

21 February

**DATED**

**2023**

**COUNTRYSIDE CAMBRIDGE ONE LIMITED**

**and**

**COUNTRYSIDE CAMBRIDGE TWO LIMITED**

**and**

**DAO FOOD EXPRESS LTD**

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**RENT DEPOSIT DEED**

**relating to premises known as**

**Unit 1, Great Kneighton Local Centre  
1 Poulter Walk, Trumpington, Cambridge, CB2 9GX**

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The logo for MemeryCrystal, featuring the company name in a serif font on a yellow rectangular background.

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**THIS DEED** is dated

21 February

2023

## **PARTIES**

- (1) **COUNTRYSIDE CAMBRIDGE ONE LIMITED** (incorporated and registered in England and Wales under company registration number 06164435) and **COUNTRYSIDE CAMBRIDGE TWO LIMITED** (incorporated and registered in England and Wales under company registration number 06165337) both whose registered offices are at Countryside House, The Drive, Brentwood, Essex CM13 3AT (the “**Landlord**”) and
- (2) **DAO FOOD EXPRESS LTD** incorporated and registered in England and Wales with company registration number 14376937 whose registered office is at 86 Whitehill Road, Cambridge, CB5 8LY (the “**Tenant**”).

## **IT IS AGREED AS FOLLOWS:**

### **1. DEFINITIONS**

This deed uses the following definitions:

**Bank:** a UK Clearing bank nominated by the Landlord;

**Business Day:** has the meaning prescribed in the Lease;

**Covenants:** the tenant’s obligations and conditions contained in the Lease;

**Deposit:** an amount of fifteen thousand and nine hundred and sixty pounds (£15,960);

**Deposit Account:** an interest-bearing deposit account opened with the Bank;

**Deposit Balance:** the balance from time to time standing to the credit of the Deposit Account;

**Disposal:** the transfer of the Landlord’s interest in the Premises or the grant of a lease out of that interest that takes effect subject to the terms of the Lease;

**Event of Default:** one or more of the following events:

- a) the disclaimer of the Lease by the Crown or by a liquidator or trustee in bankruptcy of the Tenant;
- b) if the Tenant is a company, the Tenant is struck off the register of companies or otherwise ceases to exist; and
- c) the forfeiture of the Lease;

**Lease:** a lease of the Premises dated the same date as this deed made between (1) the Landlord and (2) the Tenant and any document supplemental or collateral to it;

**Minimum Balance:** thirteen thousand and three hundred pounds (£13,300) plus VAT in the amount of two thousand six hundred and sixty pounds (£2,660);

**Premises:** the premises known as Unit 1, Great Kneighton Local Centre, 1 Poulter Walk, Trumpington, Cambridge, CB2 9GX as more particularly described in and demised by the Lease;

**Release Date:** the date calculated in accordance with **Schedule 1**;

**Repayment Date:** the earlier of:

- a) the date on which the Tenant lawfully assigns the Lease;
- b) the first date on which the following conditions are satisfied:
  - i. the Lease has come to an end, other than by an Event of Default; and
  - ii. the Tenant gives back the Premises with vacant possession, except to the extent that any permitted undertenant has the right to the statutory continuation of its underlease under the 1954 Act;
- c) the Release Date.

**Secured Liabilities:** the payment of all sums required for one or more of the following:

- a) to make good any loss or damage to the Landlord arising from any breach by the Tenant of the Covenants; and
- b) to make good any loss or damage to the Landlord arising from an Event of Default, including any sums for which the Landlord is entitled to prove in the winding up or bankruptcy of the Tenant whether or not following a disclaimer of the Lease;

**Successor:** the person who becomes the immediate landlord of the Tenant following a Disposal; and

**VAT:** has the meaning prescribed in the Lease.

## 2. INTERPRETATION

In this deed:

- 2.1 “notify” or “notified” means notify or notified in writing;
- 2.2 where appropriate, the singular includes the plural and vice versa, and one gender includes any other;
- 2.3 obligations owed by or to more than one person are owed by or to them jointly and severally;
- 2.4 an obligation to do something includes an obligation not to waive any obligation of another person to do it;
- 2.5 an obligation not to do something includes an obligation not to permit or allow another person to do it;
- 2.6 “includes”, “including” and similar words are used without limitation or qualification to the subject matter of the relevant provision; and
- 2.7 if any provision is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder of this deed will be unaffected.

