ENERGY FINANCE PROTECTED CELL COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
5 APRIL 2019

CONTENTS

ENERGY FINANCE PROTECTED CELL COMPANY LIMITED
COMPANY SUMMARY

INCORPORATION DATE:	27 June 2012
REGISTRATION NUMBER:	55304
COUNTRY OF INCORPORATION:	Guernsey
DIRECTORS:	Ian Powell Saffery Limited The address for each of the directors is that of the registered office.
REGISTERED OFFICE:	PO Box 141 La Tonnelle House Les Banques St Sampson Guernsey GY1 3HS
ADMINISTRATOR, PAYING AGENT, CALCULATION AGENT AND SECRETARY:	Saffery Champness Fund Services Limited PO Box 141 La Tonnelle House Les Banques St Sampson Guernsey GY1 3HS
SPONSOR:	Carey Commercial Limited 1st & 2nd Floor Elizabeth House Les Ruettes Brayes St Peter Port Guernsey GY1 1EW
INDEPENDENT AUDITOR:	BDO Limited PO Box 180 Place du Pré Rue du Pré St Peter Port Guernsey GY1 3LL
GUERNSEY LEGAL ADVISER:	Carey Olsen Carey House Les Banques St Peter Port Guernsey GY1 4BZ
UK LEGAL ADVISER:	Allen & Overy LLP One Bishops Square London United Kingdom E1 6AD

The Directors submit their report and the audited financial statements of the Company for the year ended 5 April 2019.

Activities

The Company has been established to raise capital for energy-related projects through the issue of debt securities. Proceeds from the issue of debt securities by Cell A have been used to purchase loan notes issued by Brehon Property Unit Trust, proceeds from the issue of debt securities by Cell B have been used to purchase loan notes issued by Casquets Property Unit Trust. Both unit trusts have been formed to provide an opportunity for investors to invest in a UK property investment business based on the operation of energy generation assets on agricultural properties in England.

On 9 July 2018 the Class B Cell of the Company repaid in full its loan notes payable. On 10 July 2018 the Class B Loan notes of the Company were de-listed from The International Stock Exchange, and the Class B Cell has subsequently been wound up.

Going Concern

At the date of signing these financial statements, the Directors expect the Class A Cell and Core of the Company to continue in operation for the foreseeable future and will continue to meet any liabilities as they fall due. The Directors have therefore prepared the financial statements of the Company on a going concern basis.

Results and dividends

The statement of comprehensive income for the year is set out on page 6. The Directors have not recommended a dividend for the year (2018: Nil).

Directors

The Directors of the Company who served during the year and to the date of this report are set out on page 1.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Guernsey company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for the keeping of proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. Furthermore the Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

Statement of disclosure to the auditor

Each of the persons who are directors at the time when the Directors' Report is approved has confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent Auditor

A resolution proposing the re-appointment of BDO Limited as auditor of the Company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

....	....
Signed for and on behalf of Saffery Limited	Ian Powell

23 September 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENERGY FINANCE PROTECTED CELL COMPANY LIMITED

Opinion

We have audited the financial statements of Energy Finance Protected Cell Company Limited (“the Company”) for the year ended 5 April 2019 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company’s affairs as at 5 April 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENERGY FINANCE PROTECTED CELL COMPANY LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements within the Directors' Report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

BDO Limited

BDO Limited
Chartered Accountants
Place du Pré
Rue du Pré
St Peter Port
Guernsey GY1 3LL

25th September 2019

ENERGY FINANCE PROTECTED CELL COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 5 April 2019

		2019				2018			
		Class A Cell	**Class B Cell**	**Core**	**Aggregated**	**Class A Cell**	**Class B Cell**	**Core**	**Aggregated**
	Notes	£	£	£	£	£	£	£	£
Interest income									
Finance income - loan notes	5	747,884	44,987	-	792,871	932,447	159,682	-	1,092,129
Finance cost - loan notes	6	(730,670)	(44,231)	-	(774,901)	(915,088)	(156,801)	-	(1,071,889)
Total interest income		**17,214**	**756**	**-**	**17,970**	**17,359**	**2,881**	**-**	**20,240**
Expenses									
Audit fee		-	-	-	-	-	4,375	-	4,375
Administration fee		-	1,333	-	1,333	-	-	-	-
Directors fee		-	873	-	873	-	-	-	-
Regulatory fee		1,960	-	-	1,960	985	985	-	1,970
Listing and sponsors fees		1,333	3,214	-	4,547	2,968	2,609	-	5,577
Bank charges		170	4	-	174	71	50	-	121
Total expenses		3,463	5,424	-	8,887	4,024	8,019	-	12,043
Profit/(loss) for the year and total comprehensive income /(loss)		**13,751**	**(4,668)**	**-**	**9,083**	**13,335**	**(5,138)**	**-**	**8,197**

The notes on pages 10 to 15 form an integral part of these financial statements.

