



Golden Lane Housing
Housing you can build your life around

**RETAIL
CHARITY
BONDS**



Information booklet

1 November 2017

Golden Lane Housing Ltd

3.9% Bonds due 2027 (including Retained Bonds)

Issued by Retail Charity Bonds PLC
secured on a loan to Golden Lane Housing Ltd

Lead Manager

Peel Hunt LLP

Authorised Offerors

AJ Bell Securities Limited
Cornhill Capital
Equiniti Financial Services Limited
iDealing.com Limited
Redmayne-Bentley LLP
Shore Capital Stockbrokers Ltd

This is an advertisement and not a prospectus.

Any decision to purchase or sell the Bonds should be made solely on the basis of a careful review of the Prospectus.

You should be aware that you could get back less than you invested or lose your entire initial investment.

This information is a financial promotion and is not intended to be investment advice.

This Information Booklet is an advertisement for the purposes of Prospectus Rule 3.3 and Article 34 of Commission Regulation (EC) No 809/2004 (as amended) and is not a prospectus for the purposes of EU Directive 2003/71/EC (as amended) (the “Directive”) and/or Part VI of the Financial Services and Markets Act 2000 (the “FSMA”).

Retail Charity Bonds PLC (the “Issuer”) is the legal entity that will issue the Bonds (the meaning of that term is explained below).

The proceeds of the Bonds are intended to be loaned to Golden Lane Housing Ltd (“Golden Lane”). References to “Golden Lane” or to the “Charity” in this document are references to Golden Lane Housing Ltd.

This Information Booklet is a financial promotion made by the Issuer and approved by Peel Hunt LLP solely for the purposes of section 21(2)(b) of the FSMA. Peel Hunt LLP (“Peel Hunt” or the “Lead Manager”) (incorporated in England No. OC357088) whose registered office is Moor House, 120 London Wall, London, EC2Y 5ET, is authorised and regulated by the Financial Conduct Authority.

This Information Booklet is not an offer for the subscription or sale of the Bonds (defined in the following paragraph).

This Information Booklet relates to the Golden Lane Housing Ltd 3.9% fixed rate Bonds due 2027 (referred to in this Information Booklet as the “Bonds”). A prospectus dated 1 November 2017 (the “Prospectus”) has been prepared and made available to the public in accordance with the Directive. Copies of the Prospectus are available from the website of the Issuer

(www.retailcharitybonds.co.uk/bonds/glh2017), the website of Golden Lane Housing Ltd (www.glh.org.uk/bonds) and the website of the London Stock Exchange plc (www.londonstockexchange.com/newissues). Your Authorised Offeror will provide you with a copy of the Prospectus.

This Information Booklet should not be relied on for making any investment decision in relation to the purchase of the Bonds. Any investment decision should be made solely on the basis of a careful review of the Prospectus. Please therefore read the Prospectus carefully before you invest. You should ensure that you understand and accept the risks relating to an investment in the Bonds before making such an investment. You should seek your own professional investment, legal and tax advice as to whether an investment in the Bonds is suitable for you.

The Bonds may only be sold in Jersey in compliance with the provisions of the Control of Borrowing (Jersey) Order 1958. The Bonds may only be sold in Guernsey in compliance with the provisions of the Protection of Investors (Bailiwick of Guernsey) Law, 1987. The Bonds may only be sold in the Isle of Man in compliance with the provisions of the Isle of Man Financial Services Act 2008 and the Regulated Activities Order 2011.

This Information Booklet is not for distribution in the United States of America or to U.S. persons. The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and the Bonds, which are in registered form, are subject to certain U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to U.S. persons. **You are referred to the section headed “Subscription and Sale” in the Prospectus on page 77.**

Golden Lane Housing Ltd

3.9% Bonds due 2027



The Golden Lane Housing Ltd 3.9% fixed rate Bonds due 2027 pay interest of 3.9% per annum on the face value of £100 per Bond until the Expected Maturity Date (as defined below).

The Bonds will be issued by the Issuer and certain Bonds will be immediately purchased by the Issuer on the Issue Date (as described in the section headed “**Retained Bonds**” below). The proceeds of the Bonds (including the proceeds of any Retained Bonds (as defined below) sold to any third party from time to time) will be lent to Golden Lane (the “**Loan**”), via a loan agreement (the “**Loan Agreement**”) to be entered into between the Issuer and Golden Lane.

The Bonds are expected to be repaid on 23 November 2027 (the “**Expected Maturity Date**”), however the terms of the Bonds allow for a deferral of the repayment until 23 November 2029 (the “**Legal Maturity Date**”), as well as early repayment of the Bonds if Golden Lane elects to repay the Loan early pursuant to the terms of the Loan Agreement.

