

## COMPLIANCE CERTIFICATE

From: **Thera Trust** as Issuer

Date: 23<sup>rd</sup> December 2019

### THERA TRUST

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

#### **GBP 2,000,000 Bond and GBP 5,000,000 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, 2018 (as re-stated) 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 2018:

- (a) Total Net Assets were £18,469,220; and
- (b) Total Net Debt was £7,636,066;

and therefore that the Total Net Assets are 242 per cent. of Total Net Debt as at 31 March 2018 (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	2,443,640
Investment Properties	7,118,385
Current Assets	14,434,491
Gross Creditors (Amounts Falling Due Within One Year)	-7,389,363
Excluding Bank Loans and Overdrafts	1,770,259
Excluding Amounts Due Under Finance Leases	91,808
Net Creditors (Amounts Falling Due Within One Year)	-5,527,296
<b>Total Net Assets (as defined in Clause 17(a) of the Conditions)</b>	<b><u>18,469,220</u></b>

**Total Net Debt Calculation**

Bank Loans and Overdrafts (Amounts Falling Due Within One Year)	1,770,259
Amounts Due Under Finance Leases (Amounts Falling Due Within One Year)	91,808
Bank Loans (Amounts Falling After More Than One Year)	1,243,190
Bonds (Amounts Falling After More Than One Year)	4,486,834
Amounts Due Under Finance Leases (Amounts Falling After More Than One Year)	43,975
<b>Total Net Debt (as defined in Clause 17(a) of the Conditions)</b>	<b><u>7,636,066</u></b>
<b>Net Asset Cover</b>	<b><u>242%</u></b>

7. *Interest Cover Test (EBIT)*

We confirm that for the year ending 31<sup>st</sup> March 2018:

- (a) EBIT was £1,245,103; and
- (b) Gross Financing Costs were £209,904;

and therefore that EBIT is 593 per cent. of Gross Financing Costs for the financial year ended 31 March 2018 (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	2,054,937
Add Back Pension Re-Measurement	44,000
Add back Exceptional Costs	309,030
Exclude Non-Cash Donations	-506,300
Exclude Investment Gains/Losses	-293,584
Exclude Net Actuarial Gains/Losses on Defined Benefit Pension Schemes	-572,884
Add Back Interest Paid incl. Interest Element of Finance Lease Rental Payments	209,904
<b>Total EBIT (as defined in Clause 17(a) of the Conditions)</b>	<b><u>1,245,103</u></b>

**Gross Financing Costs Calculation**

Interest Paid incl. Interest Element of Finance Lease Rental Payments	209,904
<b>Total Group Financing Costs (as defined in Clause 17(a) of the Conditions)</b>	<b><u>209,904</u></b>
<b>Interest Cover (EBIT)</b>	<b><u>593%</u></b>

9. *Interest Cover Test (EBITDA)*

We confirm that for the year ending 31<sup>st</sup> March 2018:

- (a) EBITDA was £1,747,920; and
- (b) Gross Financing Costs were £209,904;

and therefore that EBIT is 833 per cent. of Gross Financing Costs for the financial year ended 31 March 2018 (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	2,054,937
Remove Service Income / Costs from Closed DB Pension Schemes	44,000
Add back Exceptional Costs	309,030
Exclude Non-Cash Donations	-506,300
Exclude Investment Gains/Losses	-293,584
Exclude Net Actuarial Gains/Losses on Defined Benefit Pension Schemes	-572,884
Add Back Interest Paid incl. Interest Element of Finance Lease Rental Payments	209,904
Add Back Depreciation	407,942
Add Back Amortisation	94,875
Total EBITDA	<u>1,747,920</u>

**Gross Financing Costs Calculation**

Interest Paid incl. Interest Element of Finance Lease Rental Payments	<u>209,904</u>
<b>Total Group Financing Costs (as defined in Clause 17(a) of the Conditions)</b>	<u>209,904</u>
<b>Interest Cover (EBITDA)</b>	<u>833%</u>

Executed by:



**Simon Conway**

**Director/Trustee**

**On behalf of THERA TRUST**