



Registration of a Charge

Company Name: **ABC AUCTIONS LTD**

Company Number: **12590231**



XCXXL9FE

Received for filing in Electronic Format on the: **01/03/2024**

Details of Charge

Date of creation: **27/02/2024**

Charge code: **1259 0231 0001**

Persons entitled: **STEWART JAMES DAVIES**

Brief description: **ALL LAND (IF ANY) NOW VESTED IN THE CHARGOR AND ALL LAND ACQUIRED BY THE CHARGOR AFTER THE DATE OF THIS DEBENTURE; THE CHARGOR'S INTELLECTUAL PROPERTY (AS DEFINED IN THE DEBENTURE)**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **GELDARDS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 12590231

Charge code: 1259 0231 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th February 2024 and created by ABC AUCTIONS LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st March 2024 .

Given at Companies House, Cardiff on 5th March 2024

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 27 February 2024

ABC AUCTIONS LTD

and

STEWART JAMES DAVIES

DEBENTURE

This **DEBENTURE** is dated 27 February 2024

BETWEEN:-

- (1) **ABC AUCTIONS LTD**, a company registered in England and Wales with company number 12590231, whose registered office is at 8 Eastway, Sale, Cheshire M33 4DX (the "**Chargor**"); and
- (2) **STEWART JAMES DAVIES** of Sterling House, Maple Court, Maple Road, Tankersley, South Yorkshire, S75 3DP (the "**Lender**")

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed unless the context requires otherwise:

"**Account Bank**" means any bank or other financial institution holding any account of the Chargor from time to time;

"**Accounts**" means all accounts of the Chargor from time to time and all monies (including interest) accrued or accruing, now or at any time hereafter deposited in or otherwise standing to the credit of any and all present or future accounts of the Chargor or in which the Chargor has an interest in with any bank, financial institution or other person and all indebtedness represented by any such accounts and all other rights and benefits in connection therewith and, in each case, as such accounts may be re-designated, re-named, replaced and/or re-numbered from time to time and shall include any sub-account of any such account;

"**Ancillary Rights**" means the benefit of all covenants, leases, tenancies, agreements, licences, rights, conditions or encumbrances relating to the Land and all monies paid or payable thereunder;

"**Appropriated Value(s)**" means the value(s) at which the Secured Assets are appropriated (in whole or part) in or towards payment or satisfaction of the Secured Obligations pursuant to paragraph (d) of Clause 10.3 (*Rights upon Enforcement*);

"**Business Day**" means a day (excluding Saturday and Sunday or public holidays in England) on which banks are open for business generally in London;

"**Deed**" means this deed (including the Schedules) as amended, supplemented, novated, extended or restated from time to time;

"**Default Rate**" means the rate specified in the Facility Agreement;

"**Event of Default**" has the meaning given to that expression in the Facility Agreement;

"**Facility Agreement**" means the loan agreement between H & H Classic Car Auctions Limited (as borrower) and the Lender (as lender) entered into on or about the date of this Deed and as further amended, restated, supplemented, extended or restarted;

"**Fixtures**" means all fixtures and fittings and fixed plant and machinery from time to time in and upon the Land;

"**Floating Charge Asset**" means any Secured Asset which for the time being is the subject of the floating charge created by Clause 5 (*Floating Charge*);

"**Income**" means the aggregate of all amounts payable to or for the benefit or account of the Chargor, including (but not limited to):

- (a) rent and/or licence fees (and any amount equivalent to it) payable whether variable or not and however or whenever described, reserved or made payable;
- (b) any sums received by the Chargor from any deposit held as security for performance of any tenant's obligations;

- (a) any other moneys payable in respect of occupation and/or usage of any of the Land and every fixture and fitting in it and any and every fixture on it for display or advertisement, on licence or otherwise;
- (b) any profits, damages, compensation, settlement or expenses for or representing loss of rent or interest on them awarded or agreed to be payable as a result of any proceedings taken or claim made for the same net of any costs, fees and expenses paid (and which have not been reimbursed to, and which are not recoverable by, the Chargor from any party) in furtherance of such proceedings so taken or claim so made;
- (c) any moneys payable under any policy of insurance in respect of loss of rent or interest thereon;
- (d) any sum payable or the value of any consideration to be given by or on behalf of any tenant for the surrender or variation of any lease;
- (e) any sum payable by any guarantor in relation to any lease; and
- (f) any interest payable on any sum referred to above and any damages, compensation or settlement payable in respect of the same;

"Insurances" means all policies or contracts of insurance or assurance now or hereafter effected by the Chargor or on its behalf or in which it may have an interest;

"Intellectual Property" means the Charger's present and future patents, rights to inventions, copyright and related rights, trademarks, business names and domain names, right sin get-up, goodwill and the right to sue for passing off, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

"Land" means the lease interests set out in the Schedule and any estate, right or interest in or over land, whether legal or equitable, and wherever the land is situated including, without limitation, any buildings and Fixtures on the land, and the benefit of any covenants or rights owed to any person or enforceable by him by virtue of the ownership possession or occupation of land but for these purposes **"Land"** excludes heritable property situated in Scotland;

"Permitted Security" means any Security Interest entered into by the Chargor after the date of this Deed with the prior written consent of the Lender in accordance with the Facility Agreement;