Interest will be paid in two equal instalments on 23 May and 23 November every year (with the first payment being made on 23 May 2018) up to and including the Expected Maturity Date, or the Legal Maturity Date if the Bonds are deferred, unless the Bonds have previously been redeemed, purchased or cancelled. On the Expected Maturity Date (i.e. 23 November 2027), or the Legal Maturity Date

(i.e. 23 November 2029) (as the case may be) the Issuer is required to repay an amount equal to the face value of the Bonds (i.e. £100 for each Bond) unless the Bonds have previously been redeemed or purchased and cancelled. No payments of interest will be made in relation to any Retained Bonds and the Issuer will not repay any amounts in respect of the Retained Bonds on the Expected Maturity Date or Legal Maturity Date. **If the Issuer or the Charity goes out of business or if the Issuer or the Charity becomes insolvent before the Expected Maturity Date or the Legal Maturity Date (as the case may be), you may lose some or all of your investment.**

The only way to purchase these Bonds is through a stockbroker or other financial intermediary, which has been granted consent by the Issuer and/or the Charity (as the case may be) to use the Prospectus (an “**Authorised Offeror**”). Contact your stockbroker or other financial intermediary today, or any of those listed in the “**Authorised Offerors**” section of this document on page 18 if you wish to purchase these Bonds. The minimum initial amount of Bonds you may buy is £500. Purchases of greater than £500 must be in multiples of £100. After the initial purchase of Bonds, the Bonds can be bought and sold in multiples of £100. Your Authorised Offeror will provide you with a copy of the Prospectus. You are referred to the section headed “**Important Information**” on page 2 of this document.

What is a bond?

A fixed rate bond is a form of borrowing by a company seeking to raise funds from investors. The Bonds have a fixed life. The company promises to pay a fixed rate of interest to the investor until the date that the bond matures (i.e. in the case of the Bonds, the Expected Maturity Date or the Legal Maturity Date (as the case may be), although a bond may also become repayable early in certain circumstances) when it also promises to repay the amount borrowed.

A bond is a tradable instrument; you do not have to keep the Bonds until the date when they mature. The market price of a bond will vary between the start of a bond's life and the date when it matures. You are referred to the sections headed "**Key Risks of Investing in the Bonds**" and "**Further Information – How to trade the Bonds**" on pages 8 and 16 of this document.

What are Retained Bonds?

When the Bonds are issued, the Issuer will immediately purchase some of the Bonds (the "**Retained Bonds**"). The aggregate amount of these Retained Bonds will be specified in the Issue Size Announcement published by the Issuer following the End of Offer Date (as defined below).

These will be held on behalf of the Issuer by a custodian until a later date, when, following agreement with the Charity, the Issuer may sell some or all of the Retained Bonds to a third party in the market or by private treaty on the basis that no Retained Bonds will be sold unless they receive the same tax treatment as the Bonds. Additional proceeds raised from the sale of the Retained Bonds will then be loaned to the Charity under the terms of the Loan Agreement.

Any Retained Bonds shall, following a sale to any third party from time to time, cease to be Retained Bonds to the extent of and upon such sale or

disposal. Bonds which have ceased to be Retained Bonds shall carry the same rights and be subject in all respects to the same Terms and Conditions as other Bonds. You are referred to the sections headed "**What are Retained Bonds?**" and "**How will the Issuer deal with the Retained Bonds?**" on page 51 of the Prospectus.

Interest on the Bonds

The level of interest payable on the Bonds is fixed when the Bonds are issued. The rate of interest on the Bonds is 3.9% per annum until the Expected Maturity Date.

Therefore, for every £500 face value of Bonds held (i.e. the minimum initial amount of Bonds you may buy), the Issuer will pay interest of £9.75 twice a year until the Expected Maturity Date or the Legal Maturity Date (as the case may be) starting on 23 May 2018. No payments of interest will be made in relation to any Retained Bonds.

If the Charity elects to defer the repayment of the Loan until the Legal Maturity Date, the Charity will be required to make additional interest payments under the Loan Agreement at the rate of 1.00 per cent. per annum. If the Charity defers repayment of the Loan until the Legal Maturity Date, the interest payments on the Bonds after the Expected Maturity Date will also increase by 1.00 per cent. per annum.

How will interest payments on the Bonds be funded?

Payments of interest by the Issuer in respect of the Bonds will be funded by the interest and principal which the Issuer receives from the Charity under the Loan Agreement.

You are referred to the section headed "**How will payments on the Bonds be funded?**" on page 55 of the Prospectus.

You are also referred to the section headed “**Key Risks of Investing in the Bonds**” on page 8 of this document for information on the risks relating to an investment in the Bonds.

Payment on the face value of the Bonds

Provided that the Issuer or the Charity does not go out of business or become insolvent or other problems are not encountered in respect of payments due on the Bonds (see the section of the Prospectus headed “**Risk Factors**”), and provided that the Bonds have not been redeemed or purchased and cancelled early, the Bonds will be redeemed at 100% of their face value (i.e. £100 per Bond) on the Expected Maturity Date or Legal Maturity Date (as the case may be) (i.e. 23 November 2027 or 23 November 2029).

Early redemption

The Bonds may be redeemed early if the Charity repays the Loan early and in full, at the Sterling Make-Whole Redemption Amount (as further defined on page 7 of this document).



Structure

CASHFLOWS



N.B. the proceeds of any Retained Bonds, once sold to any third party from time to time, will be advanced under the Loan Agreement at that time.

