



Registration of a Charge

Company Name: **CELTIC HORIZONS LIMITED**

Company Number: **07838396**



Received for filing in Electronic Format on the: **17/11/2021**

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Details of Charge

Date of creation: **09/11/2021**

Charge code: **0783 8396 0002**

Persons entitled: **THE WELSH MINISTERS**

Brief description: **LEASEHOLD INTEREST OF UNIT 1, 37 PONTYGWINDY INDUSTRIAL ESTATES, SIR ALFRED OWEN WAY, PONTYGWINDY INDUSTRIAL ESTATE, CAERPHILLY, CF83 3HU BETWEEN (1) STARBURST (UK) LIMITED AND (2) CELTIC HORIZONS LIMITED**

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:

CAPITAL LAW LIMITED



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7838396

Charge code: 0783 8396 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th November 2021 and created by CELTIC HORIZONS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th November 2021 .

Given at Companies House, Cardiff on 18th November 2021

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



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

Dated 9 November 2021

CL

Welsh Ministers

and

Celtic Horizons Limited

Debenture



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Debenture

dated 8 November 2021

Parties

- (1) **The Welsh Ministers** whose principal place of business is Crown Building, Cathays Park, Cardiff, CF10 3NQ (the **Lender**) (including, as appropriate, Affiliates or subsidiaries of Welsh Ministers acting on its behalf); and
- (2) **Celtic Horizons Limited**, a private company limited by shares within the meaning of the Companies Act 2006 incorporated in England (registration number 07838396) whose registered office is c/o United Welsh Housing Association, Y Borth, 13 Beddau Way, Caerphilly, CF83 2AX (the **Borrower**)

Introduction

- (A) Pursuant to a loan agreement (the **Agreement**, which expression includes the Agreement as from time to time amended or varied) dated on 18th March 2021 and made between the Lender and the Borrower, the Lender has agreed to make available to the Borrower a loan of up to £2,093,000 on the terms and subject to the conditions set out therein.
- (B) The Lender and the Borrower have agreed to enter into this Debenture to secure the obligations of the Borrower under the Agreement.

Agreed terms

1 Interpretation

1.1 Terms defined

In this Debenture:

Account means the account named [REDACTED], account number: [REDACTED] the Account Bank and any other account opened by the Borrower relating to the Business, as that account or accounts may be renamed, renumbered or redesignated from time to time together with all rights and benefits accruing or arising in connection with such accounts;

Account Bank means Lloyds Bank Plc whose address for the purposes of this Debenture is at 21 Cardiff Rd, Caerphilly CF83 1WD;

Act means the Law of Property Act 1925;

Assets means all of the assets, rights and benefits of the Borrower in or relating directly or indirectly to the Charged Property and the business carried on by it at the relevant time of the manufacture and business of modular housing including for the avoidance of doubt all related research and development rights (the **Business**), all monies from time to time standing to the credit of the Account, monetary claims due or owing to the Borrower, goodwill relating to the Business, all insurances, the benefit of all contracts, guarantees, appointments, covenants, warranties relating to such asset and any other document relating to such assets, all its rights and interest in all present and future rents and other sums, due to it under any lease, underlease, tenancy, licence or other right of occupation

to which such assets are subject and intellectual property in reach case relating to the Business but not any other business carried on by or other assets of the Borrower;

Business is defined in the definition of Assets;

Charged Property means all freehold and leasehold property belonging to the Borrower now or in the future (together with all buildings, trade and other fixtures fixed plant and machinery of the Borrower from time to time on such property¹ (the **Property**) and all other plant, machinery and equipment owned by the Borrower relating solely or connected to the Business which are capable of being charged by way of fixed charge whose details are set out in the Schedule 1.

Events of Default mean those events which are listed in Clause 3 of the Standard Terms of the Agreement;

Insolvency Act means the Insolvency Act 1986 as amended by the Enterprise Act 2002 (where applicable);

Receiver has the meaning given to it in Clause 11;

Security Documents means this Debenture as amended from time to time and all other security entered into from time to time in favour of the Lender for the Borrower's obligations under the Agreement;

Secured Liabilities means all present and future obligations and liabilities of the Borrower to the Lender including under the Agreement and the Security Documents whether present or future, actual or contingent which shall become due and payable under the terms of the Agreement or the Security Documents as the case may be; and

Security Period means the period beginning on the date of this Debenture and ending on the date upon which all the Secured Liabilities which have arisen or may arise have been irrevocably paid and discharged and no amounts remain to be disbursed under the Agreement.

1.2 Construction

Save as expressly defined herein, terms defined in the Agreement shall have the same meanings in this Debenture.

2 Covenant to pay

Covenant

The Borrower covenants that it will pay the Secured Liabilities on the due date in accordance with the terms of the Agreement and this Debenture.

