



Registration of a Charge

Company name: **VELVET ORCHID INVESTMENTS LIMITED**

Company number: **12754575**



X9HL3DSB

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

Details of Charge

Date of creation: **31/10/2020**

Charge code: **1275 4575 0001**

Persons entitled: **JOHN RODDISON**

Brief description:

Contains fixed charge(s).

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: **TAYLOR & EMMET LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 12754575

Charge code: 1275 4575 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st October 2020 and created by VELVET ORCHID INVESTMENTS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th November 2020 .

Given at Companies House, Cardiff on 12th November 2020

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

DATED 31 OCTOBER

2020

(1) Velvet Orchid Investments Limited

(2) John Roddison

CHARGE OVER SHARES

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SOLICITORS

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This deed is made on the 31 day of October 2020.

PARTIES

- (1) Velvet Orchid Investments Limited incorporated and registered in England and Wales with company number 12754575 whose registered office is at 26 Shuttle Close, Rossington, Doncaster DN11 0FR (**Debtor**); and
- (2) John Roddison whose address is at [REDACTED] (Creditor).

BACKGROUND

- (A) The Creditor has agreed, pursuant to the SPA, to allow the Debtor to pay £48,000 for Sale Shares (the **Deferred Consideration**) over 120 months on a secured basis.
- (B) Under this deed, the Debtor provides security to the Creditor for the Deferred Consideration.

AGREED TERMS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the SPA shall, unless otherwise defined in this deed, have the same meaning in this deed. In addition, the following definitions apply in this deed:

- "Business Day"; a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
- "Delegate"; any person appointed by the Creditor or any Receiver pursuant to clause 13, and any person appointed as attorney of the Creditor, Receiver or Delegate.
- "LPA 1925"; the Law of Property Act 1925.
- "Receiver"; a receiver or receiver and manager appointed by the Creditor under clause 11.
- "Related Rights"; any:
 - (a) dividend, interest or other distribution paid or payable in relation to any Share; and
 - (b) right, money or property accruing, offered or issued at any time in relation to any Share by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

"Secured Assets";	all the assets, property and undertaking of the Debtor which are, or are expressed to be, subject to any Security created by, or pursuant to, this deed (and references to the Secured Assets shall include references to any part of them).
"Secured Liabilities";	all present and future obligations and liabilities of the Debtor to the Creditor, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the SPA or this deed (including, without limitation, those arising under clause 25.3.2), together with all interest (including, without limitation, default interest) accruing in respect of those obligation or liabilities.
"Security";	any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.
"Security Period";	the period starting on the date of this deed and ending on the date on which the Creditor is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.
"Sale Shares";	the 2.% of the shares held by the Debtor in the share capital of Brown Mcleod Limited incorporated and registered in England and Wales with company number 02950018.
"SPA"	the Share Purchase Agreement of even date between the Creditor and the Debtor.

1.2 Clawback

If the Creditor considers that an amount paid by the Debtor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Debtor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this deed.

1.3 Perpetuity period

If the rule against perpetuities applies to any trust created by this deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

2. COVENANT TO PAY

2.1 Covenant to pay

The Debtor shall, on demand, pay to the Creditor and discharge the Secured Liabilities when they become due.

3. GRANT OF SECURITY

3.1 Fixed charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Debtor with full title guarantee charges to the Creditor by way of a first fixed charge:

3.1.1 all the Sale Shares owned by it; and

3.1.2 all Related Rights.

4. LIABILITY OF THE DEBTOR

4.1 Liability not discharged

The Debtor's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Creditor that is or becomes wholly or partially illegal, void or unenforceable on any ground;

4.1.2 the Creditor renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or

4.1.3 any other act or omission, that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Debtor.

4.2 Immediate recourse

The Debtor waives any right it may have to require the Creditor to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this deed against the Debtor.