"Receiver" means any one or more persons, individually or together with additional persons, appointed as an administrative receiver, receiver and manager or other receiver under or pursuant to this Deed or the Security in respect of all or any part of the Secured Assets;

"the Regulations" means the Financial Collateral Arrangements (No 2) Regulations 2003;

"Schedule" means the Schedule to this Deed;

"Secured Obligations" means all or any monies, liabilities and obligations, whether actual or contingent and whether owed jointly or severally or as principal debtor, which are now or may at any time hereafter (whether before or at any time after demand) be or become due by the Chargor to the Lender from time to time, including without limitation under the Facility Agreement and including all or any monies, liabilities and obligations due by the Chargor under or pursuant to this Deed;

"Securities" means all the right, title and interest of the Chargor, now or in the future, in any:-

- (a) stocks, shares, bonds, debentures, loan stocks, or other securities issued by any person;
- (b) warrants, options or other rights to subscribe, purchase or otherwise acquire any stocks, shares, bonds, debentures, loan stocks or other securities or investments issued by any person; and

(c) units or other interests in any unit trust or collective investment scheme;

"Security" means all or any of the Security Interests now or at any time created by or pursuant to this Deed;

"Secured Assets" means all or any part of or interest in the undertaking, property, rights and assets of the Chargor which now or at any time hereafter are or are expressed to be the subject of any Security Interest created or purported to be created by or pursuant to this Deed; and

"Security Interest" means a mortgage, debenture, standard security, charge (whether fixed or floating), pledge, lien, assignation in security, assignation, assignment, hypothecation, security interest, title retention, guarantee, indemnity, right of set-off, right of possession or retention or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

1.2 Interpretation

Any reference in this Deed to:

- 1.2.1 **"assets"** includes present and future properties, revenues and rights of every description;
- 1.2.2 **"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;
- 1.2.3 **"month"** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:
 - (a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and
 - (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month;
- 1.2.4 a **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
- 1.2.5 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;
- 1.2.6 this Deed or to any other document will be construed as references to this Deed or such other document as modified, amended, varied, supplemented, assigned, novated or replaced from time to time;
- 1.2.7 a provision of law is a reference to that provision as amended or re-enacted;
- 1.2.8 unless a contrary indication appears, a time of day is a reference to London time; and
- 1.2.9 Clause and Schedule headings are for ease of reference only.

1.3 Third party rights

- 1.3.1 A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties Act) 1999 to enforce or enjoy the benefit of any term of this Deed.
- 1.3.2 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.

2 **COVENANT TO PAY**

- 2.1 The Chargor shall, on demand, pay to the Lender and discharge the Secured Obligations when they become due.

3 **FIXED SECURITY**

As a continuing security for the payment and discharge of the Secured Obligations, the Chargor, with full title guarantee, creates the Security Interests set out in the following provisions of this Clause in favour of the Lender.

3.1 **Mortgages and charges**

3.1.1 **Land**

The Chargor charges:

3.1.2 by way of first legal mortgage all Land (if any) now vested in the Chargor (including, without limitation, the Land specified in the Schedule) and all Ancillary Rights pertaining to them; and

3.1.3 by way of first fixed charge all other Land now vested in the Chargor (to the extent not effectively charged by Clause 3.1.2) and all Land acquired by the Chargor after the date of this Deed and all Ancillary Rights pertaining to them.

3.1.4 **Plant, machinery and chattels**

The Chargor charges by way of first fixed charge, all plant, machinery and other chattels now or hereafter owned by it, and its interest in all plant, machinery and other chattels held by it under any lease, licence, hire or rental contract or other arrangement (excluding any forming part of its stock in trade or work in progress) together with the benefit of all hiring, leasing or rental contracts in respect of any such plant, machinery or chattels hired, leased or rented by it to any other person, and any guarantees, indemnities and Security Interests for the performance of such person's obligations now or hereafter held or enjoyed by it in relation thereto.

3.1.5 **Income**

The Chargor charges by way of first fixed charge (except to the extent the subject of a valid fixed Security Interest under any other provision of this Deed), all Income together with the benefit of all guarantees, indemnities, Security Interests and other rights of any nature now or hereafter held or enjoyed by it in relation thereto.

3.1.6 **Miscellaneous**

The Chargor charges by way of first fixed charge:

- (a) the benefit of all statutory or regulatory licences, permissions, consents or authorisations held by it in connection with its business or the use of any Secured Asset and any right to payment of compensation thereunder;
- (b) all sums, realised or recovered by any liquidator or administrator of the Chargor pursuant to Part VI of the Insolvency Act 1986;
- (c) its Intellectual Property
- (d) its goodwill;
- (e) its uncalled capital; and
- (f) the Securities and any rights in relation thereto.

3.1.7 **Accounts**

by way of first legal mortgage all monies, whether principal or interest, accrued or accruing, now or at any time hereafter deposited in or otherwise standing to the credit of each of the Accounts, and any other present or future account of the Chargor with any bank, financial

institution or other person (other than the Lender), the debts thereby represented, and all other rights and benefits in connection therewith

4 **ASSIGNMENTS**

To the extent that the same is not otherwise prohibited (whether by law, under the terms of the relevant contract or agreement or otherwise) and subject to a proviso for reassignment on irrevocable discharge in full of the Secured Obligations the Chargor assigns absolutely:

4.1 **Contracts and Agreements**

by way of security, the benefit of and its whole present and future rights under all contracts or agreements to which it is or may at any time hereafter be or become a party and the proceeds of all payments, claims, awards and other sums (including liquidated and ascertained damages) paid or payable to the Chargor under or in respect thereof and all the Charger's present and future claims, rights, remedies and causes of action thereunder.