¹CL comment: the fixed plant and machinery is different to all other plant and machinery as it affixes to the land so this should be set out separately. CL

3 Charge

3.1 Fixed Charge

The Borrower as security for the payment of all Secured Liabilities, charges the Charged Property and Assets with full title guarantee to the Lender by way of first fixed charge.

3.2 Floating Charge

The Borrower as sole legal owner with full title guarantee, as security for the payment of all Secured Liabilities, charges the Assets, both present and future, in favour of the Lender by way of floating charge to extent not subject to the fixed charge provided pursuant to Clause 3.1.

4 Continuance of security

4.1 Continuing security

This security shall be continuing and not satisfied by any intermediate payment or satisfaction of the whole or any part of any of the Secured Liabilities but shall secure the ultimate balance of each of the Secured Liabilities.

4.2 Additional security

This security shall be in addition to and shall not be affected by any other encumbrance now or hereafter held by the Lender for all or any of the Secured Liabilities.

4.3 Final redemption

If the Secured Liabilities have been paid in full or otherwise satisfied and the Security Period has expired, the Lender shall, at the request and cost of the Borrower, promptly execute and do all such deeds, acts and things as may be necessary to release the property charged by this Debenture from the security constituted by this Debenture.

5 Undertakings by the Borrower

The Borrower hereby undertakes with the Lender that the Borrower will at all times while there shall subsist any security constituted by or pursuant to this Debenture:

5.1 punctually pay or cause to be paid when due all rents, rates, taxes, duties, assessments and other outgoings payable in respect of the Charged Property and/or Assets or any part thereof;

5.2 keep all buildings, trade and other fixtures forming part of the Property in good and tenantable repair (save for general wear and tear) and permit the Lender, its officers, employees and agents free access at all reasonable times to view the state and condition of the forgoing without becoming liable to account as mortgagee in possession;

5.3 observe and perform in all material respects the covenants reserved by or contained in any lease, agreement for lease or tenancy agreement under which any part of the Property may be held and neither take any step nor omit to take any step whatsoever if in consequence of the taking or omission to take such step such lease, agreement for lease or tenancy agreement may be surrendered or forfeited or the rent thereunder may be

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increased to the extent that failure to do so would adversely affect the value of the Property or the enforceability of this Debenture;

- 5.4 observe and perform all restrictive and other covenants and stipulations for the time being affecting any part of the Property or the use or the enjoyment of the same or any part thereof to the extent that failure to do so would adversely affect the value of the Property or the enforceability of this Debenture.
- 5.5 ensure that all plant and machinery and other equipment forming part of the Charged Property and/or Assets is maintained in all material respects in good and serviceable condition and where applicable in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules;
- 5.6 at its own cost, where relevant renew and replace any parts of the plant and machinery and other equipment forming part of the Charged Property and/or Assets when they become obsolete, worn out or damaged with parts of a similar quality and, where relevant, of equal or greater value;
- 5.7 if required by the Lender, notify any landlord of any Property that the plant and machinery and other equipment subject to this Debenture are charged to the Lender, such notice to be in the form agreed with the Lender (acting reasonably) and, if required by the Lender (acting reasonably), use its reasonable endeavours to obtain a waiver from the landlord and where relevant its mortgagee confirming that the plant and machinery and other equipment forming part of the Charged Property and/or Assets do not form part of its property and where relevant its mortgagee's security;
- 5.8 insure and keep insured the Charged Property and the Assets as are insurable with such insurer and against such risks and in such amounts and otherwise on such terms as are normally maintained by prudent companies carrying on similar businesses with the interest of the Lender noted on all policies of such insurance (where there is no provision for the automatic noting of a mortgagee's interests) and will produce or deposit with the Lender following reasonable request all such policies and receipts for all premium and other payments necessary for effecting and maintaining such insurances and apply any insurance proceeds in making good the loss or damage or, if this relates to a total loss claim in relation to the Property, at the Lender's option (acting reasonably) in or toward the discharge of the Secured Liabilities;
- 5.9 punctually pay all rents, taxes, duties, assessments and other outgoings and observe and perform all restrictive and other covenants under which its assets are held;
- 5.10 where any property charged by this Debenture is leasehold or subject to any lease, agreement for lease, tenancy or licence:
 - (a) to observe and perform all the covenants, stipulations and obligations contained in any lease agreement for lease, tenancy or licence affecting such property of which the Borrower is the lessee, tenant or licensee; and
 - (b) to comply in all material respects with all covenants on the part of the lessor or licensor contained in the lease, agreement for lease, tenancy or licence affecting any property charged by this Debenture of which the Borrower is the lessor or licensor.

