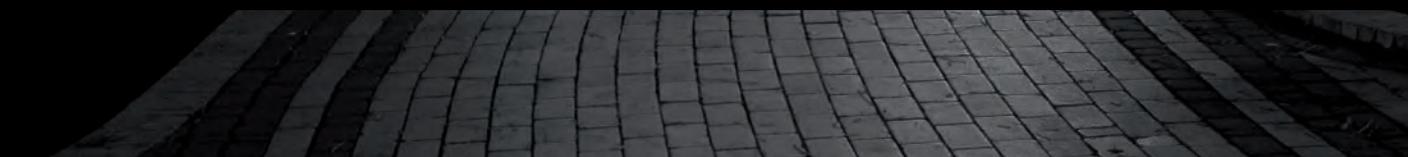


INTERIM REPORT & FINANCIAL STATEMENTS

 TOC PROPERTY BACKED
LENDING TRUST

FOR THE SIX MONTHS ENDING 31 MAY 2019





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CHAIRMAN'S STATEMENT



JOHN NEWLANDS, CHAIRMAN

I am pleased to be writing to you for the first time since I became Chairman on 30 April 2019 following Stephen Coe's retirement. Stephen oversaw the progress made throughout the first 27 months of the Company's life, and his wise counsel will be missed.

NET ASSET VALUE

The net asset value at 31 May 2019 was 93.39 pence per share, down 1.1% from 94.39 pence at 30 November 2018, giving a net asset value total return for the six month period of 2.36% when dividends are taken into account. The portfolio of loans remains focused on the North East of England and on Scotland, providing a measure of insulation against the economic vagaries of London and the South East.

DIVIDENDS

That said, reduced property transaction volumes and the slowdown in price increases of which my predecessor spoke in March have continued, as has the backdrop of political uncertainty. In such circumstances, a measure of prudence has been adopted, in the form of a quarter percent

reduction in the quarterly dividends from 1.75 pence per share to 1.50 pence per share. As already announced, the third interim dividend is also expected to be 1.50 pence per share. The fourth interim dividend, scheduled for December 2019, is expected to be at least 1.50 pence per share and will be considered in the light of the circumstances then prevailing.

PORTFOLIO AND GEARING

The portfolio at today's date totals £24.9m of value (equivalent 2018 figure: £24.9m) representing 15 projects, of which the Company has a profit share agreement in seven. While these arrangements offer sound long-term potential, in terms of possible capital uplifts in due course, the Board does not account for any potential profits on such projects until there is sufficient clarity and visibility as to the projects eventual outcome visibility and certainty around such profits. No new unrealised profits have been recognised in the period.

During the period loans of £5.6m were repaid. Since the end of May a further £0.5m of loans were repaid, while further investment of £2.6m has been made.

At 31 May 2019, £0.7m of the Company's £8.5m committed revolving facility was drawn down. These arrangements expire on 24 October 2019 and negotiations to renew the facility are well advanced.

The Investment Adviser's report provides further details of the individual projects.

RELATED PARTIES

Three loans (Pendower Hall, Medburn and Charlton Bonds) to parties related to the Investment Adviser or its principals continue to be renewed on a short term basis while the Adviser arranges alternative financing for them. The sale of property units in Charlton Bonds

remains in progress, with continuing repayments to the Company, but progress has been slower in relation to Pendower and Medburn. A further update will be given in due course. Interest payments are current on all three related party projects.

CONCLUSION

The Company's pipeline of potential new loans is strong and indeed growing so as it becomes more widely known and its track record becomes established this should cause both portfolio diversity to increase further and allow the very best opportunities to be taken up.

On a forward-looking basis, the third quarter was extremely encouraging, with more than £6 million of new money agreed at lending margins that should enhance net asset value returns over time.

JOHN NEWLANDS, CHAIRMAN

29 AUGUST 2019

INVESTMENT ADVISER'S REVIEW



ABOUT THE ADVISER

Tier One Capital Ltd, as Investment Adviser, provides bespoke wealth management, investment management and fund management services to high net worth (HNW) private clients, charities and institutions.

Tier One Capital Ltd currently has a team of 22 individuals with offices in London, Lausanne and its head office in Newcastle upon Tyne.

INVESTMENT ADVISER'S REPORT REVIEW OF THE 6 MONTHS TO 31 MAY 2019

In its third year of trading the portfolio continued to perform well, posting a NAV total return of 2.36% and paying its annual dividend at 1.5p per quarter for the first two quarters of the year. We continue to be mindful of the ongoing challenges our borrowers are facing in a climate of rising interest rates, a weakening

housing market and the ever-present shadow of Brexit. Our hands-on approach and the benefit of staying very close to all of our portfolio has helped us mitigate this risk to date.

The Company agreed one new facility of £300,000 with Glenfarg Partnership Ltd in April 2019 which has all been drawn down. This mezzanine loan will assist in the development of 13 retirement apartments in Perthshire, Scotland. The loan is at a 10% rate, with security being taken by a second charge over the development, behind a high street senior lender and a second ranking debenture. The borrowers have contributed a significant amount of their own funds and, with an LTV of 34.8%, our facility ensures there is enough funding to complete the project.

