is a document which is in the form specified by the Seller and the Administrators;

1.2.2.3 a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership or other entity (whether or not having separate legal personality);

1.2.2.4 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 of any regulatory, self-regulatory or other authority or organisation;

1.2.2.5 a provision of law is a reference to that provision as amended or re-enacted;

1.2.2.6 a time of day is a reference to London time;

1.2.2.7 any asset includes present and future properties, revenues and rights of every description, all proceeds of sale of such asset, all rights under any agreement for the sale, lease or licence of such asset and any monies paid or payable in respect of such asset;

1.2.2.8 the "**SPA**" or any other agreement or instrument is a reference to the SPA or other agreement or instrument as amended, novated, supplemented, extended or restated; and

1.2.2.9 an account is a reference to that account as re-designated, re-numbered, substituted or replaced from time to time.

1.2.3 Section, clause and Schedule headings are for ease of reference only.

1.2.4 An Enforcement Event is "**continuing**" if it has not been waived.

1.2.5 Where this Deed includes the words "**including**", "**in particular**" or "**or otherwise**" (or similar words or phrases), the intention is to state examples and not to be exhaustive.

1.2.6 References to any Security "**created by this Deed**" are to be deemed to include such Security created or intended to be created, constituted, given, made or extended by, under or evidenced by this Deed.

1.3 Incorporation of other terms

1.3.1 The terms of the SPA and of any other agreement or document between any of the parties to this Deed are incorporated into this Deed and any Deed of Accession to the extent required to comply with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

- 1.3.2 In the event of a conflict between the terms of this Deed and the SPA, the terms of this Deed prevail.

1.4 Third party rights

- 1.4.1 Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 (the "Third Parties Act") to enforce or enjoy the benefit of any term of this Deed.
- 1.4.2 Notwithstanding any term of this Deed, the consent of any person who is not a party to this Deed is not required to rescind or vary this Deed at any time.
- 1.4.3 Any Receiver may, subject to this clause 1.4 and the Third Parties Act, rely on any clause of this Deed which expressly confers rights on it.

2 COVENANT TO PAY

The Buyer, as principal debtor and not just as surety, covenants with the Seller and the Administrators to pay or discharge the Secured Obligations in the manner provided for in the SPA.

3 GRANT OF SECURITY

3.1 Mortgage

The Buyer charges by way of first legal mortgage:

HDAF

- 3.1.1 ~~all its Real Property described opposite its name in Error! Reference source not found.~~
~~found in Error! Reference source not found. (Details of Charged Property), and~~
- 3.1.2 all its other Real Property as at the date of this Deed.

3.2 Fixed charges

The Buyer charges by way of first fixed charge:

- 3.2.1 to the extent not effectively mortgaged under clause 3.1 (*Mortgage*), all its Real Property as at the date of this Deed;
- 3.2.2 all its Real Property acquired after the date of this Deed;
- 3.2.3 all its plant and machinery, vehicles, computers and other equipment, excluding stock in trade, to the extent not otherwise effectively mortgaged or charged under this Deed;
- 3.2.4 all its shares, securities and investments;
- 3.2.5 all its accounts, in each case all monies (including interest) at any time standing to the credit of such account;
- 3.2.6 all its goodwill and uncalled capital;
- 3.2.7 all rights, benefits and interests under each agreement to which it is party that is not an Assigned Asset and any agreement in, under or to which it has any rights by virtue of the Third Parties Act;
- 3.2.8 to the extent that any Assigned Asset is incapable for any reason of being assigned or is not effectively assigned in each case under clause 1.1 (*Assignment*), each Assigned Asset; and

3.2.9 save to the extent assigned under clause 1.1 (*Assignment*), all Associated Benefits relating to the Charged Property.

3.3 Floating charge

3.3.1 The Buyer charges by way of floating charge all its assets and undertaking not at any time effectively mortgaged, charged or assigned under this Deed.

3.3.2 Paragraph 14 of Schedule B1 IA 1986 applies to any Security created by this Deed.

3.4 General

All Security created by this Deed:

3.4.1 is created in favour of the Seller and the Administrators;

3.4.2 unless specifically stated otherwise, is created over the present and future assets of the Buyer to the extent of its rights, title and interest in, under and to such assets at any time; and

3.4.3 is created with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

3.5 Continuing security

The Security created by this Deed is continuing security for the payment and discharge of the Secured Obligations. The provisions of this Deed will apply at all times:

3.5.1 regardless of the date on which the Secured Obligations were incurred;

3.5.2 notwithstanding any intermediate payment or discharge; and

3.5.3 in respect of the full amount of the Secured Obligations at the relevant time even if the amount of the Secured Obligations had previously been less than that amount or had been nil at any time.

