



Registration of a Charge

Company Name: **AA PROJECTS LIMITED**

Company Number: **03768390**



Received for filing in Electronic Format on the: **09/03/2022**

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Details of Charge

Date of creation: **09/03/2022**

Charge code: **0376 8390 0004**

Persons entitled: **DREES & SOMMER SE**

Brief description: **THE LEASEHOLD PROPERTY LOCATED AT UNIT L2 PRESCOT BUSINESS PARK CABLES WAY PRESCOT MERSEYSIDE AND REGISTERD AT THE LAND REGISTRY WITH THE TITLE NUMBER MS545135**

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by:

STEVENS & BOLTON LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3768390

Charge code: 0376 8390 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th March 2022 and created by AA PROJECTS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th March 2022 .

Given at Companies House, Cardiff on 10th March 2022

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**

STEVENS & BOLTON

DATED 9 MARCH 2022

(1) THE PERSONS IDENTIFIED IN SCHEDULE 1 HERETO (AS THE CHARGORS)

(2) DREES & SOMMER SE (AS THE LENDER)

DEBENTURE

This Debenture is subject to the terms of the Deed of Priorities as referred to herein

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THIS DEBENTURE is made on 9 March 2022 between:

- (1) **THE COMPANIES** whose names, registered numbers and registered offices are set out in Schedule 1 (the "**Chargors**"); and
- (2) **DREES & SOMMER SE** a company incorporated under German law, with corporate seat in Stuttgart, Germany, and having its address at Obere Waldplätze 13, Stuttgart, Germany, registered with the trade register (or its equivalent) of the *Amtsgericht* Stuttgart under number HRB760772 (the "**Lender**").

IT IS AGREED AS FOLLOWS:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Unless otherwise provided in this Debenture, terms defined in the Facility Agreement shall have the same meaning where used in this Debenture. In addition, in this Debenture, unless expressly stated to the contrary, the following words shall have the following meanings:

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

Charged Assets means all the property, undertaking and assets of the Chargors for the time being subject to the Security created by this Debenture (and references to the Charged Assets include references to any part of them);

Declared Default means the occurrence of an Event of Default which has resulted in the Lender exercising any of its rights under clause 14.10 (*Acceleration*) of the Facility Agreement;

Deed of Priorities means the deed of priorities entered into on or about the date of this Debenture between AA Projects (2018) Limited as the Company (as defined thereunder), each of the Obligors as Chargors (as defined thereunder), HSBC UK Bank plc as the First Chargee (as defined thereunder) and the Lender as Second Chargee (as defined thereunder);

Delegate means any delegate, agent, attorney or co-trustee appointed by the Lender;

Excluded Real Property means the property located at Fourth Floor, Suite B Jackson House, Washway Road, Sale, Cheshire and which is subject to a lease agreement originally dated 18 August 2017 and made between (1) ASE RE A LLP (as landlord) and AA Projects Limited (as tenant) for a term of ten (10) years and which is subject to a break option in favour of AA Projects Limited exercisable on 15 October 2022;

Facility Agreement means the facility agreement entered into between the Chargors and the Lender on or around the date of this Debenture under the terms of which the Lender agrees to provide a term loan facility in an amount equal to the Commitment to AA Projects (2018) Limited;

Floating Charge Assets means all the assets for the time being subject to the floating charge created by this Debenture (and references to the Floating Charge Assets include references to any part of them);

Intellectual Property Rights means any present or future interests relating to:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all licences and all applications and rights to use such assets of any Chargor (which may now or in the future subsist);

LPA means the Law of Property Act 1925;

Party means a party to this Debenture;

Real Property means all registered or unregistered estates and interests in:

- (a) any freehold, leasehold or immovable property now or in the future owned by any Chargor or in which any Chargor has an interest from time to time (including but not limited to the registered and unregistered properties specified in Schedule 2 to this Debenture, if any); and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of that freehold, leasehold or immovable property,

but excluding in each case for the purposes of Clause 3.1 and Clause 3.2 any Short Leasehold Properties and the Excluded Real Property;

Receivables means all actual or contingent book debts and other debts, receivables, rentals, royalties, fees, VAT, monetary claims and other amounts now and in the future due or owing to any Chargor, together with the benefit of all claims, rights, guarantees, security and remedies relating thereto and all proceeds of any of the foregoing;

Receiver has the meaning given to that term in Clause 9.3.1;

Secured Obligations means:

- (a) all present and future monies, liabilities and obligations of any kind which may now or at any time in the future be due, owing or incurred by any Chargor to any Secured Party (in any currency or currencies, whether present or future, actual or contingent, and whether incurred solely or jointly, as principal or surety and/or in any other capacity) under the terms of the Facility Agreement or any other Finance Document;
- (b) all costs, charges and legal expenses which any Chargor is liable to pay pursuant to Clause 12.2 of this Debenture; and
- (c) interest as set out in Clause 12.3;

Secured Party means the Lender, any Receiver or Delegate;

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

Security Period means the period beginning on the date of this Debenture and ending on the date on which all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full;

Shareholders' Agreement means the shareholders' agreement to be entered into on or about the date of this Debenture between the persons identified therein as the managers, the Lender and AA Projects (2018) Limited;

Short Leasehold Property means any leasehold property subject to any lease granted to any Chargor (as tenant) by any third party on arm's length terms for a contractual term of less than seven years, save where the occupation of the relevant land, or, as the case may be, property is required in order to carry on a material part of the business and/or operations of the relevant Chargor;

VAT means:

- (a) any value added tax imposed by the VAT Act;
- (b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (c) any other tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) or (b) above, or imposed elsewhere; and

VAT Act means the Value Added Tax Act 1994.