The Bonds will be issued by the Issuer and the proceeds of the Bonds will be lent to Golden Lane, via the Loan Agreement to be entered into between the Issuer and Golden Lane. Golden Lane will agree to pay interest on the Loan to the Issuer and, when due, it will agree to repay the principal amount of the Loan to the Issuer. Payments of interest and principal made by the Issuer in respect of the Bonds will be solely funded by the interest and principal which the Issuer receives from Golden Lane under the Loan Agreement.

Issuer: Retail Charity Bonds PLC.

Charity: Golden Lane Housing Ltd.

Interest Rate: 3.9% per annum up to but excluding the Expected Maturity Date.

Adjusted Interest Rate: 4.9% per annum from and including the Expected Maturity Date up to but excluding the Legal Maturity Date, an increase of 1.00 per cent. per annum.

Interest Payments: Interest will be paid in two instalments on 23 May and 23 November in each year, starting on 23 May 2018 up to and including the Expected Maturity Date (23 November 2027), or up to and including the Legal Maturity Date (23 November 2029) if repayment of the Bonds is deferred until the Legal Maturity Date.

Your actual return will depend on the price at which you purchase the Bonds and, if you do not hold the Bonds until maturity, the price at which you sell your Bonds.

Offer Period: The Bonds are available for purchase through your stockbroker or other financial intermediary in the period from 1 November 2017 until noon (London time) on 15 November 2017 or such earlier time and date as agreed by the Issuer and the Lead Manager and announced via a Regulatory Information Service (which is expected to be the Regulatory News Service operated by the London Stock Exchange) (the “**End of Offer Date**”) (the “**Offer Period**”).

Authorised Offerors: A number of Authorised Offerors (listed on page 18 of this Information Booklet) have been approved by the Issuer and the Lead Manager to provide this document and the Prospectus to potential investors in the Bonds until the End of Offer Date. The Issuer and/or the Charity (as the case may be) have also granted their consent for other financial intermediaries to use the Prospectus for the purposes of making offers of the Bonds to potential investors in the United Kingdom, Jersey, Guernsey and the Isle of Man. The conditions attached to this consent are

set out in the section headed “**Important Legal Information – Public Offer of the Bonds**” on page 85 of the Prospectus.

Any offer to sell the Bonds made or received from any other party, or by any party after the End of Offer Date, may not have been approved by the Issuer and/or the Charity (as the case may be) and you should check with such party whether or not such party is so approved.

Date on which the Bonds are issued and on which interest begins to accrue: 23 November 2017.

Term of the Bonds: 10 years, subject to an election to defer the maturity of the Bonds until the Legal Maturity Date.

Expected Maturity Date (i.e. when the Bonds are expected to mature and become repayable): 23 November 2027.

Legal Maturity Date (i.e. when the Bonds become repayable if the Charity elects to defer the repayment on or before the Expected Maturity Date): 23 November 2029.

Face value of each Bond: £100. Although the face value of each Bond is £100, it is not possible to purchase less than £500 during the Offer Period. In the secondary market, it should be possible to purchase and sell the Bonds in multiples of £100.

Issue price: 100 per cent. of the face value of each Bond (i.e. £100).

Loan: The proceeds from the issue of the Bonds will be loaned by the Issuer to the Charity by way of a loan on the terms of the Loan Agreement.

Security: Payments of interest and principal due on the Bonds will be funded by payments due under the Loan Agreement. The Issuer’s rights to receive payments under the Loan Agreement from the Charity and certain related rights under the issue documents for the Bonds will be charged as security for the benefit of investors in so far as they relate to the Bonds.

Financial Covenant: The Loan Agreement contains certain covenants which the Charity has agreed to comply with from time to time such as, for example a requirement to ensure that, as at each relevant testing date, the Charity's net asset value as determined by reference to its most recent audited financial statements is at least 130 per cent. of the outstanding balance of the Loan and all other unsecured, unsubordinated borrowings (other than, for the avoidance of doubt, any liabilities that might arise under any shared investment contributions arrangements) of the Charity, in each case as shown in the most recent audited financial statements of the Charity from time to time.

Redemption at Expected Maturity Date: Assuming (i) the Issuer or the Charity does not go out of business or become insolvent, (ii) other problems are not encountered in respect of payments due on the Bonds or (iii) the Charity has not elected to defer payment until the Legal Maturity Date, and assuming the Bonds have not been redeemed, or purchased and cancelled early, the Bonds will be redeemed at 100 per cent. of their face value on the Expected Maturity Date (i.e. 23 November 2027).

Redemption at Legal Maturity Date: The Charity may elect to defer the repayment of the Loan until the Legal Maturity Date. If the Bonds are not redeemed on the Expected Maturity Date, they will be redeemed at 100 per cent. of their face value on the Legal Maturity Date (i.e. 23 November 2029).

Early redemption by Issuer: The Loan may be prepaid early by the Charity. If the Loan is prepaid early the Issuer will redeem the Bonds early (in whole but not in part) at the **"Sterling Make-Whole Redemption Amount"**. The Sterling Make-Whole Redemption Amount is an amount

which is calculated to ensure that the redemption price produces a sum that, if reinvested in a reference bond (in this case a UK gilt), would continue to give the Bondholders the same yield on the money that was originally invested as they would have received had the Bonds not been redeemed.