3.6 Independent Security

The Security created by this Deed is in addition to and is not in any way prejudiced by any other guarantee or Security now or subsequently held by the Seller or the Administrators. No prior Security held by the Seller or the Administrators over the whole or any part of the Charged Property will merge with the Security created by this Deed.

3.7 Validity of details of Charged Property

The fact that incorrect or incomplete details of any Charged Property are included or inserted in any Schedule will not affect the validity or enforceability of the Security created by this Deed.

4 CONVERSION OF FLOATING CHARGE

4.1 Conversion by notice

The Seller or the Administrators may, by notice to the Buyer, crystallise and convert the floating charge created under this Deed into a fixed charge over any or all of the Floating Charge Assets if:

4.1.1 an Enforcement Event occurs which is continuing;

4.1.2 the Seller or the Administrators become aware of any intention or proposal to appoint a liquidator, administrative receiver, receiver, administrator or other similar officer in respect of the Buyer or any of its assets; or

4.1.3 the Seller or the Administrators consider that any Floating Charge Asset is in danger of being seized, or sold under any legal process, or such assets are otherwise in jeopardy.

4.2 Automatic conversion

4.2.1 The floating charge created under this Deed will automatically crystallise and convert into fixed charges over the Floating Charge Assets if a liquidator, administrative receiver, receiver, administrator or other similar officer is appointed in respect of the Buyer or any of its assets.

4.2.2 No floating charge created under this Deed will automatically crystallise and convert into a fixed charge solely by reason of a moratorium being obtained under section 1A or Schedule A1 IA 1986 (or anything being done with a view to obtaining a moratorium).

5 REPRESENTATIONS

The Buyer represents to the Seller and the Administrators that:

5.1 Status

It is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation and it has the power to own its assets and carry on its business as it is being conducted.

5.2 Binding obligations

The obligations expressed to be assumed by it in this Deed are legal, valid, binding and enforceable obligations (subject to the principal that equitable remedies are discretionary).

5.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, this Deed and the granting of the Security under this Deed do not and will not conflict with any law or regulation applicable to it, its constitutional documents, or any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument.

5.4 Power and authority

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

5.5 Validity and admissibility in evidence

All authorisations required or desirable:

5.5.1 to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Deed; and

5.5.2 to make this Deed admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect.

5.6 Insolvency

No corporate action, legal proceedings or other procedure or step has been taken in any jurisdiction under any law relating to insolvency in relation to:

- 5.6.1 the suspension of its payments, a moratorium of its indebtedness, or for its winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);
- 5.6.2 a composition, compromise, assignment or arrangement of its debts with any one or more creditors; or
- 5.6.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of itself or any of its assets.

5.7 No default

No Enforcement Event is continuing or might reasonably be expected to result from the execution of this Deed or from effect being given to its provisions and no person who holds any Security over any of its assets has enforced such Security.

5.8 Ownership of and title to Charged Property

It is the sole legal and beneficial owner of the Charged Property free from any Security other than the Security created under this Deed. It has good, valid and marketable title to the Charged Property.

5.9 Ranking of Security

The Security created by this Deed constitutes a first priority security interest of the type described over the Charged Property and the Charged Property is not subject to any prior or pari passu Security.

5.10 Repetition

Each of the representations given in this clause 5 (*Representations*) are deemed to be made by the Buyer by reference to the facts and circumstances then existing, on the date of delivery of this Deed and on the first day of each of its financial quarters following the delivery of this Deed.

6 UNDERTAKINGS

6.1 Negative pledge and restriction on dealing

- 6.1.1 Save as agreed between the parties the Buyer may not create or permit to subsist any Security over any of its assets
- 6.1.2 The Buyer may not without the express written consent of the Seller acting by the Administrators (which shall not be unreasonably withheld).:
 - 6.1.2.1 sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - 6.1.2.2 enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

6.1.2.3 enter into any other preferential arrangement having a similar effect, in circumstances where the arrangement or transaction is entered into primarily as a method of raising finance or of financing the acquisition of an asset.

6.2 Maintenance of assets

The Buyer must maintain the Charged Property in good working order and condition (ordinary wear and tear excepted).