The Company agreed the refinance of The Willows project for a further three years, with an increase of 0.48% to the interest rate. The Company also agreed

the refinance of Inveniam Home Loans for a further two years, three months with a higher interest rate of 10% until additional capital is repaid. There were further deployments of capital as follows:

Deployments of Capital

Newgate Street	£650,000
West Auckland	£628,000
Springs	£625,000
Pendower Hall	£287,500
Barley Croft	£250,000
The Willows	£65,000
Whitefield Farm	£50,000
Fernhill	£30,861
Marley Hill and Medburn	£25,000

Post half year end, the Company entered into two new facilities on 16 August 2019. The first was a £3.4m facility with Esh Chilton Moor Ltd, a wholly owned subsidiary of Esh Investments Ltd. This two year loan at an 8% rate will provide finance to develop 34 three and four bed detached homes in Chilton Moor, County Durham. The Esh Group are a leading construction group of companies which operate across the North East of England, Yorkshire and Cumbria. This facility has the benefit of a profit share via an exit fee of 10%.

The second new facility was a £3.05m facility with Bede & Cuthbert Developments Ltd, the second project we have supported with this borrowing team. This two year, six month loan at an 8% rate, will provide finance to develop 30 three and four bed detached houses in Bill Quay, South Tyneside. This team is expected to deliver the Marley Hill project and repay all outstanding loans and interest as well as a level of profit share. We are therefore pleased to support the second development in a well-established residential area. This facility also has the benefit of a 25.1% profit share.

In February 2019 the fourth successful exit of the Company occurred with the repayment of Bylaugh Hall. The £3,379,000 loan, at 8%, was to support

the acquisition and development of a grade two listed grand hall in Norfolk. The facility pre-dated the formation of the Company and was brought into the Company on the date of listing. This represented an IRR of 8.3%.

During the first six months of the year there were a number of partial redemptions including:

Partial Redemptions

Marley Hill	£1,731,064
Charlton's Bonds	£270,680
Inveniam Home Loans	£197,395

Post year end there were further partial redemptions for West Auckland and Inveniam Home Loans returning £400,000 and £138,176 of capital.

As at 30 November 2018, we reported that three of the projects, Barley Croft, West Auckland and Pendower Hall had not performed in line with expectations. The decision was made to recognise capital impairments at that time. While good progress has been made, we are not amending the impairment at this time and we will revisit this again when considering the 31 August 2019 NAV.

In October 2018, the Company agreed a committed revolving facility with Shawbrook Bank. This facility has already allowed the Company to achieve further growth with £0.7m of the facility being drawn at 31 May 2019 (£3m: 30 Nov 2019) and a further £1.55m drawn down post quarter end. The intention is to deploy this facility over the coming months.

At 31 May 2019, the Company had 15 live facilities, seven of which are a profit share arrangement for the benefit of the Company, with the deployment level sitting at £24,865,056.

DEPLOYMENT

The portfolio continues to be deployed across residential 62% (30 Nov 2018: 56%), commercial 26% (30 Nov 2018: 34%), sale and leaseback 9% (30 Nov 2018: 8%) and cash 3% (30 Nov 2018: 2%).

The current average interest rate being achieved on the combined loan book is 7.67% (Nov 2018: 8.38%), with the reduction due largely to the Bedlington project no longer earning interest, and a short term interest rate reduction on West Auckland to 6% from 8%. The average loan size has decreased from £1.87m at 30 November 2018 to £1.66m at 31 May 2019.

PROFIT SHARE PROJECTS

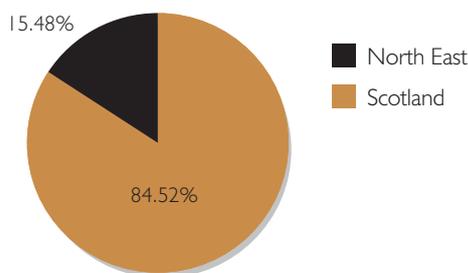
There are currently seven Profit Share projects in the portfolio (Nov 2018: seven).

Since the listing of the Company we have recognised an uplift in the equity value of one of the seven facilities (Nov 2018: one), The rest are recognised as nil, as we consider it prudent either because projects are at a relatively early stage of their lifecycle or the projects appear unlikely to result in a profit to the Company. We shall continue to monitor and review this on an ongoing basis.

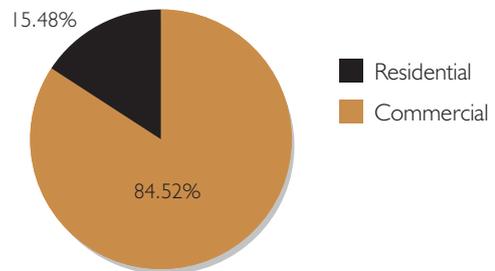
PIPELINE

The Investment Adviser continues to see strong deal flow, reflective of the lack of finance options available to developers in the regions. There was £26.3m of potential funding opportunities across 8 projects split as follows:

REGIONAL ALLOCATION



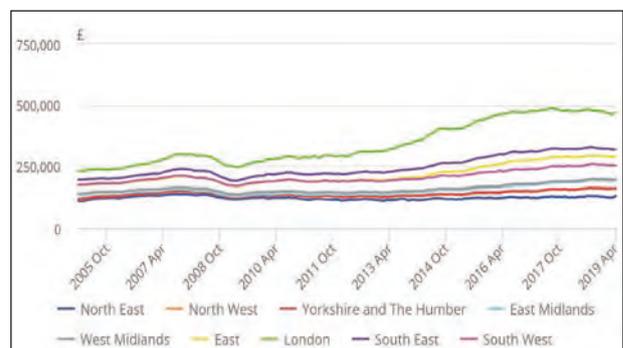
SECTOR ALLOCATION



OUTLOOK

The Investment Adviser continues to see a greater balance of risk and return by providing loan facilities to high quality and experienced property development teams in the regions, as opposed to central London. The current geographical breakdown of the Company's deployment approach shows approximately 82% (Nov 2018: 74%) of the Company's loans being focused in the North East, reflecting the Investment Adviser's commitment to providing facilities based on a relationship led approach. The North East property market also provides protection against a decline in London property markets, as traditionally the region does not see the boom and bust dynamic created by significantly inflated property prices as shown in the graph below.