- (c) to enforce and not waive or release the covenants, conditions, agreements and obligations contained in or imposed by any agreement or document relating to any property charged by this Debenture or any guarantee in respect of the obligations of the tenants, lessees, licensees or other parties thereunder which materially affects or is reasonably likely to materially affect the value of any property charged by this Debenture;
- 5.11 not without the prior written consent of the Lender accept or agree to accept the surrender or alteration of any agreement or document relating to any property charged by this Debenture which materially detrimentally affects or is reasonably likely to materially detrimentally affect the value of any Charged Property and/or Assets and observe and perform all the covenants, conditions, agreements and obligations on its part in all material respects;
- 5.12 to deliver to the Lender within 14 days of demand full particulars of all agreements and documents relating to the assets charged by this Debenture and provide such other information as the Lender shall reasonably require concerning the Charged Property and/or Assets;
- 5.13 subject to the rights of any prior mortgagee, if required by the Lender, deposit with the Lender all deeds, certificates and documents constituting or evidencing title to the Charged Property charged by this Debenture;
- 5.14 comply in all material respects with the provisions of all present or future statutes and directives affecting its business and its assets and every notice, order or direction made under any of the foregoing;
- 5.15 if required by the Lender, give notice of the fixed charge over the Account to the Account Bank in such form as is agreed with the Lender (acting reasonably) and use reasonable endeavours to ensure that the Account Bank provides acknowledgement of such notice in such form as is agreed with the Lender (acting reasonably);
- 5.16 at any time after the occurrence of an Event of Default (which is continuing):
 - (a) the Borrower shall not be able to receive, withdraw or otherwise transfer any credit balance from time to time on the Account, other than with the prior consent of the Lender provided that, for the avoidance of doubt no such restriction shall apply beforehand; and
 - (b) the Borrower shall not permit or agree to any variation of the rights constituted under this Debenture and attaching to the Account or close the Account, other than with the prior consent of the Lender.
- 5.17 not do or allow to be done anything which could reasonably be expected materially to decrease the value of the Charged Property and/or Assets charged by this Debenture (other than fair wear and tear arising from use of the Charged Property and/or Assets in the ordinary course of business).
- 6 If the Borrower shall fail to satisfy the Lender that it has performed any of its obligations under this Debenture then the Lender may take such steps as it considers appropriate to procure the performance of such obligation and shall not by taking such steps be deemed to be a mortgagee in possession and the monies expended by the Lender shall be reimbursed by the

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Borrower on demand and until so reimbursed shall carry interest at the default rate of interest charged on the Secured Liabilities to the date of reimbursement.

7 **Negative Pledge and Restrictions On Securities And Disposals**

The Borrower shall not without the prior written consent of the Lender, which will not be unreasonably withheld or delayed:

- 7.1 create or permit to subsist any mortgage or other fixed security, floating charge, pledge or lien (other than the lien arising by operation of law) or other security interest of any kind, on or over the Charged Property and the Assets other than any granted in favour of United Welsh Housing Association Limited (**UWHA**) (or any other Registered Social Landlord with whom UWHA has merged (whether by way of transfer of engagements or otherwise) provided that such security ranks at all times behind this Debenture and any other security granted by the Borrower in favour of the Lender pursuant to this Debenture and the Agreement; or
- 7.2 sell, transfer, lease, lend or otherwise dispose of, whether by means of one or a series of transactions related or not and whether at one time or over a period of time, the whole or any part of the Charged Property and the Assets, or enter into any agreement for any such sale, transfer, lease, loan or other disposal of the Charged Property and the Assets other than in the case of the Assets in the ordinary course of its business at not less than market value until such time as the floating charge crystallises under the terms of this Debenture.

8 Land Registry

The Borrower certifies that this Debenture does not contravene its memorandum and articles of association and has been executed in accordance with such documents and applies to the Chief Land Registrar for a restriction to be entered on the register of its title to registered properties charged by this Debenture that:

"No disposition of the registered estate by the proprietor of the registered estate or the proprietor of any registered charge, not being a charge registered before entry of this restriction, is to be registered without a written consent signed by the Proprietor for the time being of the charge dated [DATE] in favour of The Welsh Ministers referred to in the charges register other than any granted in favour of United Welsh Housing Association Limited."

9 **Future property**

- 9.1 If the Borrower acquires any freehold or leasehold property, land or any other interest in land or buildings and any rights relating to them in which the Borrower has an interest after the date of this Debenture (**Future Property**), it shall promptly notify the Lender and execute and deliver to the Lender a legal mortgage in favour of the Lender substantially in the form set out in Schedule 2 over the Future Property and procure that a certificate of title in respect of the Future Property, (which in the case of freehold property or land shall be substantially in the form set out in Schedule 3 and in the case of leasehold property or land shall be in the Lender's standard form at the relevant time with amendments to reflect the nature of the interest being acquired at the relevant time), is provided to the Lender.
- 9.2 In the case of any Future Property which is leasehold, in relation to which the consent of the landlord is required to the charging of the Future Property in favour

of the Lender, the Borrower shall obtain such consent prior to acquiring the Future Property and shall inform the Lender in writing upon receipt of such consent.

- 9.3 The Borrower shall also do all such things as the Lender shall reasonably require to ensure that the Lender has a legally valid, binding and enforceable legal mortgage over the Future Property.