6.3 Charged Property

The Buyer will, promptly upon request by the Seller or the Administrators at any time:

6.3.1 deposit with the Seller or the Administrators all documents (that are within the Buyer's possession or control) of title or other evidence of ownership, together with such deeds, certificates and documents as the Seller or Administrators may require, relating to its Charged Property;

6.3.2 ; and

6.3.3 provide the Seller and the Administrators with all information they may reasonably request in relation to their Charged Property.

6.4 Insurances

6.4.1 The Buyer must insure against all risks in respect of which a prudent company carrying on a business similar to the Buyer's would normally maintain insurance which insurance:

6.4.1.1 provides cover for the full replacement value of the relevant property together with all related costs and losses; and

6.4.1.2 is in an amount, and in form, and with an insurance company or underwriters, acceptable at all times to the Seller and the Administrators.

6.4.2 The Buyer must use reasonable endeavours to ensure that the Seller and the Administrators receives copies of the insurances, receipts for the payment of premiums for insurance and any information in connection with the insurances and claims under them which the Seller or the Administrators may reasonably require.

6.4.3 The Buyer must comply with the terms of the insurances and not do or permit anything reasonable to be done which may make void or voidable any of the insurances.

6.4.4 The Buyer must ensure that:

6.4.4.1 each premium for the insurances is paid promptly and in any event prior to the commencement of the period of insurance for which that premium is payable; and

6.4.4.2 all other things necessary are done so as to keep each of the insurances in force.

6.4.5 If the Buyer fails to comply with any term of this clause 6.4, the Seller or the Administrators may, on written notice to the Buyer and at the reasonable expense of the Buyer, effect any insurance and generally do such things and take such other

action as the Seller or Administrators may reasonably consider necessary or desirable to prevent or remedy any breach of this clause 6.4.

6.5 Investments

6.5.1 The Buyer may not without the express written consent of the Seller acting by the Administrators (which shall not be unreasonably withheld).:

6.5.1.1 take or permit the taking of any action which may adversely affect the value of any of its shares or investments or result in the rights attaching to any of its shares or investments being altered or diluted; or

6.5.1.2 except where the Seller and the Administrators so requires or permits, nominate another person to enjoy or exercise any of its rights in relation to any of its shares or investments.

6.5.2 Subject to clause 6.5.1 and provided that no Enforcement Event is continuing, the Buyer may:

6.5.2.1 receive and retain all dividends or other income paid or payable in respect of its shares and investments; and

6.5.2.2 exercise all voting and other rights attaching to its shares and investments,

provided that it does so for a purpose not inconsistent with this Deed.

6.5.3 While any Enforcement Event is continuing, the Buyer will:

6.5.3.1 hold any dividends or other income received in respect of its shares and investments on trust for the Seller and the Administrators and pay such amounts into a separate account or otherwise as the Seller or the Administrators may direct; and

6.5.3.2 exercise all voting and other rights attaching to its shares and investments as the Seller or the Administrators may direct.

6.6 Intellectual Property

Promptly following the request of the Seller, the Buyer will procure that an entry is made in each relevant public register of its Intellectual Property to record the existence of this Deed and the restrictions imposed by it.

6.7 Contracts to which it is a party

6.7.1 The Buyer will:

6.7.1.1 perform its obligations and exercise its rights (including ensuring the due performance of the obligations of the relevant counterparties) under each of its contracts to which it is party in a diligent and timely manner;

6.7.1.2 not make or agree to make any amendments or modifications to, nor waive any of its rights under, nor exercise any right to terminate any of its contracts to which it is party, except, in each case, as permitted under the SPA or where such decisions are taken in the ordinary course of the Business.

6.7.2 Subject to clause 6.7.1 (*Contracts to which it is party*) and provided that no Enforcement Event is continuing, the Buyer may exercise its rights under each Specified Contract without further reference to the Seller, unless such exercise is reasonably likely to result in an Enforcement Event, adversely affect the value of the Charged Property or prejudice the interests of the Seller or the Administrators under the SPA.

6.7.3 While any Enforcement Event is continuing, the Buyer will exercise its rights under each of its contracts only in accordance with the instructions of the Seller and the Administrators.