1.2 Interpretation

1.2.1 In this Debenture (unless the context requires otherwise) any reference to:

- (a) the "**Lender**", any "**Chargor**" or any other person shall be construed so as to include his or its personal representatives, successors in title, permitted assigns and permitted transferees;
- (b) "**assets**" includes any present and future properties, rights and revenues of every description;
- (c) an Event of Default is "**continuing**" if it has not been waived by the Lender under the terms of the Facility Agreement;
- (d) this "**Debenture**" or any other instrument, agreement or document shall be construed as a reference to this Debenture or other instrument, agreement or document as amended, novated, supplemented, extended or restated (however fundamentally, including any amendment providing for any increase in the amount of any liability);
- (e) "**including**" or "**includes**" means including or includes without limitation and where the context permits, "**other**" and "**otherwise**" are illustrative and shall not limit the sense of the words preceding them;
- (f) "**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;
- (g) "**owned**" includes having legal or equitable title to or a right to have legal or equitable title transferred;
- (h) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
- (i) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental,

intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;

- (j) the “**Secured Obligations**” includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting any Chargor. In addition, references in this Debenture to the “**Secured Obligations**” shall be construed so as to include (i) any increase or reduction in any amount due, owing or incurred by any Chargor to the Lender under the Facility Agreement or any other Finance Document and/or any alteration and/or addition to the purposes for which any such amount, or increased or reduced amount, may be used, (ii) any ancillary facilities provided under any Finance Document in substitution for or in addition to the facilities originally made to any Chargor under the Facility Agreement, (iii) any rescheduling of any indebtedness due, owing or incurred by any Chargor to the Lender, in connection with any of the foregoing and (iv) any combination of any of the foregoing;
- (k) a provision of law is a reference to that provision as amended or re-enacted from time to time;
- (l) a time of day is a reference to London time;
- (m) the singular includes a reference to the plural and vice versa; and
- (n) the requirement or the consent (or cognate term) of the Lender shall be deemed to be in the absolute discretion of the Lender except where expressed to be otherwise.

1.2.2 Clause headings are for ease of reference only.

1.2.3 The Schedules form part of this Debenture and shall be construed and have the same full force and effect as if expressly set out in the main body of this Debenture.

1.2.4 A reference to a Clause or Schedule is a reference to a Clause or Schedule to this Debenture.

1.2.5 For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of any loan agreement or side letters between the Lender and any Chargor are incorporated into this Debenture.

1.2.6 The Parties intend that this Debenture shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

1.2.7 The security constituted by this Debenture becoming “**enforceable**” shall mean that the security created under this Debenture has become enforceable under Clause 8.1.

1.3 **Deed of Priorities**

The terms of this Debenture are subject in all respects to the terms of the Deed of Priorities and the ranking and priority of the Security intended to be created or conferred on the Lender by or pursuant to this Debenture shall be governed by and determined in accordance with the terms of the Deed of Priorities. If there is any inconsistency between any of the provisions of this Debenture and the provisions of the Deed of Priorities, the provisions of the Deed of Priorities shall prevail.

2 COVENANT TO PAY

2.1 Covenant to pay

Each Chargor hereby covenants with the Lender that it will pay and discharge the Secured Obligations from time to time owing or incurred from or by it to the Secured Parties when they fall due.

2.2 Potential invalidity

Neither the covenant to pay in Clause 2.1 nor the Security constituted by this Debenture shall extend to or include any liability or sum which would, but for this clause, cause such covenant or Security to be unlawful under any applicable law.

2.3 Further advances

This Debenture secures further advances made by any Secured Party from time to time under any Finance Document.

3 GRANT OF SECURITY

3.1 Legal mortgage

Each Chargor hereby charges to the Lender by way of first legal mortgage all Real Property in which it holds an interest and which are listed in Schedule 2 to this Debenture opposite its name.