10 Events of default

- 10.1 Upon the occurrence of an Event of Default which is continuing the security conferred by this Debenture shall become immediately enforceable and the power of sale and other powers conferred by Section 101 of the Act, as amended by this Debenture, shall be immediately exercisable, provided that the Lender shall cease to be able to exercise such powers if the Event of Default has been remedied or waived in accordance with the terms of the Agreement. For the avoidance of doubt, if the Lender has exercised such powers and the Event of Default is remedied after the exercise of such powers, such remedy shall not prevent the exercise of those powers by the Lender.

- 10.2 After this security has become enforceable the Lender may in its discretion enforce all or any part of this security in such manner as it thinks fit and the Lender may at any time by notice in writing to the Borrower convert the floating charge created by Clause 3.2 (Floating Charge) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:

- (a) an Event of Default has occurred and has not been remedied or waived in accordance with the terms of the Agreement; or
- (b) the Lender reasonably considers that any of the Assets may be in danger of being seized or sold pursuant to any form of legal process or otherwise in jeopardy; or
- (c) the Lender reasonably considers that it is desirable in order to protect the priority of the security conferred by this Debenture.

- 10.3 Notwithstanding Clause 10.2 and without prejudice to any law which may have a similar effect, the floating charge created pursuant to Clause 3.2 will automatically be converted into a fixed charge as regards all the Assets if:

- (a) the Borrower creates or attempts to create or permits to subsist any security interest (other than any security interest permitted under the Agreement or in relation to which the Lender has given its consent) affecting any of the Assets; or
- (b) any person levies or attempts to levy any distress, attachment, execution or other process against any of the Assets; or
- (c) any security interest over any of the Borrower's assets is enforced; or
- (d) any procedure or step taken in any jurisdiction analogous to the events or circumstances described in 7.3(b) and (c) occurs in relation to the Borrower,

in each case, with effect from the instant before such event occurred.

For the purpose of all powers implied by statute the Secured Liabilities shall be deemed to have become due and payable on the date hereof and Section 103 of the Act and Section 93 of the Act shall not apply hereto. The statutory powers of leasing conferred on the Lender shall be extended so as to authorise the Lender to lease, make agreements for leases, accept surrenders of leases and grant options as the Lender may think fit and without the need to comply with any of the provisions of Sections 99 and 100 of the Act.

11 Receiver

11.1 Appointment of receiver

At any time after an Event of Default has occurred and is continuing unremedied or unwaived and this security has become enforceable, the Lender may appoint under seal or in writing under its hand any one or more qualified persons to be a receiver or receiver and manager (each a **Receiver**) of all or any part of the Charged Property and/or Assets in like manner in every respect as if the Lender had become entitled under the Act to exercise the power of sale thereby conferred and the following provisions shall have effect:

- (a) such appointment may be made either before or after the Lender shall have entered into or taken possession of the Charged Property and/or Assets or any part thereof;
- (b) such Receiver may be invested by the Lender pursuant to the powers of delegation hereinafter contained with such of the powers and discretions exercisable by the Lender hereunder as the Lender may think expedient;
- (c) unless otherwise directed by the Lender, such Receiver may exercise all the powers and authorities vested in the Lender by these presents;
- (d) such Receiver shall, in the exercise of his powers, authorities and discretions, conform to the regulations and directions from time to time made and given by the Lender;
- (e) the Lender may from time to time fix the remuneration of such Receiver and direct payment thereof out of the Charged Property and/or Assets or any part thereof but the Lender alone shall be liable for such remuneration;
- (f) the Lender may from time to time and at any time require any such Receiver to give security for the due performance of his duties as such Receiver and may fix the nature and amount of the security to be so given but the Lender shall not be bound in any case to require any such security;
- (g) such Receiver shall have power to employ or pay or concur in employing or paying any managers, agents or servants for any of the purposes hereinbefore mentioned upon such terms as the Receiver shall think fit and to insure any person so employed and any other accountable person against any liability in connection with such employment or with the Charged Property and/or Assets;
- (h) save so far as otherwise directed by the Lender, all moneys from time to time received by such Receiver shall be paid over to the Lender so as to be applied in accordance with Clause 12.1; and

- (i) the Lender may pay over to such Receiver any moneys constituting part of the Charged Property and/or Assets to the extent that the same may be applied for the purposes hereof by such Receiver and the Lender may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver,