6.8 Further assurance

The Buyer will promptly take all actions, including executing all documents, notices and instructions in such form as the Seller and the Administrators may reasonably require:

6.8.1 to create, perfect, protect and (if necessary) maintain the Security created or intended to be created over any of its assets under this Deed or for the exercise of any rights, powers and remedies of the Seller and the Administrators provided by or under this Deed or by law or regulation;

6.8.2 to confer on the Seller and the Administrators security interests in or over any of its assets located in any jurisdiction other than England and Wales equivalent or similar to the Security created or intended to be created by this Deed; and

6.8.3 to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by this Deed.

6.9 Power to remedy

If the Buyer fails to comply with any of its obligations under this Deed, the Seller or the Administrators may on reasonable written notice to the Buyer (at the Buyer's reasonable expense) take such action as is necessary to protect any assets against the consequences of the Buyer's non-compliance and to ensure compliance with such obligations. The Seller and the Administrators are not obliged to perform any obligation of the Buyer nor to take any action which it may be entitled to take under this Deed.

6.10 Power of attorney

6.10.1 As security for the performance of its obligations under this Deed, the Buyer irrevocably and severally appoints the Seller, each Administrator and each Receiver to be its attorney, with full power of substitution.

6.10.2 The attorney may, in the name of the Buyer and on its behalf and at its expense (such expense to be reasonably and properly incurred), do anything which the Buyer is obliged to do under the SPA but has failed to do or which the Seller, Administrators or Receiver may in their absolute discretion consider appropriate in connection with the exercise of any of their rights, powers, authorities or discretions in relation to the Charged Property under or otherwise for the purposes of the SPA, any law or regulation or in furtherance of the purpose of the Administration.

6.10.3 The Buyer ratifies and confirms anything done by any attorney under this clause 6.10 (*Power to remedy*). The Buyer agrees to indemnify the attorney against all actions, claims, demands and proceedings taken or made against it and all costs which are reasonably and properly incurred, damages, expenses which are reasonably and properly incurred, liabilities and losses incurred by the attorney as a result of or in connection with anything lawfully done by it under or in connection with this power of attorney.

7 RIGHTS OF ENFORCEMENT

7.1 Secured Obligations deemed payable

For the purposes of all rights and powers implied by statute, the Secured Obligations are deemed to be due and payable on the date of this Deed.

7.2 When Security enforceable

The Security created by this Deed is enforceable at any time while an Enforcement Event has occurred;

7.3 Enforcement Events

Each of the following will be an Enforcement Event:

- 7.3.1 the Buyer does not pay on the due date any amount due under the SPA or this Deed at the place and in the currency in which it is expressed to be payable;
- 7.3.2 the Buyer does not comply with any provision of this Deed;
- 7.3.3 any Finance Debt of the Buyer is not paid when due nor within any originally applicable grace period;
- 7.3.4 any Finance Debt of the Buyer is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);
- 7.3.5 any commitment for any Finance Debt is cancelled or suspended by a creditor of the Buyer as a result of an event of default (however described);
- 7.3.6 any creditor of the Buyer becomes entitled to declare any Finance Debt of the Buyer due and payable prior to its specified maturity as a result of an event of default (however described);
- 7.3.7 the Buyer:
 - 7.3.7.1 is unable or admits inability to pay its debts as they fall due;
 - 7.3.7.2 is deemed to, or is declared to be unable to pay its debts under applicable law;
 - 7.3.7.3 suspends or threatens to suspend making payments on any of its Finance Debts; or
 - 7.3.7.4 by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to compromising or rescheduling any of its Finance Debts;
- 7.3.8 the value of the assets of the Buyer is less than its liabilities (taking into account contingent and prospective liabilities);
- 7.3.9 a moratorium is declared in respect of any Finance Debt of the Buyer. If a moratorium occurs, the ending of the moratorium will remedy any Enforcement Event caused by that moratorium;
- 7.3.10 any corporate action, legal proceedings or other procedure or step is taken in relation to:

- 7.3.10.1 , a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Buyer;
- 7.3.10.2 a composition, compromise, assignment or arrangement with one or more creditors of the Buyer if such occurrences are detrimental to the Seller;
- 7.3.10.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, officer under any law relating to insolvency or other similar officer in respect of the Buyer or any of its assets; or
- 7.3.10.4 enforcement of any Security over any assets of the Buyer, or any analogous procedure or step is taken in any jurisdiction;
- 7.3.11 any expropriation, attachment, sequestration, distress, execution, taking of control or recovery or any analogous process in any jurisdiction in relation to any asset or assets of a the Buyer;
- 7.3.12 it is or becomes unlawful for the Buyer to perform any of its obligations under the SPA or any Security created or expressed to be created or evidenced by this Deed ceases to be effective; and
- 7.3.13 this Deed ceases to be in full force and effect or any Security created under this Deed ceases to be legal, valid, binding, enforceable or effective.