ENERGY FINANCE PROTECTED CELL COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 5 April 2019

	Capital Account	Revenue Reserve	Total
	£	£	£
Class A Cell:			
Balance at 6 April 2017	11	57,961	57,972
Total comprehensive income	-	13,335	13,335
Balance at 5 April 2018	11	71,296	71,307
Total comprehensive income	-	13,751	13,751
Balance at 5 April 2019	11	85,047	85,058
Class B Cell:			
Balance at 6 April 2017	1	10,949	10,950
Total comprehensive income	-	(5,138)	(5,138)
Balance at 5 April 2018	1	5,811	5,812
Total comprehensive loss	-	(4,668)	(4,668)
Distribution paid	(1)	(1,143)	(1,144)
Balance at 5 April 2019	-	-	-
Core Shares:			
Balance at 6 April 2017, 5 April 2018 and 5 April 2019	11	-	11
Aggregated:			
Balance at 6 April 2017	23	68,910	68,933
Total comprehensive income	-	8,197	8,197
Balance at 5 April 2018	23	77,107	77,130
Total comprehensive income	-	9,083	9,083
Distribution paid	(1)	(1,143)	(1,144)
Balance at 5 April 2019	22	85,047	85,069

The notes on pages 10 to 15 form an integral part of these financial statements.

ENERGY FINANCE PROTECTED CELL COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
As at 5 April 2019

		2019				2018			
		Class A Cell	Class B Cell	Core	Aggregated	Class A Cell	Class B Cell	Core	Aggregated
NON CURRENT ASSETS	Notes	£	£	£	£	£	£	£	£
Loan notes and accrued finance income receivable	5	13,489,519		-	13,489,519	13,390,020	2,093,336	-	15,483,356
CURRENT ASSETS									
Debtors		-	-	11	11	-	1	11	12
Cash at bank		1,158	-	-	1,158	946	42	-	988
		1,158	-	11	1,169	946	43	11	1,000
CURRENT LIABILITIES									
Creditors		(11)	-	-	(11)	(11)	(4,379)	-	(4,390)
NET CURRENT ASSETS/ (LIABILITIES)		1,147	-	11	1,158	935	(4,336)	11	(3,390)
NON CURRENT LIABILITIES									
Loan notes and accrued finance cost payable	6	(13,405,608)	-	-	(13,405,608)	(13,319,648)	(2,083,188)	-	(15,402,836)
TOTAL NET ASSETS		**85,058**	-	**11**	**85,069**	**71,307**	**5,812**	**11**	**77,130**
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS									
Capital	8	11	-	11	22	11	1	11	23
Revenue reserve		85,047	-	-	85,047	71,296	5,811	-	77,107
TOTAL SHAREHOLDERS' FUNDS		**85,058**	-	**11**	**85,069**	**71,307**	**5,812**	**11**	**77,130**

The financial statements were approved and authorised by the Directors on 23 September 2019.

....
Signed for and on behalf of Saffery Limited

....
Ian Powell

The notes on pages 10 to 15 form an integral part of these financial statements.

ENERGY FINANCE PROTECTED CELL COMPANY LIMITED
STATEMENT OF CASH FLOWS
For the year ended 5 April 2019

	2019				2018			
	Class A Cell	**Class B Cell**	**Core**	**Aggregated**	**Class A Cell**	**Class B Cell**	**Core**	**Aggregated**
Cash flows from operating activities	£	£	£	£	£	£	£	£
Profit/(loss) and total comprehensive income/ (loss) for the year	13,751	(4,668)	-	9,083	13,335	(5,138)	-	8,197
Adjusted for:								
Finance income - loan notes	(747,884)	(44,987)	-	(792,871)	(932,447)	(159,682)	-	(1,092,129)
Finance cost - loan notes	730,670	44,231	-	774,901	915,088	156,801	-	1,071,889
(Decrease)/increase in creditors	-	(4,379)	-	(4,379)	-	4,375	-	4,375
	(3,463)	(9,803)	-	(13,266)	(4,024)	(3,644)	-	(7,668)
Loan note interest received	180,385	538,361	-	718,746	239,874	99,850	-	339,724
Repayment of loan note assets	468,000	1,599,961	-	2,067,961	799,000	364,000	-	1,163,000
Net cash flows from operating activities	**644,922**	**2,128,519**	**-**	**2,773,441**	**1,034,850**	**460,206**	**-**	**1,495,056**
Cash flows from financing activities								
Loan note interest paid	(176,710)	(527,456)	-	(704,166)	(234,990)	(97,810)	-	(332,800)
Repayment of loan note liabilities	(468,000)	(1,599,961)	-	(2,067,961)	(799,000)	(364,000)	-	(1,163,000)
Distribution paid	-	(1,144)	-	(1,144)				
Net cash flows used in financing activities	**(644,710)**	**(2,128,561)**	**-**	**(2,773,271)**	**(1,033,990)**	**(461,810)**	**-**	**(1,495,800)**
Net increase/ (decrease) in cash at bank	**212**	**(42)**	**-**	**170**	860	(1,604)	-	(744)
Cash at bank at start of year	946	42	-	988	86	1,646	-	1,732
Cash at bank at end of year	**1,158**	**-**	**-**	**1,158**	**946**	**42**	**-**	**988**