Average house price, by English region, January 2004 to April 2019 (Source: Office for National Statistics)



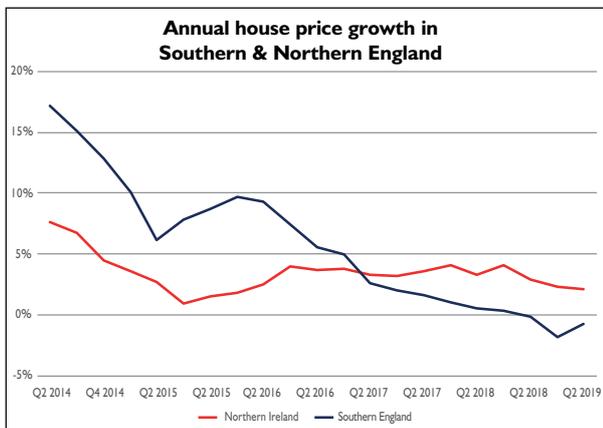
The regional Rightmove house price index for June 2019 shows the average price for a property in the North East at £153,806 which is an annual increase of 3.2% from last year. Considering the previous month, however, prices and average time to sell (77 days) remained flat.

In comparison, the average price for a property in Greater London now stands at £618,880 in June 2019 which is an annual decrease of 2.0% from the previous year and a decrease of 0.4% from the previous month. The average time to sell is slightly lower (72 days) compared to May. Dampened demand and Brexit uncertainty made the number of sales in London fall sharply over the last 5 years. Indeed, also in May, transaction volumes have continued their downward trend in London and the South, indicating some hesitancy to engage the market. Elsewhere, the number of transactions remained flat, highlighting again a marked north/south divide as all northern regions are selling better than those in the southern part of the UK.

We believe that the UK housing market should behave in line with the broader economy. House prices and transaction volumes are likely to remain close to current levels over the near term since Brexit uncertainty will remain a drag on market sentiment and economic activity. However, healthy labour market conditions and low interest rates should provide underlying support. We believe that once Brexit is resolved, housing will again become the main item on the government's agenda, and we feel that the Company is well placed to take advantage of this.

The Investment Adviser remains confident of being able to continue to implement the Company's investment policy, and to deliver the level of consistent quarterly income that many UK investors demand.

IAN MCELROY,
TIER ONE CAPITAL LTD
29 AUGUST 2019



National average asking prices				
Month	Avg. asking price	Monthly change	Annual change	Index
June 2019	£309,348	0.3%	0.0%	239.2
May 2019	£308,290	0.9%	0.1%	238.3
National average asking prices by market sector (excluding Inner London)				
Sector	June 2019	May 2019	Monthly change	Annual change
First-time buyers	£191,364	£191,067	0.2%	-0.1%
Second-steppers	£277,757	£277,229	0.2%	0.9%
Top of the ladder	£553,680	£553,243	0.1%	-0.5%

THE INVESTMENT PORTFOLIO AS AT 31 MAY 2019

Project	Sector	Region	Maturity Date	Rate %	Profit Share	Security	% NAV	LTV (May 19) %	Loan Value (May 19) £'000s	Loan Value (Nov 18) £'000s
The Willows*	Commercial	Essex	May 2022	7.48	No	Senior	16.16	74.02	4,123	4,058
West Auckland	Residential	North East	Mar 2020	6.00	No	Senior	13.07	95.61	3,336	2,709
St Hilds	Sale & Leaseback	North East	Feb 2020	8.00	25.1%	Senior	9.01	99.82	2,300	2,300
Newgate Street	Residential	North East	Aug 2020	8.00	25.1%	Senior	8.42	127.00	2,150	1,500
Springs	Residential	North East	May 2020	10.00	25.1%	Senior	7.84	80.59	2,000	1,375
Medburn	Residential	North East	Jul 2020	8.00	No	Senior	7.31	71.91	1,865	1,840
Pendower Hall	Commercial	North East	Aug 2019	10.00	No	Senior	7.05	89.03	1,800	1,513
Bedlington	Residential	North East	Dec 2019	0.00	25.1%	Senior	6.71	87.48	1,712	1,462
Inveniam Home Loans**	Residential	North East	Sep 2021	10.00	No	Subordinate	5.40	68.11	1,378	1,575
Whitefield Farm	Residential	North East	Jan 2020	10.00	Exit fee taken	Senior	4.11	113.70	1,050	1,000
Marley Hill	Residential	North East	Jan 2020	8.00	25.1%	Senior	4.03	60.47	1,029	2,729
Charlton's Bonds	Residential/Commercial	North East	May 2020	8.00	No	Senior	2.73	100.00	697	967
Fernhill***	Residential	North East	Jul 2019	10.00	No	Senior & Subordinate	2.25	76.34	575	525
Gateshead Town Hall	Commercial	North East	Jun 2023	8.00	Yes	Senior	2.16	84.62	550	550
Glenfarg	Residential	Scotland	Apr 2020	10.00	No	Subordinate	1.18	34.68	300	–
Bylaugh Hall	Commercial	Norfolk	Nov 2018	8.00	No	Senior	–	–	–	3,379
Cash							2.57		657	606
Total / Weighted Average				8.40			100.00	87.89	25,522	28,088

*Client interest rate changed from 7% to 7.48% on 31 May 2019.

