ENERGY FINANCE PROTECTED CELL COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
5 APRIL 2024

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ENERGY FINANCE PROTECTED CELL COMPANY LIMITED
COMPANY SUMMARY

INCORPORATION DATE:	27 June 2012
REGISTRATION NUMBER:	55304
COUNTRY OF INCORPORATION:	Guernsey
DIRECTORS:	VFS Directors 1 Limited VFS Directors 2 Limited Martin Dean (resigned 19 May 2023) Sanda Swale (appointed 19 May 2023, resigned 8 August 2024) The address for each of the directors is that of the registered office.
REGISTERED OFFICE:	1 Royal Plaza Royal Avenue St Peter Port Guernsey GY1 2HL
ADMINISTRATOR, PAYING AGENT, CALCULATION AGENT AND SECRETARY:	Apex Fund Administration (Guernsey) Limited 1 Royal Plaza Royal Avenue St Peter Port Guernsey GY1 2HL
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 Plaza House, 2nd Floor Admiral Park St Peter Port Guernsey GY1 3LL
GUERNSEY LEGAL ADVISER:	Carey Olsen (Guernsey) LLP 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 2024.

Activities

The Company was established to raise capital for energy-related projects through the issue of debt securities. Proceeds from the issue of debt securities by Cell A were used to purchase loan notes issued by Brehon Property Unit Trust, proceeds from the issue of debt securities by Cell B were used to purchase loan notes issued by Casquets Property Unit Trust. Both unit trusts were 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

The Directors, having considered the Company's objectives and available resources along with its projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors remain confident that the going concern basis remains appropriate in preparing these financial statements.

In considering going concern, the Directors have also considered that the loan receivable and loan payable repayments can be made in advance of the expiry date of 31 October 2030. Once these loans have been fully received and repaid, the Company would conduct no further activities and would effectively be winding down. The Directors can confirm that the expected repayment of these loans are not guaranteed within the 12 months post the signing of the financial statements and therefore the Directors have used this as part of their consideration that the entity is a going concern and the financial statements are to remain 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 (2023: 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 VFS Directors 1 Limited	Signed for and on behalf of VFS Directors 2 Limited

1 October 2024

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

Opinion

In our opinion, the financial statements of Energy Finance Protected Cell Company Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 05 April 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with UK GAAP; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of the Company for the year ended 05 April 2024 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 FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("UK GAAP").

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.

Independence

We are independent of the Company in accordance with the ethical requirements that are 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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies (Guernsey) Law, 2008 reporting

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 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be UK GAAP and FRS 102 as well as the regulations imposed as a result of listing the existing securities on The International Stock Exchange.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be regulations relating to The International Stock Exchange.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations; and

Auditor's responsibilities for the audit of the financial statements (continued)

- Review of correspondence with The International Stock Exchange for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation;

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the area most susceptible to fraud to be the recoverability of loan instruments.

Our procedures in respect of the above included:

- Consideration of the counterparty to repay the loan instruments before the due date. This includes reviewing future cashflows to ensure that the counterparty has sufficient cashflows in the future to make payments towards the loan instruments;
- Reviewing post balance sheet events from the counterparty to review whether there are any events that may impact the recoverability of the loan instruments.
- Reviewing securities in place to ensure that its valuation is sufficient to cover the balance of the loan instruments in case of issues surrounding the recoverability of the loan instruments.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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
Plaza House, 2nd Floor
Admiral Park
St Peter Port
Guernsey GY1 3LL

1 October 2024

ENERGY FINANCE PROTECTED CELL COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 5 April 2024

		2024			2023		
		Class A Cell	**Core**	**Aggregated**	**Class A Cell**	**Core**	**Aggregated**
	Notes	£	£	£	£	£	£
Interest income							
Finance income - loan notes	5	745,698	-	745,698	1,749,446	-	1,749,446
Finance cost - loan notes	6	(729,148)	-	(729,148)	(1,721,889)	-	(1,721,889)
Bank interest income		3,814	-	3,814	1,115	-	1,115
Total interest income		**20,364**	**-**	**20,364**	**28,672**	**-**	**28,672**
Expenses							
Accounting fee		2,000	-	2,000	-	-	-
Administration fee		6,409	-	6,409	-	-	-
Audit fee		11,500	-	11,500	-	-	-
Directors fees		4,498	-	4,498	-	-	-
D&O insurance expense		1,688	-	1,688	-	-	-
Income tax exemption fee		1,600	-	1,600	-	-	-
Listing and sponsors fees		7,462	-	7,462	2,425	-	2,425
Sundry expenses		363	-	363	236	-	236
Trail commission		50,745	-	50,745	-	-	-
Total expenses		86,265	-	86,265	2,661	-	2,661
(Loss)/profit for the year and total comprehensive income		**(65,901)**	**-**	**(65,901)**	**26,011**	**-**	**26,011**