4.1.1 **Insurances**

by way of security, the benefit of and its whole present and future rights and claims under or in respect of all Insurances including without limitation, all rights to submit, negotiate and settle claims, and all monies now or hereafter payable thereunder, including return of premiums.

4.1.2 **Income**

by way of security, all Income, and the benefit of all guarantees, indemnities and Security Interests now or hereafter held or enjoyed by it in relation thereto.

5 **FLOATING CHARGE**

5.1 **Charge**

As continuing security for the payment and discharge of the Secured Obligations, the Chargor with full title guarantee charges to the Lender by way of first floating charge, its whole undertaking, property, rights and assets, present and future, except to the extent they are effectively mortgaged, charged or assigned by way of mortgage, fixed charge or assignment under or pursuant to this Deed (including any such property rights or assets comprised in a charge which is reconverted under Clause 5.6 (*Reconversion*)), or any other mortgage, fixed charge or assignment in favour of the Lender.

5.2 **Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 5.1 (*Charge*).

5.3 **Crystallisation by notice**

The Lender may at any time, and in its sole discretion, by written notice to the Chargor convert the floating charge created by Clause 5.1 (*Charge*) into a fixed charge as regards all or any part of the Floating Charge Assets specified in such notice (and if no Floating Charge Assets are so specified, such notice shall take effect in respect of all the Floating Charge Assets) if the Lender considers such Floating Charge Assets to be in danger of being seized or sold under any distress, attachment, execution, diligence or other process levied or threatened, or otherwise to be in jeopardy.

5.4 **Automatic crystallisation**

If, without the Lender's prior written consent:

- (a) any Floating Charge Assets are made or become subject to any Security Interest (save for any Permitted Security);
- (b) the Chargor disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);

- (c) any person levies any distress, attachment, execution, diligence or other process against any Floating Charge Assets, or threatens or takes any steps to do so; or
- (d) an administrator is appointed to the Chargor or the Lender receives notice of intention to appoint an administrator,

then the floating charge created by Clause 5.1 (*Charge*) shall automatically and immediately, without any requirement for notice, be converted into a fixed charge in respect of such Floating Charge Assets.

5.5 Future Floating Charge Assets

Save as otherwise stated in any notice given under Clause 5.2 (*Crystallisation by notice*) or, unless such notice extends to all the Floating Charge Assets, any prospective Floating Charge Assets acquired by the Chargor after crystallisation has occurred under Clause 5.2 (*Crystallisation by notice*) or Clause 0 (*Automatic crystallisation*) shall become subject to the floating charge created by Clause 5.1 (*Charge*), so that such crystallisation shall be effective only as regards the Floating Charge Assets in existence at the date of crystallisation.

5.6 Reconversion

Where the floating charge created by Clause 5.1 (*Charge*) has crystallised under Clause 5.2 (*Crystallisation by notice*) or Clause 0 (*Automatic crystallisation*), it may be reconverted into a floating charge by written notice given at any time by the Lender to the Chargor, in respect of the Secured Assets specified in such notice.

6 PERFECTION OF SECURITY

6.1 General

- 6.1.1 The Charger's undertakings and obligations under this Clause 6 shall remain in force from the date of this Deed until the Secured Obligations have been fully and unconditionally paid or discharged or the Security has been fully and unconditionally released in accordance with Clause 17 (*Release*).
- 6.1.2 If a valid Security Interest under or pursuant to this Deed cannot be created over the Charger's rights under any document or agreement without the consent of any party thereto, the Chargor shall promptly so notify the Lender and (unless the Lender otherwise requires) shall use all reasonable endeavours to obtain such party's consent, and pending such consent this Deed shall exclude such document or agreement itself but shall secure by way of assignment or charge, as the case may be, all proceeds, claims, damages, compensation, profit, rent, rental and other sums of any description which the Chargor has received or may receive or be entitled to under or in respect of such document or agreement.
- 6.1.3 Insofar as is necessary to ensure that any purported disposition of any freehold or leasehold property under or pursuant to this Deed is a valid disposition in terms of Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of any documentation evidencing the Secured Obligations from time to time and any side letters between any parties in relation thereto shall be incorporated in this Deed.
- 6.1.4 The Chargor and the Lender apply to the Land Registry for the following to be entered into on the register of the title to any Land now or in the future owned by the Chargor:-

- (a) a restriction in the following terms:-

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated 27 February 2024 in favour of Stewart James Davies referred to in the charges register" (Form P);

- (b) a notice that the Lender is under an obligation to make further advances on the terms and subject to the conditions of certain loan agreements and the security created by the charge dated 27 February 2024 in favour of Stewart James Davies has been created, in part, for the purpose of securing such further advances.

6.2 **Accounts**

On request from the Lender at any time thereafter, the Chargor shall:

- (a) give notice in such form as the Lender may require to any Account Bank in relation to any Accounts required by the Lender; and
- (b) use all reasonable endeavours to procure that each such counterparty promptly delivers an executed acknowledgement of such notice in the form required by the Lender to the Lender.