7.4 Enforcement powers

At any time (a) when an Enforcement Event is occurring or (b) following a request by the Buyer, the Seller or the Administrators may, without further notice:

- 7.4.1 appropriate, realise or transfer, including to itself or to any other person, all or any part of the Charged Property;
- 7.4.2 appoint one or more persons to be a Receiver of all or any part of the Charged Property;
- 7.4.3 appoint an administrator of the Buyer;
- 7.4.4 exercise any of the powers, authorities and discretions conferred on mortgagees, administrators or receivers, under LPA 1925, IA 1986, any other legislation or regulation or under this Deed; and
- 7.4.5 take such further action as it sees fit to enforce all or any part of the Security created by this Deed.

7.5 Rights in relation to a Receiver

The Seller and the Administrators may remove any Receiver appointed under this Deed, appoint another person as Receiver or appoint additional Receivers. Each Receiver will be deemed to be the agent of the Buyer who alone will be responsible for the acts and defaults of the Receiver and for any liabilities reasonably incurred by the Receiver which shall form part of the Secured Obligations.

7.6 Demands

Any demand for payment made by the Seller or the Administrators will be valid and effective even if it contains no statement of the Secured Obligations or an inaccurate or incomplete statement of them.

8 POWERS OF A RECEIVER

8.1 General powers

Any Receiver will have:

- 8.1.1 the rights, powers, privileges and immunities conferred on receivers, receivers and managers and mortgagees in possession under LPA 1925;
- 8.1.2 the rights, powers, privileges and immunities conferred on administrative receivers (whether or not that Receiver is an administrative receiver) under IA 1986; and
- 8.1.3 all other rights, powers, privileges and immunities conferred by law or regulation on receivers, receivers and managers, mortgagees in possession and administrative receivers.

8.2 Specific powers

The rights, powers and remedies provided in this Deed are in addition to any rights powers and remedies under law or regulation. Any Receiver will have the following additional powers:

- 8.2.1 the power to do or omit to do anything which the Buyer could do or omit to do in relation to the Charged Property which is the subject of the appointment;
- 8.2.2 the power to do all other acts and things which the Receiver may consider desirable or necessary for realising any of the Charged Property or incidental or conducive to any of the rights, powers and discretions conferred on a Receiver under this Deed or by law or regulation; and
- 8.2.3 the power to use the Buyer's name for all the above purposes.

8.3 Variation of statutory powers

The following statutory provisions do not apply to this Deed or any Security created by this Deed:

- 8.3.1 the restriction on the consolidation of mortgages in section 93 LPA 1925;
- 8.3.2 the restrictions on the power to grant or accept the surrender of leases in sections 99 and 100 LPA 1925;
- 8.3.3 the conditions to the exercise of a power of sale in section 103 LPA 1925;
- 8.3.4 the restrictions on the application of proceeds by a mortgagee or receiver in sections 105, 107(2) and 109(8) LPA 1925; and
- 8.3.5 the restrictions on the appointment of a receiver in section 109(1) LPA 1925 and the provisions regarding a receiver's remuneration in section 109(6) LPA 1925.

9 APPLICATION OF PROCEEDS

9.1 Order of priority

All amounts received by the Seller, the Administrators or any Receiver in connection with the enforcement of the Security created by this Deed will be applied, to the extent permitted by applicable law, in the following order of priority:

- 9.1.1 in discharging any sums owing to the Seller, the Administrators and any Receiver;
- 9.1.2 in payment of all costs and expenses incurred by the Seller, the Administrators and any Receiver in connection with any realisation or enforcement of the security created under this Deed; and
- 9.1.3 in discharge of the Secured Obligations;
- 9.1.4 in payment or distribution to any person whom the Seller, Administrators or Receiver are obliged to pay or distribute in priority to the Buyer; and
- 9.1.5 the balance, if any, in payment or distribution to the Buyer.

9.2 Suspense account

The Seller, the Administrators and any Receiver may credit any monies at any time received or realised under this Deed to an interest-bearing suspense account, for so long and on such terms as the Seller and the Administrators may determine pending their application towards discharging the Secured Obligations.