**Client interest rate changed from 8% to 10% on 1 May 2019.

***Client interest rate changed from 8% to 10% on 1 May 2019.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The risks, and the way in which they are managed, are described in more detail under the heading 'Principal Risks and Uncertainties' within the Strategic Report in the Company's Annual Report and Accounts for the year ended 30 November 2018. The Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remainder of the Company's financial year.

- the Chairman's Statement and Investment Adviser's Review together with the condensed set of financial statements include a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during the period, and any changes in the related party transactions described in the last Annual Report that could do so.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE INTERIM REPORT

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union and gives a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the Chairman's Statement and Investment Adviser's Review (together constituting the Interim Management Report) include a fair review of the information required by the Disclosure and Transparency Rules (DTR) 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
- the Statement of Principal Risks and Uncertainties above is a fair review of the information required by DTR 4.2.7R; and

On Behalf of the Board

JOHN NEWLANDS, CHAIRMAN

29 AUGUST 2019

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 31 May 2019 (unaudited)		Six months ended 31 May 2018 (unaudited)		Year ended 30 November 2018 (audited)
	Notes	Revenue £'000	Capital £'000	Total £'000	Total £'000	Total £'000
REVENUE						
Investment interest		1,001	-	1,001	923	2,044
Total revenue		1,001	-	1,001	923	2,044
Unrealised gain on investments		-	-	-	-	104
Total income		1,001	-	1,001	923	2,148
EXPENDITURE						
Impairments		-	-	-	-	(746)
Other expenses		(324)	(30)	(354)	(239)	(550)
Total expenditure		(324)	(30)	(354)	(239)	(1,296)
Profit before finance costs and taxation		677	(30)	647	684	852
NET FINANCE COSTS						
Interest payable		(41)	-	(41)	-	(14)
Profit before taxation		636	(30)	606	684	838
TAXATION						
Profit and total comprehensive profit for the period/year		636	(30)	606	684	838
Basic earnings per share	3	2.36p	(0.11)p	2.25p	2.74p	3.27p

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

There is no other comprehensive income as all income is recorded in the statement above.

CONDENSED STATEMENT OF FINANCIAL POSITION

		As at 31 May 2019 (unaudited)	As at 31 May 2018 (unaudited)	As at 30 November 2018 (audited)
	Notes	£'000	£'000	£'000
NON-CURRENT ASSETS				
Investments held at fair value	5	-	-	104
Loans at amortised cost	6	8,000	8,703	8,238
		8,000	8,703	8,342
CURRENT ASSETS				
Loans at amortised cost	6	16,865	15,173	19,140
Other receivables and prepayments		431	382	473
Cash and cash equivalents		657	963	606
		17,953	16,518	20,219
TOTAL ASSETS		25,953	25,221	28,561
CURRENT LIABILITIES				
Loan facility		(675)	-	(2,944)
Other payables and accrued expenses		(133)	(224)	(203)
TOTAL LIABILITIES		(808)	(224)	(3,147)
NET ASSETS		25,145	24,997	25,414
SHARE CAPITAL AND RESERVES				
Share capital	7	269	256	269
Share premium		9,094	7,924	9,094
Special distributable reserve		16,455	16,455	16,455
Revenue reserve		(210)	470	29
Capital reserve		(463)	(108)	(433)
EQUITY SHAREHOLDERS' FUNDS		25,145	24,997	25,414
Net asset value per ordinary share	8	93.39p	97.57p	94.39p

The notes on pages 17 to 23 form an integral part of the financial statements.

The financial statements on pages 12 to 23 were approved by the Board of Directors of TOC Property Backed Lending Trust plc (a public limited company incorporated in England and Wales with company number 10395804) and authorised for issue on 29 August 2019.

JOHN NEWLANDS
CHAIRMAN

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ending 31 May 2019 (unaudited)	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
AT BEGINNING OF THE PERIOD	269	9,094	16,455	(433)	29	25,414
Total comprehensive income for the period:						
Profit for the period	-	-	-	(30)	636	606
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY:						
Dividends paid	-	-	-	-	(875)	(875)
At 31 May 2019	269	9,094	16,455	(463)	(210)	25,145

For the year ending 30 November 2018 (audited)	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
AT BEGINNING OF THE YEAR	227	5,152	16,455	(108)	540	22,266
Total comprehensive income for the period:						
Profit for the year	-	-	-	(325)	1,163	838
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY:						
Ordinary shares issued	42	4,188	-	-	-	4,230
Share issue costs	-	(246)	-	-	-	(246)
Dividends paid	-	-	-	-	(1,674)	(1,674)
At 30 November 2018	269	9,094	16,455	(433)	29	25,414

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ending 31 May 2018 (unaudited)	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
AT BEGINNING OF THE PERIOD						
Total comprehensive income for the period:	227	5,152	16,455	(108)	540	22,266
Profit for the period	-	-	-	-	684	684
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY:						
Ordinary shares issued	29	2,896	-	-	-	2,925
Share issue costs	-	(124)	-	-	-	(124)
Dividends paid	-	-	-	-	(754)	(754)
At 31 May 2018	256	7,924	16,455	(108)	470	24,997