5. REPRESENTATIONS AND WARRANTIES

5.1 Times for making representations and warranties

The Debtor makes the representations and warranties set out in this clause 5 to the Creditor on the date of this deed and the representations and warranties contained in clause 5.2 to clause 5.8 are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

5.2 Shares

- 5.2.1 The Sale Shares are fully paid and are not subject to any option to purchase or similar rights.
- 5.2.2 The Sale Shares represent 2.% the issued share capital of Brown Mcleod Limited and no person has any option, warrant or other similar right to subscribe for any shares of Brown Mcleod Limited.
- 5.2.3 The Debtor is the sole legal and beneficial owner of the Sale Shares.
- 5.2.4 The constitutional documents of Brown Mcleod Limited do not:
 - 5.2.4.1 restrict or inhibit any transfer of the Sale Shares on creation or enforcement of the security constituted by this deed; or
 - 5.2.4.2 contain any rights of pre-emption.
- 5.2.5 The Debtor has complied with all notices relating to all or any of the Sale Shares received by it pursuant to sections 790D and 790E of the Companies Act 2006.
- 5.2.6 No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of all or any of the Shares.

5.3 No Security

The Secured Assets are free from any Security other than the Security created by this deed.

5.4 No adverse claims

The Debtor has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.

5.5 No adverse covenants

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever, that materially and adversely affect the Secured Assets.

5.6 No breach of laws

There is no breach of any law or regulation which materially and adversely affects the Secured Assets.

5.7 Avoidance of security

No Security expressed to be created under this deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Debtor or otherwise.

5.8 Enforceable security

This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Debtor, and is and will continue to be effective security over all and every part of the Secured Assets in accordance with its terms.

6. COVENANTS

6.1 Negative pledge and disposal restrictions

The Debtor shall not at any time, except with the prior written consent of the Creditor:

- 6.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this deed;
- 6.1.2 sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Secured Assets; or
- 6.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

6.2 Preservation of Secured Assets

The Debtor shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Creditor, or diminish the value of any of the Secured Assets or the effectiveness of the security created by this deed.

6.3 Compliance with laws and regulations

The Debtor shall comply with the requirements of any law or regulation relating to or affecting the Secured Assets or the use of them or any part of them.

6.4 Enforcement of rights

The Debtor shall use its best endeavours to enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Creditor may require from time to time.

6.5 Notice of misrepresentations and breaches

The Debtor shall, promptly on becoming aware of any of the same, notify the Creditor in writing of:

- 6.5.1 any representation or warranty set out in this deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and
- 6.5.2 any breach of any covenant set out in this deed.

6.6 Title to Secured Assets

The Debtor shall on the execution of this deed, or if later, upon it becoming entitled to the relevant Secured Asset, deposit with the Creditor, or as the Creditor may direct:

- 6.6.1 all share certificates and other documents of title or evidence of ownership of the Secured Assets;
- 6.6.2 all stock transfer forms relating to the Secured Assets duly completed and executed by or on behalf of the Debtor but with the name of the transferee, the consideration and the date left blank; and
- 6.6.3 any other documents (in each case duly completed and executed by or on behalf of the Debtor) that the Creditor may request to enable it, or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain legal title to, or to perfect its security interest in any of the Secured Assets,

so that the Creditor may, at any time and without notice to the Debtor, complete and present those stock transfer forms and other documents to the issuer of the Secured Assets for registration.

6.7 Nominations

- 6.7.1 The Debtor shall immediately terminate all nominations it may have made in respect of any Secured Asset and, pending such termination, procure that any person so nominated:
 - 6.7.1.1 does not exercise any rights in respect of any Secured Asset without the prior written approval of the Creditor; and
 - 6.7.1.2 immediately upon receipt by it, forward to the Creditor all communications or other information received by it in respect of any Secured Asset for which it has been so nominated.

6.7.2 The Debtor shall not at any time during the Security Period exercise the right to nominate any person other than the Creditor to enjoy or exercise any right relating to any of the Secured Assets.

6.8 Pre-emption rights and restrictions on transfer

The Debtor shall:

6.8.1 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of Brown Mcleod Limited, for the transfer of the Secured Assets to the Creditor or its nominee, or to a purchaser on enforcement of the security constituted by this deed; and

6.8.2 procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of Brown Mcleod Limited in any manner that the Creditor may require in order to permit the transfer of the Secured Assets to the Creditor or its nominee, or to a purchaser on enforcement of the security constituted by this deed.

6.9 Calls and other obligations

6.9.1 Notwithstanding the security created by this deed, the Debtor shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any part of the Secured Assets.

6.9.2 If the Debtor fails to do so, the Creditor may, at its discretion but without obligation, pay the calls, instalments or other payments on behalf of the Debtor.