Subject as hereinafter provided, any such Receiver may for the purpose of carrying on the business of the Borrower and of defraying any costs, charges, losses or expenses (including his remuneration) which shall be properly incurred by him in the exercise of the powers, authorities or discretions vested in him and for all other purposes hereof or any of them, raise and borrow money on the security of the Charged Property and/or Assets or any part thereof at such rate of interest and generally on such terms and conditions as he may think fit (acting reasonably) and no person lending any such money shall be concerned to enquire as to the propriety or purpose of the exercise of this power or to see to the application of any moneys so raised or borrowed PROVIDED that no Receiver shall exercise his power without first obtaining the written consent of the Lender thereto but the Lender shall incur no responsibility or liability to the lender or otherwise by reason of its giving or refusing such consent whether absolutely or subject to any limitation or condition and PROVIDED FURTHER that if any such petition for winding up the Borrower is dismissed or withdrawn or if the resolution referred to in any such notice of proposed resolution for the winding up of the Borrower is not passed by the necessary majority then without prejudice to any rights exercisable otherwise than in consequence of the presentation of such petition or the giving of such notice and subject to anything done in the meantime in pursuance of the powers given by this clause possession of the Charged Property and/or Assets shall be restored to the Borrower and subject to the provisions herein contained as to costs, charges, losses or expenses incurred and payments made by the Borrower and all persons concerned shall be remitted to their original rights. Subject as aforesaid the provisions of Section 42 of and Schedule 1 to the Insolvency Act (on the basis that references therein to the company are references to the Borrower) and Section 101 subsections (1) and (2) and Sections 104 and 106 and Section 107 subsection (1) and Section 109 subsections (3) (4) (6) (7) and 8(i) (ii) and (iii) of the Act and the powers thereby conferred on a mortgagee or receiver shall apply to and be deemed to be conferred upon such Receiver as if such provisions and powers were incorporated herein.

11.2 Powers of receiver

Every Receiver appointed in accordance with Clause 11.1 shall have and be entitled to exercise all powers conferred by the Act as if he had been duly appointed thereunder. A Receiver who is an administrative receiver of the Borrower shall have all the powers of an administrative receiver under the Insolvency Act. In particular by way of addition to but without limiting any general powers referred to in this Clause 11.2, every Receiver so appointed shall have power to:

- (a) **Take Possession:** Take possession of, get in and collect the Charged Property and/or Assets in respect of which he is appointed or any part thereof;
- (b) **Protection of Charged Property and/or Assets:** Make and effect all repairs and insurances and do all other acts which the Borrower might do in the ordinary conduct of its business in relation to the Charged Property and/or Assets as he may in his absolute discretion think fit;

- (c) **Sell Charged Property and/or Assets:** Sell or exchange the Charged Property and/or Assets or any part thereof by public auction or private contract and generally in such manner and on such terms as he shall think proper. Without prejudice to the generality of the foregoing he may do any of these things for a consideration consisting of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as he may think fit.
- (d) **Legal Actions:** Bring, prosecute, enforce, defend and abandon all such actions, suits and proceedings in relation to the Charged Property and/or Assets or any part thereof as may seem to him to be expedient;
- (e) **General Powers:** Do all such other acts and things as he may consider desirable or necessary for realising the Charged Property and/or Assets or any part thereof or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under this Debenture and to exercise in relation to the Charged Property and/or Assets or any part thereof all such powers, authorities and things as he would be capable of exercising if he were the absolute beneficial owner of the same and to use the name of the Borrower for all or any of the above purposes.

11.3 Removal and remuneration

The Lender may from time to time in writing remove any Receiver appointed by it and may at any time after an Event of Default has occurred which is continuing unremedied or unwaived appoint another qualified person as a new Receiver in the place of any Receiver whose appointment may for any reason have terminated and may from time to time fix the remuneration of any Receiver appointed by it.

11.4 Exercise of powers

All or any of the powers, authorities and discretions which are conferred by this Debenture (either expressly or impliedly) upon a Receiver of the Charged Property and/or Assets may be exercised after an Event of Default has occurred and is continuing by the Lender in relation to the Charged Property and/or Assets or any part thereof without first appointing and/or notwithstanding the appointment of a Receiver of the Charged Property and/or Assets or any part thereof.

11.5 Insolvency

The parties to this Debenture agree that paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to this Debenture.

12 Application of proceeds

12.1 Order of application

Any monies received by the Lender under this Debenture shall after an Event of Default has occurred but subject to the payment of any claims having priority to this security and without prejudice to the right of the Lender to recover any shortfall from the Borrower, be applied by the Lender in the following order:

- (a) in payment of all proper costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise of all or any of the powers aforesaid and of all outgoings properly paid by him;
- (b) in payment of remuneration to the Receiver at such rate as may be agreed between him and the person by whom the appointment is made;
- (c) in or towards payment to the Lender of all monies, payment of which is hereby secured; and
- (d) any surplus shall be paid to the Borrower or any other person entitled thereto.

13 No liability as mortgagee in possession

Neither the Lender nor any Receiver appointed under this Debenture shall, by reason of it or the Receiver entering into possession of the Charged Property and/or Assets or any part thereof when entitled to do so, be liable to account as mortgagee in possession or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable. Every Receiver appointed by the Lender under this Debenture shall be deemed to be the agent of the Lender so far as the law permits. The Borrower shall be solely, so far as the law permits, responsible for his contracts, engagement, acts, omissions, defaults and losses and for liabilities incurred by him and the Lender shall not incur any liability (either to the Borrower or to any other person) by reason of it appointing a Receiver or for any other reason. Every Receiver and the Lender shall be entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when receivers have been duly appointed under the Act but so that Section 103 of the Act shall not apply.