The notes on pages 10 to 15 form an integral part of these financial statements.

1. **COMPANY BACKGROUND**

Energy Finance Protected Cell Company Limited (the “Company” or "PCC") is a protected cell company incorporated in Guernsey on 27 June 2012 under the provisions of the Companies (Guernsey) Law, 2008. As at 5 April 2019, the Company had 1 cell.

The assets of the Company can be either cellular or non-cellular assets. The assets attributable to a particular cell comprise assets represented by the proceeds of cell share capital, reserves and any other assets attributed to the cell. The non-cellular assets comprise the assets of the Company which are not cellular assets. Where a liability arises from a transaction in respect of a particular cell and there are insufficient assets within that cell, there may be recourse to the non-cellular assets but not to the assets of any other cell. The aggregated results do not represent the pooling of economic interests of the individual cells.

The Company invests in debt instruments issued by Brehon Property Unit Trust and up to 9 July 2018 it also invested in debt instruments issued by Casquets Property Unit Trust (the "Trusts"), both of which operate/operated energy generation units on agricultural properties in England.

During the year, the Company was listed on The International Stock Exchange in respect of the Class A Cell and Class B Cell loan notes payable. On 10 July 2018, the Class B Cell loan notes were de-listed from The International Stock Exchange after being repaid in full on 9 July 2018.

2. **BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

The principal accounting policies, which have been consistently applied, are set out below:-

Going Concern
The Directors have prepared the financial statements of the Company on a going concern basis as they have adequate expectation that the Company will continue in operation for the foreseeable future and will continue to meet any liabilities as they fall due.

On 9 July 2018, Casquets Property Unit Trust repaid in full the loan notes repayable on 3 April 2028 and the loan notes repayable on 3 April 2031 and in turn the Class B Cell of the Company repaid in full its loan notes payable. The Directors wound-up the Class B Cell of the Company on 14 November 2018 following the payment of a final distribution. At the date of signing these financial statements, the Directors expect the Class A Cell and Core of the Company to continue in operation for the foreseeable future.

Financial Instruments
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The loan notes receivable are initially measured at net proceeds and are measured subsequently at amortised cost using the effective interest method, less any provision for impairment.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Loan notes payable are initially measured at net proceeds and are measured subsequently at amortised cost using the effective interest method. Finance costs are allocated at a constant rate on the carrying amount.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

For financial assets measured at amortised cost, any impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

A financial liability (in whole or in part) is derecognised when the Company has extinguished its contractual obligations, or where those obligations expire or are cancelled. Any gain or loss on derecognition is taken to the Statement of Comprehensive Income.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Income and Expenditure

For all financial instruments, finance income or finance cost is recorded using the effective interest method. The calculation takes into account all the contractual terms of the financial instrument (for example, prepayment options) and includes any adjustments that are an integral part of the effective interest method.

Basis of Aggregation

The Company’s aggregated financial statements, which are shown in the total column, represent the sum of the cellular and the non-cellular assets and liabilities within the PCC.

Significant judgements and estimates

The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. The items in the financial statements where these judgments and estimates have been made include:

Loan notes receivable: assessment of whether there are indicators of impairment of the asset. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the loan note counterparty's assets over which the Company has a charge. In addition, representatives of the Directors also act as Trustees to the Brehon Property Unit Trust.

3. FINANCIAL RISK MANAGEMENT

The principal underlying business risk to the Company arises from the potential under-performance of the Trust's energy generation units, since the repayment of the Company's loan notes and associated interest depends primarily on this. To mitigate this, the Cell holds floating charges over the Trust's assets.