6.9.3 The Debtor shall, immediately on request by the Creditor, reimburse the Creditor for any payment made by it under this clause 6.9.

6.9.4 The Debtor shall comply with, and shall remain liable to perform, all of the other conditions and obligations assumed by it in respect of all or any part of the Secured Assets.

6.10 Changes to rights

6.10.1 The Debtor shall not take, or allow the taking of, any action on its behalf which may result in the rights attaching to, or conferred by, all or any of the Secured Assets being altered.

6.10.2 The Debtor shall not cause or permit:

6.10.2.1 any of the Secured Assets to be consolidated, sub-divided or converted.

6.11 Compliance with requests for information

The Debtor shall promptly send a copy to the Creditor of, and comply with, all requests for information which is within its knowledge and which are made under any law or regulation or any similar provision in any articles of association or other constitutional document, or by any listing or other authority, relating to any of the Secured Assets. If it fails to do so, the Creditor may elect to provide such information as it may have on behalf of the Debtor.

6.12 Information

The Debtor shall:

- 6.12.1 promptly following receipt, send to the Creditor copies of any notice, circular, report, accounts and any other document received by it that relates to the Secured Assets; and
- 6.12.2 promptly notify the Creditor in writing of any action, claim, notice or demand made by or against it in connection with all or any part of a Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim, notice or demand, together with, in each case, the Debtor's proposals for settling, liquidating, compounding or contesting any such action, claim, notice or demand and shall, subject to the Creditor's prior approval, implement those proposals at its own expense.

7. VOTING RIGHTS AND DIVIDENDS

7.1 Voting rights and dividends - before enforcement

- 7.1.1 Before the security constituted by this deed becomes enforceable, the Debtor may exercise all voting and other rights and powers in respect of the Secured Assets or, if any of the same are exercisable by the Creditor or any of its nominees, direct in writing the exercise of those voting and other rights and powers provided that:
 - 7.1.1.1 it shall not do so in any way that would breach any provision of the Facility Agreement or this deed or for any purpose inconsistent with the Facility Agreement or this deed; and
 - 7.1.1.2 the exercise of, or failure to exercise, those voting rights or other rights and powers would not, in the Creditor's opinion, have an adverse effect on the value of any of the Secured Assets or otherwise prejudice the Creditor's security under this deed.
- 7.1.2 Before the security constituted by this deed becomes enforceable, the Debtor may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Secured Assets and, if any are paid or payable to the Creditor or any of its nominees, the Creditor will hold all those dividends, interest and other monies received by it for the Debtor and will pay them to the Debtor promptly on request.

- 7.1.3 The Debtor shall indemnify the Creditor against any loss or liability incurred by the Creditor (or its nominee) as a consequence of the Creditor (or its nominee) acting in respect of the Secured Assets at the direction of the Debtor.
- 7.1.4 The Creditor shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Secured Assets which the Creditor considers prejudicial to, or impairing the value of, the security created by this deed.

7.2 Voting rights and dividends - following an Event of Default

After the security constituted by this deed has become enforceable, the Creditor may at its discretion (in the name of the Debtor and without any further consent or authority from the Debtor and irrespective of any direction given by the Debtor):

- 7.2.1 exercise or refrain from exercising (or direct its nominee to exercise or refrain from exercising) all voting rights and any other powers or rights in respect of the Secured Assets, and the Debtor shall comply, or procure compliance, with any directions the Creditor may give, in its absolute discretion, in respect of the exercise of those voting and other rights and powers;
- 7.2.2 apply all dividends, interest or other monies paid or payable in respect of the Secured Assets in accordance with clause 14 and, if any such dividends, interest or other monies are received by or on behalf of the Debtor, the Debtor shall hold all such dividends, interest and other monies on trust for the Creditor and shall immediately pay them to the Creditor or as it may direct;
- 7.2.3 complete all instruments of transfer held by it in relation to the Secured Assets in favour of itself or such other person as it may select and have the Secured Assets transferred into its name or the name of its nominee or, as applicable, into an account in its own name or the name of its nominee; and
- 7.2.4 in addition to any other power created under this deed, exercise or refrain from exercising (or direct its nominee to exercise or refrain from exercising) all the powers and rights conferred on or exercisable by the legal or beneficial owner of the Secured Assets.

