



Registration of a Charge

Company name: **HOVERCRAFT SERVICES LIMITED**

Company number: **05770390**



X64QIEFN

Received for Electronic Filing: **20/04/2017**

Details of Charge

Date of creation: **06/04/2017**

Charge code: **0577 0390 0005**

Persons entitled: **SVENSKA HANDELSBANKEN AB (PUBL)**

Brief description: **ALL THE MORTGAGOR'S RIGHTS, TITLE AND INTEREST PRESENT AND FUTURE IN (1) MV KATABATIC YARD NO./HIN 046A (2) EARNINGS, INSURANCES AND REQUISITION COMPENSATION**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5770390

Charge code: 0577 0390 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 6th April 2017 and created by HOVERCRAFT SERVICES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th April 2017 .

Given at Companies House, Cardiff on 21st April 2017

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

DEED OF COVENANT

SVENSKA HANDELSBANKEN AB (PUBL) (1)

And HOVERCRAFT SERVICES LIMITED (2)

In respect of:

Name of Vessel: } KATABATIC

Registration Number: }

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BETWEEN:

- (1) **SVENSKA HANDELSBANKEN AB (publ)** (Registered Number FC014392) a public banking Company incorporated in Sweden, of 3 Thomas More Square, London E1W 1WY acting through its office at 69 – 71 Church Street, Lancashire, LA1 5FT (the "**Bank**"); and
- (2) **HOVERCRAFT SERVICES LIMITED** (Registered Number: 05770390) whose registered office is at 44 Paragon Way, Lune Business Park, Lancaster, Lancashire, LA1 5FT (the "**Mortgagor**").

WHEREAS:

- (A) This Deed is supplemental to and bears the same date as a statutory mortgage ("the **Mortgage**") executed by the Mortgagor in favour of the Bank and constituting a first mortgage over sixty four sixty fourth shares in the vessel known as mv "KATABATIC" registered in the Port of with Official Number , (the "**Vessel**") now registered in the name of the Mortgagor.
- (B) The Bank and the Mortgagor have entered into an Overdraft agreement dated 5 July 2016 and loan agreements dated 5 July 2016 and two dated 24 January 2017 in which the Bank has advanced an Overdraft of £45,000 (fourty five thousand pounds) (the "**Overdraft Facility**") and loans totalling £416,000 (four hundred and sixteen thousand pounds) (the "**Loan Facility**") for the finance of the Vessel, and the Mortgagor has agreed to enter into the Mortgage's and this Deed to secure repayment of that facility.

NOW THIS DEED WITNESSETH as follows:-

1 COVENANT TO PAY

- 1.1 The Mortgagor hereby covenants with the Bank that the Mortgagor will pay to the Bank on demand all moneys and liabilities in whatever currency denominated now or hereafter due or owing to the Bank under the Loan Facility and/or due from or incurred by the Mortgagor to the Bank in whatever currency denominated now or in the future on any other account whatever whether for the balance then owing to the Bank on any

such account or accounts or for cheques notes or bills drawn accepted or endorsed by the Mortgagor or for advances made to the Mortgagor or for the accommodation or benefit of the Mortgagor and whether actually or contingently alone or jointly with another or others and whether as principal or surety for any other person or persons firm or company and in whatever name style or firm or otherwise howsoever including (but without prejudice to the generality of the foregoing) all costs charges expenses and losses which the Bank may pay or incur in the negotiation preparation and execution of the Mortgage and this Deed or in discharging any stamp duties or registration fees payable thereon or in protecting maintaining or enforcing the security created by or otherwise exercising the powers vested in it under the Mortgage and this Deed (to the intent that the Bank shall be afforded a full complete and unlimited indemnity in respect thereof notwithstanding any rule of law or equity to the contrary) and whether arising directly or indirectly in respect of the security created by the Mortgage and this Deed or of any other security held by the Bank for the moneys and liabilities described in this Clause and including interest with discount commission and other usual banking charges such interest being computed both before and after any such demand at a rate varying from time to time stipulated by the Bank at any time and from time to time hereafter by notice in writing to the Mortgagor notwithstanding that any account intended to be secured by the Mortgage or this Deed may from any cause cease to be carried on as an ordinary banking account and so that interest shall be payable at the rate aforesaid as well after as before any judgement and that after such demand interest shall be payable at the rate aforesaid on the whole sum due for principal and interest or otherwise at the date of such demand.