CONDENSED CASH FLOW STATEMENT

	Six months to 31 May 2019 (unaudited)	Six months to 31 May 2018 (unaudited)	Year ending 30 November 2018 (audited)
Notes	£'000	£'000	£'000
OPERATING ACTIVITIES			
Profit after taxation	636	684	838
Impairments	-	-	746
Unrealised gain on investments	-	-	(104)
Decrease/(increase) in other receivables	42	(84)	(174)
(Decrease)/increase in other payables	(70)	83	72
NET CASH INFLOW FROM OPERATING ACTIVITIES BEFORE INTEREST AND AFTER TAXATION	608	683	1,378
Interest paid	41	-	14
NET CASH INFLOW FROM OPERATING ACTIVITIES	649	683	1,392
INVESTING ACTIVITIES			
Loans given	(3,096)	(3,300)	(10,260)
Loans repaid	5,713	1,206	3,918
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	2,617	(2,094)	(6,342)
FINANCING			
Issue of ordinary shares	-	2,812	3,984
Equity dividends paid	(875)	(754)	(1,674)
Bank loan drawn down	701	-	2,944
Interest paid	(41)	-	(14)
Repayment of loan	(3,000)	-	-
NET CASH (OUTFLOW)/INFLOW FROM FINANCING	(3,215)	2,058	5,240
INCREASE IN CASH AND CASH EQUIVALENTS	51	647	290
Cash and cash equivalents at the start of the period / year	606	316	316
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD / YEAR	657	963	606

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)



1. INTERIM RESULTS

The condensed financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union and the accounting policies set out in the statutory accounts of the Company for the year ended 30 November 2018. The condensed financial statements do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 November 2018, which were prepared under IFRS as adopted by the European Union. There have been no significant changes to management judgements and estimates.

The condensed financial statements have been prepared on the going concern basis. In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these financial statements.

2. INVESTMENT MANAGER'S AND INVESTMENT ADVISER'S FEES

INVESTMENT MANAGER

The Company has appointed R&H Fund Services (Jersey) Limited to act as the Company's alternative investment fund manager (AIFM) for the purposes of AIFMD pursuant to the Investment Management Agreement and accordingly the AIFM is responsible for providing discretionary portfolio management and risk management services to the Company, subject to the overall control and supervision of the Directors. The AIFM is entitled to receive fees from the Company of £15,000 per annum on total assets up to £100 million, or a fee from the Company of £20,000 per annum if total assets are over £100 million. There is a balance of £42,288 accrued for the Investment Manager for the period ended 31 May 2019 (Year to 30 November 2018: £18,000).

INVESTMENT ADVISER

The AIFM has appointed Tier One Capital Ltd to act as the Company's investment adviser pursuant to which the AIFM has delegated discretionary portfolio management services to the Investment Adviser,

subject to the overall control and supervision of the Directors.

The Investment Adviser is entitled to receive from the Company an investment adviser fee which is calculated and paid quarterly in arrears at an annual rate of 0.25 per cent. per annum of the prevailing Net Asset Value

if less than £100m; or 0.50 per cent. per annum of the prevailing Net Asset Value if £100m or more. The Investment Adviser has agreed (unless otherwise decided by the Board) to waive its fee until the Net Asset Value is at least £50 million.

There are no performance fees payable.

3. EARNINGS PER SHARE

The revenue, capital and total return per ordinary share is based on each of the profit after tax and on 26,924,063 ordinary shares, being the weighted average number of ordinary shares in issue throughout the period.

	Six months ended 31 May 2019		Six months ended 31 May 2018		Year ended 30 November 2018	
	£'000	Pence per share	£'000	Pence per share	£'000	Pence per share
Revenue earnings	636	2.36	684	2.74	1,163	4.54
Capital earnings	(30)	(0.11)	-	-	(325)	(1.27)
Total earnings	606	2.25	684	2.74	(838)	3.27
Average number of shares in issue	26,924,063		24,997,360		25,593,773	

Earnings for the period to 31 May 2019 should not be taken as a guide to the results for the year to 30 November 2019.

4. DIVIDENDS

	Six months ended 31 May 2019	Six months ended 31 May 2018	Year ended 30 November 2018
	£'000	£'000	£'000
In respect of the prior year:			
First interim dividend	-	-	415
Second interim dividend	-	-	448
Third interim dividend	471	340	340
In respect of the current year:			
First interim dividend	404	414	471
Total	875	754	1,674

A second interim dividend for the year ending 30 November 2019, of 1.50 pence per share, was paid on 4 July 2019 to shareholders on the register on 14 June 2019.

5. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

The Company's investment held at fair value through profit or loss represents its profit share arrangements whereby the Company owns 25.1% of the following companies:

Bede and Cuthbert Developments Ltd
 Dinosauria Ltd
 Gatsby Homes Ltd
 Northumberland Ltd
 Northumberland (Whitefield Farm) Ltd
 Ryka Developments Ltd
 Thursby Homes (Springs) Ltd

The valuation of these interim period and prior period assets requires critical judgement. The projects remain at a very early stage and no equity value could currently be expected to be recovered should they not complete. As the projects move closer to completion, the Board and Investment Adviser will utilise financial and market data to judge the fair value of the profit shares.

IFRS 13 requires the Company to classify its financial instruments held at fair value using a hierarchy that reflects the significance of the inputs used in the valuation methodologies. These are as follows:

- Level 1 – Unadjusted, fully accessible and current quoted prices in active markets for identical assets or liabilities.
- Level 2 – Quoted prices for similar assets or liabilities, or other directly or indirectly observable inputs which exist for the duration of the period of investment.
- Level 3 – External inputs are unobservable. Value is the Directors' best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on assumptions as to what inputs other market participants would apply in pricing the same or similar instrument.