3.2 Fixed charges

Each Chargor hereby charges to the Lender by way of first fixed charge the following assets (wherever located) now or in the future vested in or belonging to it or in which it from time to time has an interest:

- 3.2.1 all Real Property not effectively mortgaged or charged by Clause 3.1 and all Real Property acquired by it after the date of this Debenture, together in each case with all licences to enter upon or use such land and the proceeds of sale of all Real Property;
- 3.2.2 all plant, machinery, fixtures, fittings, furniture computers, vehicles, office equipment and other equipment not effectively mortgaged or charged by Clauses 3.1 or 3.2.1, and all rights, title and interest under any agreements, licences and warranties relating to any of the foregoing, including in respect of their purchase, lease, hire purchase or maintenance;
- 3.2.3 all goodwill and uncalled capital of such Chargor;
- 3.2.4 all stocks, shares, loan capital and other securities, all dividends, distributions and other income paid or payable upon the foregoing and all rights, money or property accruing or offered at any time in relation to the foregoing;
- 3.2.5 any money standing to the credit of any present or future account of such Chargor with a bank or financial institution;
- 3.2.6 all Intellectual Property Rights;
- 3.2.7 all Receivables;
- 3.2.8 any assets expressed to be assigned under Clause 3.4 which are not effectively assigned under Clause 3.4; and
- 3.2.9 the benefit of all agreements, licences, consents and authorisations relating to the business and/or assets of such Chargor not otherwise charged under this Clause or assigned under Clause 3.4.

3.3 Floating charge

Each Chargor hereby charges to the Lender by way of floating charge:

- 3.3.1 all its present and future undertaking, property, assets and rights (wherever located) not otherwise effectively mortgaged, charged or assigned pursuant to Clauses 3.1 and 3.2 above and Clause 3.4 below; and
- 3.3.2 all its assets situated in Scotland.

3.4 Security assignments

Each Chargor hereby assigns to the Lender by way of security all of its present and future right, title and interest in and to all insurance policies held by or in its favour or in which the it has an interest and all claims under and proceeds payable to it in respect of such insurance policies.

3.5 Nature of security

All security created pursuant to this Debenture is created in favour of the Lender over the present and future assets of each Chargor with full title guarantee (in accordance with the Law of Property (Miscellaneous Provisions) Act 1994) and as continuing security for the payment of the Secured Obligations.

3.6 Notices

Each Chargor shall promptly after a request by the Lender give written notice to:

- 3.6.1 the relevant insurers of the assignment of its rights and interest in and under its insurance policies pursuant to this Debenture, and/or
 - 3.6.2 any bank, financial institution or other person with whom a Chargor has an account of the charging of its rights and interests under such accounts,
- and, in each case, use its reasonable endeavours to procure that each addressee of such notice promptly provides an acknowledgement of the Lender's interest to the Lender. Each Chargor shall obtain the Lender's prior approval of the form of any notice or acknowledgement to be used under this Clause 3.6.

3.7 Title documents

Subject to the terms of the Deed of Priorities entitling any other person to hold the same, each Chargor shall promptly after a request by the Lender deposit with the Lender (and the Lender shall during the continuance of this Security be entitled to hold):

- 3.7.1 all deeds and documents of title relating to the Charged Assets as the Lender may from time to time reasonably require; and
- 3.7.2 all certificates relating to the shares, securities and investments forming part of the Charged Assets and such instruments of transfer in blank and other documents as the Lender may from time to time reasonably require.

4 CONVERSION OF FLOATING CHARGE**4.1 Conversion by notice**

Notwithstanding anything express or implied in this Debenture, if the Lender considers (acting reasonably) that any Floating Charge Assets are in jeopardy, the Lender may at any time thereafter and as permitted by applicable law, by notice to a Chargor, convert the floating charge created by this Debenture with immediate effect into a fixed charge over all or any of the Floating Charge Assets of the relevant Chargor specified in such notice (but without prejudice to the Lender's rights to serve a notice in respect of any other Floating Charge Assets and any other rights of the Lender whatsoever).

4.2 **Automatic conversion**

Notwithstanding anything express or implied in this Debenture (save as set out under Clause 4.4 below), and without prejudice to any law which may have similar effect, if:

- 4.2.1 an Event of Default has occurred and is continuing;
- 4.2.2 any Chargor creates or attempts to create any Security (other than any Permitted Security) or any trust in favour of another person over any Floating Charge Asset;
- 4.2.3 any Chargor disposes or attempts to dispose of any Floating Charge Asset other than in the ordinary course of its trading; or
- 4.2.4 a receiver is appointed over all or any of the Floating Charge Assets or an administrator is appointed in respect of any Chargor or the Lender receives notice of an intention to appoint such an administrator,

the floating charge created by this Debenture will automatically and immediately (without notice) be converted into a fixed charge over all the Floating Charge Assets or, in the case of Clauses 4.2.1 and 4.2.3, over the relevant Floating Charge Asset.

4.3 **Assets acquired after floating charge conversion**

Any asset acquired by a Chargor after any conversion into a fixed charge of the floating charge created under this Debenture which, but for such conversion, would be subject to a floating charge, shall (unless the Lender confirms to the contrary) be charged to the Lender by way of first fixed charge.

4.4 **Moratorium**

Unless section A52(4) Insolvency Act 1986 allows, the floating charge created by this Debenture may not be converted into a fixed charge solely by reason of:

- 4.4.1 the obtaining of a moratorium; or
 - 4.4.2 anything done with a view to obtaining a moratorium (including any preliminary decision or investigation),
- under Part A1 Insolvency Act 1986.