- 1.2 The Mortgagor shall make all such payments referred to in clause 1.1 immediately when due in available funds, without any set off or counterclaim, and without deduction or withholding by the Mortgagor for any present or future taxes. If any deduction or withholding has to be made by law from any such payment in respect of taxes, the Mortgagor shall increase the amount to be paid so that after any such deduction or withholding the Bank receives and retains a net amount equal to the amount which it would have received and retained had no such deduction or withholding been made and the Mortgagor shall account to the relevant taxation authority for the amounts so deducted or withheld within the applicable time limit.
- 1.3 The obligations and liabilities referred to in this clause 1 shall be referred to in this Deed as the "**Secured Obligations**".

2 MORTGAGE

- 2.1 As security for the Secured Obligations the Mortgagor hereby mortgages and charges to and in favour of the Bank with full title guarantee by way of further assurance all its interest in the Vessel and assigns and agrees to assign to the Bank all policies and contracts of insurance which are from time to time taken out or entered into in respect of the Vessel ("**the Insurances**") and all benefits thereof including claims of whatsoever nature and return of premiums together with all freight, hire, passage monies, passenger fares, demurrage, despatch and detention monies, compensation payable in the event of the requisition of the Vessel for hire, remuneration from salvage or towage services and any other earnings of the Vessel whatsoever due or to become due to the Mortgagor at any time until the Secured Obligations are paid in full in accordance with Clause 2.6 ("**the Earnings**").
- 2.2 The property charge in clause 2.1 shall be known as the "**Charged Property**".
- 2.3 It is hereby declared that the security created by the Mortgage's and this Deed shall be continuing and not satisfied by any intermediate payment or satisfaction of the whole or any part of the aforesaid moneys and liabilities and that the security so created shall be in addition to and shall not be in any way prejudiced or affected by any collateral or other security now or hereafter held by the Bank for all or part of the said moneys and liabilities.
- 2.4 If any additional security is given to the Bank under any other security document (howsoever described) such security will not limit or affect the security created by the Mortgage's and this Deed.
- 2.5 The Mortgage's and this Deed shall remain in full force and effect until the Secured Obligations shall have been paid in full to the Bank PROVIDED THAT the Bank will be entitled to retain that security for such period as the Bank in its absolute discretion shall determine after repayment in full of the Secured Obligations. If within that period any application is made, a petition is presented or a resolution is passed or other steps are taken for the winding up or the administration of the Mortgagor the Bank may retain its security for as long as it requires in respect of any liability of the Mortgagor.

3 CONSOLIDATION OF SECURITY

It is hereby agreed that the restriction on the right of consolidating mortgage securities which is contained in Section 93 of the Law of Property Act 1925 shall not apply to this security created by the Mortgage's and this Deed.

4 MORTGAGOR COVENANTS

4.1 The Mortgagor covenants with the Bank:-

- (a) to keep the Vessel registered as British ship at a port of registry in the United Kingdom;
- (b) to keep the Vessel's machinery and equipment in good repair and seaworthy condition so as to maintain the Ship's existing classification and so as to comply with all regulations and requirements (statutory or otherwise) from time to time applicable to vessel's registered at ports in the United Kingdom and to repair or replace all parts or equipment which have become damaged worn or lost;
- (c) to pay or discharge all outgoings or liabilities, taxes, duties and imposts, charges, fines and penalties whatsoever in respect of the Vessel and not to pledge the credit of the Bank for any such liabilities or outgoings and to procure the prompt release of the Vessel from any arrest or detention;
- (d) not to employ the Vessel otherwise than in conformity with the insurances effected pursuant to Clause 4.2 hereof without obtaining the consent to such employment by the insurers (by payment of any extra premium or otherwise as may be required) and not to use or permit the Vessel to be used for any purpose for which it was not designed or is not reasonably suited nor permit the Ships to be overloaded or used in contravention of any regulation or requirement (statutory or otherwise) from time to time applicable;
- (e) to permit the Bank or its agents to have access to the Vessel in order to inspect its condition at all reasonable times;
- (f) not without the prior consent in writing of the Bank to alter or allow to be altered the structure type or performance characteristics of the Vessel;
- (g) not without the prior consent in writing of the Bank to sell or agree to sell or abandon or otherwise dispose of or mortgage or agree to mortgage (otherwise than in favour of the Bank) the Charged Property or the Insurances or to demise or charter the Ships for any period whatsoever;
- (h) to comply with all requirements imposed by international convention, statute, regulation, common law or otherwise in relation to the maintenance, operation

and safety of the Vessel and keep on board the Vessel's valid certificates evidencing such compliance;