9.3 New accounts

If the Seller or the Administrators receive or are deemed to have received notice of subsequent Security over the Charged Property, they may open a new account with the Buyer. If the Seller or the Administrators does not open a new account, they will be treated as having done so at the time when such notice was received and as from that time all payments made by or on behalf of the Buyer to the Seller or the Administrators will be credited or be treated as having been credited to the relevant new account and not as having been applied in discharge of the Secured Obligations.

9.4 Release of Charged Property

If the Seller and the Administrators are satisfied that all the Secured Obligations have, subject to clauses 12.1 (*Reinstatement*) and 12.2 (*Avoidable payments*), been unconditionally and irrevocably paid and discharged in full, the Seller and Administrators will, at the request and cost of the Buyer, execute such documents and take such steps as may be necessary to release the Charged Property from the Security created by this Deed.

10 PROTECTION OF THIRD PARTIES

10.1 No buyer from, or other person dealing with the Seller, the Administrators or a Receiver will be concerned to enquire whether:

- 10.1.1 any money remains due under the SPA;
- 10.1.2 any power which the Seller, the Administrators or Receiver is purporting to exercise has arisen or become exercisable; or
- 10.1.3 the Seller, the Administrators or any Receiver is validly appointed and acting within its powers in accordance with this Deed.

- 10.2 The receipt of the Seller, the Administrators or any Receiver will be an absolute and conclusive discharge to a purchaser of any of the Charged Property who will have no obligation to enquire how any monies are applied.

11 PROTECTION OF SELLER

11.1 No liability as mortgagee in possession

The Seller and the Administrators will not be liable to account to the Buyer as mortgagee in possession by reason of entering into possession of any of the Charged Property, or for any cost, loss or liability on realisation, nor for any default or omission for which a mortgagee in possession might be liable.

11.2 Tacking

The Security created by this Deed is intended to secure any further advances which the Seller or the Administrators are obliged to make under the SPA or any other document.

11.3 Discretion of the Seller and the Administrators

The Seller and the Administrators are entitled to exercise their rights, powers and discretions under this Deed as they see fit and the Buyer has no right to control or restrict the Seller and the Administrators' exercise of any of their rights, powers or discretions under this Deed.

11.4 Indemnity

The Buyer will indemnify the Seller and the Administrators against all reasonably incurred losses, liabilities, costs, damages and expenses that the Seller and the Administrators do or will incur or suffer, all claims or proceedings made, brought or threatened against the Seller and the Administrators by any person and all losses, liabilities, costs, damages and expenses the Seller and the Administrators do or will incur or suffer as a result of defending or settling any such actual or threatened claim or proceeding, in each case arising out of or in connection with:

11.4.1 this Deed;

11.4.2 the Charged Property; and

11.4.3 any personal liability of the Administrators in connection with this Deed or the Charged Property.

unless where they arise from the negligence of Seller or the Administrators.

12 SAVING PROVISIONS

12.1 Reinstatement

If, at any time, there has been a release, settlement or discharge of the Buyer's obligations under this Deed and, as a consequence of any insolvency (or analogous) proceedings or for any other reason:

12.1.1 any payment made to any person in respect of any of the Secured Obligations is required to be repaid; and

12.1.2 any Security (or other right) held by the Seller or the Administrators in respect of any of the Secured Obligations (whether under this Deed or otherwise) is declared void, is set aside or is otherwise affected,

then the Buyer's obligations under this Deed will continue in effect as if there had been no such release, settlement or discharge and as if the relevant payment had not been made and (as applicable) the relevant obligation or Security (or other right) had not been so affected; and accordingly (but without limiting the Seller and the Administrators' other rights under this Deed) the Seller and the Administrators will be entitled to recover from the Buyer the value which the Seller or the Administrators have placed upon such Security (or other right) or the amount of any such payment as if such release, settlement or discharge had not occurred.

12.2 Avoidable payments

If the Seller or the Administrators, in their absolute discretion, consider that any amount paid by the Buyer in respect of the Secured Obligations is capable of being avoided, set aside or ordered to be refunded or reduced for any reason, then for the purposes of this Deed such amount will not be considered to have been irrevocably paid.

12.3 Appropriations

Until all amounts which may be or become payable by the Buyer under or in connection with the SPA have been irrevocably paid in full, the Seller and the Administrators may:

- 12.3.1 refrain from applying or enforcing any other moneys, security or rights held or received by the Seller or the Administrators in respect of those amounts, or apply and enforce the same in such manner and order as they see fit (whether against those amounts or otherwise) and the Buyer will not be entitled to the benefit of the same; and
- 12.3.2 hold in an interest-bearing suspense account any moneys received from the Buyer or on account of the Buyer's liability under this Deed.