5 **REPRESENTATIONS AND WARRANTIES**

Each Chargor represents and warrants to the Lender as follows:

5.1 **Ownership of Charged Assets**

It is the sole legal and beneficial owner of all of the Charged Assets mortgaged, charged or assigned by it by way of security to the Lender under or pursuant to this Debenture.

5.2 **No Security**

The Charged Assets are not subject to any Security, other than Permitted Security.

5.3 **Avoidance of security**

No Security expressed to be created pursuant to this Debenture is liable to be avoided or otherwise set aside on the liquidation or administration of any Chargor or otherwise.

5.4 **Time when representations are made**

All the representations and warranties in this Clause 5 are made by each Chargor on the date of this Debenture and are also deemed to be repeated on each day on which any representations and warranties are made or repeated pursuant to the Facility Agreement with reference to the facts and circumstances existing at the time of repetition.

6 COVENANTS

6.1 Negative Pledge

No Chargor shall, except for any Permitted Security or with the prior written consent of the Lender:

- 6.1.1 create or purport to create or permit to subsist any Security on, over or in relation to the Charged Assets or any part of them;
- 6.1.2 (other than (i) any Floating Charge Assets in the ordinary course of its trading or (ii) (to the extent permitted by the Shareholders' Agreement) any capital assets with an individual value not exceeding £10,000 (or its equivalent) or an aggregate value not exceeding £100,000 (or its equivalent) in any financial year) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer, surrender or otherwise dispose of or cease to exercise control of all, or part of any interest in any Charged Assets; or
- 6.1.3 create or grant any interest in the Charged Assets in favour of a third party.

6.2 Land Registry restriction

6.2.1 Each Chargor consents to an application being made by the Lender to the Land Registrar for the following restriction in Form P to be registered against its title to any Real Property charged pursuant to this Debenture.

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [●] 2022 in favour of Drees & Sommer SE referred to in the charges register or their conveyancer".

6.2.2 The Lender covenants with each Chargor that it shall perform its obligations to make advances under any loan or facility agreement entered into between the Lender and any Chargor (including any obligation to make available further advances).

6.2.3 If the title to any Real Property owned by a Chargor is not registered at the Land Registry, such Chargor shall ensure that no person (other than itself or any person to the extent contemplated by the Deed of Priorities) shall be registered under the Land Registration Act 2002 as the proprietor of all or any part of such Real Property, without the prior written consent of the Lender.

6.3 Protection of Charged Assets

6.3.1 No Chargor shall without the prior written consent of the Lender:

- (a) do, or permit to be done, any act or thing which would jeopardise or otherwise materially prejudice the security held by the Lender or materially diminish the value of any of the Charged Assets or the effectiveness of the security created by this Debenture; or
- (b) enter into any onerous or restrictive obligations affecting the whole or any part of the Charged Assets or create or permit to arise any overriding interest, easement or right in or over the whole or any part of any Real Property which, in each case, would jeopardise or otherwise materially prejudice the security held by the Lender or materially diminish the value of any of the Charged Assets or the effectiveness of the security created by this Debenture.

6.3.2 Each Chargor shall comply in all material respects with all obligations under any law, regulation, order or instrument at any time applicable to the Charged Assets if failure to so comply would jeopardise or otherwise materially prejudice the security held by

the Lender or materially diminish the value of any of the Charged Assets or the effectiveness of the security created by this Debenture.

6.4 **Receivables**

Each Chargor shall not, except in accordance with its payment and debt collection conduct policies or as otherwise agreed by the Lender from time to time, release, exchange, compound, set-off, charge, assign, sell, factor, discount, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Receivables.

7 **POWER TO REMEDY**

If a Chargor fails to perform any of its obligations under this Debenture, the Lender may (without prejudice to any of its other rights under this Debenture) take any such action as it may deem appropriate to remedy such failure (including taking out or renewing insurance or effecting repairs) and may recover the expenses so incurred from such Chargor on demand, and the exercise of such rights by the Lender shall not render it liable as mortgagee in possession. Each Chargor irrevocably authorises the Lender to do all such things (including entering the Real Property) as are necessary or desirable for that purpose.

8 **POWERS OF THE LENDER AND ENFORCEMENT**

8.1 **Enforcement**

8.1.1 This Debenture shall become immediately enforceable on and at any time following the occurrence of a Declared Default or at any other time as the relevant Chargor may request.

8.1.2 When this Debenture is enforceable, the power of sale and other powers conferred by section 101 of the LPA will be immediately exercisable without the restrictions contained in the LPA as to the giving of notice or otherwise with respect to the whole or any part of the Charged Assets. After the security constituted by this Debenture has become enforceable, the Lender may (in its absolute discretion) enforce all or any part of such security in any manner it sees fit.

8.2 **Secured Obligations deemed due**

For the purposes of all powers implied by statute, the Secured Obligations will be deemed to have become due and payable on the date of this Debenture, and sections 93, 103 and 109 of the LPA shall not apply.

8.3 **Statutory powers**

The statutory powers of leasing conferred on the Lender will be extended so as to authorise the Lender to lease, make agreements for leases, accept surrenders of leases, vary or reduce sums payable under leases and grant options as the Lender may think fit and without the need to comply with sections 99 and 100 of the LPA.