The notes on pages 12 to 17 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 2024

	Capital Account	Revenue Reserve	Total
	£	£	£
Class A Cell:			
Balance at 6 April 2022	11	96,868	96,879
Total comprehensive income	-	26,011	26,011
Balance at 5 April 2023	11	122,879	122,890
Total comprehensive income	-	(65,901)	(65,901)
Balance at 5 April 2024	11	56,978	56,989
Core Shares:			
Balance at 6 April 2022, 5 April 2023 and 5 April 2024	11	-	11
Aggregated:			
Balance at 6 April 2022	22	96,868	96,890
Total comprehensive income	-	26,011	26,011
			-
Balance at 5 April 2023	22	122,879	122,901
Total comprehensive income	-	(65,901)	(65,901)
Balance at 5 April 2024	22	56,978	57,000

The notes on pages 12 to 17 form an integral part of these financial statements.

ENERGY FINANCE PROTECTED CELL COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
As at 5 April 2024

		2024			2023		
		Class A Cell	Core	Aggregated	Class A Cell	Core	Aggregated
NON CURRENT ASSETS	Notes	£	£	£	£	£	£
Loan notes and accrued finance income receivable	5	8,330,139	-	8,330,139	12,086,177	-	12,086,177
CURRENT ASSETS							
Debtors and prepayments		8,794	11	8,805	-	11	11
Cash at bank		23,118	-	23,118	284,711	-	284,711
		31,912	11	31,923	284,711	11	284,722
CURRENT LIABILITIES							
Creditors		(66,853)	-	(66,853)	(283,565)	-	(283,565)
NET CURRENT LIABILITIES/(ASSETS)		(34,941)	11	(34,930)	1,146	11	1,157
NON CURRENT LIABILITIES							
Loan notes and accrued finance cost payable	6	(8,238,209)	-	(8,238,209)	(11,964,433)	-	(11,964,433)
TOTAL NET ASSETS		56,989	11	57,000	122,890	11	122,901
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS							
Share Capital	8	11	11	22	11	11	22
Revenue reserve		56,978	-	56,978	122,879	-	122,879
TOTAL SHAREHOLDERS' FUNDS		56,989	11	57,000	122,890	11	122,901

The financial statements were approved and authorised by the Directors on 1 October 2024.

Signed for and on behalf of
VFS Directors 1 Limited

Signed for and on behalf of
VFS Directors 2 Limited

The notes on pages 12 to 17 form an integral part of these financial statements.

ENERGY FINANCE PROTECTED CELL COMPANY LIMITED
STATEMENT OF CASH FLOWS
For the year ended 5 April 2024

	2024			2023		
	Class A Cell	**Core**	**Aggregated**	**Class A Cell**	**Core**	**Aggregated**
Cash flows from operating activities	£	£	£	£	£	£
(Loss)/profit and total comprehensive income for the year	(65,901)	-	(65,901)	26,011	-	26,011
Adjusted for:						
Finance income - loan notes	(745,698)	-	(745,698)	(1,749,446)	-	(1,749,446)
Finance cost - loan notes	729,148	-	729,148	1,721,889	-	1,721,889
(Decrease)/increase in debtors	(8,794)	-	(8,794)	2,219	-	2,219
Decrease in creditors	(216,712)	-	(216,712)	-	-	-
	(307,957)	-	(307,957)	673	-	673
Loan note interest received	2,358,736	-	2,358,736	-	-	-
Repayment of loan note assets	2,143,000	-	2,143,000	-	-	-
Net cash flows from operating activities	**4,193,779**	**-**	**4,193,779**	**673**	**-**	**673**
Cash flows from financing activities						
Loan note interest paid	(2,312,372)	-	(2,312,372)	-	-	-
Repayment of loan note liabilities	(2,143,000)	-	(2,143,000)	-	-	-
Net cash flows used in financing activities	**(4,455,372)**	**-**	**(4,455,372)**	**-**	**-**	**-**
Net (decrease)/increase in cash at bank	**(261,593)**	**-**	**(261,593)**	673	-	673
Cash at bank at start of year	284,711	-	284,711	284,038	-	284,038
Cash at bank at end of year	**23,118**	**-**	**23,118**	**284,711**	**-**	**284,711**

The notes on pages 12 to 17 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 2024, the Company has 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.

The Company is listed on The International Stock Exchange in respect of the Class A 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, having considered the Company's objectives and available resources along with its projected income and expenditure, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors remain confident that the going concern basis remains appropriate in preparing these financial statements.

