



**RETAIL
CHARITY
BONDS**

Information booklet

23 May 2018

Belong Limited 4.5 % Bonds due 2026 (including Retained Bonds)

Issued by Retail Charity Bonds PLC
secured on a loan to Belong Limited



Lead Manager

Peel Hunt LLP

Authorised Offerors

AJ Bell Securities Limited

Equiniti Financial Services Limited

iDealing Limited

Redmayne-Bentley LLP

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 Belong Limited (“**Belong**”). References to “**Belong**” or to the “**Charity**” in this document are references to Belong Limited.

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.

Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”) and (ii) all channels for distribution of the Bonds are appropriate, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable.

Any person subsequently offering, selling or recommending the Bonds (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable.

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 Belong Limited 4.5% fixed rate Bonds due 2026 (referred to in this Information Booklet as the “**Bonds**”). A prospectus dated 23 May 2018 (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/belong), the website of Belong (www.belong.org.uk/retailcharitybond) and the website of the London Stock Exchange plc (www.londonstockexchange.com/newissues). A copy of the KID (as described below) is available from the website of the Issuer. Your Authorised Offeror will provide you with a copy of the Prospectus and the KID.

A key information document (“**KID**”) pursuant to Regulation (EU) No 1286/2014 has been prepared by the Issuer in connection with the Bonds. If you have not received a copy of the KID you should request this from your Authorised Offeror prior to making any investment decision in relation to the Bonds.

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 78.**

Belong Limited 4.5 % Bonds due 2026

The Belong Limited 4.5 % fixed rate Bonds due 2026 pay interest of 4.5 % 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 Belong (the “**Loan**”), via a loan agreement (the “**Loan Agreement**”) to be entered into between the Issuer and Belong.

The Bonds are expected to be repaid on 20 June 2026 (the “**Expected Maturity Date**”), however the terms of the Bonds allow for a deferral of the repayment until 20 June 2028 (the “**Legal Maturity Date**”), as well as early repayment of the Bonds if Belong elects to repay the Loan early pursuant to the terms of the Loan Agreement.

Interest will be paid in two equal instalments on 20 June and 20 December every year (with the first payment being made on 20 December 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. 20 June 2026), or the Legal Maturity Date

(i.e. 20 June 2028) (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 16 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 53 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 4.5% 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 £11.25 twice a year until the Expected Maturity Date or the Legal Maturity Date (as the case may be) starting on 20 December 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 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 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 57 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

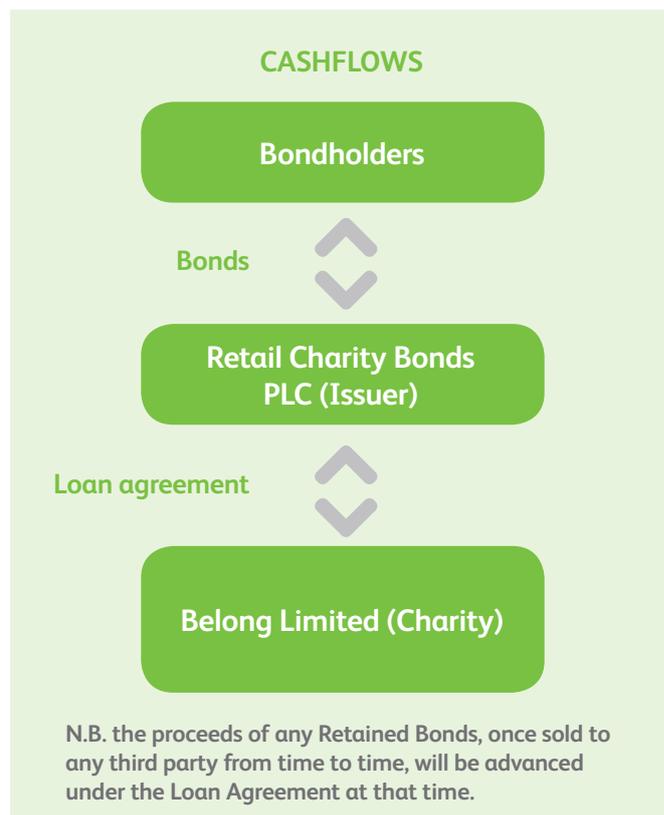
Provided that the Issuer or the Charity does not go out of business or become insolvent or other problems are not encountered in respect of payments due on the Bonds (see the section of the Prospectus headed **“Risk Factors”**), and provided that the Bonds have not

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. 20 June 2026 or 20 June 2028).

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



The Bonds will be issued by the Issuer and the proceeds of the Bonds will be lent to Belong, via the Loan Agreement to be entered into between the Issuer and Belong. Belong 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 Belong under the Loan Agreement.

Issuer: Retail Charity Bonds PLC.

Charity: Belong Limited.

Interest Rate: 4.5 % per annum up to but excluding the Expected Maturity Date.

Adjusted Interest Rate: 5.5 % per annum from and including the Expected Maturity Date up to but excluding the Legal Maturity Date, an increase of 1.00 % per annum.