6.3 **Insurances**

On request from the Lender at any time, the Chargor shall:

- (a) give notice in such form as the Lender may require to any counterparty in relation to any Insurances as the Lender may require; and
- (b) use all reasonable endeavours to procure that each such counterparty promptly delivers an executed acknowledgement of such notice in the form required by the Lender to the Lender.

6.4 **Contracts, Agreements and Income**

On request from the Lender at any time, the Chargor shall:

- (a) give notice in such form as the Lender may require to any counterparty to any contract or agreement or instrument evidencing any Income as the Lender may require; and
- (b) use all reasonable endeavours to procure that each such counterparty promptly delivers an executed acknowledgement of such notice in the form required by the Lender to the Lender.

7 **PROTECTION OF SECURITY**

7.1 **Continuing security**

The Security shall be a continuing security notwithstanding any intermediate payment or satisfaction of the Secured Obligations and shall remain in force until the Secured Obligations have been fully and unconditionally paid and discharged.

7.2 **No prejudice**

The Security shall be in addition to and shall not in any way prejudice or be prejudiced by any other Security Interest, right or remedy which the Lender may now or at any time hereafter hold for all or any part of the Secured Obligations.

7.3 **No waiver**

Failure or delay on the part of the Lender or any Receiver in exercising any right, power or discretion under or pursuant to this Deed shall not operate as a waiver thereof, nor will any single or partial exercise of any such right, power or discretion preclude any other or further exercise thereof. The rights, powers and discretions contained in this Deed are in addition to and not substitution for any right of set-off, compensation, retention, combination of accounts, lien or other right or remedy provided by law.

7.4 **Severability**

The provisions of this Deed shall be severable and distinct from one another and if at any time one or more of such provisions is or becomes or is declared void, invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Deed shall not in any way be affected or impaired thereby.

7.5 **Non impairment**

The Chargor agrees that none of its obligations or the Lender's rights, powers and discretions under this Deed or those of any Receiver, shall be reduced, discharged or otherwise adversely affected by:

- (a) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any Security Interest or any right or remedy which the Lender or any other person may have now or in the future from or against the Chargor or any other person in respect of any of the Secured Obligations; or
- (b) any failure, act or omission by the Lender or any other person in taking up, perfecting or enforcing any Security Interest or guarantee from or against the Chargor or any other person in respect of the Secured Obligations; or
- (c) any increase in or waiver or discharge of any of the Secured Obligations or any termination, amendment, variation, supplement, restatement, novation or replacement of any documentation evidencing the Secured Obligations from time to time; or
- (d) any grant of time, indulgence, waiver or concession to the Chargor or any other person; or
- (e) any of the administration, receivership, liquidation, winding-up, insolvency, bankruptcy, incapacity, limitation, disability, discharge by operation of law or any change in the constitution, name or style of the Chargor or any other person; or
- (f) any invalidity, illegality, unenforceability, irregularity or frustration of any of the Secured Obligations; or
- (g) any renumbering or redesignation of any Account or its being transferred to another branch or department of the relevant Account Bank; or
- (h) anything done or omitted to be done by the Lender or any Receiver or other person which but for this provision might operate to exonerate or discharge or otherwise reduce or extinguish the liability of the Chargor under this Deed or the Security.

7.6 Further assurance

Without prejudice to the provisions of Clause 6 (*Perfection of security*) and Clause 13 (*Power of Attorney*) the Chargor shall, promptly after being requested to do so by the Lender do all such acts and things, give such instructions (in material or dematerialised form) and sign, seal, execute and deliver all such deeds and other documents as the Lender may require (and in such form as the Lender may require) for perfecting or protecting the Security in respect of the Secured Assets or its priority, vesting title to any Secured Asset in the Lender or its nominee or any purchaser, or for facilitating the realisation or application of the Secured Assets and the exercise of the rights, powers and discretions conferred on the Lender or any Receiver under this Deed.

7.7 New accounts

At any time after the Lender has received or is deemed to be affected by notice (whether actual or constructive) of the creation of any subsequent Security Interest over or affecting all or any part of the Secured Assets or the proceeds of realisation, the Lender may open a new account or accounts with the Chargor. If the Lender does not open a new account or accounts it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received such notice and as from that time all payments made to the Lender shall be credited or be treated as having been credited to the new account or accounts and shall not operate to reduce the amount covered by the Security.

8 NEGATIVE PLEDGE

The Chargor shall not create or permit to subsist any Security Interest on any of its assets, other than in favour of the Lender, without the prior written consent of the Lender.

9 ACCOUNTS

9.1 Accounts

The Chargor shall collect and realise all its Income in the ordinary course of its business and, immediately on receipt, pay all monies so collected into the Accounts. Pending such payment, the Chargor shall hold all monies so received upon trust for the Lender.

9.2 **No derogation**

The Chargor shall not, without the Lender's prior written consent, charge, factor, discount, assign, postpone, subordinate, release or waive its rights in respect of all or any part of the Income or the proceeds of the Income in favour of any person or do or omit to do anything which might delay or prejudice its full recovery or purport to do so.

9.3 **Credit balances**

After the security has become enforceable, if a credit balance arises on any account (including any Account) of the Chargor with the Lender directly or indirectly as a result of proceeds of Income being credited or transferred to such account, the Lender shall have an absolute discretion whether to permit or refuse to permit such credit balance to be utilised or withdrawn by the Chargor and the Lender may in its sole discretion at any time transfer all or any part of such credit balance to a separate account of the Chargor with it.