- (i) to comply with and procure that all servants and agents of the Mortgagor comply with all legal requirements relating to environmental protection and in particular the prevention of oil pollution and damage by hazardous and noxious substances;
- (j) not to use or allow the Vessel to be used in contravention of any applicable law; and
- (k) immediately to inform the Bank of:
 - (i) any actual or threatened arrest or detention of the Vessel;
 - (ii) any casualty or damage to the Vessel as a result of which the Vessel have become or may become a total loss or if the estimated cost of repairs may exceed £25,000;
 - (iii) the occurrence of any incident which may give rise to a pollution or environmental claim against the Mortgagor;
 - (iv) the issue of any petition for the, administration, winding up or any other insolvency proceedings of the Mortgagor; and
 - (v) the happening of an event of default (howsoever defined) or an event which with the passing of time or giving of notice may result in an event of default (howsoever defined).

4.2 The Mortgagor further covenants with the Bank to insure the Vessel and keep the Vessel insured at the expense of the Mortgagor in the joint names of the Mortgagor and the Bank in the full insurable value of the Vessel but for not less than £380,000 (GBP three hundred and eighty thousand pounds) against fire and usual marine risks in such amounts upon such terms through such brokers and with such insurance companies and underwriters as shall from time to time be approved in writing by the Bank and:

- (a) to pay promptly all premiums calls contributions or other sums payable in respect of the Insurances and to produce all relevant receipts for such payments when so required by the Bank and to renew the Insurances (and notify the Bank of such renewal) at least fourteen days prior to the expiry thereof;

- (b) to procure that the interest of the Bank is duly endorsed on all cover notes policies certificates of entry or other instruments of insurance by means of a Notice of Assignment (as set out in Schedule 1 hereto or in such other form as the Bank may agree in writing) and/or a Loss Payable Clause (as set out in Schedule 2 hereto or in such other form as the Bank may agree in writing);
- (c) to procure that all instruments of insurance as relate to the insurances effected are deposited with the Bank or brokers approved by the Bank and that those brokers shall furnish the Bank with letters of undertaking in such forms as may from time to time be required by the Bank in which they agree to (inter alia) give fourteen (14) days' prior written notice to the Bank if the insurances are to be cancelled or not renewed and to give the Bank the right to pay any premiums or calls within a reasonable time if the Mortgagor has not paid them on the due date;
- (d) procure that the brokers mentioned in clause 4.2(c) give the Bank copies of all such documents;
- (e) not to do or omit to do anything nor allow or suffer anything to be done as a result of which any insurance may be cancelled or avoided.

5 INSURANCE

The Bank shall be entitled to collect recover and give a good discharge for all or any claims under the Insurances (permitting the brokers through whom collection or recovery is effected to charge the usual brokerage therefore) and upon the Bank demanding payment by the Mortgagor of the Secured Obligations shall be entitled to require that all policies contracts and other records relating to the Insurances be forthwith delivered to the Bank or to such brokers as the Bank may nominate.

6 BANK'S POWER TO REMEDY

If the Mortgagor does not comply with any of its obligations under Clause 4.1(b) or 4.1(c) or Clause 4.2 or otherwise under this Deed the Bank shall be entitled (but shall not be bound) to arrange the repairs and/or pay or discharge the outgoings or liabilities and/or effect or maintain the Insurances which the Mortgagor has failed to arrange pay discharge or effect (as the case may be) or otherwise to procure the Mortgagor's compliance with its obligations under this Deed

7 POWER TO APPOINT RECEIVERS

The Bank shall have power at any time (including without limitation after the occurrence of an event of default, howsoever described) in writing under the hand of any official or manager of the Bank to appoint any person or persons to be a receiver of the Vessel, Earnings or the insurances or any part thereof and may from time to time fix his remuneration and to remove any receiver so appointed and appoint another in his place. A receiver so appointed shall be the agent of the Mortgagor and the Mortgagor shall be solely responsible for his acts or defaults and for his remuneration and such Receiver so appointed shall have all powers conferred by the Law of Property Act 1925 without the restrictions contained in Section 103 of that Act and in addition the powers described hereafter in this Deed and all moneys received by such Receiver shall be applied first in payment of the costs and expenses of or incidental to his appointment and all outgoings paid by him and secondly in payment of the remuneration of such Receiver and thereafter in payment or discharge of the Secured Obligations in such manner as the Bank shall determine