## 3. DEPOSIT ACCOUNT

- 3.1 If it has not already done so, the Landlord must open the Deposit Account as soon as reasonably practicable after the date of this deed but in any event within five Business Days after the date of this deed.

3.2 The Tenant must provide all information about the Tenant required by the Bank to open and maintain the Deposit Account including any details of the directors and shareholders of the Tenant and evidence of their identity required by the Bank.

3.3 The Bank's costs for opening and operating the Deposit Account will be deducted from the Deposit Balance.

#### 4. **CHARGE**

4.1 The Landlord acknowledges receipt of the Deposit from the Tenant and must pay it into the Deposit Account.

4.2 The Tenant must pay and discharge the Secured Liabilities on demand when they are due to the Landlord.

4.3 The Tenant with full title guarantee and as continuing security for the Secured Liabilities charges the Deposit Balance by way of first fixed charge to the Landlord.

4.4 The charge created by **clause 4.3** is a "a charge in favour of a landlord on a cash deposit given as security in connection with the lease of land" for the purposes of section 859A(6)(a) Companies Act 2006.

4.5 The Tenant warrants to the Landlord that:

4.5.1 no person having any charge or other form of security over the assets of the Tenant is required to consent to the Tenant entering into this deed or has the benefit of any covenant preventing the Tenant entering into this deed; and

4.5.2 the Deposit is, and any further sums paid into the Deposit Account will be, free from any charge, lien or incumbrance in favour of any third party, whether legal or equitable.

4.6 The Tenant must not create any other legal or equitable charge (whether fixed or floating), lien or encumbrance over the Deposit Balance ranking in priority to the security created by this deed.

4.7 The Tenant must promptly and at its own cost execute any document and take any action that the Landlord at any time reasonably requires in order to protect and preserve the security created by this deed and for the priority of that security.

4.8 The security created by this deed is in addition to and is not to merge with, prejudice or affect any other security interest of the Landlord in relation to the Tenant.

#### 5. **DEPOSIT BALANCE**

5.1 The Landlord acknowledges that:

5.1.1 the Deposit Balance is and remains beneficially the property of the Tenant subject to the charge created by **clause 4.3**; and

5.1.2 it must not make any withdrawals from the Deposit Account except on the terms of this deed.

- 5.2 The Tenant acknowledges that the Landlord is entitled to make withdrawals from the Deposit Account on the terms of this deed and that any money so withdrawn will become the property of the Landlord.
- 5.3 The Landlord may notify the Tenant that the Deposit Balance is to be reduced by such sum as may be specified to settle any of the Secured Liabilities. If the Tenant does not pay to the Landlord the sums specified within five Business Days after being notified, the Landlord may withdraw those sums from the Deposit Account.
- 5.4 The Tenant must pay to the Landlord on demand such further sums as may be required to ensure that the Deposit Balance is at all times equal to the Minimum Balance.
- 5.5 The Landlord must pay any sums received from the Tenant under **clause 5.4** into the Deposit Account and they will form part of the Deposit Balance.
- 5.6 Interest earned on the Deposit Account must be credited to the Deposit Account. It will form part of the Deposit Balance until paid to the Tenant in accordance with **clause 6**.

## **6. REPAYMENT OF THE DEPOSIT BALANCE**

- 6.1 Within 10 Business Days after the Repayment Date, the Landlord must pay to the Tenant an amount equal to the Deposit Balance on the Repayment Date and any interest up to the Repayment Date but after deducting:
  - 6.1.1 any outstanding Secured Liabilities at the Repayment Date; and
  - 6.1.2 any outstanding costs of the Bank, including any costs payable on the closure of the Deposit Account.
- 6.2 If any Secured Liabilities are due at the Repayment Date but are unquantified at that date:
  - 6.2.1 the Landlord may deduct from the sums payable under **clause 6.1** an amount equal to the Landlord's reasonable estimate, to be made in good faith, of those Secured Liabilities;
  - 6.2.2 any sums so deducted must be held in the Deposit Account on the terms of this deed until the relevant Secured Liabilities have been quantified;
  - 6.2.3 the Landlord must quantify the relevant Secured Liabilities as soon as reasonably practicable; and
  - 6.2.4 when the relevant Secured Liabilities have been quantified, the Landlord must deduct the amount of those Secured Liabilities from the Deposit Account and must pay any credit balance on the Deposit Account to the Tenant within 10 Business Days of the Secured Liabilities having been quantified.