8.4 **Prior Security**

At any time after the security constituted by this Debenture has become enforceable, the Lender may:

8.4.1 redeem any prior Security, or procure its transfer to itself; and

8.4.2 settle any account of the holder of any prior Security.

The settlement of any such account shall be conclusive and binding on each Chargor. All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the relevant Chargor to the Lender on demand.

8.5 **Right of appropriation**

To the extent that any of the Charged Assets constitute "financial collateral", and this Debenture and the obligations of any Chargor hereunder constitute a "security financial collateral arrangement" (in each case as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226)), each Secured Party shall have the right, at any time after the security constituted by this Debenture has become enforceable, to appropriate all or any of those Charged Assets in or towards the payment and/or discharge of the Secured Obligations in such order as the Secured Party in its absolute discretion may from time to time determine. The value of any Charged Assets appropriated in accordance with this Clause shall be the price of those Charged Assets at the time the right of appropriation is exercised as listed on any recognised market index, or as determined by such other method as the Secured Party may reasonably select. Each Chargor agrees that the methods of valuation provided for in this Clause are commercially reasonable.

9 **ADMINISTRATOR, RECEIVER, LIABILITY**

9.1 **Appointment of administrator**

At any time after the security created pursuant to this Debenture has become enforceable, the Lender shall be entitled to appoint or apply for the appointment of an administrator under paragraph 14 of Schedule B1 to the Insolvency Act 1986.

9.2 **Qualifying floating charge**

Each floating charge created by or pursuant to this Debenture is a qualifying floating charge for the purposes of the Insolvency Act 1986.

9.3 **Powers of the Lender**

At any time after the security created pursuant to this Debenture has become enforceable or at the request of any Chargor, the Lender may:

- 9.3.1 appoint any person or persons to be a receiver or an administrative receiver (if permissible) or a receiver and manager or receivers and managers of all or any part of the Charged Assets and/or of the income of the Charged Assets ("**Receiver**"); and
- 9.3.2 exercise any of the powers conferred on mortgagees by the LPA (as amended or extended by this Debenture) and/or any of the powers that are conferred by this Debenture on a Receiver (in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver),

and for these purposes each Chargor authorises the Lender to opt to charge VAT under Schedule 10 paragraph 2(1) of the VAT Act on its behalf in respect of the Real Property.

9.4 **Remuneration of Receiver/agent of the Chargors**

- 9.4.1 The Lender may from time to time determine the remuneration of the Receiver and may remove the Receiver and appoint another in his place. If at any time there is more than one Receiver of all or any part of the Charged Assets or the income of the Charged Assets, each Receiver shall have the power to act individually.
- 9.4.2 Any Receiver shall be the agent of the Chargors and the Chargors alone shall be responsible for his acts and omissions and for his remuneration.
- 9.4.3 Any exercise of powers by a Receiver may be on behalf of a Chargor, the directors of a Chargor or the Receiver.

9.5 **Powers of Receiver**

Any Receiver appointed by the Lender shall have the powers set out in the LPA and in Schedule 1 to the Insolvency Act 1986, the powers which are conferred on the Lender under

this Debenture, all powers conferred by any other law conferring powers on receivers, and the power to do each of the following matters:

- 9.5.1 to take possession of, collect and get in all or any part of the Charged Assets and/or the income thereon and for that purpose to take any proceedings in any Chargor's name or otherwise as he shall think fit;
- 9.5.2 to carry on or concur in carrying on the business of any Chargor and manage its Charged Assets;
- 9.5.3 to borrow and raise money and to redeem any existing Security on the security of all or any part of the Charged Assets;
- 9.5.4 to sell, let and/or terminate or otherwise dispose of or to accept surrenders of leases or tenancies of or to grant options and licences over, all or any part of the Charged Assets, in such manner and on such terms as he thinks fit;
- 9.5.5 to take, continue or defend any proceedings and enter into any agreement, arrangement or compromise which the Lender or he shall think fit in respect of the Charged Assets and/or the income thereon;
- 9.5.6 to make and effect all repairs, improvements and alterations to the Charged Assets and to insure such assets as he thinks fit;
- 9.5.7 to appoint such managers, officers, agents and professional advisers as he shall think fit, at such salaries as the Receiver may determine;
- 9.5.8 to sever and sell separately any fixtures or fittings from any Real Property without the consent of any Chargor;
- 9.5.9 to call up any of Chargor's uncalled capital;
- 9.5.10 to promote the formation of a subsidiary company or companies of any Chargor, so that such subsidiary may purchase, lease, license or otherwise acquire interests in all or any part of the Charged Assets;
- 9.5.11 to operate any rent review clause in respect of any Real Property in relation to which he was appointed and to apply for any new or extended lease;
- 9.5.12 to give valid receipts for all monies;
- 9.5.13 to make such VAT options in relation to any Real Property as he thinks fit;
- 9.5.14 to exercise in relation to each Charged Asset all powers and rights as he would be capable of exercising if he were the absolute owner of such Charged Asset; and
- 9.5.15 to do all other acts and things which he may consider to be incidental or conducive to any of the above powers or which he considers to be necessary or desirable for the realisation of any Charged Asset, and to use the name of any Chargor for any of the above purposes.