Trading: Investors will, subject to market conditions, be able to buy Bonds or sell their Bonds during the term of the Bonds. You are referred to the section headed **"Key Risks of Investing in the Bonds"** and **"Further Information – How to trade the Bonds"** on pages 8 and 16 of this document for more details.

ISA and SIPP eligibility: At the time of issue, and provided that the Bonds are listed on a **"recognised stock exchange"** (within the meaning of section 1005 of the Income Tax Act 2007), the Bonds should be eligible for investing in a Stocks & Shares ISA or SIPP.

Bond ISIN: XS1713569629.

Amount of Bonds to be issued: The total amount of the Bonds to be issued will depend on the number of applications to purchase the Bonds received before the End of Offer Date.

Listing: The Bonds are also expected to be eligible for the London Stock Exchange's electronic Order book for Retail Bonds (**"ORB"**).

Lead Manager: Peel Hunt LLP.

You are referred to the sections headed "Important Legal Information" starting on page 84 and "Risk Factors" starting on page 24 of the Prospectus.

A copy of the Prospectus should have been provided to you by your stockbroker or Financial Adviser.

Key Risks of Investing in the Bonds

A number of particularly important risks relating to an investment in the Bonds are set out below. The risks set out below are not intended to be a comprehensive list of all the risks that may apply to an investment in the Bonds. You should seek your own independent professional investment, legal and tax advice as to whether an investment in the Bonds is suitable for you. **You should be aware that you could get back less than you invest or lose your entire initial investment.**

Full risk factors relating to the Issuer, the Charity, and the Bonds are set out in the section headed “Risk Factors” starting on page 24 of the Prospectus. Please read them carefully.

- The Issuer is an entity which has been established for the purpose of issuing asset-backed securities. It has very limited assets. As investors in the Bonds, Bondholders will only have limited recourse to certain of those assets in the event that the Issuer fails to make payments in respect of the Bonds.
- The Issuer's only material assets in respect of the Bonds will be its rights under the Loan Agreement and, accordingly, as investors in the Bonds, Bondholders will take credit risk on the Charity.
- The Issuer is a party to contracts with a number of third parties that have agreed to perform certain services in relation to the Bonds. The nature of some of these services is highly specialised and disruptions in these arrangements could lead to Bondholders incurring losses on the Bonds.
- The Issuer has not undertaken and will not undertake any investigations or due diligence to establish the creditworthiness of the Charity for the benefit of the Bondholders.
- The principal source of income for the Charity is rental income generated by its property portfolio. A large proportion of the rent received by the Charity is derived from housing benefit. Changes in the legislation relating to housing benefit could have an adverse impact on the payment of rent. The receipt of rental income by the Charity may be delayed by, for example, the failure of the tenant to pay rent which is due. This could affect the ability of the Charity to meet its obligations under the Loan Agreement. In 2016, the Government set out proposals on the future funding of supported housing. However, on 31 October 2017, the Government produced a further Policy Statement which stated that those proposals would not be implemented. Instead, it stated that all housing costs for long term supported housing would continue to be met through housing benefit/Universal Credit, subject to the benefit rules. However, any change in the future to the Government's current policy on supported housing expenditure could have an adverse impact on the Charity's income.
- If the Charity's properties are vacant, this could result in a reduction of the profitability of the Charity, which may mean that the Charity is unable to repay its liabilities when due, including those under the Loan Agreement.
- Save for a 25 year secured loan to the Charity, Mencap does not provide any guarantees or credit support to the Charity, but is the largest support provider for the Charity's tenants.
- The Charity benefits from various services provided by Mencap, which established the Charity in 1998 and is its sole member. There has been recent press coverage of potential reduced investment and job losses at Mencap as a result of increased liabilities resulting from an employment tribunal decision and change in policy by HM Revenue & Customs. This is not expected to have a direct financial impact on the Charity, though disruption at Mencap from this issue could lead to temporary operational disruption to the Charity.
- All of the Charity's staff are employed by Mencap, seconded to the Charity and recharged at cost to the Charity. Should Mencap not be able to provide these services this could lead to temporary operational disruption to the Charity.
- The Charity could find itself unable to access sources of funding at suitable interest rates. Additionally, the Charity is subject to interest rate risk in respect of its variable-rate borrowing.
- In certain circumstances, repayment of the Bonds may be deferred to a later date, and such deferral will not constitute a default under the terms of the Bonds, provided the Bonds are repaid on the Legal Maturity Date.
- The Bonds are not protected by the UK Financial Services Compensation Scheme.
- The Bonds are limited recourse obligations of the Issuer and the rights of enforcement for investors are limited.
- Bondholders do not have direct recourse to the Charity (or Mencap) in respect of any failure of the Charity to fulfil its obligations under the Loan Agreement. However, the Issuer will assign by way of security its rights, title and interest in the Loan Agreement in favour of the Trustee for the benefit of the Bondholders and the other secured parties.
- The Bonds pay interest at a fixed rate and the Issuer will pay principal and interest on the Bonds in pounds sterling, which potentially exposes Bondholders to interest rate risk, inflation risk and exchange rate risk.
- Neither the Bonds nor the Loan Agreement contains a gross-up provision requiring the Issuer or the Charity to pay any additional amounts to Bondholders or (in the case of the Loan Agreement) the Issuer, to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Bonds or the Loan Agreement.
- If a withholding or deduction for or on account of tax in respect of payments due on the Loan by the Charity results in a shortfall in the amounts available to the Issuer to pay interest due on the Bonds, such shortfall shall be deferred and shall become due and payable on the next interest payment date to the extent that the Issuer has sufficient funds (in accordance with its priority of payments) to pay such shortfall.
- Bondholders may not receive payment of the full amounts due in respect of the Bonds as a result of amounts being withheld by the Issuer or the Charity in order to comply with applicable law.
- Defined majorities may be permitted to bind all the Bondholders with respect to modification and waivers of the terms and conditions of the Bonds.
- If the Issuer does not satisfy the conditions to be taxed in accordance with the Securitisation Companies Regulations 2006 (S.I. 2006/3296) (as amended) (or subsequently ceases to satisfy those conditions), then the Issuer could suffer tax liabilities not contemplated in the cash flows for the transaction described herein and in the Prospectus.
- If you choose to sell your Bonds at any time prior to the Expected Maturity Date or Legal Maturity Date (as the case may be) the price you receive from a purchaser could be less than your original investment. Factors that will influence the market price of the Bonds include, but are not limited to, market appetite, inflation, the time of redemption, interest rates and the financial position of the Charity. In particular, you should note that:
 - I. if interest rates start to rise, then the income to be paid by the Bonds might become less attractive on a relative basis and the price you get if you sell could fall. However, the market price of the Bonds has no effect on the income you receive or what you get back on expiry of the Bonds if you hold on to the Bonds until they mature; and
 - II. inflation will reduce the real value of the Bonds. This may affect what you could buy with the return on your investment in the future and may make the fixed interest rate on the Bonds less attractive in the future.
- If you invest at a price other than the face value of the Bonds, the overall return or 'yield' on the investment will be different from the headline yield on the Bonds. The headline indication of yield applies only to investments made at (rather than above or below) the face value of the Bonds.
- There is no guarantee of what the market price for selling or buying the Bonds will be at any time. If prevailing market conditions reduce market demand for the Bonds, the availability of a market price may be impaired. Although Peel Hunt LLP is expected to act as market maker (you are referred to the section headed **“Further Information – How to trade the Bonds”** on page 16 of this document) for the Bonds, if trading activity levels are low, this may severely and adversely impact the price that you would receive if you wish to sell your Bonds.



