

**Applicant's Reply to the Objectors' response to the legal note dated 6<sup>th</sup> January 2021 as to whether the Ferry Reserve Fund can lawfully be "ring-fenced from the Ferry Company and, in the case of its insolvency, Liquidators.**

1. The Applicant respectfully refers the Inspector to:
  - 1.1. Paragraphs 34 to 45 of the Applicant Counsel's closing submission;
  - 1.2. Page 4, paragraph 5(b) of the Consortium's open submission.
2. The Objectors' response contained one new matter, namely, the proposal that the named beneficiary for any escrow account or trust arrangements, be the Secretary of State for Transport ("the Secretary of State").
3. It is the Applicant's position that it is not lawfully possible to create a private purpose trust, that is, a trust set up for a specific purpose. A private trust must be set up for the benefit of a beneficiary rather than for a purpose.
4. It is not therefore possible for the Applicant to place the Ferry Reserve Fund, into a trust which is a trust for a specific purpose, to buy a new ferry, regardless of the identity of the beneficiary.

Capstick-Dale & Partners

15<sup>th</sup> January 2021