9.6 **Application of proceeds**

Any moneys received under this Debenture shall be applied:

- 9.6.1 **first**, in satisfaction of all costs, charges and expenses properly incurred and payments properly made by any Secured Party and of the remuneration of any Receiver;
- 9.6.2 **secondly**, in or towards satisfaction of the Secured Obligations in such order as the Lender shall determine; and
- 9.6.3 **thirdly**, the surplus (if any) shall be paid to any Chargor or to any other person or persons entitled to it.

Neither the Lender nor any Receiver shall be bound (whether by virtue of section 109(8) of the LPA, 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 Obligations.

9.7 Suspense account

All monies received by the Lender or any Receiver under or in connection with this Debenture (including monies received at a time when no amounts are due in respect of the Secured Obligations) may at the discretion of the Lender or such Receiver be credited to a suspense account for so long as the Lender or the Receiver thinks fit without the Lender or Receiver having any obligation to apply such monies or any part of them in or towards the discharge of any of the Secured Obligations.

9.8 No liability

9.8.1 Neither the Lender nor any Receiver shall be liable in respect of the Charged Assets or any part thereof, or for any loss or damage arising out of the exercise or the attempted or purported exercise of any of its powers or the failure to exercise any of its powers, or for any other reason whatsoever, and whether as mortgagee in possession or on any other basis.

9.8.2 Notwithstanding any of the provisions of this Debenture, each Chargor shall remain liable to perform all obligations assumed by it in relation to the Charged Assets, and neither the Lender nor any Receiver shall be obliged to perform any such obligation or make any payment in respect thereof.

9.9 No duty to enquire

No purchaser or other person shall be obliged or concerned to enquire:

9.9.1 whether the Secured Obligations have become payable;

9.9.2 whether any right of the Lender or any Receiver to exercise any of its powers has arisen or become exercisable or not;

9.9.3 whether any sums remain due from any Chargor to the Lender;

9.9.4 how any money paid to the Lender or a Receiver is to be applied, or

9.9.5 as to the propriety of the exercise or purported exercise of such powers.

9.10 Conclusive discharge to purchasers

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

9.11 Moratorium

Unless section A52(4) Insolvency Act 1986 allows, the Lender is not entitled to appoint a Receiver solely by reason of:

9.11.1 the obtaining of a moratorium; or

9.11.2 anything done with a view to obtaining a moratorium (including any preliminary decision or investigation),

9.11.3 under Part A1 Insolvency Act 1986.

10 FURTHER ASSURANCE

10.1 Each Chargor shall, at its own expense, promptly do all acts and execute all documents as the Lender or a Receiver may reasonably specify (and in such form as the Lender or a Receiver may reasonably require) for:

10.1.1 creating, perfecting or protecting the security intended to be created by this Debenture;

- 10.1.2 facilitating the realisation of any Charged Asset;
 - 10.1.3 facilitating the exercise of any rights, powers and remedies exercisable by the Lender or any Receiver in respect of any Charged Asset or under this Debenture; and
 - 10.1.4 creating and perfecting security in favour of the Lender over any property and assets of a Chargor located in any jurisdiction outside England and Wales.
- 10.2 The action that may be required under Clause 10.1 above includes (without limitation):
- 10.2.1 the re-execution of this Debenture;
 - 10.2.2 the execution of any legal mortgage, charge, transfer, conveyance, assignment, assignation or assurance of any property; and
 - 10.2.3 the giving of any notice, order or direction and the making of any filing or registration, which, in any such case, the Lender or a Receiver may think expedient.

11 **POWER OF ATTORNEY**

Each Chargor by way of security irrevocably appoints the Lender and any Receiver jointly and severally as its attorney, with full power of substitution and delegation, for it and in its name and on its behalf and as its act and deed or otherwise, to execute any documents and do any acts and things which such Chargor is required to execute and do under this Debenture, and/or which the attorney may deem necessary or desirable in exercising any of the powers, authorities and discretions conferred on the Lender or any Receiver. Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this Clause.

12 **PAYMENTS, COSTS AND INDEMNITY**

12.1 **Payments without deduction**

All amounts due by any Chargor to the Lender pursuant to this Debenture shall be paid in full without any set-off, abatement, cross claim, deduction or withholding of any kind other than as required by law. If a Chargor is compelled by law to make any deduction or withholding from any sum payable under this Debenture the sum payable by that Chargor shall be increased to an amount which (after making any deduction or withholding) leaves an amount equal to the amount which would have been due if no any deduction or withholding had been required.

12.2 **Indemnity**

Each Chargor shall indemnify the Lender and any Receiver for all costs, charges and legal expenses (on a full indemnity basis) charged or incurred by the Lender or by any Receiver:

- 12.2.1 in connection with enforcing this Debenture;
- 12.2.2 in properly exercising any power or any of its rights under this Debenture or any other security held by the Lender or any Receiver from time to time;
- 12.2.3 as a result of or in connection with anything done or omitted to be done in the proper exercise of the powers contained in this Debenture;
- 12.2.4 as a result of or in connection with the Charged Assets or the use of occupation of them by any person; or
- 12.2.5 as a result of any breach by a Chargor of its obligations under this Debenture.