12.4 Deferral of Buyer's rights

Until all amounts which may be or become payable by the Buyer under or in connection with the SPA have been irrevocably paid in full and unless the Seller or the Administrators otherwise direct, the Buyer may not exercise any rights which it may have by reason of performance by it of its obligations under the SPA or by reason of any amount being payable, or liability arising, under or in relation to the SPA or the Assets transferred to the Buyer under the SPA:

- 12.4.1 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Seller or the Administrators under the SPA or of any other guarantee or security taken by the Seller or the Administrators;
- 12.4.2 to bring legal or other proceedings for an order requiring the Seller, the Administrators or any other person to make any payment, or perform any obligation, in respect of which the Buyer has given a guarantee, undertaking or indemnity;
- 12.4.3 to exercise any right of set-off against the Seller or the Administrators; and/or
- 12.4.4 to claim or prove as a creditor of any other party in competition with the Seller or the Administrators.

If the Buyer receives any benefit, payment or distribution in relation to such rights it will hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Seller and the Administrators under or in connection with the SPA to be repaid in full on trust for the Seller and the Administrators and will promptly pay or transfer the same to the Administrators.

12.5 Default interest

If the Buyer fails to pay on its due date any amount payable by it under this Deed, it must pay interest on that amount. Interest will be calculated and paid in accordance with the terms of the SPA.

12.6 No withholding or set-off

12.6.1 The Buyer must not make any withholding on account of tax from any payment due to the Seller, the Administrators or any Receiver under this Deed, unless it is required by law to do so. If it is required by law to do so, it must increase the amount of the relevant payment so that, after the withholding, the payee receives the appropriate amount. It must notify the Seller and the Administrators if these circumstances arise.

12.6.2 The Buyer must not exercise any right of set-off or counterclaim it might have in respect of any payment due to the Seller, the Administrators or to any Receiver under this Deed.

13 EXCLUSIONS

13.1 The Buyer acknowledges and agrees with the Seller and the Administrators that:

13.1.1 all warranties, conditions and other terms implied by law (whether by statute, common law or otherwise) are excluded upon and in relation to this Deed;

13.1.2 the Administrators are not required to give and will not give the Buyer any personal covenants or warranties of any kind;

13.1.3 the terms and conditions of this Deed are fair and reasonable in the context of a sale of property by a company in administration and accord with normal practice on administration;

13.1.4 the Buyer is entering into this Deed on the basis of its own judgment and professional advice and is placing no reliance on any warranty, statement, representation or silence on the part of the Seller, the Administrators or of their partners, firm, employees, professional advisers, valuers, agents or representatives;

13.1.5 the Administrators will be under no obligation or duty to treat any liability of the Seller arising pursuant or in relation to this Deed (whether to any party to this Deed or otherwise) as a liability falling within the provisions of paragraph 99, Schedule B1 IA 1986 or Rule 3.50 Insolvency (England and Wales) Rules 2016 and the Buyer renounces any such recourse against the Seller and the Administrators; and

13.1.6 these exclusions are in addition to and not in substitution for any right of indemnity or relief otherwise available to the Seller and the Administrators and will continue after as well as before the execution of this Deed.

13.2 Nothing in this Deed will operate to exclude or restrict any party's liability (if any) to any other party:

13.2.1 for death or personal injury resulting from its negligence (negligence being as defined in Section 1(1) Unfair Contract Terms Act 1977); or

13.2.2 for its fraud or fraudulent misrepresentation.