8. POWERS OF THE CREDITOR

8.1 Power to remedy

- 8.1.1 The Creditor shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Debtor of any of its obligations contained in this deed.
- 8.1.2 The Debtor irrevocably authorises the Creditor and its agents to do all things that are necessary or desirable for that purpose.
- 8.1.3 The Debtor shall reimburse the Creditor, on a full indemnity basis, for any monies the Creditor expends in remedying a breach by the Debtor of its obligations contained in this deed, and such monies shall carry interest in accordance with clause 15.1.

8.2 Exercise of rights

- 8.2.1 The rights of the Creditor under clause 8.1 are without prejudice to any other rights of the Creditor under this deed.
- 8.2.2 The exercise of any rights of the Creditor under this deed shall not make the Creditor liable to account as a mortgagee in possession.

8.3 Creditor has Receiver's powers

To the 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 the security constituted by this deed has become enforceable, be exercised by the Creditor in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

8.4 No duties

The Creditor shall not, in respect of any of the Secured Assets, have any duty or incur any liability for:

- 8.4.1 ascertaining or taking action in respect of any calls, instalments, conversions, exchanges, maturities, tenders or other matters relating to any Secured Assets or the nature or sufficiency of any payment whether or not the Creditor has or is deemed to have knowledge of such matters; or
- 8.4.2 taking any necessary steps to preserve rights against prior parties or any other rights relating to any of the Secured Assets.

8.5 Indulgence

The Creditor may, at its discretion, grant time or other indulgence or make any other arrangement, variation or release with any person not being a party to this deed (whether or not such person is jointly liable with the Debtor) in respect of any of the Secured Liabilities or of any other security for them without prejudice either to this deed or to the liability of the Debtor for the Secured Liabilities.

9. WHEN SECURITY BECOMES ENFORCEABLE

9.1 Event of Default

- 9.1.1 The security constituted by this deed shall become immediately enforceable if an Event of Default occurs;
- 9.1.2 An Event of Default occurs:
 - 9.1.2.1 if the Debtor fails to pay any sum due under this agreement when due;

- 9.1.2.2 the Debtor fails (other than by failing to pay) to comply with any provision of this agreement or the SPA and (if the Creditor considers, acting reasonably that the default is capable of remedy) such default is not remedied within 14 Business Days of the earlier of:
- 9.1.2.2.1 the Creditor notifying the Debtor of the default and the remedy required; and
 - 9.1.2.2.2 the Debtor becoming aware of the default.
- 9.1.2.3 if any Deferred Payment is not paid when due;
- 9.1.2.4 the Debtor stops or suspends payment of its debts or is unable to or admits its inability to pay its debts as they fall due;
- 9.1.2.5 the value of the Debtor's assets is less than its liabilities;
- 9.1.2.6 a moratorium is declared in respect of any indebtedness of the Debtor;
- 9.1.2.7 the Debtor commences negotiations or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors (excluding the Creditor) with a view to rescheduling any of its indebtedness;
- 9.1.2.8 any action, proceedings, procedure or step is taken for:
- 9.1.2.8.1 the suspension of payments, a moratorium in respect of any indebtedness winding up, dissolution, administration or reorganisation (using a voluntary arrangement scheme of arrangement or otherwise) of the Debtor;
 - 9.1.2.8.2 the composition, compromise, assignment or arrangement with any creditor; or
 - 9.1.2.8.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Debtor or any of its assets.
- 9.1.2.9 A distress, attachment, execution, expropriation, sequestration or another analogous legal process is levied, enforced or sued out on or against, the Debtor's assets and is not discharged or stayed within 30 days.
- 9.1.2.10 the Debtor repudiates or rescinds or shows an intention to repudiate or rescind the SPA;
- 9.1.2.11 the Debtor ceases, or threatens to cease, to carry on all or a substantial part of its business.

9.2 Discretion

After the security constituted by this deed has become enforceable, the Creditor may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets.

10. ENFORCEMENT OF SECURITY

10.1 General

- 10.1.1 For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this deed.
- 10.1.2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this deed) shall be immediately exercisable at any time after the security constituted by this deed has become enforceable under clause 9.1.
- 10.1.3 Section 103 of the LPA 1925 (restricting the power of sale) does not apply to the security constituted by this deed.