12.3 Interest

Each Chargor shall pay interest on any amounts due under this Debenture calculated day by day from demand until full discharge to the satisfaction of the Lender (as well after as before judgment) at such rate as may from time to time have been agreed in the Finance Document under which such amount is payable, and in default of such agreement at the rate of three and a half per cent (3.5%) per annum above the Bank of England's published Bank Rate from time to time, provided that in relation to such costs, charges, expenses and remuneration as are mentioned in Clause 12.2, interest shall accrue and be payable as from the dates on which the same are incurred by the Lender or by any such Receiver or become due to such Receiver under the terms of his appointment without the necessity for any demand being made for payment thereof.

13 NOTICES**13.1 Communications in writing**

13.1.1 Any demand, notice, consent or communication to be made or given by or to a Chargor or the Lender under or in connection with this Debenture shall be made in writing and, unless otherwise stated, may be made by letter or e-mail.

13.1.2 Any demand on a Chargor shall be validly made whether or not it contains an accurate statement of the amount of the Secured Obligations.

13.2 Addresses

The address and e-mail 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 Debenture is:

13.2.1 in the case of any Chargor:

- (a) the address specified opposite its name in Schedule 1; or
- (b) the following e-mail addresses: kennethwood@aaprojects.co.uk and neilgrindrod@aaprojects.co.uk; and

13.2.2 in the case of the Lender:

- (a) the following postal address: Liebknechtstraße 33, 70565 Stuttgart, Germany (marked for the attention of Gabriele Walker-Rudolf, Drees & Sommer SE); or
- (b) the following e-mail address: gabriele.walker-rudolf@dreso.com,

or any substitute address or e-mail address (or department or officer) as the Party may notify to the other Party by not less than five Business Days' notice.

13.3 Delivery

13.3.1 Any communication or document made or delivered by one Party to another Party under or in connection with this Debenture will only be effective:

- (a) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or
 - (b) if by e-mail, when actually received in readable form,
- and, if a particular department or officer is specified as part of its address details provided under Clause 13.2 (*Addresses*), if addressed to that department or officer.

13.3.2 Any communication or document which becomes effective, in accordance with Clause 13.3.1 above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following Business Day.

14 **GENERAL**

14.1 **Continuing and independent security**

This Debenture shall be:

- 14.1.1 a continuing security to the Lender and shall extend to the ultimate balance of the Secured Obligations, notwithstanding any settlement of account or intermediate payment or discharge in whole or in part, and secures present and future advances from time to time;
- 14.1.2 without prejudice and in addition to any other security for the Secured Obligations (whether by way of mortgage, equitable charge or otherwise) which the Lender may hold now or hereafter on all or any part of the Charged Assets;
- 14.1.3 in addition to any rights, powers and remedies at law available to the Lender; and
- 14.1.4 enforceable against each Chargor without the Lender first having recourse to any other right, remedy, guarantee or security held by or available to it.

14.2 **New accounts**

If the Lender receives notice of any subsequent charge or other interest affecting any part of the Charged Assets, the Lender may open a new account for any Chargor. If the Lender does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received notice, and as from that time all payments made by such Chargor to the Lender shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount due from such Chargor to the Lender at the time when it received notice as specified above.

14.3 **Delay**

No failure or delay by the Lender in the exercise of any of its rights under this Debenture or at law shall operate or be construed as a waiver. No waiver of any of the Lender's rights shall preclude any further or other exercise of that right or of any other right.

14.4 **Indulgence**

The Lender may give time or other indulgence, or make any other arrangement, variation or release with any person in respect of the Secured Obligations, and each Chargor may enter into any other security or guarantee for the Secured Obligations, in each case without derogating from its liabilities or the Lender's rights under this Debenture.

14.5 **Liability not discharged**

A Chargor's liability under this Debenture in respect of the Secured Obligations shall not be discharged, prejudiced or affected by any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is or becomes wholly or partially illegal, void or unenforceable on any ground, or any other act or omission which but for this Clause might have discharged, or otherwise prejudiced or affected the liability of any Chargor.

14.6 **Avoidance of payments**

If the Lender considers that an amount paid to it may be avoided or otherwise set aside on the liquidation or administration of a Chargor then that amount shall not be considered to have been irrevocably paid for the purposes of this Debenture. Any release, discharge or settlement between a Chargor and the Lender shall be deemed conditional on no payment or security received by the Lender in respect of the Secured Obligations being avoided, reduced or ordered to be refunded pursuant to any law, and despite any such release, discharge or settlement the Lender may retain this Debenture and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the

Charged Assets, for such period as the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund.

14.7 Waiver of set-off rights by the Chargors

Each Chargor waives any present or future right of set-off it may have in respect of the Secured Obligations (including sums payable by such Chargor under this Debenture).