14 Protection of third parties

No purchaser, mortgagee or other person or company dealing in good faith with the Lender or the Receiver or its or his agents shall be concerned to enquire whether the Secured Liabilities have become payable or whether the power which the Receiver is purporting to exercise has become exercisable or whether any money remains due under this Debenture or to see to the application of any money paid to the Lender or to the Receiver.

15 Expenses

All costs, charges and expenses properly incurred and all payments made by the Lender or any Receiver appointed hereunder in the lawful exercise of the powers conferred by this Debenture shall be payable by the Borrower on demand.

16 Indemnity

The Lender and every Receiver, attorney, manager, agent or other person appointed by the Lender under this Debenture shall be entitled to be indemnified out of the Charged Property and/or Assets in respect of all liabilities and expenses properly incurred by them or him in the execution or purported execution of any of the powers, authorities or discretions, vested in them or him under and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted relating to the Charged Property and/or Assets and the Lender and any Receiver may retain and pay all

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sums in respect of the same out of any monies received under the powers conferred by this Debenture.

17 Further assurance

The Borrower shall at its own expense execute or do (as appropriate) all such assurances, acts and things as the Lender may reasonably require for perfecting or protecting the security over or for facilitating the realisation of the Charged Property and/or Assets or any part thereof in the exercise of any of the powers, authorities and discretions vested in the Lender or in any Receiver.

18 Power of attorney

The Borrower irrevocably appoints the Lender by way of security and every Receiver of all or any of the Charged Property and/or Assets to be its attorney acting severally and on its behalf and in its name or otherwise to execute and do all such assurances, acts and things which may be deemed proper for any of the purposes aforesaid.

19 Avoidance of payments

No assurance, security or payment which may be avoided under any enactment relating to bankruptcy or under Sections 238-245 of the Insolvency Act and no release, settlement or discharge given or made by the Lender on the faith of any assurance, security or payment, shall prejudice or affect the right of any persons to enforce the security created under this Debenture in respect of the full extent of the monies thereby secured.

20 New accounts

If the Lender receives or is deemed to be affected by notice whether actual or constructive of any subsequent charge or other interest affecting any part of the Charged Property and/or Assets and/or the proceeds of sale thereof, the Lender may open a new account or accounts with any person for whose liabilities this Debenture is available as security. 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 or was deemed to have received notice and as from that time all payments made to the Lender shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount for which this Debenture is security.

21 Partial Invalidity

If, at any time, any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect under the law of jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Debenture nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Debenture is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

EXECUTION VERSION

22 **Governing law and Jurisdiction**

22.1 **Governing Law**

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

22.2 **Jurisdiction**

- (a) The courts of England have exclusive jurisdiction to settle any dispute (a **Dispute**) arising out of or in connection with this Debenture (including a dispute regarding the existence, validity or termination of this Debenture or the consequences of its nullity) or any non-contractual obligation arising out of or in connection with this Debenture.
- (b) The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary.

22.3 **Notices**

Any notice required under this Debenture shall be given in accordance with the notice provisions in the Agreement.

23 **Counterparts**

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

In witness whereof this Debenture has been duly executed and delivered as a Deed by the Borrower and the Lender has executed this Debenture on the date first above written.

Signatories

Executed as a deed by

CELTIC HORIZONS LIMITED

)

Acting by:

)

[Redacted Signature]

Director

)

Director/Secretary

)

[Redacted Signature]

SIGNED by

)

For and on behalf of

)

THE WELSH MINISTERS

)

.....

Schedule 1
The Charged Property

1. Lease

A leasehold interest dated *9 November 2021* of Unit 1, 37 Pontygwindy Industrial Estate, Sir Alfred Owen Way, Pontygwindy Industrial Estate, Caerphilly, CF83 3HU between (1) Starburst (UK) Limited and (2) Celtic Horizons Limited

2. Plant and machinery

CELTIC OFFSITE			
ASSETS AS SECURITY - FIXED AND FLOATING CHARGE			
	Serial Number	31.3.22	31.3.23
Hundeggar saw	226	223,984	223,984
Beamsaw/panel saw	3586	57,334	57,334
Rip Saw	4385-2021		
Forklift	62933	60,000	60,000
5 bin extractor		8,500	8,500
Compressor	UCV1024168	14,500	14,500
Benches/trolleys		26,150	26,150
Security alarm		6,287	6,287
Fire alarm		19,281	19,281
		416,036	416,036
Crane	31-Dec-21	65,000	65,000
Truss press	30-Jun-22		100,000
New office/training facility	31-Dec-21	100,000	100,000
Saw	31-Mar-22		224000
		581,036	905,036