9.4 **Time Deposits**

If at any time any of the monies standing to the credit of any Account constitutes a time deposit, then (subject to the terms of this Deed and any requirement of the Lender to the contrary) such time deposit shall be successively redeposited on maturity for such periods and on such terms as to interest as may from time to time be agreed in writing between the Chargor and the Lender or failing such agreement as the Lender may in its discretion determine, and shall continue to be held on and subject to the terms of this Deed.

10 **ENFORCEMENT**

10.1 **Security enforceable**

This Deed shall become enforceable in respect of and against the Chargor:-

- 10.1.1 upon any demand being made by the Lender under the Facility Agreement for payment of any of the Secured Obligations by the Chargor;
- 10.1.2 upon any request being made by the Chargor to the Lender for the appointment of a Receiver or for the Lender to exercise any other power or right available to it;
- 10.1.3 immediately upon the occurrence of an Event of Default.
- 10.1.4 upon the occurrence of any event causing, or purporting to cause, the floating charge created by this Deed to become fixed in relation to any Secured Assets pursuant to the operation of Clause 0 (*Automatic Crystallisation*) of this Deed; or
- 10.1.5 upon the passing of any resolution, or the presentation of a petition, for winding up of the Chargor or the making of an application for an administration order in relation to the Chargor or the taking of any steps in relation to the appointment of an administrator of the Chargor.

10.2 **Law of Property Act**

The powers conferred by Section 101 of the Law of Property Act 1925, as varied and extended by this Deed, shall be deemed to have arisen immediately upon execution of this Deed, and Sections 93, 103 and 109 of that Act shall not apply to this Deed, but the statutory power of sale shall not be exercisable until the Security has become enforceable.

10.3 **Rights upon enforcement**

At any time after the Security has become enforceable, the Lender shall be entitled, without any notice to, demand on or consent of the Chargor, either in its own name or in name of the Chargor or otherwise, and in such manner and on such terms and conditions as it thinks fit, to take possession of and realise the Secured Assets and apply the proceeds of realisation in or towards payment or satisfaction of the Secured Obligations in accordance with Clause 14 (*Application of proceeds*), and in particular, without limiting the generality:

- (a) to call in and/or uplift or withdraw the sums standing to the credit of any of the Accounts in whole or part (and whether or not any deposit period may be broken by so doing);
- (b) to do all things it may consider necessary or expedient for the realisation of the Secured Assets or incidental to the exercise of any of the rights conferred on it under or in connection with this Deed, the Law of Property Act 1925 or the Insolvency Act 1986;
- (c) generally to exercise all the rights powers and discretions in respect of the Secured Assets it would be entitled to exercise if it were the absolute owner of the Secured Assets; and
- (d) to the extent that the Regulations apply, to appropriate the Secured Assets (in whole or part) in or towards satisfaction of the Secured Obligations at such value(s) (the "**Appropriated Value(s)**") as the Lender may reasonably determine having regard to valuation advice obtained by it from such independent investment management or accountancy firm as it may choose and the Chargor agrees that this is a commercially reasonable method of valuation for these purposes. The Lender shall notify the Chargor of such appropriation, and the relevant Appropriated Value(s), as soon as reasonably practicable after it has taken place.

10.4 **Extension of powers of sale**

The statutory powers of sale, leasing and accepting surrenders exercisable by the Lender by virtue of this Deed are extended so as to authorise the Lender (whether in its own name or in name of the Chargor) to:

- (a) grant a lease or agreement to lease of any freehold or leasehold property vested in the Chargor or in which it has an interest on such terms and conditions as the Lender shall think fit; and
- (b) sever any fixtures from any freehold or leasehold property vested in the Chargor and sell them separately.

10.5 **Relationship to Receiver**

All rights, powers and discretions expressly and impliedly conferred on a Receiver by this Deed or by law may be exercised by the Lender in respect of any Secured Asset after the Security becomes enforceable, without first appointing a Receiver and notwithstanding that a Receiver may have been appointed.

11 **APPOINTMENT OF RECEIVER OR ADMINISTRATOR**

11.1 **Appointment**

11.1.1 At any time after the Security has become enforceable the Lender shall be entitled:

- (a) to appoint one or more persons as a Receiver or Receivers in respect of the Secured Assets;
- (b) to appoint one or more persons as an administrator or administrators of the Chargor;
- (c) to make an administration application in respect of the Chargor; or
- (d) to give notice of intention to appoint an administrator or administrators in respect of the Chargor.

11.1.2 The appointment of a Receiver or Receivers or an administrator or administrators, or the giving of notice of intention to appoint an administrator or administrators shall be effected by the Lender by written instrument or notice in accordance with and in such form as may be prescribed under the Insolvency Act 1986. If any such person so appointed as Receiver or administrator is removed from office or otherwise ceases to act, the Lender shall be entitled (subject to the provisions of the Insolvency Act 1986) to appoint a replacement in the same manner.

11.2 Power to act separately

Where more than one Receiver or administrator is appointed, the appointees shall have power to act separately unless the Lender shall specify to the contrary.

11.3 Receiver's remuneration

The Lender may from time to time determine the remuneration of a Receiver and the maximum rate specified in Section 109(6) of the Law of Property Act 1925 shall not apply.

11.4 Removal of Receiver

The Lender may (subject to Section 45 of the Insolvency Act 1986) remove a Receiver from all or any of the Secured Assets of which he/she is the Receiver.