In considering going concern, the Directors have also considered that the loan receivable and loan payable repayments can be made in advance of the expiry date of 31 October 2030. Once these loans have been fully received and repaid, the Company would conduct no further activities and would effectively be winding down. The Directors can confirm that the expected repayment of these loans are not guaranteed within the 12 months post the signing of the financial statements and therefore the Directors have used this as part of their consideration that the entity is a going concern and the financial statements are to remain on a going concern basis.

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.

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

Financial Instruments (continued)

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.

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.

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

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.

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 AND ACCRUED FINANCE INCOME RECEIVABLE**

Class A Cell	**2024**	**2023**
Issued by Brehon Property Unit Trust at 3.1% plus RPI	£	£
Loan notes receivable on 31 October 2027	-	743,000
Loan notes receivable on 31 October 2030	3,763,000	5,163,000
Accrued finance income receivable on 31 October 2027	-	777,493
Accrued finance income receivable on 31 October 2030	4,567,139	5,402,684
	8,330,139	**12,086,177**

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 an 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 the 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.

6. LOAN NOTES AND ACCRUED FINANCE COST PAYABLE

Class A Cell	**2024**	**2023**
Issued by the Cell at 3% plus RPI	£	£
Loan notes repayable on 31 October 2027	-	743,000
Loan notes repayable on 31 October 2030	3,763,000	5,163,000
Accrued finance cost payable on 31 October 2027	-	762,177
Accrued finance cost payable on 31 October 2030	4,475,209	5,296,256
	8,238,209	**11,964,433**

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 an option of the Company.

7. FINANCIAL INSTRUMENTS

		2024	**2023**
Carrying amount of financial assets		£	£
Debt instruments measured at amortised cost	Class A Cell	8,353,257	12,370,888
	Core	11	11
		8,353,268	12,370,899
Carrying amount of financial liabilities			
Measured at amortised cost	Class A Cell	8,305,062	12,247,998
	Core	-	-
		8,305,062	12,247,998

8. **SHARE CAPITAL**

Issued Share Capital:

11 Core Shares of £1.00 each (2022: 11 Core Shares of £1.00 each)
11 Participating Redeemable Shares of £1.00 each at par - 11 Class A Cell (2022: 11 Participating Redeemable Shares of £1.00 each at par - 11 Class A 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. **NET DEBT RECONCILIATION**

	6 April 2023	**Cash flows**	**Other non-cash changes**	**5 April 2024**
	£	£	£	£
Cash at bank	284,711	- 261,593	-	23,118
Loan notes and accrued finance cost payable	(11,964,433)	4,455,372	(729,148)	(8,238,209)
	(11,679,722)	4,193,779	(729,148)	(8,215,091)

Non-cash movements represent adjustments for interest accruals.

10. **RELATED PARTY DISCLOSURES**

The Trust in which the Company holds loan notes receivable are related parties by virtue of the Directors, VFS Directors 1 Limited and VFS Directors 2 Limited, and the Trust being under common control. Interest income from the Trust 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, some of the expenses of the Company have been borne by the Trust from which the Company has loan notes receivable. During the year, expenses of the Company totalling £2,720 were borne by Brehon Property Unit Trust (2023: £91,900 were borne by the Trust). The following related party transactions have taken place:

During the year, accounting fees amounting to £2,000 (2023: £2,000) were due to the Administrator, of which £500 (2023: £nil) was outstanding as at 5 April 2024. Apex Fund Administration (Guernsey) Limited is under the same common control as the Directors, VFS Directors 1 Limited and VFS Directors 2 Limited, and the Trust.

During the year, administration fees amounting to £6,409 due to the Administrator were incurred by the Company (2023: £5,952 incurred by the Trust), of which £1,644 (2023: £nil) was outstanding as at 5 April 2024.

10. **RELATED PARTY DISCLOSURES (continued)**

Directors fees due to the Administrator in respect of Sanda Swale and Martin Dean for the year totalled £2,498 (2023: £2,500 incurred by the Trust) of which £625 (2023: £nil) was outstanding as at 5 April 2024. Directors fees due to the administrator in respect of VFS Directors 1 Limited and VFS Directors 2 Limited for the year incurred by the Trust totalled £1,000 each (2023: £1,000 each incurred by the Trust) of which £250 each (2023: £nil) was outstanding as at 5 April 2024.

During the year, listing fees amounting to £3,929 (2023: £3,071 incurred by the Trust) were due to the Administrator, of which £nil (2023: £nil) was outstanding as at 5 April 2024.

11. **ULTIMATE CONTROLLING PARTY**

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

12. **EVENTS AFTER THE REPORTING DATE**

Class A Cell

There have been no material events after the reporting date requiring disclosure in the financial statements.