8 POWERS ON ENFORCEMENT

Upon the Bank demanding payment by the Mortgagor of the Secured Obligations or upon breach of the provisions under the Mortgage or this Deed the Bank and/or its Receiver appointed as aforesaid shall become forthwith entitled as and when it may see fit to put into force and to exercise all the powers possessed by it by the Merchant Shipping Acts, the Law of Property Act 1925 (but without the restrictions contained in Section 103 of the Law of Property Act 1925) and other acts laws or regulations as mortgagee of the Vessel and in particular:-

- (a) to take possession of the Charged Property
- (b) to sell the Charged Property or any share therein upon such terms as it may in its absolute discretion determine with power to postpone any such sale and without being answerable for any loss occasioned by any such sale or resulting from postponement thereof
- (c) to manage insure maintain and repair the Vessel and to employ charter, operate, use, manage, sail or lay-up the Vessel in such manner and for such period as the Bank and/or its Receiver may deem expedient and to do all acts and things incidental or conducive thereto in all respects as if the Bank were the owner of the Vessel and without being responsible for any loss thereby incurred;

- (d) to require all documents relating to any insurances including all policies, cover notes and all claims correspondence to be delivered to the Bank or to a broker or agent appointed by it;
- (e) to defend, pay or compromise all claims against the Mortgagor in connection with the Charged Property including those which have given or may give rise to any charge or lien on the Vessel whether ranking in priority to or subordinate to the Mortgage or this Deed;
- (f) to institute, continue, release or compromise all claims by the Mortgagor against any insurer, any charterer or any other third party in connection with the Charged Property;
- (g) to combine and consolidate all accounts which the Mortgagor may have with the Bank and to set off any credit balances on such accounts against the Secured Indebtedness; and
- (h) to recover from the Mortgagor on demand all amounts paid and payable and losses incurred by the Bank in connection with the exercise of any of its powers and rights hereunder whatsoever.

8.2 The Bank's powers and rights under this Deed are cumulative and are in addition to any powers and rights which the Bank may have in law or under any other security document and may be exercised at such times, as often and in such order as the Bank may decide in its discretion.

9 APPLICATION OF PROCEEDS

All moneys received by the Bank and/or its Receiver in respect of a sale of the Charged Property or any share therein or recovery under the insurances shall be held by the Bank and/or its Receiver upon trust in the first place to pay and make good all costs charges expenses and losses whatsoever together with interest thereon as may have been paid or incurred by the Bank and/or its Receiver in exercising its powers under the Mortgage and this Deed and the balance shall be applied in or towards payment or discharge of the Secured Obligations provided however that an amount equivalent to any moneys received under the insurances in respect of a casualty not amounting to an actual constructive compromised or arranged total loss of the Vessel shall be paid over to the Mortgagor upon the Bank and/or its Receiver being satisfied that the damage resulting from such casualty has been properly repaired and that all costs of such repair and liabilities in respect of the such casualty has been paid or discharged.

10 CURRENCY CONVERSION

If at any time the Bank and/or its Receiver receives any moneys (including any moneys received as a result of the enforcement of the security created by the Mortgage and this Deed or in the exercise of any of the Bank's and/or its Receiver's rights under this Deed) in a currency other than the currency in which the Secured Obligations are from time to time denominated then the Bank and/or its Receiver may (in accordance with the Bank's usual procedures and practice and after deduction of the costs commissions and expenses incurred in undertaking such a transaction) convert those moneys so received into the currency in which the Secured Obligations are so denominated

11 POWER OF ATTORNEY

The Mortgagor hereby irrevocably appoints the Bank and any Receiver appointed by it as its Attorney for the purpose of doing in its name and in the exercise of any of the powers conferred on it by this Deed all acts which the Mortgagor itself could do in relation to the Charged Property and the Insurances including without prejudice to the generality of the foregoing the execution and delivery of a bill of sale for the Vessel.

12 INDEMNITY

The Mortgagor covenants to indemnify the Bank against all amounts, liabilities and losses whatsoever which the Bank may pay or incur in good faith from time to time in relation to the Charged Property, and this indemnity shall form part of the Secured Obligations.