11.5 Further appointments of Receiver

Appointment of a Receiver hereunder shall not preclude:

- (a) the Lender from making any subsequent appointment of a Receiver over all or any Secured Assets over which a Receiver has not previously been appointed or has ceased to act; or
- (b) the appointment of an additional Receiver to act while the first Receiver continues to act.

11.6 Receiver's agency

Every Receiver shall be the agent of the Chargor (which shall be solely liable for his/her acts, defaults and remuneration) unless and until the Chargor goes into liquidation, after which time he/she shall act as principal and shall not become the agent of the Lender.

11.7 Relationship with Lender

To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Lender in relation to any Secured Asset without first appointing a Receiver, and notwithstanding the appointment of a Receiver.

12 POWERS OF RECEIVER

Every Receiver may exercise, in relation to the Secured Assets over which he/she is appointed, all the powers, rights and discretions conferred by law, including those conferred on a Receiver by the Law of Property Act 1925, and on a receiver or administrative receiver under the Insolvency Act 1986, in particular those set out in Schedule 1 to that Act and in addition to and without limiting such powers, every Receiver may, with or without the concurrence of any other person:

- (a) sell, lease, let, license, grant options over and vary the terms of, terminate or accept surrenders of leases, licences or tenancies of, all or any of the Secured Assets without the need to observe any of the provisions of Sections 99 and 100 of the Law of Property Act 1925 in such manner and generally on such terms and conditions as he/she shall think fit in his/her absolute and unfettered discretion and any such sale or disposition may be for cash, shares, stock, bonds, debentures or other securities and investments of any kind or other valuable consideration (in each case payable in a lump sum or by instalments) and carry any such transactions into effect in the name of and on behalf of the Chargor;
- (b) promote or procure the incorporation of any new company (whether or not a subsidiary of the Chargor), subscribe for or otherwise acquire shares, stock, debentures, loan stock or other securities in any such company in name of the Chargor, or the Receiver or its or his/her nominee or trustee, and procure the purchase, lease, licence of acquisition of all or any of the Secured Assets by any such company for a consideration in cash, shares, stock, debentures, loan stock or other securities, shares of profits or sums calculated by reference to profits or turnover or royalties or licence fees or otherwise, whether or not secured on the assets of such company, payable or receivable in a lump sum or by instalments over such period as the Receiver may think fit;

- (c) sever any Fixtures from any freehold or leasehold property and/or sell them separately;
- (d) effect any arrangement or compromise with the Lender or other person as he/she shall think fit;
- (e) effect all repairs, renewals and improvements to the Secured Assets and take out, renew or increase insurances on such terms and against such risks as he/she shall think fit;
- (f) appoint agents or managers, for the foregoing purposes at such remuneration as he/she may determine;
- (g) redeem any prior Security Interest in accordance with Clause 16 (*Redemption of prior securities*), so that the costs and expenses including payment of any principal or interest, incurred shall be deemed to be expenses properly incurred by the Receiver;
- (h) pay the reasonable administrative charges of the Lender in respect of time spent by its agents and employees in dealing with matters raised by the Receiver or relating to the receivership of the Chargor;
- (i) commence and/or complete any building operations upon any Land and apply for and obtain any planning permissions, building regulation consents or licences, in each case as he/she may in his/her absolute discretion think fit;
- (j) do all such other acts and things he/she may consider to be incidental or conducive to any of the above matters or powers or otherwise incidental or conducive to the preservation, improvement or realisation of the Secured Assets;
- (k) generally, without prejudice to the other provisions of this Clause to exercise all the rights, powers and discretions in respect of the Secured Assets it would be entitled to exercise if it were the absolute owner thereof and to do all acts and things the Receiver may consider necessary or expedient for the realisation of the Secured Assets and the application of the proceeds in or towards satisfaction of or their retention as continuing security for the Secured Obligations; and
- (l) in respect of any of the Secured Assets situated in or governed by the law of any foreign jurisdiction to exercise in addition to the foregoing powers, all the powers conferred by the Insolvency Act 1986 or any other enactment or rule of law on receivers or receivers and managers (or analogous officers) in such jurisdiction.

13 POWER OF ATTORNEY

13.1 Appointment

The Chargor by way of security hereby irrevocably appoints the Lender and any Receiver separately or its or his/her nominee as its attorney (with full powers of substitution and delegation) on its behalf and in its name or otherwise, at such times and in such a manner as the attorney may think fit:

- (a) to do anything which the Chargor is obliged to do (but has not done) under this Deed including, without limitation, to sign, seal, execute and deliver all deeds, documents, notices, further securities, transfers or assignments of and other instruments relating to, and give instructions (in material or dematerialised form) in respect of, the Secured Assets; and
- (b) generally to exercise all or any of the rights, powers and discretions conferred on the Lender in relation to the Secured Assets under this Deed, the Law of Property Act 1925 or the Insolvency Act 1986.

13.2 Ratification

The Chargor hereby ratifies and confirms and agrees to ratify and confirm whatever its attorney may do or purport to do in the exercise or purported exercise of the power of attorney given by the Chargor under this Clause.

13.3 Exercise of power

The appointment effected under Clause 13.1 (*Appointment*) shall take effect immediately, but the powers conferred shall only become exercisable upon the Security becoming enforceable or if the Chargor does not fulfil any of its obligations under Clause 7.6 (*Further assurance*) within 5 Business Days of notice from the Lender to do so.