Overview

The Charity is Golden Lane Housing Ltd, a charitable company limited by guarantee incorporated in England and Wales with registered number 03597323 on 14 July 1998 under the Companies Act 2006. The Charity is registered with the Charity Commission with registered charity number 1071097. The Charity is a Registered Provider with the Homes and Communities Agency, registration number 4803.

The registered address of the Charity is 123 Golden Lane, London EC1Y 0RT. The telephone number of its head office is 0300 003 7007. The Charity has no subsidiaries.

One of the biggest challenges facing people with a learning disability in the UK is lack of access to suitable supported accommodation. Due to the chronic housing shortage in the UK, a significant number of people with a learning disability live in unsuitable residential institutions or with elderly parents and carers, and as a result face an uncertain future. Local authority accommodation

is in short supply and, with limited choice available, individuals often have to move into accommodation far away from friends and family. The Charity aims to provide people with a learning disability with the opportunity to live in the right house, in the right place, with the right support so that they can prosper, develop their independence and skills and contribute to their communities.

History

The sole member and parent of the Charity is the Royal Mencap Society ("**Mencap**"), a private company limited by guarantee incorporated in England and Wales with registered number 00550457 and a registered charity with the Charity Commission with registered charity number 222377.

The Charity was established by Mencap in 1998 to provide quality homes to people with learning disabilities. To date, the Charity's operations have been exclusively in England, Wales and Northern Ireland.

Principal activities of the Charity

Since its inception, the Charity has built up a substantial property portfolio and currently houses over 1,600 tenants (as at 31 March 2017) with a learning disability in both its owned and leasehold properties. Its main activities are:

- (a) the ownership and leasing of 798 homes, providing housing for 1,645 tenants with a learning disability in the UK (in each case as at 31 March 2017); and
- (b) the provision of specialist services to its tenants in partnership with other care providers, including Mencap. This includes providing bespoke adaptations to the properties to meet the needs of the tenants.

Underpinning the Charity's principal activities are the four core objectives (CORE) which the Charity aims to achieve for all of its tenants:

- (a) **Choice** – to live where and with whom they want.
- (b) **Opportunity** – to build new lives from the secure base that a home provided by the Charity affords.
- (c) **Respect** – to receive and earn respect from the local community.
- (d) **Empowerment** – to make real decisions about their own future.

Business model

The principal source of income of the Charity is rent from its tenants in return for provision of accommodation and specialist landlord services. These services range from housing management and maintenance services tailored to the needs of people with a learning disability (including a 24 hour repairs help line) to advice and guidance to families, individuals, carers and social care professionals on housing related issues.