The main financial risks faced by the Company comprise interest rate risk, credit risk and liquidity risk. The Board regularly reviews and agrees policies for managing each of these risks as follows:

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate on the Company’s loan notes payable is variable as it is based on a fixed interest rate of 3% but adjusted for movements in the RPI. The interest rate on the loan notes receivable is also on such a basis, but at a higher fixed rate (3.1% compared with 3.0% and subject to the same RPI adjustment) which acts as a mitigating factor to cash flow interest rate risks. It is anticipated that the value of loan notes receivable will remain higher than the value of loan notes payable given this difference in the fixed rate of return with other terms and amounts being comparable. The loan notes payable are for fixed terms which match those of the loan notes receivable and for similar amounts. The loan notes payable are not redeemable other than at the option of the Company. As the purpose of the borrowings is exclusively to finance the acquisition of the loan notes receivable, it is not considered likely these will require to be refinanced or that changes in market interest rates will significantly affect overall returns to either loan note holders or shareholders of the Company.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will default on its contractual obligations resulting in loss to the Company. As noted above the Directors of the Company have effected charges over the assets of the counterparty, as detailed in note 5, and representatives of the Directors also act as Trustees to the Brehon Property Unit Trust. The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date.

3. **FINANCIAL RISK MANAGEMENT (continued)**

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities as they fall due. The maturity dates of the instruments issued by the Company exactly match those of the instruments in which it has invested. Furthermore, the majority of the operating expenses of the Company are borne by the Brehon Property Unit Trust. The fixed nature of the margin earned by the Company along with the agreement regarding expenses means that the Company should always be in a position to settle its obligations as they fall due and, should it receive early repayment on loan notes receivable, will also be in a position to make early repayment on an equivalent amount of loan notes payable. The contractual maturities of the financial liabilities are shown in note 6.

Capital Risk Management
The capital of the Company is represented by the net assets attributable to shareholders and non-current liabilities. The Directors' objective when managing capital is to safeguard the Company's ability to continue as a going concern while maximising returns for shareholders through optimising the debt to equity mix and maintaining a strong capital base. The Company is not subject to any externally imposed capital requirements.

4. **TAXATION**

The Director of Income Tax in Guernsey has confirmed that the Company is exempt from Guernsey income tax under The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, and that any surplus income of the Company may be distributed without deduction of Guernsey income tax.

5. **LOAN NOTES RECEIVABLE**

Class A Cell	**2019**	**2018**
Issued by Brehon Property Unit Trust at 3.1% plus RPI	£	£
Loan notes receivable on 31 October 2022	320,088	788,088
Loan notes receivable on 31 October 2027	4,000,000	4,000,000
Loan notes receivable on 31 October 2030	5,163,000	5,163,000
Accrued finance income receivable	4,006,431	3,438,932
	13,489,519	**13,390,020**

Class B Cell	**2019**	**2018**
Issued by Casquets Property Unit Trust at 3.1% plus RPI	£	£
Loan notes receivable on 3 April 2028	-	111,745
Loan notes receivable on 3 April 2031	-	1,488,216
Accrued finance income receivable	-	493,375
	-	**2,093,336**

Loan notes receivable are repayable at an amount equal to their par value plus accrued interest, adjusted by the change in the RPI between the issue date and the repayment or pre-payment date. Early repayment on the remaining loan notes receivable is at the option of the Trustees of the Brehon Property Unit Trust. The Brehon Property Unit Trust has entered into Security Agreements whereby the Trustees have granted security over their Trust Property to Class A Cell to secure the Trust's obligations to repay the Trust's Loan Notes, represented by a fixed charge over the Trust's land, plant and machinery and a floating charge over all its other assets.

On 9 July 2018, Casquets Property Unit Trust repaid in full the loan notes repayable on 3 April 2028 and the loan notes repayable on 3 April 2031.

6. LOAN NOTES PAYABLE

Class A Cell	**2019**	**2018**
Issued by the Cell at 3% plus RPI	£	£
Loan notes repayable on 31 October 2022	320,088	788,088
Loan notes repayable on 31 October 2027	4,000,000	4,000,000
Loan notes repayable on 31 October 2030	5,163,000	5,163,000
Accrued finance cost payable on 31 October 2022	132,399	266,777
Accrued finance cost payable on 31 October 2027	1,654,533	1,354,047
Accrued finance cost payable on 31 October 2030	2,135,588	1,747,736
	13,405,608	**13,319,648**

Class B Cell	**2019**	**2018**
Issued by the Cell at 3% plus RPI	£	£
Loan notes repayable on 3 April 2028	-	111,745
Loan notes repayable on 3 April 2031	-	1,488,216
Accrued finance cost payable on 3 April 2028	-	33,751
Accrued finance cost payable on 3 April 2031	-	449,476
	-	**2,083,188**

The Company's loan notes payable for the Class A Cell are listed on The International Stock Exchange.

