

## COMPLIANCE CERTIFICATE

From: **Thera Trust** as Issuer

Date: 28<sup>th</sup> December 2017

### **THERA TRUST GBP 6,000,000 Note Programme (the “Agreement”)**

1. We refer to the Conditions of the Agreement and, in particular, Condition 17(e). This is a Compliance Certificate.
2. Terms used in this certificate have the same meaning and definitions as in the Agreement, unless the context otherwise requires.
3. We confirm that the audited consolidated financial statements of Thera Trust for the year ended 31 March, 2017 fairly represent the Issuer’s financial condition as at that date.
4. We confirm that no Default is continuing.
5. *Asset Cover Test*

We confirm that, as at 31 March 2017:

- (a) Total Net Assets were £14,799,426; and
- (b) Total Net Debt was £5,586,909;

and therefore that the Total Net Assets are 265 per cent. of Total Net Debt (which is at least 130 per cent. of the Total Net Debt).

Accordingly the Issuer is in compliance with the Asset Cover covenant.

6. We set out below a summary of our calculations establishing the figures set out in paragraph 5 above.

**Total Net Asset Calculation**

Tangible Fixed Assets	2,341,653
Investment Properties	7,544,379
Current Assets	11,176,719
Gross Creditors (Amounts Falling Due Within One Year)	-7,541,132
Excluding Bank Loans and Overdrafts	1,253,865
Excluding Amounts Due Under Finance Leases	<u>23,942</u>
Net Creditors (Amounts Falling Due Within One Year)	<u>-6,263,325</u>
<b>Total Net Assets (as defined in Clause 17(a) of the Conditions)</b>	<u><u>14,799,426</u></u>

**Total Net Debt Calculation**

Bank Loans and Overdrafts (Amounts Falling Due Within One Year)	1,253,865
Amounts Due Under Finance Leases (Amounts Falling Due Within One Year)	23,942
Bank Loans (Amounts Falling After More Than One Year)	1,255,083
Bonds (Amounts Falling After More Than One Year)	3,000,000
Amounts Due Under Finance Leases (Amounts Falling After More Than One Year)	<u>54,019</u>
<b>Total Net Debt (as defined in Clause 17(a) of the Conditions)</b>	<u><u>5,586,909</u></u>
<b>Net Asset Cover</b>	<u><u>265%</u></u>

7. *Interest Cover Test*

We confirm that for the year ending 31<sup>st</sup> March 2017:

- (a) EBIT was £1,106,019; and
- (b) Gross Financing Costs were £253,048;

and therefore that EBIT is 471 per cent. of Gross Financing Costs for the financial year ended 31 March 2017 (which is at least 250 per cent. of Gross Financing Costs).

Accordingly the Issuer is in compliance with the Interest Cover covenant.

8. We set out below a summary of our calculations establishing the figures set out in paragraph 7 above:

**EBIT Calculation**

Net Incoming Resources	2,618,230
Add Back Pension Re-Measurement	22,000
Add back Exceptional Costs	51,387
Exclude Non-Cash Donations	-2,210,010
Exclude Investment Gains/Losses	389,364
Add Back Interest Paid incl Interest Element of Finance Lease Rental Payments	<u>235,048</u>
Total EBIT (as defined in Clause 17(a) of the Conditions)	<u>1,106,019</u>

**Gross Financing Costs Calculation**

Interest Paid incl Interest Element of Finance Lease Rental Payments	<u>235,048</u>
<b>Total Group Financing Costs (as defined in Clause 17(a) of the Conditions)</b>	<u>235,048</u>
<b>Interest Cover</b>	<u>471%</u>

Executed by:



**Simon Conway**

**Director/Trustee**

**On behalf of THERA TRUST**