Interest Payments: Interest will be paid in two instalments on 20 June and 20 December in each year, starting on 20 December 2018 up to (and including) the Expected Maturity Date (20 June 2026), or up to (and including) the Legal Maturity Date (20 June 2028) 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 23 May 2018 until noon (London time) on 13 June 2018 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 88 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: 20 June 2018.

Term of the Bonds: 8 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): 20 June 2026.

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): 20 June 2028.

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 % of the face value of each Bond (i.e. £100).



Key features of the Bonds

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 Covenants: The Loan Agreement contains certain covenants which the Charity has agreed to comply with from time to time, such as, for example:

- (i) a requirement that, as at each relevant testing date, the sum of (A) the group's unencumbered properties (that is, those not subject to any security in favour of a third party), (B) tangible fixed assets (as set out in the Charity's latest financial statements) and (C) cash and investments that are deemed equivalent to cash (such as UK government bonds) is not less than 130 % of the total unsecured debt of the group; and
- (ii) a requirement that the Charity will not (and will ensure that its subsidiaries do not) create any security to secure any financial indebtedness (a "**Secured Borrowing**") unless, immediately after incurring such Secured Borrowing, the Charity's total Secured Borrowings is no greater than the higher of (A) the outstanding balance (capped at £13,711,447) of the loan agreement between CLS Care Services Limited (now Belong Limited) and The Royal Bank of Scotland plc dated 29 July 2014, as amended from time to time (the "**RBS Loan**") and (B) 25 % of the sum of the Charity's (1) fixed assets (excluding any of the group's property that is subject to the terms of a lease or contract which would, in accordance with the accounting standards applicable to the group at the relevant time, be treated as a finance or capital lease) and (2) cash and cash equivalent investments.

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 % of their face value

on the Expected Maturity Date (i.e. 20 June 2026).

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 % of their face value on the Legal Maturity Date (i.e. 20 June 2028).

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: XS1821505259.

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 86 and "**Risk Factors**" starting on page 23, of the Prospectus.

A copy of the Prospectus and the KID 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 23 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.
- Any reduced or low occupancy levels in the Belong villages will result in a lower amount of residents’ fees or rental payments received by the Charity.
- There is no guarantee that the level of fee income of the Charity can be maintained.
- There could be a failure by privately funded customers to pay fees or rental payments when due.
- Multiple apartment re-purchases under the Group’s ‘buy-back’ scheme could expose the Charity to cash flow risk.
- The Charity may face increased development costs in the future or find it difficult to obtain planning permission for planned developments.
- The Charity has historically experienced high agency costs and may experience difficulties in the future with recruiting and retaining appropriately qualified staff.
- The Charity is exposed to the volatility of pension deficits and the risk that a deficit payment may be triggered.
- The Charity may not be able to rely on its current sources of loan and grant financing or on acceptable loan financing being available in the future.
- The Charity may be exposed to claims for failure to comply with applicable laws and compliance requirements.
- 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 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 Belong Limited (formerly known as CLS Care Services Limited), a registered society under the Co-operative and Communities Benefit Societies Act 2014, registered in England and Wales on 17 April 1991 with registered number and suffix 27346R. The registered address of the Charity is Pepper House, Market Street, Nantwich, Cheshire, CW5 5DQ.

The Charity was established in 1991 and its objects are to carry on any charitable purpose for the benefit of the community and, in particular, to provide accommodation, care, support and associated facilities, amenities and services for persons who by reason of age, illness, disability (including physical, mental and/or learning disability), poverty or social and economic circumstances are in need thereof.

In furtherance of its objectives, the Charity aims to provide high quality, person-centred care, accommodation and ancillary services to older people. The vision of the Charity is to create village communities enabling older people to live the lives they choose and, in particular, to enable people living with dementia to retain choice and independence over as many areas of their lives as possible. The Charity has won awards for its contribution to the care industry, including several awards at the British Care Awards.

Principal activities of the Charity

The Belong villages are care villages providing a range of support and housing options for older people, as well as extensive amenities in the village centre. They also offer outreach services for people living in their own homes in the wider community.

The Charity operates seven Belong villages in the North West of England, with the seventh having been opened in Newcastle-under-Lyme on 9 April 2018, providing a home for over 530 residents in the North West of England. Two more sites have been acquired, with planning permissions secured, and development is expected to start on these in 2018.

The Belong villages provide dementia and nursing care, as well as Apartments for independent living, within a community village setting. They provide a full spectrum of care, from respite care to end of life care, enabling the Charity to support older people as their needs change.