10.2 Redemption of prior Security

- 10.2.1 At any time after the security constituted by this deed has become enforceable, the Creditor may:
- 10.2.1.1 redeem any prior Security over any Secured Asset;
 - 10.2.1.2 procure the transfer of that Security to itself; and
 - 10.2.1.3 settle and pass the accounts of the holder of any prior Security (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on the Debtor).
- 10.2.2 The Debtor shall pay to the Creditor immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this deed as part of the Secured Liabilities.

10.3 Protection of third parties

No purchaser, mortgagee or other person dealing with the Creditor, any Receiver or any Delegate shall be concerned to enquire:

- 10.3.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;
- 10.3.2 whether any power the Creditor, a Receiver or Delegate is purporting to exercise has become exercisable or is being properly exercised; or
- 10.3.3 how any money paid to the Creditor, any Receiver or any Delegate is to be applied.

10.4 Privileges

Each Receiver and the Creditor is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

10.5 No liability as mortgagee in possession

Neither the Creditor nor any Receiver or any Delegate shall be liable to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any act, default or omission for which a mortgagee in possession might be liable.

10.6 Conclusive discharge to purchasers

The receipt of the Creditor or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Creditor, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it thinks fit.

11. RECEIVER

11.1 Appointment

At any time after the security constituted by this deed has become enforceable, or at the request of the Debtor, the Creditor may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

11.2 Removal

The Creditor may, without further notice, from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

11.3 Remuneration

The Creditor may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this deed, to the extent not otherwise discharged.

11.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Creditor under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

11.5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this deed or by statute) shall be, and remain, exercisable by the Creditor despite any prior appointment in respect of all or any part of the Secured Assets.

11.6 Agent of the Debtor

Any Receiver appointed by the Creditor under this deed shall be the agent of the Debtor and the Debtor shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Debtor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Creditor.

12. POWERS OF RECEIVER

12.1 General

12.1.1 Any Receiver appointed by the Creditor under this deed shall, in addition to the powers conferred on it by statute, have the rights, powers and discretions set out in clause 12.2 to clause 12.14.

12.1.2 A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether it is an administrative receiver or not.

12.1.3 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.

12.1.4 Any exercise by a Receiver of any of the powers given by clause 12 may be on behalf of the Debtor, the directors of the Debtor or itself.

12.2 Employ personnel and advisers

12.2.1 A Receiver may provide services and employ, or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that it thinks fit.

12.2.2 A Receiver may discharge any such person or any such person appointed by the Debtor.

12.3 Remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by it) that the Creditor may prescribe or agree with it.

12.4 Possession

A Receiver may take immediate possession of, get in and realise any Secured Asset.

12.5 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which it is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as it thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

12.6 Valid receipts

A Receiver may give a valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.

12.7 Make settlements

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who claims to be a creditor of the Debtor or relating in any way to any Secured Asset.

12.8 Legal action

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as it thinks fit.

12.9 Subsidiaries

A Receiver may form a subsidiary of the Debtor and transfer to that subsidiary any Secured Asset.

12.10 Borrow

A Receiver may, for whatever purpose it thinks fit, raise and borrow money either unsecured or on the security of all or any of the Secured Assets in respect of which it

is appointed on any terms that it thinks fit (including, if the Creditor consents, terms under which that security ranks in priority to this deed).

12.11 Redeem prior Security

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Debtor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

12.12 Delegation

A Receiver may delegate its powers in accordance with this deed.

12.13 Absolute beneficial owner

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights it would be capable of exercising as, and do all those acts and things, an absolute beneficial owner could exercise or do, in the ownership and management of the Secured Assets or any part of the Secured Assets.

12.14 Incidental powers

A Receiver may do any other acts and things that it:

- 12.14.1 may consider desirable or necessary for realising any of the Secured Assets;
- 12.14.2 may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this deed or law; or
- 12.14.3 lawfully may or can do as agent for the Debtor.

13. DELEGATION

13.1 Delegation

The Creditor or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this deed (including the power of attorney granted under clause 17.1).

13.2 Terms

The Creditor and each Receiver may delegate on any terms and conditions (including the power to sub-delegate) that it thinks fit.