All investments are considered Level 3. There have been no movements between levels during the period.

6. LOANS AT AMORTISED COST

	31 May 2019 £'000	31 May 2018 £'000	30 November 2018 £'000
Opening balance	27,378	21,678	21,678
Unrealised gain on investments	104	104	104
Loans deployed	3,096	3,300	10,260
Principal repayments	(5,713)	(1,206)	(3,918)
Impairments	-	-	(746)
Total loans at amortised cost	24,865	23,876	27,378
Split:			
Non-current assets: Loans due for repayment after one year	8,000	8,703	8,238
Current assets: Loans due for repayment under one year	16,865	15,173	19,140

The Company's loans are accounted for using the effective interest method. The carrying value of each loan is determined after taking into consideration any requirement for impairment provisions. As at 31 May 2019 the Board agreed, after consideration of the economic climate, the loan to value ratios and prior credit loss experience of the borrowers, that there is no requirement for impairment. No impairment was required in the prior year/period.

7. SHARE CAPITAL

	Nominal value £'000	Number of Ordinary shares of 1p
At 30 November 2017	227	22,693,559
Issue 7 December 2017	10	958,257
Issue 2 March 2018	5	617,216
Issue 5 April 2018	14	1,350,000
Issue 18 June 2018	13	1,305,031
Issued and fully paid as at 30 November 2018	269	26,924,063
Issued and fully paid as at 31 May 2019	269	26,924,063

The ordinary shares are eligible to vote and have the right to participate in either an interest distribution or participate in a capital distribution (on a winding up).

8. NET ASSET VALUE PER ORDINARY SHARE

The net asset value per ordinary share is based on net assets of £25,144,488 (31 May 2018: £24,997,201; 30 November 2018: £25,413,868) and on 26,924,063 ordinary shares (31 May 2018: 25,619,032; 30 November 2018: 26,924,063), being the number of ordinary shares in issue at the period/year end.

9. RELATED PARTIES

The Directors are considered to be related parties. No Director has an interest in any transactions which are, or were, unusual in their nature or significant to the nature of the Company.

The Directors of the Company received £62k fees for their services during the six months to 31 May 2019 (six months to 31 May 2018: £64k; to 30 November 2018: £129k). £nil was payable at the period and prior year end.

Ian McElroy is Chief Executive of Tier One Capital Ltd and is a founding shareholder and director of the firm. Stephen Black is a founding shareholder of Tier One Capital Ltd and resigned as a director of the firm on 28 September 2018.

Tier One Capital Ltd received no investment adviser's fee during the period and prior year and £nil was payable at the period and prior year end. Tier One Capital Ltd receive a 20% margin and arrangement fee for all loans it facilitates.

Stephen Black and Ian McElroy are shareholders owning 50% of Inveniam Corporate Finance Ltd to which the Company paid £nil for financial modelling to the 31 May 2019, (30 November 2018: £nil, 31 May 2018: £36k). There are various related party relationships in place with the borrowers as below:

- **Pendower Hall**

Stephen Black and Ian McElroy are former directors of Pendower Hall Ltd having resigned on 15 June

2018. Pendower Hall Ltd is 100% owned by Inperpetuity Ltd. Inperpetuity Ltd is 100% owned by Stephen Black and his spouse Jill Black. The loan amount outstanding as at 31 May 2019 was £2.0m (30 November 2018: £1.713m, 31 May 2018: £1.2m). Transactions in relation to loans made during the period amounted to £0.475m (30 November 2018: £0.480m, 31 May 2018: £Nil). Interest due to be received as at 31 May 2019 was £0.033m (30 November 2018: £0.027m, 31 May 2018: £0.021m). Interest received during the period amounted to £0.139m (30 November 2018: £0.139m, 31 May 2018: £0.061m).

- **Rare Earth Medburn**

Stephen Black and Ian McElroy are former directors of Rare Earth Medburn Ltd, having resigned on 15 June 2018. Rare Earth Medburn Ltd is 100% owned by Stephen Black and his spouse Jill Black, having previously been owned by Inperpetuity Ltd. The loan amount outstanding as at 31 May 2019 was £1.8m (30 November 2018: £1.8m, 31 May 2018: £1.6m). Transactions in relation to loans made during the period amounted to £0.025m (30 November 2018: £0.210m, 31 May 2018: £Nil). Interest due to be received as at 31 May 2019 was £0.025m (30 November 2018: £0.025m, 31 May 2018: £0.022m). Interest received during the period amounted to £0.63m (30 November 2018: £0.141m, 31 May 2018: £0.065m).

- **Thursby Homes (Charlton Bonds)**

Tier One Capital Ltd sold its full shareholding of 25.1% of Thursby Homes Ltd on the 20 March 2019. The loan amount outstanding as at 31 May 2019 was £0.697m (30 November 2018: £0.967m, 31 May 2018: £1.2m). Transactions in relation to loans repaid during the period amounted to £0.271m (30 November 2018: £0.975m, 31 May 2018: £0.8m). Interest due to be received as at 31 May 2019 was £0.009m (30 November 2018: £0.013m, 31 May 2018: £0.027m). Interest received during the period amounted to £0.033m (30 November 2018: £0.099m, 31 May 2018: £0.071m).