Schedule 2
Legal Mortgage

DATED _____ 20[]

(1) []

(2) THE WELSH MINISTERS

**LEGAL CHARGE
RELATING TO**

[]

**Legal Services Department
Welsh Government
Crown Building
Cathays Park
Cardiff
CF10 3NQ**

EXECUTION VERSION

- 1.2 Where "the Mortgagor" includes two or more persons or bodies the liabilities of such persons or bodies shall be joint and several and the default of one of such persons or such bodies shall be deemed to be the default of all
- 1.3 The Clause headings do not form part of this Charge and shall not be taken into account in the construction or interpretation thereof
- 1.4 Reference to any Act or legislation includes reference to that Act or legislation as for the time being amended replaced or re-enacted and includes reference to any subordinate legislation order regulation or direction made under or by virtue of that Act or legislation
- 1.5 The singular includes the plural and vice versa and words importing one gender only include all other genders
- 1.6 Where a restrictive obligation is imposed on the Mortgagor it shall be deemed to include an obligation on the Mortgagor not to permit or suffer such restrictive obligation to be breached by any other person
- 1.7 This Charge incorporates the Schedules annexed hereto

2. **Charge**

The Mortgagor with full title guarantee and as a continuing security hereby charges the Property in favour of the Mortgagee by way of legal mortgage as security for the payment and discharge of the Secured Obligations

3. **Perform Offer Letter**

The Mortgagor hereby covenants with the Mortgagee that it shall duly and punctually perform and discharge all its obligations and liabilities under or pursuant to the Offer Letter

4. **Repair and Insurance**

The Mortgagor shall keep the Property in a good and substantial repair and condition and will keep it insured against the normal comprehensive risks with an insurance company or underwriters of repute and in their full reinstatement value from time to time to the satisfaction of the Mortgagee. The said insurance shall be in the sole name of the Mortgagor with the interest of the Mortgagee being noted on the policy. If the Mortgagor fails to maintain or insure the Property the Mortgagee may do so at the expense of the Mortgagor (and any costs and expenses so incurred by the Mortgagee shall form part of the Secured Obligations) without thereby becoming a Mortgagee in possession.

5. **Restrictions on Disposal etc**

Except as permitted under the Offer Letter, the Mortgagor agrees that during the subsistence of this security it will not without the prior written consent of the Mortgagee:

- 5.1 sell or dispose of the Property;

5.2 grant any lease of the Property at a premium reserving less than the open market rent of the Property with vacant possession with the intention of realising the capital value of the Property

5.3 mortgage charge or otherwise encumber the Property

6. Compliance with legislation

The Mortgagor shall observe and perform all covenants and all statutory requirements affecting the Property

7. Powers of Sale

Section 103 of the LPA 1925 shall not apply to this Charge and the statutory power of sale and other powers shall be exercisable at any time after demand

8. Rights of Enforcement

The Secured Obligations shall be deemed to have become due within the meaning of Section 101 of the LPA 1925 immediately upon a demand for repayment being served by the Mortgagee

9. Power to Appoint and Powers of Receiver

At any time after the Mortgagee has made demand for the payment or other discharge of any of the Secured Obligations or after any breach by the Mortgagor of any provision of the Offer Letter or of this Charge or if requested by the Mortgagor the Mortgagee may without further notice appoint one or more persons to be a receiver or receivers of the Property. Any such appointment may be made in writing under the hand of any officer of the Mortgagee. Any receiver so appointed shall be the agent of the Mortgagor who shall be solely responsible for his acts and defaults and for the payment of his remuneration costs charges and expenses. Such remuneration shall be at the rate agreed between the Mortgagee and the receiver and Section 109(6) of the LPA 1925 is hereby excluded. Any receiver appointed hereunder shall have all the powers conferred by statute on receivers in addition to the following express powers:

9.1 to take possession of the Property

9.2 to alter improve develop complete construct modify refurbish or repair any building or land forming part of the Property

9.3 to sell lease or otherwise dispose of or deal with the Property

9.4 to take any proceedings as he shall think in respect of the Property

9.5 to conduct any business carried on or in the opinion of the Mortgagee or any receiver capable of being carried on in or from the Property

9.6 to enter into any agreement arrangement or compromise as he shall think fit

9.7 to insure the Property as he shall think fit

- 9.8 to appoint employees managers officers and workmen
- 9.9 to raise or borrow money ranking for payment in priority to the security constituted by this Charge
- 9.10 to do all such other things as may seem to be necessary or beneficial for the realisation of the security hereby constituted

All or any of the powers hereby or otherwise conferred on the receiver may be exercised by the Mortgagee without first appointing a receiver or notwithstanding any appointment