14 APPLICATION OF PROCEEDS**14.1 Application**

All monies realised or otherwise arising from the enforcement of the Security shall subject to Clause 14.2 (*Monies on suspense account*) be applied by the Lender in the following order:

- (a) in or towards payment or satisfaction of all costs and expenses incurred by the Lender or any Receiver and all remuneration due to any Receiver under or in connection with this Deed and the Security;
- (b) in or towards payment or satisfaction of the Secured Obligations in such order as the Lender shall in its absolute discretion decide; and
- (c) in payment of any surplus (which, for the avoidance of doubt, shall be deemed to include an amount equal to any balance of Appropriated Value(s) remaining) to the Chargor or any other person entitled thereto.

This Clause is subject to the settlement of any claims which have priority over the Security, and shall not prejudice the right of the Lender to recover any shortfall from the Chargor.

14.2 Monies on suspense account

Nothing in this Deed shall limit the right of the Lender and any Receiver (and the Chargor acknowledges that the Lender and any Receiver is so entitled) if and for so long as the Lender and any Receiver in its discretion shall consider it appropriate, to place all or any monies arising from the enforcement of the Security into a suspense account or accounts (which may be with the Lender), without any obligation to apply the same or any part thereof in or toward the discharge of the Secured Obligations.

14.3 Balance

The rights powers and discretions conferred on the Lender and any Receiver under this Deed are subject only to its or his/her obligation to account to the Chargor for any balance of the Secured Assets or their proceeds or an amount equal to any balance of Appropriated Value(s) remaining in its or his/her hands after the Secured Obligations have been fully and unconditionally paid or satisfied.

15 THIRD PARTIES**15.1 No duty of enquiry**

No purchaser from or other person dealing with the Lender or any Receiver in relation to the Secured Assets shall be concerned to enquire whether any event has occurred upon which any of the rights, powers and discretions conferred under or in connection with this Deed, the Law of Property Act 1925 or the Insolvency Act 1986 is or may be exercisable, or whether any of the rights, powers and discretions exercised or purported to be exercised by it or him/her hereunder has otherwise become exercisable, whether any of the Secured Obligations remains outstanding, or generally as to the propriety or validity of the exercise or purported exercise of any right, power or discretion hereunder. All the protection to purchasers contained in Sections 104 and 107 of the Law of Property Act 1925 shall apply to any person purchasing from or dealing with the Lender or any Receiver or its or his/her nominee or delegate as if the Secured Obligations had become due and the statutory powers of sale in relation to the Secured Assets had arisen on the date of this Deed.

15.2 Receipts

The receipt or discharge of the Lender or any Receiver shall be an absolute discharge to any purchaser or other person dealing with the Lender or any Receiver or its nominee or delegate in relation to the Secured Assets and any such purchaser or other person shall not have any

obligation to enquire after or see to the application of any payments made by it to the Lender or any Receiver or its nominee or delegate or at its direction.

16 REDEMPTION OF PRIOR SECURITIES

16.1 Redemption

The Lender shall be entitled at any time:

- (a) to redeem any prior Security Interest over the Secured Assets; and/or
- (b) to procure the transfer of such Security Interest to itself or its nominee; and/or
- (c) to settle and pass the accounts of the party or parties entitled to any such prior Security Interest and any accounts so settled and passed shall, save for manifest error, be conclusive and binding on the Chargor.

16.2 Costs and expenses

The Chargor shall pay the Lender, immediately on demand, the costs and expenses incurred by the Lender in connection with any such redemption and/or transfer, including the payment of any principal or interest, and these shall be subject to the terms of Clause **Error! Reference source not found.** (*Non-compliance by Chargor*) and shall be Secured Obligations.

17 RELEASE

17.1 Release

When the Lender confirms in writing to the Chargor that the Secured Obligations have been fully and unconditionally paid or discharged the Lender shall at the Chargor's request, and at its expense, discharge the Security and retransfer to the Chargor so much of the Secured Assets as have not been realised, appropriated or applied in or towards payment or satisfaction of the Secured Obligations. Any payment, realisation or appropriation in respect of the Secured Obligations which in the reasonable opinion of the Lender is liable to be avoided or otherwise invalidated or adjusted by law, including any enactment or rule of law relating to insolvency, shall not be regarded as having been irrevocably effected until the expiry of the period during which it may be challenged on any such ground.

17.2 Avoidance of payments

The Lender's right to recover the Secured Obligations in full shall not be affected or prejudiced by any payment, realisation or appropriation which is avoided or otherwise invalidated or adjusted by law, including any enactment or rule of law relating to insolvency, or by any release or discharge given by the Lender on the faith of any such payment, realisation or appropriation.

17.3 Retention of Security

If any payment, realisation or appropriation in respect of the Secured Obligations is, in the Lender's reasonable opinion, liable to be avoided or otherwise invalidated or adjusted by law, including any enactment or rule of law relating to insolvency, the Lender shall be entitled to retain this Deed and the Security undischarged and shall not be obliged to retransfer the Secured Assets until the expiry of the period during which it may be challenged on any such ground.

18 LIABILITY OF LENDER AND RECEIVER OR DELEGATE

18.1 Delegation

The Lender may delegate any right, power or authority exercisable by it under this Security to such person, on such terms and conditions (including power to sub-delegate) and in such manner as it thinks fit, but such delegation shall not preclude the Lender from itself exercising any such right, power or authority.