Continued

The following related parties arise due to the opportunity taken to advance the 25.1% profit share contracts

- **Ryka Developments**

The Company owns 25.1% of the borrower Ryka Developments Ltd. Stephen Black is a former director of Ryka Developments Ltd, having resigned on 21 September 2018. The loan amount outstanding as at 31 May 2019 was £2.3m (30 November 2018: £2.3m, 31 May 2018: £2.3m). Transactions in relation to loans made during the period amounted to £nil (30 November 2018: £nil, 31 May 2018: £nil). Interest due to be received as at 31 May 2019 was £31k (30 November 2018: £31k, 31 May 2018: £31k). Interest received during the period amounted to £92k (30 November 2018: £184k, 31 May 2018: £92k).

- **Gatsby Homes**

The Company owns 25.1% of the borrower Gatsby Homes Ltd. TIC Nominees Ltd is a former director of Gatsby Homes Ltd, having resigned on 5 October 2018. TIC Nominees Ltd is owned by Stephen Black and Ian McElroy who are directors. The loan amount outstanding as at 31 May 2019 was £1.7m (30 November 2018: £1.9m, 31 May 2018: £1.2m). Transactions in relation to loans made during the period amounted to £0.2m (30 November 2018: £1.1m, 31 May 2018: £0.4m). Interest due to be received as at 31 May 2019 was £31k (30 November 2018: £31k, 31 May 2018: £19). Interest received during the period amounted to £nil (30 November 2018: £100k, 31 May 2018: £41k).

- **Bede and Cuthbert Developments**

The Company owns 25.1% of the borrower Bede and Cuthbert Developments Ltd. Stephen Black and Ian McElroy are former directors of Bede and Cuthbert Developments Ltd, having resigned on 24 October 2018. The loan amount outstanding as at 31 May 2019 was £1.0m (30 November 2018: £2.6m, 31 May 2018: £1.9m). Transactions in relation to loans (repaid)/made during the period amounted to £(1.7m) (30 November

2018: £1.6m, 31 May 2018: £0.9m). Interest due to be received as at 31 May 2019 was £21k (30 November 2018: £35k, 31 May 2018: £26k). Interest received during the period amounted to £78k (30 November 2018: £146k, 31 May 2018: £43k).

- **Thursby Homes (Springs)**

The Company owns 25.1% of the borrower Thursby Homes (Springs) Ltd. The loan amount outstanding as at 31 May 2019 was £2.0m (30 November 2018: £1.4m, 31 May 2018: £1.3m). Transactions in relation to loans made during the period amounted to £0.6m (30 November 2018: £1.4m, 31 May 2018: £1.3m). Interest due to be received as at 31 May 2019 was £33k (30 November 2018: £18k, 31 May 2018: £nil). Interest received during the period amounted to £63k (30 November 2018: £54k, 31 May 2018: £nil).

- **Northumberland**

TOC Property Backed Lending Trust plc owns 25.1% of the borrower Northumberland Ltd. The loan amount outstanding as at 31 May 2019 was £2.2m (30 November 2018: £1.5m, 31 May 2018: £nil). Transactions in relation to loans made during the period amounted to £0.7m (30 November 2018: £1.5m, 31 May 2018: £nil). Interest due to be received as at 31 May 2019 was £26k (30 November 2018: £30k, 31 May 2018: £nil). Interest received during the period amounted to £61k (30 November 2018: £41k, 31 May 2018: £nil).

- **Dinosauria**

TOC Property Backed Lending Trust plc owns 25.1% of the borrower Dinosauria Ltd. The loan amount outstanding as at 31 May 2019 was £0.6m (30 November 2018: £0.6m, 31 May 2018: £nil). Transactions in relation to loans made during the period amounted to £nil (30 November 2018: £0.6m, 31 May 2018: £nil). Interest due to be received as at 31 May 2019 was £7k (30 November 2018: £7k, 31 May 2018: £nil). Interest received

during the period amounted to £22k (30 November 2018: £19k, 31 May 2018: £nil).

10. OPERATING SEGMENTS

The Board has considered the requirements of IFRS 8 'Operating Segments'. The Board is of the view that the Company is engaged in a single unified business, being the investment of the Company's capital in financial assets comprising loans and joint venture equity contracts and in one geographical area, the United Kingdom, and that therefore the Company has no segments. The Board of Directors, as a whole, has been identified as constituting the chief operating decision maker of the Company. The key measure of performance used by the Board to assess the Company's performance is the total return on the Company's net asset value. As the total return on the Company's net asset value is calculated based on the IFRS net asset value per share as shown at the foot of the Consolidated Statement of Financial Position, the key performance measure is that prepared under IFRS. Therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the financial statements.

11. FAIR VALUE MEASUREMENTS

The fair value measurements for assets and liabilities are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. These different levels have been defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 – inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability. Value is the Directors' best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on assumptions as to what inputs other market participants would

apply in pricing the same or similar instrument. All investment properties are included in Level 3.

All investments are considered Level 3. There were no movements of any assets between levels and no transfers into and out of Level 3 during the six months ending 31 May 2019 and the year to 30 November 2018.

12. POST BALANCE SHEET EVENTS

On 6 June 2019, an interim dividend was declared of 1.5p with an ex-dividend date of 13 June 2019 and a payment date of 4 July 2019.

On 16 August 2019, a new loan of £500k was advanced to Esh Chilton Moor Ltd in relation to a development of 34 three and four bed houses in Chilton Moor, County Durham. This is part of a two year £3.4m facility.

On 16 August 2019, a new loan of £275k was advanced to Bede & Cuthbert Developments Ltd in relation to a development of 20 three and four bed houses in Bill Quay, Gateshead. This is part of a two year, six month £3.05m facility.