Tenants typically rely on housing benefit to help them meet their rent obligations. Most tenants opt to have their benefit paid directly to the Charity by the relevant local authority. The Charity uses this rent to fund the costs of managing and maintaining the properties, and the costs of servicing capital.

The Charity works very closely with over 100 support providers. Mencap is currently the support provider for approximately 36 per cent. of the Charity's tenants. Each of the other support providers works with a much smaller percentage of the Charity's tenants. The support providers are all regulated by the Care Quality Commission. They are appointed and paid directly under contracts with the relevant social service and health authorities.

The Charity became registered as a registered provider of social housing with the Homes and Communities Agency (the "**HCA**") on 15 January 2015. Following an In-Depth Assessment by the HCA, the Charity was awarded the HCA's highest ratings of G1 (Governance) and V1 (Financial Viability). During the HCA's annual In-Depth Assessment, they looked at five areas that determined the rating for governance and financial viability and concluded that the Charity should be given the highest grade in both categories.

Products and Services

The Charity has developed a number of ways to provide housing and related services to people with a learning disability and their families, including:

- (a) **Ordinary Houses in Ordinary Streets ("OHOS")**. OHOS is the core business of the Charity and involves the purchase of high-quality freehold housing tailored to meet an individual tenant's specific needs. OHOS is

particularly suited to people with higher needs because the freehold ownership allows the Charity to make bespoke property adaptations and provide long-term security of tenure for the individual. Currently 61 per cent. of the Charity's tenants are housed through OHOS and the Charity's aim is to continue to invest in this product using the proceeds of the Loan.

- (b) **Great Tenants.** The Charity's Great Tenants product involves the Charity renting properties from private sector landlords and then sub-letting them to people with a learning disability. Through Great Tenants, the Charity acts as a bridge between the private rented sector and people with a learning disability which means it can ensure that people in need benefit from high quality housing and the peace of mind of knowing the Charity is their landlord. Great Tenants has been a successful product for the Charity in recent years; however, due to lease restrictions it is not always appropriate for those tenants with higher needs who require adaptations and security of tenure. Currently some 38 per cent. of the Charity's tenants use the Great Tenants product.
- (c) **Our House.** This product was launched in 2012 and is aimed at helping families make long-term plans through the use of legacies and family trusts. Many families want to leave their family home or purchase a property for their loved ones as a way of planning for the future and ensuring long-term housing security. Our House allows families to ensure the wellbeing of a loved one in the future, whilst also retaining the Charity to manage and maintain the property. The Charity and Mencap are also experienced in helping families to plan for the future through the use of discretionary trusts.
- (d) **My Place.** This product gives people with a learning disability the opportunity to secure the home they need through joint investment in their chosen property by families and individuals alongside the Charity. This is achieved through a Deed of Trust between the Charity and the family. As with the OHOS model above, the Charity owns the property and provides all housing management, maintenance and specialist landlord services. If the property is no longer needed to provide a home for the person with a learning disability, then the property may be sold and the joint investment element returned to the family.

Use of Proceeds

The Charity will use the proceeds of the issue of the Bonds to further its charitable objects, including, but not limited to, the re-financing of a previous bond issue and the acquisition and adaptation of housing for people with a learning disability.



Financial Summary

The Charity has generated a consistent income and expenditure surplus since its inception in 1998 and has a balance sheet comprising £28.6 million of net assets as at 31 March 2017. Based on this, the Charity believes it has a resilient and proven business model.

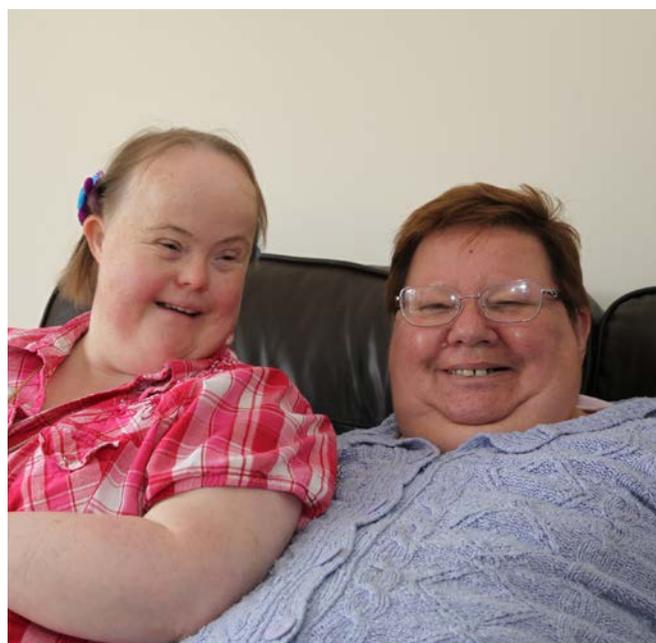
A summary of the Charity's historical income and expenditure account and balance sheet which has been extracted without material adjustment from such financial statements is set out below.