18.2 Limitation

The Lender and any Receiver or delegate shall not in any circumstances be liable to the Chargor or any other person for any losses, damages, liabilities or expenses arising from or in connection with the application or enforcement of the Security or any realisation, appropriation or application of the Secured Assets or from any act, default or omission of the

Lender or any Receiver or delegate, or its or his/her officers, employees or agents in relation to the Secured Assets or otherwise in connection with this Deed and the Security, except to the extent caused by the wilful neglect or default of the Lender or any Receiver or delegate or its or his/her officers, employees or agents.

18.3 Mortgagee in possession

Without prejudice to Clause 18.2 (*Limitation*), the Lender and every Receiver or delegate shall not be liable by reason of entering into possession of any Secured Asset to account as mortgagee in possession or for any loss on realisation, or for any default or omission for which a mortgagee in possession would otherwise be liable. If and whenever the Lender or any Receiver or delegate enters into possession of any Secured Asset, he/she or it shall be entitled to go out of possession at any time at its or his/her discretion.

19 MISCELLANEOUS

19.1 Lenders power to remedy breaches

- 19.1.1 If the Chargor fails to make any payment or fulfil any obligation due by it under or pursuant to this Deed, the Lender or any Receiver shall in it or his absolute discretion be entitled to do so on its behalf and in its name (or in its own name as it considers expedient) and/or to take such action to remedy or mitigate the consequences of such failure as it considers expedient, and the amount of any such payment and/or the costs incurred in fulfilling such obligation or mitigating the consequences of such failure, shall be repayable by the Chargor on demand, together with interest at the Default Rate from the date of demand until settlement and shall constitute Secured Obligations.

19.2 Tacking

The Lender shall perform any obligation to make further advances to the Chargor from time to time.

19.3 Set-Off

- 19.3.1 The Lender may in its absolute discretion retain any money standing to the credit of the Chargor in any currency upon any account or otherwise (whether or not in the Chargor's name) as cover for any Secured Obligations and/or at any time or times without notice to the Chargor combine or consolidate all or any of such money with all or such part of the Secured Obligations due or owing by it as the Lender may select and may purchase with any such money any other currency required to effect such combination or consolidation.
- 19.3.2 All payments made by the Chargor to the Lender under this deed shall be made in full and without any set-off, counterclaim, deduction or withholding (other than any withholding or deduction of taxes required by law).

19.4 Information

The Lender may from time to time seek from any other provider of finance to the Chargor such information about the Chargor and its affairs as the Lender may think fit. The Chargor directs any such third party to provide such information to the Lender and agrees to provide such further authority for this purpose as the Lender may from time to time require.

19.5 Effect as deed

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

20 NOTICES

20.1 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 letter.

20.2 Addresses

The address (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:

- 20.2.1 as set out at the beginning of this Deed; or
- 20.2.2 any substitute address or department or officer as any party to this Deed may notify to each other party by not less than 5 Business Days' notice in writing.

20.3 **Delivery**

- 20.3.1 Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective on the second Business Day after being deposited in the post first class postage prepaid in an envelope addressed to it at that address.

21 **CALCULATIONS AND CERTIFICATES**

21.1 **Accounts of the Lender**

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Lender are *prima facie* evidence of the matters to which they relate.

21.2 **Certificates and determinations**

Any certification or determination by the Lender of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

21.3 **Day count convention**

Any interest, commission or fee accruing under this Deed will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or, in any case where the practice in the London Interbank Market differs, in accordance with that market practice.

22 **PARTIAL INVALIDITY**

If, at any time, any provision of this Deed 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.

23 **REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under this Deed shall operate as a waiver, nor shall any 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.

24 **AMENDMENTS AND WAIVERS**

Any term of this Deed may be amended or waived only with the consent of the Lender and the Chargor.

25 **COUNTERPARTS**

This Deed may be executed in any number of counterparts, and by one or more parties hereto in separate counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

26 **GOVERNING LAW AND JURISDICTION**

- 26.1 This deed and dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

- 26.2 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this deed or its subject matter or formation. Nothing in this Clause 22.2 shall limit the right of the Lender to take proceedings against the Borrower in any other court or competent jurisdiction, nor shall the taking of proceedings in any one or more

jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdictions.

EXECUTED AND DELIVERED as a deed by the Chargor and signed by the Lender on the date first above stated.

SCHEDULE

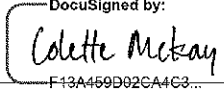
LAND

Title Numbers	Description of Title
N/A	N/A

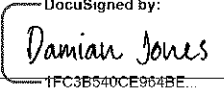
EXECUTION PAGE

EXECUTED and **DELIVERED** as a **DEED** by
ABC AUCTIONS LTD


acting by two directors:
Director

DocuSigned by:

F13A459D92CA4C3...
Colette McKay

Director

DocuSigned by:

1FC3B540CE964BE...
Damian Jones

EXECUTED as a **DEED** by
STEWART JAMES DAVIES

DocuSigned by:

140FD8B859CF42D...
Signature

in the presence of:

WITNESS

Signature: ...
Print name: Racheal Parlett

Address: .Sterling House, Maple Court, Maple Road, Tankersley, S75 3DP

Occupation: .Director