14.8 Delegation

The Lender may delegate in any manner to any person, any right, power or discretion exercisable by it under this Debenture upon any terms which it may think fit. The Lender shall not be in any way liable or responsible for any loss or liability arising from any act, default, omission or misconduct on the part of any such delegate.

14.9 Perpetuity Period

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

14.10 Certificates

Any certificate of or determination by the Lender specifying the amount of any Secured Obligations due from any Chargor shall be, in the absence of manifest error, conclusive evidence against the Chargors of the matters to which it relates.

14.11 Amendments

The provisions of this Debenture may be amended only if the Lender and the Chargors so agree in writing and any breach of this Debenture may be waived only if the Lender so agrees in writing.

14.12 Fraud

Notwithstanding the other provisions of this Debenture, nothing in it shall have the effect of limiting or restricting any liability arising as a result of any fraud or fraudulent misrepresentation.

14.13 Release

At the end of the Security Period, the Lender shall, at the request and cost of the Chargors, take whatever action is necessary to release the Charged Assets from the Security created by this Debenture.

15 PARTIAL INVALIDITY

15.1 If, at any time, any provision of this Debenture 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.

15.2 If this Debenture is executed by or on behalf of more than one person and any one or more of these persons is not bound by its provisions (whether by reason of lack of capacity or improper execution or for any other reason), the remaining Parties shall continue to be so bound.

16 THIRD PARTY RIGHTS

No provision of this Debenture shall be enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person (except any Receiver or Delegate) who is not a Party.

Notwithstanding any term of this Debenture, the consent of any person who is not a Party is not required to rescind or vary this Debenture at any time.

17 **ASSIGNMENT AND TRANSFER**

17.1 **Assignment by the Lender**

The Lender may assign or transfer the whole or any part of the Lender's rights and/or obligations under this Debenture to any person to whom it assigns or transfers any of its rights or obligations under the Facility Agreement. Each Chargor shall promptly upon request by the Lender enter into such documents as may be necessary or desirable to effect such assignment or transfer.

17.2 **Assignment by the Chargors**

No Chargor may assign any of its rights, or transfer any of its obligations, under this Debenture or enter into any transaction which would result in any of those rights or obligations passing to another person without the prior written consent of the Lender.

18 **COUNTERPARTS**

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

19 **GOVERNING LAW**

This Debenture and any non-contractual obligations arising out of or in connection with it are governed by English law.

20 **JURISDICTION**

20.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Debenture (including a dispute relating to the existence, validity or termination of this Debenture or any non-contractual obligation arising out of or in connection with this Debenture) (a "**Dispute**").

20.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

Executed by each Chargor as a deed and signed on behalf of the Lender and delivered on the date set out at the beginning of this document.

SCHEDULE 1**THE CHARGORS**

Company name	Registered number	Registered office
AA Projects (2018) Limited	11147105	Jackson House, Sibson Road, Sale, United Kingdom, M33 7RR
AA Projects Group Limited	08949678	Jackson House, Sibson Road, Sale, Cheshire, M33 7RR
AA Projects Limited	03768390	Jackson House, Sibson Road, Sale, Manchester, M33 7RR

SCHEDULE 2**REAL PROPERTY**

Property Address	Title Number	Date of Lease	Term of Lease	Landlord	Tenant
Unit L2 Prescot Business Park Cables Way Prescot Merseyside	MS545135	27 June 2017	Ten (10) years	St Modwen Developments Limited	AA Projects Limited

EXECUTION PAGE TO DEBENTURE

THE CHARGORS

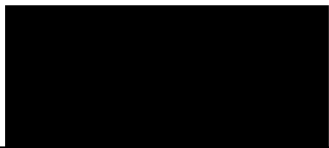
EXECUTED as a DEED by **AA**)
PROJECTS (2018) LIMITED acting by)
the officers named opposite:)
)



(Signature)

Name: Neil Grindrod

Title: Director

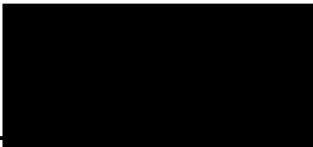


(Signature)

Name: Kenneth Wood

Title: Director

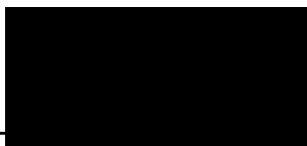
EXECUTED as a DEED by **AA**)
PROJECTS GROUP LIMITED acting by)
the officers named opposite:)
)



(Signature)

Name: Neil Grindrod

Title: Director



(Signature)

Name: Kenneth Wood

Title: Director

EXECUTION PAGE TO DEBENTURE

EXECUTED as a DEED by **AA**)
PROJECTS LIMITED acting by the)
officers named opposite:)
)


(Signature)

Name: Neil Grindrod

Title: Director


(Signature)

Name: Kenneth Wood

Title: Director

THE LENDER

SIGNED by **DREES & SOMMER SE**)
acting by the authorised signatories)
named opposite:)
)


(Signature)

Name: Ulrike Giss

Title: Authorised Signatory


(Signature)

Name: Christian Day

Title: Authorised Signatory