

COMPLIANCE CERTIFICATE

From: **Thera Trust** as Issuer

Date: 23rd December 2019

THERA TRUST

GBP 6,000,000 Note Programme (the “Agreement”)

GBP 2,000,000 5.5% Bond and GBP 5,000,000 5.5% Bond (the “Bond Instruments”)

1. We refer to the Conditions of the Agreement and, in particular, Condition 17(e) and to the Bond Instruments. This is a Compliance Certificate.
2. Terms used in this certificate have the same meaning and definitions as in the Agreement and/or the Bond Instruments, unless the context otherwise requires.
3. We confirm that the audited consolidated financial statements of Thera Trust for the year ended 31 March, 2019 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 2019:

- (a) Total Net Assets were £20,160,111; and
- (b) Total Net Debt was £8,787,880;

and therefore that the Total Net Assets are 229 per cent. of Total Net Debt as at 31 March 2019 (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	2,709,135
Investment Properties	7,127,097
Current Assets	15,819,093
Gross Creditors (Amounts Falling Due Within One Year)	-6,155,400
Excluding Bank Loans and Overdrafts	592,464
Excluding Amounts Due Under Finance Leases	67,722
Net Creditors (Amounts Falling Due Within One Year)	<u>-5,495,214</u>
Total Net Assets (as defined in Clause 17(a) of the Conditions)	<u><u>20,160,111</u></u>

Total Net Debt Calculation

Bank Loans and Overdrafts (Amounts Falling Due Within One Year)	592,464
Amounts Due Under Finance Leases (Amounts Falling Due Within One Year)	67,722
Bank Loans (Amounts Falling After More Than One Year)	1,112,138
Bonds (Amounts Falling After More Than One Year)	6,840,719
Amounts Due Under Finance Leases (Amounts Falling After More Than One Year)	<u>174,837</u>
Total Net Debt (as defined in Clause 17(a) of the Conditions)	<u><u>8,787,880</u></u>
Net Asset Cover	<u><u>229%</u></u>

7. *Interest Cover Test (EBIT)*

We confirm that for the year ending 31st March 2019:

- (a) EBIT was £1,278,178; and
- (b) Gross Financing Costs were £427,236;

and therefore that EBIT is 299 per cent. of Gross Financing Costs for the financial year ended 31 March 2019 (which is at least 250 per cent. of Gross Financing Costs).

Accordingly the Issuer is in compliance with the Interest Cover (EBIT) 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	804,186
Remove Service Income / Costs from Closed DB Pension Schemes	27,000
Add back Exceptional Costs	428,616
Exclude Non-Cash Donations	-100,495
Exclude Investment Gains/Losses	-263,648
Exclude Net Actuarial Gains/Losses on Defined Benefit Pension Schemes	-44,717
Add Back Interest Paid incl. Interest Element of Finance Lease Rental Payments	<u>427,236</u>
Total EBIT (as defined in Clause 17(a) of the Conditions)	<u>1,278,178</u>

Gross Financing Costs Calculation

Interest Paid incl. Interest Element of Finance Lease Rental Payments	<u>427,236</u>
Total Group Financing Costs (as defined in Clause 17(a) of the Conditions)	<u>427,236</u>
Interest Cover (EBIT)	<u>299%</u>

9. *Interest Cover Test (EBITDA)*

We confirm that for the year ending 31st March 2019:

- (a) EBITDA was £1,634,755; and
- (b) Gross Financing Costs were £427,236;

and therefore that EBIT is 383 per cent. of Gross Financing Costs for the financial year ended 31 March 2019 (which is at least 300 per cent. of Gross Financing Costs).

Accordingly the Issuer is in compliance with the Interest Cover (EBITDA) covenant.

10. We set out below a summary of our calculations establishing the figures set out in paragraph 9 above:

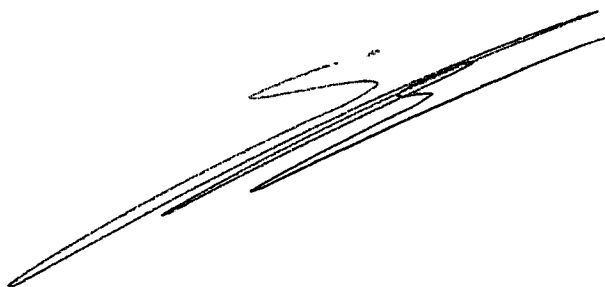
EBITDA Calculation

Net Incoming Resources	804,186
Remove Service Income / Costs from Closed DB Pension Schemes	27,000
Add back Exceptional Costs	428,616
Exclude Non-Cash Donations	-100,495
Exclude Investment Gains/Losses	-263,648
Exclude Net Actuarial Gains/Losses on Defined Benefit Pension Schemes	-44,717
Add Back Interest Paid incl. Interest Element of Finance Lease Rental Payments	427,236
Add Back Depreciation	349,317
Add Back Amortisation	7,260
	<hr/>
Total EBITDA	<u>1,634,755</u>

Gross Financing Costs Calculation

Interest Paid incl. Interest Element of Finance Lease Rental Payments	<u>427,236</u>
Total Group Financing Costs (as defined in Clause 17(a) of the Conditions)	<u>427,236</u>
Interest Cover (EBITDA)	<u>383%</u>

Executed by:



Simon Conway

Director/Trustee

On behalf of THERA TRUST