14 ADMINISTRATORS

14.1 The Buyer acknowledges and agrees with the Seller and Administrators that:

- 14.1.1 the Administrators have entered into and signed this Deed as agents for the Seller and none of the Administrators, their firm, partners, employees, professional advisers, valuers, agents and representatives will incur any personal liability under or in relation to this Deed or any associated agreements, arrangements or negotiations;
- 14.1.2 the Administrators enter into this Deed only for the purpose of obtaining the benefit of the terms of this Deed;
- 14.1.3 the Administrators and their firm, partners, employees, professional advisers, valuers, agents and representatives will incur no personal liability in respect of any failure on the part of the Seller to observe, perform or comply with any of its obligations under this Deed or any associated agreements or arrangements;
- 14.1.4 nothing in this Deed or any associated agreements, arrangements or negotiations will restrict the right of the Administrators to cease acting as Administrators of the Seller;
- 14.1.5 nothing in this Deed or any associated agreements, arrangements or negotiations will require the Administrators to discharge in whole or in part any liability of the Seller which is not payable as an expense of the administration; and
- 14.1.6 the Administrators have given valuable, sufficient and adequate consideration for this Deed by, at the Buyer's request, procuring that the Seller enters into this Deed; and
- 14.1.7 the Buyer will not raise any enquiry or requisition in relation to or object to the appointment of the Administrators as long as the Administrators provide the Buyer with copies of the documents under which they will be appointed in good time of their appointment.

14.2 The Administrators' firm, partners, employees, professional advisers, valuers, agents and representatives will be entitled to enforce the benefit of this clause 14 .

15 PARTIAL INVALIDITY

If, at any time, any provision of this Deed or the SPA is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

16 REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Seller or the Administrators, any right or remedy under this Deed or the SPA will operate as a waiver of any such right or remedy or constitute an election to affirm this Deed or the SPA. No election to affirm this Deed or the SPA on the part of the Seller or the Administrators will be effective unless it is in writing. No single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

17 CHANGES TO THE PARTIES

17.1 No assignment by the Buyer

The Buyer may not assign any of its rights or transfer any of its rights or obligations under this Deed unless agreed in writing by the Seller acting by the Administrators.

17.2 Assignment by Seller

The Seller and the Administrators may assign any of their rights or transfer any of their rights or obligations under this Deed.

18 NOTICES

18.1 Any notice to a party under this Agreement shall be in writing signed by or on behalf of the party giving it and shall, unless delivered to a party personally, be left at, or sent by prepaid first-class post, prepaid recorded delivery to the address of the party as set out on the first page of this Agreement, or as otherwise notified in writing from time to time.

18.2 Notice shall be deemed to have been served:

18.2.1 at the time of delivery if delivered personally;

18.2.2 48 hours after posting in the case of an address in the United Kingdom and 96 hours after posting for any other address; or

If the deemed time of service is not during normal business hours in the country of receipt, the notice shall be deemed served at or, in the case of faxes, two hours after, the opening of business on the next Business Day of that country.

18.3 In providing service it will be sufficient to prove:

18.3.1 in the case of personal service, that it was handed to the party or delivered to or left in an appropriate place for receipt of letters at its address;

18.3.2 in the case of a letter sent by post, that letter was properly addressed, stamped and posted;

18.4 A party shall not attempt to prevent or delay the service on it of a notice in connection with this Agreement.

19 COUNTERPARTS

This Deed may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of the Deed.

20 GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by the law of England and Wales.

21 JURISDICTION

21.1 The courts of England and Wales have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) and any non-contractual obligations arising out of or in connection with it (a Dispute).

21.2 The parties agree that the courts of England and Wales are the most appropriate and convenient courts to settle any Dispute and accordingly no party to this Deed may argue to the contrary.

22 EXECUTION

This Deed is executed as a deed and delivered on the date stated at the beginning of this Deed.

EXECUTION

EXECUTED as (but not delivered until the date)
hereof) a **DEED** by the Seller acting by one of its)
Administrators pursuant to [his/her] powers under)
the Insolvency Act 1986 and on behalf of the)
Office Holders without personal liability in the)
presence of:

Administrator

Witness

Signature: _____

Name: Rochelle Schofield

Address: c/o Leonard Curtis, Riverside House
Irwell Street, Manchester M3 5EN

Occupation: Manager

EXECUTED as (but not delivered until the date)
hereof) a **DEED** by the Buyer acting by a Director)
in the presence of:)

Director

Witness

Signature: _____

Name: _____

Address: _____

Occupation: _____

EXECUTION

EXECUTED as (but not delivered until the date)
hereof) a DEED by the Seller acting by one of its)
Administrators pursuant to [his/her] powers under)
the Insolvency Act 1986 and on behalf of the)
Office Holders without personal liability in the)
presence of:

Administrator

Witness

Signature: _____

Name: _____

Address: _____

Occupation: _____

EXECUTED as (but not delivered until the date)
hereof) a DEED by the Buyer acting by a Director)
in the presence of:)




Director

Witness

Signature:  _____

Name: SARA GRANTHAM

Address:  _____

Occupation: Administrator