Income and expenditure	Year 31 Mar 2015 Audited £'000	Year 31 Mar 2016 Audited £'000	Year 31 Mar 2017 Audited £'000
Income			
Rental income	11,346	12,368	13,566
Grants received	202	204	288
Gain or (Loss) on disposal of fixed assets	13	(28)	250
Other income	681	742	727
Total income	12,242	13,286	14,831
Costs			
Staff	(3,312)	(3,552)	(3,734)
Running costs	(3,087)	(3,553)	(3,995)
Repayment of grant			
Maintenance costs	(1,578)	(1,690)	(1,661)
Net Surplus before depreciation and interest	4,265	4,491	5,441
Depreciation	(777)	(895)	(986)
Loan interest	(1,050)	(968)	(1,020)
Bond interest	(725)	(879)	(879)
Net Surplus for the year as per SoFA	1,713	1,749	2,556
Net Surplus for the year (excluding grant and repayment of grant/ loss/gains for property disposal)	1,498	1,573	2,018

Balance Sheet	Year 31 Mar 2015 Audited £'000	Year 31 Mar 2016 Audited £'000	Year 31 Mar 2017 Audited £'000
Fixed assets	85,482	89,168	90,097
Cash	4,862	7,403	8,090
Other current assets	820	1,146	1,135
Current assets	5,682	8,549	9,225
Current liabilities	(3,347)	(2,911)	(3,109)
Net current assets	2,335	5,638	6,116
Loans	(42,460)	(47,700)	(46,551)
Bonds	(21,000)	(21,000)	(21,000)
Creditors due after more than one year	(63,460)	(68,700)	(67,551)
Net assets	24,357	26,106	28,662
Unrestricted funds	23,839	25,578	28,134
Restricted funds	518	528	528
Total Funds	24,357	26,106	28,662

Source: Golden Lane Housing Ltd's financial statements

Please note that past performance is not a reliable indicator of future results



The Charity's financial statements have been prepared in accordance with the Housing SORP 2014: Statement of Recommended Practice for social housing providers preparing their accounts in accordance with FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Accounting Direction for Private Registered Providers of Social Housing 2015, the Companies Act 2006 and UK Generally Accepted Practice.

Property Portfolio

The properties owned by the Charity are usually located in good-quality residential areas. Unlike most other housing associations, the Charity does not own blocks of housing on estates, because each property owned by the Charity has been specifically obtained (and in many cases adapted) to meet the particular needs of individuals with a learning disability.

The Charity believes that people with a learning disability should be able to live in the neighbourhoods that they are familiar with so that they can be close to friends and family and familiar transport routes, and where they are known in their community.

As at 31 March 2017, the Charity had a £98.1 million property portfolio (at historic cost) which comprises 429 freehold and long leasehold properties. In addition, 369 properties are leased from landlords on shorter leases. Below is a summary of the existing property portfolio by size as at 31 March 2017 which has been extracted from the management database of its property portfolio held and administered by the Charity.



		1 bed	2 bed	3 bed	4 bed	5 bed +	Total
Properties	Owned	139	99	109	62	20	429
	Leased	220	62	37	34	16	369
	Total	359	161	146	96	36	798
Tenants		364	315	406	364	196	1,645

Source: Golden Lane Housing Ltd

You are referred to the section headed “Description of the Charity” starting on page 37 in the Prospectus

Overview

Retail Charity Bonds PLC is the Issuer of the Bonds and a public limited company. The Issuer was established as an issuing vehicle and is not itself a charity.

Principal activities of the Issuer

The Issuer is a special purpose entity established by Allia Ltd, a UK charity and specialist in impact finance, for the purpose of issuing asset-backed securities. Its principal activities and corporate objects are limited to issuing debt securities and on-lending the proceeds to exempt charities or registered charities in the UK.

In order to perform such activities, the Issuer has contracted with Allia Impact Finance Ltd (the “**Servicer**”) to provide certain services including, in particular, in relation to loan servicing, cash management and corporate administration services. **You are referred to the section headed “Description of the Servicer” starting on page 73 in the Prospectus.**

The directors of the Issuer have delegated certain of their powers, authorities and discretions to the following committees:

- a nomination committee which will consider the appointment of directors of the Issuer and make recommendations to the board;
- a review committee which will consider and recommend to the board potential transactions that the Issuer may enter into; and
- an audit committee which will consider matters in relation to any audit of the Issuer and the appointment of external auditors and make recommendations to the board.

The Issuer’s financial statements can be viewed electronically and free of charge on the Issuer’s website (<http://www.retailcharitybonds.co.uk/about/#Governance>)

You are referred to the section headed “Description of Retail Charity Bonds PLC” starting on page 69 in the Prospectus.



Holding the Bonds

The Bonds will be held in custody for you by your Authorised Offeror, or as may be arranged by your stockbroker or financial adviser.

How to trade the Bonds

The Bonds are expected to be listed on the Official List of the Financial Conduct Authority and admitted to trading on the regulated market of the London Stock Exchange plc.

The Bonds are also expected to be eligible for the London Stock Exchange's electronic Order Book for Retail Bonds (the **"ORB"**).

The ORB was launched in response to private investor demand for easier access to trading bonds with the aim of providing a transparent and efficient mechanism for UK retail investors to access the bond markets. The Bonds are tradable instruments and prices will be quoted in the market during trading hours.