13.3 Liability

Neither the Creditor nor any Receiver shall be in any way liable or responsible to the Debtor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

14. APPLICATION OF PROCEEDS

14.1 Order of application of proceeds

All monies received or recovered by the Creditor, a Receiver or a Delegate under this deed or in connection with the realisation or enforcement of all or part of the security constituted by this deed, shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority (but without prejudice to the Creditor's right to recover any shortfall from the Debtor):

- 14.1.1 in or towards payment of all costs, liabilities, charges and expenses incurred by or on behalf of the Creditor (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;
- 14.1.2 in or towards payment of the Secured Liabilities in any order and manner that the Creditor determines; and
- 14.1.3 in payment of the surplus (if any) to the Debtor or other person entitled to it.

14.2 Appropriation

Neither the Creditor, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

15. COSTS AND INDEMNITY

15.1 Costs

The Debtor shall, promptly on demand, pay to, or reimburse, the Creditor and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Creditor, any Receiver or any Delegate in connection with:

- 15.1.1 this deed or the Secured Assets;
- 15.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Creditor's, a Receiver's or a Delegate's rights under this deed; or
- 15.1.3 taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost, charge, expense, tax or liability arose until full discharge of that cost, charge, expense, tax or liability (whether before or after judgment, liquidation, winding up or administration of the Debtor) at the rate and in the manner specified in the Facility Agreement.

15.2 Indemnity

15.2.1 The Debtor shall indemnify the Creditor, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

15.2.1.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets;

15.2.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this deed; or

15.2.1.3 any default or delay by the Debtor in performing any of its obligations under this deed.

15.2.2 Any past or present employee or agent may enforce the terms of this clause 15.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

16. FURTHER ASSURANCE

16.1 Further assurance

The Debtor shall promptly, at its own expense, take whatever action the Creditor or any Receiver may reasonably require for:

16.1.1 creating, perfecting or protecting the security created or intended to be created by this deed;

16.1.2 facilitating the realisation of any of the Secured Assets; or

16.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Creditor or any Receiver in respect of any of the Secured Assets,

including, without limitation, the execution of any mortgage, transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Creditor or to its nominee) and the giving of any notice, order or direction and the making of any filing or registration which, in any such case, the Creditor may consider necessary or desirable.

17. POWER OF ATTORNEY

17.1 Appointment of attorneys

By way of security, the Debtor irrevocably appoints the Creditor, every Receiver and every Delegate separately to be the attorney of the Debtor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

17.1.1 the Debtor is required to execute and do under this deed; or

17.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this deed or by law on the Creditor, any Receiver or any Delegate.

17.2 Ratification of acts of attorneys

The Debtor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 17.1.

18. RELEASE

Subject to clause 25.3, at the end of the Security Period, the Creditor shall, at the request and cost of the Debtor, take whatever action is necessary to release the Secured Assets from the security constituted by this deed.

19. ASSIGNMENT AND TRANSFER

19.1 Assignment by Creditor

19.1.1 At any time, without the consent of the Debtor, the Creditor may assign or transfer all or any of its rights and obligations under this deed.

19.1.2 The Creditor may disclose to any actual or proposed assignee or transferee any information in its possession that relates to the Debtor, the Secured Assets and this deed that the Creditor considers appropriate.

19.2 Assignment by Debtor

The Debtor may not assign any of its rights, or transfer any of its rights or obligations, under this deed.

20. SET-OFF

20.1 Creditor's right of set-off

The Creditor may at any time set off any liability of the Debtor to the Creditor against any liability of the Creditor to the Debtor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the Creditor may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Creditor of its rights under this clause 20 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

20.2 Exclusion of Debtor's right of set-off

All payments made by the Debtor to the Creditor under this deed shall be made without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

21. AMENDMENTS, WAIVERS AND CONSENTS

21.1 Amendments

No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

21.2 Waivers and consents

21.2.1 A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.

21.2.2 A failure or delay by a party to exercise any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Creditor shall be effective unless it is in writing.

21.3 Rights and remedies

The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

22. SEVERANCE

22.1 Severance

If any provision (or part of a provision) of this deed is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this deed.

23. COUNTERPARTS

23.1 Counterparts

23.1.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one deed.