10. Power of Attorney

The Mortgagor hereby irrevocably appoints the Mortgagee and any nominee of the Mortgagee and/or the receiver and any nominee of the receiver jointly and also severally to be the Attorney of the Mortgagor (with full power of substitution and delegation) and in the Mortgagor's name or otherwise and on the Mortgagor's behalf and as the Mortgagor's act and deed to sign seal and execute deliver perfect and do all deeds instruments acts and things which may be required by the Mortgagee or the receiver for the purposes of this Charge or the exercise of any of the powers granted hereby

11. Further Assurance

The Mortgagor shall do all such acts and things and shall execute all such assurances and instruments as the receiver shall reasonably require in the exercise of any of the powers hereby conferred upon him

12. Consolidation

Section 93 of the LPA 1925 (restricting the Mortgagee's right of consolidation) shall not apply to this Charge

13. Notices

Notices and demands by the Mortgagee may be given or served:

- 13.1 personally or by leaving the same at the registered office or last known address of the person to be served which shall thereupon be good and effective service
- 13.2 by first class pre-paid post. Service shall be deemed to have been effected 2 working days after posting
- 13.3 in the case of a deceased Mortgagor on his personal representatives notwithstanding that no grant of representation has been made of his estate in England and Wales if the notice is addressed to the deceased Mortgagor by name or to his personal representatives by title and is left at or sent by first class pre- paid post or by telex facsimile or other electronic means to the usual or last known address of the deceased Mortgagor

When sending by post service shall be deemed to have been effected 2 working days after posting.

14. Indemnity for Costs etc

The Mortgagor shall indemnify the Mortgagee in respect of all reasonable and proper costs and expenses (including without limitation legal costs) incurred by the Mortgagee in connection with any enforcement of the Mortgagee's rights hereunder and any amounts which the Mortgagor shall be liable to pay to the Mortgagee under this Clause shall form part of the Secured Obligations

15. Certification

A certificate by an officer of the Mortgagee as to the amount for the time being due in respect of the Secured Obligations shall be (in the absence of manifest error) conclusive evidence for all purposes against the Mortgagor

16. H M Land Registry Restriction

The Mortgagor requests the Chief Land Registrar to enter restrictions on the Register of any registered land hereby charged that:-

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for time being of the charge dated [] in favour of the Welsh Ministers referred to in the charges register or its conveyancer"

17. Constitutional Documents

The Mortgagor certifies that the security created by this Charge does not contravene any other relevant law or regulation applicable to the Mortgagor or the Constitutional Documents of the Mortgagor.

18. Delivery

This Charge is intended to be and is hereby delivered on the date hereof

19. Enforcement by Third Parties

The parties to this Charge do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

20. Law and Jurisdiction

This Charge is governed by and shall be construed in accordance with the laws of England and Wales and the Mortgagor submits to the exclusive jurisdiction of the courts of England and Wales.

FIRST SCHEDULE

The Property

The Property shall mean all that piece or parcel of land known as []
which is registered with absolute title at the Land Registry under Title Number []

EXECUTION VERSION

EXECUTED as a DEED by

acting by:

Director

Director/Company Secretary

Schedule 3

Certificate of Title

Certificate of Title***[To be typed on your Letterhead]***

To: The Deputy Director – Homes and Places
 The Welsh Ministers
 Crown Buildings
 Cathays Park
 Cardiff
 CF10 3NQ

COMPANY NAME ("COMPANY") AND REGISTERED NUMBER	
COMPANY REGISTERED ADDRESS	
SCHEME NAME AND ADDRESS ("the Property")	
CONTRACT	A contract dated [] made between [](1) and [] (2) for the purchase of the Property for the acquisition price of £[]
PROPERTY DATE OF EXCHANGE	
PROPERTY CONTRACTUAL DATE OF COMPLETION	

We hereby certify that:-

1. The Property on the plan annexed is the same as:
 - a. referred to in the Valuer's Report and
 - b. that shown on the plan attached to the Contract and the form
of transfer to be entered into pursuant to the Contract OR the title plan for the
registered title referred to in the Contract.
2. The price paid / to be paid for the Property is within the sum endorsed by the Valuer's
Report.

EXECUTION VERSION

3. The freehold interest in the Property has / is being acquired by the Company.
4. The Property is registered at HM Land Registry under Title Number [] with title absolute.
5. The Property offers good title and is free of restrictions, adverse rights, easements, covenants, pre-emption clauses or any provision of the Contract which might adversely affect the marketability of the Property.
6. All legal constraints on the Property coincide with those identified in the Valuer's Report.
7. The Property is subject to conditional planning consent dated xx xxxxxxxx xxxx, (reference []) the erection of residential development to create xx xxxxxx homes, a copy of which is attached. The Property is not subject to any obligation pursuant to any statutory agreement.
8. The Property is accessed from an adopted highway or has necessary and sufficient rights of access to the same.
9. A fixed legal charge of the Property in favour of the Welsh Ministers in the form required by the Welsh Government will be created on completion of the purchase pursuant to the Contract.

Solicitors original signature
.....2021

Date:

.....
Partner

NAME OF FIRM:.....