13. INTERIM REPORT STATEMENT

The Company's auditor, BDO LLP, has not audited or reviewed the Interim Report to 31 May 2019 pursuant to the Auditing Practices Board guidance on 'Review of Interim Financial Information'. These are not full statutory accounts in terms of Section 434 of the Companies Act 2006 and are unaudited. Statutory accounts for the year ended 30 November 2018, which received an unqualified audit report and which did not contain a statement under Section 498 of the Companies Act 2006, have been lodged with the Registrar of Companies. No full statutory accounts in respect of any period after 30 November 2018 have been reported on by the Company's auditor or delivered to the Registrar of Companies.

SHAREHOLDER INFORMATION

Share Register Enquiries

For shareholder enquiries, please contact the registrar, Computershare +44 (0) 370 702 0000.

Share Capital and General Information

Ordinary £0.01 Shares	26,924,063
SEDOL Number	BD0ND66
ISIN Number	GB00BD0ND667
Ticker	PBLT

Share Prices

The Company's shares are listed on the London Stock Exchange.

Annual and Interim Reports

Copies of the Annual and Interim Reports are available from the Company Secretary on telephone number 0131 550 3766 and are also available on the Company's website www.tocpropertybackedlendingtrust.co.uk.

Provisional Financial Calendar

August 2019	Interim period end results announced
October 2019	Payment of interim dividend
30 November 2019	Year end
January 2020	Payment of interim dividend
April 2020	Payment of interim dividend
April 2020	Annual General Meeting
31 May 2020	Interim period end
July 2020	Payment of interim dividend

GLOSSARY

AIC Association of Investment Companies

This is the trade body for Closed-end Investment Companies (www.theaic.co.uk).

AIFMD Alternative Investment Fund Managers Directive

Issued by the European Parliament in 2012 and 2013, the Directive requires the Company to appoint an Alternative Investment Fund Manager (AIFM). The Board of Directors of a Closed-ended Investment Company, nevertheless, remains fully responsible for all aspects of the Company's strategy, operations and compliance with regulations.

AIFM Alternative Investment Fund Manager

The entity that provides portfolio management and risk management services to the Company and which ensures the Company complies with the AIFMD. The Company's AIFM is R&H Fund Services (Jersey) Limited.

Basic Total Earnings per Share Total profit after taxation divided by the weighted average number of Ordinary Shares in issue during the period.

C share This is a class of share issued by investment trusts. It allows the increase in number of shares in issue and funds under management without reducing the value of the existing ordinary shares. 'C' shares are quoted separately from the ordinary shares until the money raised from their issue has been fully invested. After that, they are converted to ordinary shares at a value based on the trust's net asset value.

Closed-end Investment Company

A company with a fixed issued ordinary share capital which is traded on a stock exchange at a price not necessarily related to the Net Asset Value of the company and where shares can only be issued or bought back by the company in certain circumstances.

Discount (or Premium) of Share Price to NAV*

If the share price is less than the Net Asset Value per share, the shares are trading at a discount. If the share price is greater than the Net Asset Value per share, the shares are trading at a premium. The discount (or premium) is calculated by reporting the difference

between the Net Asset Value per share and the Share Price as a percentage of the Net Asset Value per share.

Dividend Yield*

Calculated using the annual dividend as a percentage of the share price at the year end.

Dividends per Share

Dividends declared for the year.

Increase/decrease in NAV*

The movement in NAV in the period, shown in total and as a movement per share. Expressed in whole numbers and as a percentage.

Loan to Value*

Debt outstanding and drawn at the period end, net of any cash held in the Lender deposit account, expressed as a percentage of the market value of all property assets.

Net Assets (or Shareholders' Funds)

This is calculated as the value of the investments and other assets of an Investment Company, plus cash and debtors, less borrowings and any other creditors. It represents the underlying value of an Investment Company at a point in time.

Net Asset Value (NAV) per Ordinary Share

This is calculated as the net assets of the Company calculated under its accounting policies as set out in the year end report and financial statements divided by the number of shares in issue. This is the number disclosed at the foot of the Statement of Financial Position on page 14.

NAV Total Return*

The growth in NAV plus dividends reinvested, and this can be expressed as a percentage of NAV per share at the start of the year.

Ongoing Charges*

All operating costs incurred by the Company, expressed as a proportion of its average Net Assets over the reporting year.

Share Price Total Return*

The percentage change in the Share Price assuming dividends are reinvested to purchase additional Ordinary Shares at the prevailing share price.

SORP

Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the AIC.

Total Assets

This is calculated as the value of the investments and other assets of the Company, plus cash and debtors.

Total Return

The return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or NAV. The dividends are assumed to have been reinvested in the form of Ordinary Shares or Net Assets.

UK Corporate Governance Code

A code issued by the Financial Reporting Council which sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders. All companies with a Premium Listing of equity shares in the UK are required under the Listing Rules to report on how they have applied the Code in their annual report and accounts.

Alternative Performance Measures (APMs)*

The Company uses the following APMs (as described in the glossary) to present a measure of profitability which is aligned with the requirements of our investors and potential investors, to draw out meaningful data around revenues and earnings to provide additional information not required for disclosure under accounting standards. All APMs relate to past performance.

- Dividend yield
- Increase / decrease in NAV
- Loan to value
- NAV total return
- Ongoing charges
- Share price total return

CORPORATE INFORMATION

DIRECTORS

JOHN NEWLANDS
Chairman

MATTHEW HARRIS
Audit Chairman

IAN MCELROY

DOUGLAS NOBLE

REGISTERED OFFICE

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BROKER AND FINANCIAL ADVISER

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SOLICITOR

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AIFM

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ADMINISTRATOR AND SECRETARY

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