Loan notes payable are unsecured and repayable at an amount equal to their par value plus accrued interest, adjusted by the change in the RPI between the issue date and the repayment or pre-payment date. Early repayment of loan notes payable is at the option of the Company.

On 9 July 2018 the Class B Cell of the Company repaid in full the loan notes repayable on 3 April 2028 and the loan notes repayable on 3 April 2031.

7. FINANCIAL INSTRUMENTS

		2019	**2018**
Carrying amount of financial assets		£	£
Debt instruments measured at amortised cost	Class A Cell	13,490,677	13,390,966
	Class B Cell	-	2,093,379
	Core	11	11
		13,490,688	15,484,356
Carrying amount of financial liabilities			
Measured at amortised cost	Class A Cell	13,405,619	13,319,659
	Class B Cell	-	2,087,567
	Core	-	-
		13,405,619	15,407,226

8. **SHARE CAPITAL**

Issued Share Capital:

11 Core Shares of £1.00 each

11 Participating Redeemable Shares of £1.00 each at par - 11 Class A Cell (2018: 12 Participating Redeemable Shares of £1.00 each at par - 11 Class A Cell and 1 Class B Cell)

Core Shares

The Core Shares carry the right to receive notice of, attend and vote at general meetings of the Company and the Core. The Core Shares are not redeemable. Core Shares carry no right to any dividends or distribution and on a winding up of the Company the holders of Core Shares shall be entitled only to the return of the capital paid up thereon after all holders of Participating Shares have been paid in full. Any variation of the rights attaching to the Core Shares shall be deemed to be a variation of the rights attaching to the Participating Shares of each Cell and, accordingly, no such variation shall be effected unless it is approved by a Special Resolution of both Cells.

Participating Shares

The Participating Redeemable Shares are allotted and issued in accordance with Article 8 of the Company's Memorandum and Articles of Association. The Participating Redeemable Shares carry the right to receive notice of and attend general meetings of the Company but have no right to vote at such meetings. The Participating Redeemable Shares are redeemable only at the discretion of the Company. The Participating Redeemable Shares carry the right to Dividends and Distributions (including rights on a winding up).

9. **RELATED PARTY DISCLOSURES**

The Trusts in which the Company held loan notes receivable are related parties by virtue of the Director, Saffery Limited, and the Trusts being under common control. Interest income from the Trusts is disclosed in the Statement of Comprehensive Income. Balances at the reporting date are detailed in note 5 together with details of the terms of the loan notes receivable. Repayments of loan note assets and loan interest is disclosed in the Statement of Cash Flows.

As explained in note 3, the majority of the expenses of the Company have been borne by the Trusts from which the Company has loan notes receivable. During the year, expenses of the Company totalling £95,029 (2018: £107,854) were borne by the Trusts. Of these amounts borne on behalf of the Company the following related party transactions have taken place:

During the year, administration fees amounting to £7,882 (2018: £10,743) were due to Saffery Champness Fund Services Limited, of which £ nil (2018: £2,633) was outstanding as at 5 April 2019. Accounting fees amounting to £2,000 (2018: £7,003) were due to Saffery Champness Fund Services Limited, of which £2,000 (2018: £4,000) was outstanding as at 5 April 2019. Saffery Champness Fund Services Limited is under the same common control as the Director, Saffery Limited, and the Trusts.

Directors fees due to Ian Powell for the year amounted to £3,130 (2018: £5,000) of which £ nil (2018: £2,500) was outstanding as at 5 April 2019. Directors fees due to Saffery Limited for the period amounted to £1,252 (2018: £2,000) of which £ nil (2018: £1,000) was outstanding as at 5 April 2019.

10. **ULTIMATE CONTROLLING PARTY**

The Directors are not aware of the existence of any ultimate controlling party.

11. EVENTS AFTER THE REPORTING DATE

Class A Cell

On 27 June 2019, Brehon Property Unit Trust made a prepayment of £320,088 towards the repayment of the loan note repayable on 31 October 2022 to the Class A Cell of the Company together with finance costs of £141,921. Also, on 27 June 2019, Brehon Property Unit Trust made a prepayment of £26,000 towards the repayment of the loan note repayable on 31 October 2027 to the Class A Cell of the Company together with finance costs of £11,528.