24. THIRD PARTY RIGHTS

24.1 Third party rights

24.1.1 Except as expressly provided in clause 15.2, a person who is not a party to this deed shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

24.1.2 The rights of the parties to rescind or agree any amendment or waiver under this deed are not subject to the consent of any other person.

25. FURTHER PROVISIONS

25.1 Independent security

This deed shall be in addition to, and independent of, any other security or guarantee that the Creditor may hold for any of the Secured Liabilities at any time. No prior security held by the Creditor over the whole or any part of the Secured Assets shall merge in the security created by this deed.

25.2 Continuing security

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

25.3 Discharge conditional

Any release, discharge or settlement between the Debtor and the Creditor shall be deemed conditional on no payment or security received by the Creditor in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded under any law relating to insolvency, bankruptcy, winding up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

25.3.1 the Creditor or its nominee may retain this deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Creditor deems necessary to provide the Creditor with security against any such avoidance, reduction or order for refund; and

25.3.2 the Creditor may recover the value or amount of such security or payment from the Debtor subsequently as if the release, discharge or settlement had not occurred.

25.4 Certificates

A certificate or determination by the Creditor as to any amount for the time being due to it from the Debtor under this deed [and the Facility Agreement] shall be, in the absence of any manifest error, conclusive evidence of the amount due.

25.5 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this deed.

26. NOTICES

26.1 Delivery

Any notice or other communication given to a party under or in connection with this deed shall be:

26.1.1 in writing;

26.1.2 delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by fax; and

26.1.3 sent to:

26.1.3.1 the Debtor at:

26 Shuttle Close, Rossington, Doncaster DN11 0FR

Attention: Sara Fearn

26.1.3.2 the Creditor at:



Attention: John Roddison

or to any other address or fax number as is notified in writing by one party to the other from time to time.

26.2 Receipt by Debtor

Any notice or other communication that the Creditor gives to the Debtor shall be deemed to have been received:

- 26.2.1 if delivered by hand, at the time it is left at the relevant address;
- 26.2.2 if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
- 26.2.3 if sent by fax, when received in legible form.

A notice or other communication given as described in clause 26.2.1 or clause 26.2.3 on a day which is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

26.3 Receipt by Creditor

Any notice or other communication given to the Creditor shall be deemed to have been received only on actual receipt.

26.4 Service of proceedings

This clause 26 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

27. GOVERNING LAW AND JURISDICTION

27.1 Governing law

This deed and any 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.

27.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, 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 shall limit the right of the Creditor to take proceedings against the Debtor in any other court of competent jurisdiction,

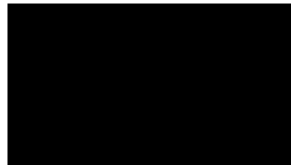
nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

27.3 Other service

The Debtor irrevocably consents to any process in any legal action or proceedings under clause 27.2 being served on it in accordance with the provisions of this deed relating to service of notices. Nothing contained in this deed shall affect the right to serve process in any other manner permitted by law.

IN WITNESS WHEREOF this document has been executed and delivered as a Deed on the date first stated above.

EXECUTED AS A DEED by)
Velvet Orchid Investments Limited)
acting by Sara Fearn)
In the presence of:)



Witness Signature: 

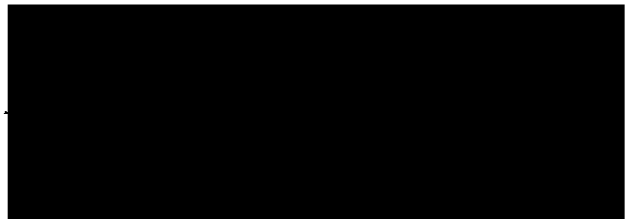
Witness Name: Rob Moore

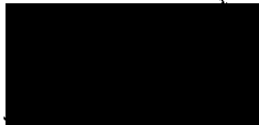
Address:
.....
.....

TAYLOR & EMMET, SOLICITORS
20 ARUNDEL GATE
SHEFFIELD
S1 2PP

Occupation: Solicitor

EXECUTED AS A DEED by)
John Roddison)
In the presence of:)



Witness Signature: 

Witness Name: Rob Moore

Address:
.....
.....

TAYLOR & EMMET, SOLICITORS
20 ARUNDEL GATE
SHEFFIELD
S1 2PP

Occupation: Solicitor