## **7. DISPOSALS**

- 7.1 Following a Disposal the Landlord must:
  - 7.1.1 notify the Tenant of the name and address of its Successor; and
  - 7.1.2 procure that the Successor opens a new Deposit Account and credits an amount equivalent to the Deposit Balance to it to be held on the terms of this deed.

7.2 Subject to the Landlord complying with **clause 7.1**, the Landlord making the Disposal will not be liable for any breach of its obligations in this deed arising after the date of the Disposal.

8. **LEGAL EFFECT**

8.1 This deed is supplemental to the Lease. A breach of the terms of this deed by the Tenant will be treated as a breach of the terms of the Lease and the Landlord will have the same rights and remedies in respect of that breach as it would have in respect of a breach of the terms of the Lease.

8.2 This deed takes effect and binds the parties with effect from the date of this deed.

## **SCHEDULE 1**

### **Release Date**

#### **1. Definitions**

This Schedule uses the following definitions:

##### **Accounting Period**

the period in respect of which accounts are required to be drawn up for the Tenant which, for the purposes of this deed, is not to be less than 12 months and not to be greater than 15 months in relation to each Accounting Period.

##### **Calculation Date**

the last day of the final Accounting Period in respect of the Tenant's Accounts provided under **paragraph 2.1.**

##### **Rental Figure**

the yearly rent payable under the Lease at the rate reserved at the Calculation Date and an amount equal to VAT payable on that yearly rent.

##### **Tenant's Accounts**

audited accounts of the Tenant, including a profit and loss account and balance sheet, drawn up in respect of an Accounting Period and:

- (a) in respect of a Tenant incorporated or resident in the United Kingdom:
  - (i) audited by an independent accountant duly registered as an auditor qualified to audit company accounts;
  - (ii) prepared in accordance with accepted accounting principles in the United Kingdom, all applicable Statements of Standard Accounting Practice and financial reporting standards; and
  - (iii) in respect of a Tenant who is a company, prepared in accordance with the provisions of the Companies Act 2006; and
- (b) in respect of a Tenant who is not incorporated or resident in the United Kingdom:
  - (i) audited by reputable accountants qualified to act as auditors in the country of incorporation or residence of the Tenant who have certified them to provide a true and fair view of the matters to which they relate;
  - (ii) prepared in accordance with accepted accounting principles and statutory requirements applicable in that country; and
  - (iii) that the Landlord, acting reasonably, accepts have been prepared and audited to standards reasonably comparable with those applying in the United Kingdom.

##### **Tenant's Profits**

in relation to each Accounting Period the net trading profit of the Tenant arising from the Tenant's normal trading activities as disclosed by the Tenant's Accounts for that Accounting Period:

- (a) excluding any profit from the sale of fixed assets, investments and other extraordinary items;
- (b) excluding any consolidated profits and losses from subsidiary companies;
- (c) after deducting depreciation, interest charges and all other expenses and charges; and
- (d) after deduction of tax.

## 2. **Release Date**

2.1 The Release Date will be the earlier of:

2.1.1 the date one month after the Tenant provides to the Landlord copies of the Tenant's Accounts:

- (a) for three consecutive Accounting Periods;
- (b) that commence on or after the date of this deed;
- (c) that are unqualified; and
- (d) that disclose Tenant's Profits for each of the Accounting Periods equal to or greater than three times the Rental Figure;

2.1.2 the date one month after the Landlord receives from the Tenant five consecutive years of rental payments on the relevant rent payment date under the Lease.

2.2 This **paragraph 2** will cease to apply in the case of an Event of Default and the definition of "Repayment Date" will be read as if the reference to "Release Date" was not included in the definition.

**EXECUTED** as a **DEED** by )  
**COUNTRYSIDE** )  
**CAMBRIDGE ONE LIMITED** )  
acting by a director in the  
presence of:


Signature of Witness: .....


Joanna Constantine

Name of Witness: .....

Address of Witness: 149 Main Road  
Great Leighs  
Chelmsford  
Essex  
CM3 1NP

Occupation of Witness: Group Tax Director  
.....

DocuSigned by:  
  
0A85E41E87AE459...  
Director

DocuSigned by:  
  
F98DFC6C3FEF495...

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**CAMBRIDGE TWO LIMITED** )  
acting by a director in the  
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Signature of Witness: .....


Joanna Constantine

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F98DFC6C3FEF495...

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**DAO FOOD EXPRESS LTD** )  
acting by a director in the )  
presence of:

\_\_\_\_\_  
Director

Signature of Witness: .....

Name of Witness: .....

Address of Witness: .....

.....

Occupation of Witness: .....