The Bonds are expected to be supported in a market-making capacity by Peel Hunt LLP. Market-making means that a person will maintain prices

for buying and selling the Bonds. Peel Hunt LLP will be appointed as a registered market maker through the ORB (www.londonstockexchange.com/exchange/prices-and-markets/retail-bonds/retail-bonds-search.html) when the Bonds are issued.

Investors should, in most normal circumstances, be able to sell their Bonds at any time, subject to market conditions, by contacting their stockbroker. As with any investment, there is a risk that an investor could get back less than his/her initial investment or lose his/her initial investment in its entirety. You are referred to the section headed **"Key Risks of Investing in the Bonds"** on page 8 of this document.

Pricing information for sales and purchases of the Bonds in the market will be available during market hours (8.00am to 4.30pm London time) and in normal market conditions on the ORB.

As noted above, notwithstanding that Peel Hunt LLP is expected to act as market maker (as explained above), if trading activity levels are low, this may severely and adversely impact the price that an investor would receive if he/she wishes to sell his/her Bonds.

Fees

The Issuer will pay certain fees and commissions in connection with the offer of the Bonds. The Lead Manager will receive a fee of 0.5% of the aggregate nominal amount of the Bonds of which 0.25% will be distribution fees available to Authorised Offerors.

Authorised Offerors may charge expenses to you in respect of any Bonds purchased and/or held. These expenses are beyond the control of the Issuer and are not set by the Issuer. Neither the Issuer nor (unless acting as an Authorised Offeror) the Lead Manager is responsible for the level or payment of any of these expenses.

Taxation of the Bonds

The tax treatment of an investor will depend on his or her individual circumstances and taxation law and practice at the relevant time (and so may be subject to change in the future). Prospective investors should consult their own independent professional tax advisers to obtain advice about their particular tax treatment in relation to the Bonds.

Please also refer to the section at page 65 of the Prospectus entitled “Taxation” for information regarding certain aspects of United Kingdom taxation of payments of interest on the Bonds.

All amounts, yields and returns described herein are shown before any tax impact.

It is the responsibility of every investor to comply with the tax obligations operative in their country of residence.

ISA and SIPP eligibility of the Bonds

At the time of issue, and provided that the Bonds are listed on a “**recognised stock exchange**” (within the meaning of section 1005 of the Income Tax Act 2007), the Bonds should be eligible for investing in a stocks and shares ISA (Individual Savings Account) or SIPP (a self-invested personal pension). However, prospective investors should seek independent advice as to whether the specific terms of their arrangement permits investment of this type. The tax treatment of an investor will depend on his/her individual circumstances and taxation law and practice at the relevant time (and so may be subject to change in the future).

See also the “**Taxation of the Bonds**” section above.

You are referred to the sections headed “Subscription and Sale” on page 77 of the Prospectus, “Taxation” on page 65 of the Prospectus, “Important Legal Information” on page 84 of the Prospectus and “Additional Information” on page 80 of the Prospectus.

AJ Bell Securities Limited	4 Exchange Quay, Salford Quays, Manchester, M5 3EE https://www.ajbellsecurities.co.uk
Cornhill Capital	18 St Swithins Lane, London, EC4N 8AD https://cornhillcapital.com
Equiniti Financial Services Limited	Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA https://equiniti.com
iDealing.com Limited	114 Middlesex Street, London, E1 7HY http://www.idealing.com
Redmayne-Bentley LLP	9 Bond Court, Leeds, LS1 2JZ http://www.redmayne.co.uk
Shore Capital Stockbrokers Ltd	Bond Street House, 14 Clifford Street, London, W1S 4JU http://www.shorecap.co.uk





DISCLAIMER

This document should not be relied on for making any investment decision in relation to the purchase of Bonds. **Any decision to purchase or sell the Bonds should be made by you solely on the basis of a careful review of the Prospectus. Please therefore read the Prospectus carefully before you invest.** Before buying or selling any Bonds you should ensure that you fully understand and accept the risks relating to an investment in the Bonds, otherwise you should seek professional independent advice.

Peel Hunt LLP is acting for itself and will not act and has not acted as your legal, tax, accounting or investment adviser and will not owe you or your clients any fiduciary duties in connection with a purchase or sale of the Bonds or any related transaction.

No reliance may be placed on Peel Hunt LLP for advice or recommendations of any sort. Peel Hunt LLP makes no representation or warranty to you with regard to the information contained in the Prospectus. This Information Booklet contains

information derived from the Prospectus and is believed to be reliable but, in so far as it may do so under applicable law, Peel Hunt LLP does not warrant or make any representation as to its completeness, reliability or accuracy.

Neither Peel Hunt LLP, Retail Charity Bonds PLC nor Golden Lane Housing Ltd is responsible for any advice or service you may receive from a third party in relation to the Bonds.

Peel Hunt LLP and its affiliates, connected companies, employees and/or clients may have an interest in the Bonds and/or in related investments. Such interest may include dealing, trading, holding, acting as market makers in such instruments and may include providing banking, credit and other financial services to any company or issuer of securities referred to herein.

This document does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase, any Bonds. Any purchase or sale of Bonds should only be made on the basis of the information contained in the Prospectus available as described above.