13 NOTICES

Any notice or demand by the Bank hereunder may be served on the Mortgagor personally or by posting the same to the Mortgagor by letter addressed to the Mortgagor at his address herein stated or other address last known to the Bank and any notice or demand if served by post shall be deemed served at the time when the letter containing the same is put into a Post Office situated within the United Kingdom and in proving such service it shall be sufficient to prove that the letter containing the notice or demand was properly addressed and put into a Post Office. Any such notice or demand or any certificate as to the amount at any time secured hereby shall be conclusive and binding upon the Mortgagor if given under the hand of an officer of the Bank

14 NON-CONTRAVENTION

The Mortgagor hereby certifies that the charges and security interests hereby constituted does not contravene any of the provisions of its Memorandum and Articles of Association

15 ASSIGNMENT

15.1 The expressions "the Mortgagor" and "the Bank" where the context admits include their respective successors in title and assigns and if there are two or more persons party to this Deed as Mortgagor all covenants herein contained or implied on the part of the Mortgagor shall be joint and several covenants on their part and the expression "Vessel" includes any share or interest therein and its engines machinery stores and appurtenances whether on board or ashore and whether now owned or hereafter acquired.

15.2 The Mortgagor may not assign or transfer all or any part of its rights, powers or obligations under this Deed.

15.3 The Bank without the consent of the Mortgagor may transfer the Mortgage and assign, transfer or sub-participate its rights, powers and obligations under this Deed to any assignee, transferee or sub-participant of its rights under the Loan Facility and for this purpose the Bank may give to any potential assignee, transferee or sub-participant any information about the Mortgagor, the Charged Property, the Mortgage and this Deed which the Bank considers appropriate.

16 MISCELLANEOUS

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

16.2 If a provision of this Deed is or may become illegal, invalid or unenforceable in any jurisdiction, such provision shall to that extent be deemed not to form part of this Agreement, but that shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Deed; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other provisions of this Deed.

17 THIRD PARTY RIGHTS

For the purpose of section 1(2) of the Contracts (Rights of the Third Parties) Act 1999 the parties state that they do not intend any term of this Deed to be enforced by any third parties but any third party right which exists or is available independently of that Act is hereby preserved.

18 PROPER LAW AND JURISDICTION

18.1 This Deed shall be governed by and construed in accordance with the laws of England.

Schedule 1

Notice of Assignment

mv KATABATIC

(the "**Vessel**")

We, HOVERCRAFT SERVICES LIMITED the owners of the Ships hereby give you notice that by a deed of covenant dated _____ entered into by us with Svenska Handelsbanken AB (publ) (the "**Bank**") we have assigned to the Bank our right, title and interest in the insurances on the Vessel including the insurance evidenced by the policy on which this notice is endorsed including all amounts payable under the policy and all returns of premiums.

Dated:

Signed:

On duplicate:

We acknowledge receipt of this notice of assignment.

Dated:

Signed:

Schedule 2

Loss Payable Clause

LOSS PAYABLE CLAUSE

It is noted that by a deed of covenant dated _____ between **Hovercraft Services Limited** (the "**Owner**") and Svenska Handelsbanken AB (publ) (the "**Bank**") collateral to a first priority mortgage on the Vessel given by the Owner to the Bank the Owner has assigned to the Bank its right, title and interest in the insurances on the Vessel including this policy of insurance.

It has been agreed between the Owner and the Bank that unless underwriters shall have received notice from the Bank to the contrary, in which case all claims shall be paid direct to the Bank, every claim in respect of a total loss (including an actual, constructive, compromised or agreed total loss) or a major casualty (that is any claim which exceeds in aggregate £25,000 inclusive of any deductible) shall be paid to the Bank or its order and every other claim shall be paid to the Owner to be applied in payment of the repair of any damage to the Vessel and the settlement of the liability or loss to which it relates.

IN WITNESS of which this deed has been duly executed

EXECUTED as a DEED the day and year first above written

by HOVERCRAFT SERVICES LIMITED

acting by:-

X

Director

X

Director/Company Secretary

EXECUTED as a DEED the day and year first above written on behalf of

SVENSKA HANDELSBANKEN AB)

(PUBL), a public banking Company)

incorporated in Sweden, by)

and)

being persons who, in accordance with)

the laws of that territory, are acting——)

under the authority of the company)

Signature

Signature