Each Belong village offers:

- a) **“Households” for residents who need 24-hour support (the “Households”)**: typically, Household residents are frail, older people aged 85 or older and around two thirds of Household customers have a diagnosis of dementia.
- b) **Independent living Apartments (the “Apartments”)**: typically, Apartment residents are in their early 80s and move to a Belong village to be part of a more vibrant community at a time when they or their partner may need more support.
- c) **Domiciliary care services and specialist day care for those needing care and support in their own home known as “Belong at Home”**: the Charity has a registered home care service to provide support in the wider community and this has often proved a feeder route for people experiencing support from the Charity prior to moving into a Belong village.
- d) **Specialist day care, known as “Experience Days”**: this service is open to people living in the wider community, enabling them to enjoy a day taking advantage of Belong village facilities and activities in a supported and facilitated way, often in order to give carers a break.
- e) **Exercise services**: available both to residents and members of the public that have been referred to the Charity or are connected to the Charity in some way, each Belong village gym is equipped with state-of-the-art equipment and technology and the Charity’s fitness instructors are trained to develop specialist, personalised programmes which have been independently evaluated and found to improve mobility, balance, stamina and strength according to people’s needs.
- f) **Purpose-built buildings and grounds**, for access to communal living.
- g) **A programme of events and activities** which are attended by people from the wider community as well as Belong village residents.

Taken together, the Charity’s services offer a continuum of care and mean that it is able to support people as their needs change, offering a ‘home for life’.



Business model

The principal source of income of the Charity is the fees paid by its customers in return for the accommodation and registered care services provided to Household customers. These fees cover daily living support, including nursing or dementia care when applicable, accommodation in a Household suite, all food and drink, and activities. These fees are benchmarked annually and reviewed in line with services, investment and inflation.

The Charity also receives income from:

- the rent and service charges received on the lease of the Apartments;
- fees for the Belong at Home domiciliary care services;
- fees for the Experience Day (specialist day care) service; and
- income from catering, venue hire, gym and hairdressing services.

Products and Services

The Charity has developed a number of ways to provide support for older people through the Belong villages including:

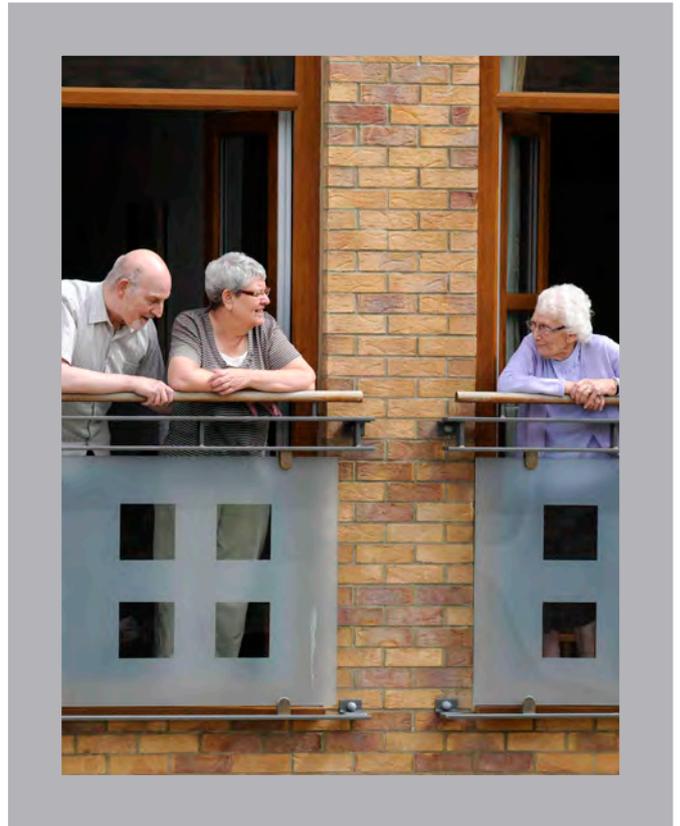
A. Living Options

- i. **Belong Households:** Every Belong village offers bespoke Households where registered care services are provided for customers who need 24-hour support including specialist nursing and dementia care. Each village has six Households and each Household is grouped into an ‘extended family’ sized community for 10 to 13 residents, with modern bedrooms that lead directly onto an open-plan, shared communal space. There is a kitchen at the heart of each Household, where meals are prepared; this acts as the hub of the home, promoting better nutrition and hydration through participation in the meal time experience and enjoyment of the aromas of meals cooking. The Charity has extremely low rates of usage of oral nutritional supplements as a result and also minimal usage of anti-psychotic medication.
- ii. **Belong Apartments:** The Belong villages also offer modern Apartments for independent living in the village community, with the option of support if the customer needs it. The Apartments benefit from a 24-hour emergency response service with the option of a daily checking service and/or a home care package. There is a range of one and two bedroom Apartments, available to rent or purchase. For those

who do opt to purchase, the Belong 'buy-back' scheme guarantees that the Charity will repurchase each Apartment for the same price that was originally paid on purchase. If Apartment customers do require some daily living support, a care package can be put in place through the Belong at Home domiciliary service or another provider.

B. Care Services

- i. **Nursing Care:** The Charity's village nurses work across the Households with the customers, their families and professionals to promote wellbeing, provide clinical care and offer supervision. The Charity has pioneered a new approach to nursing in the care setting, where the village nurse plays a key role, guiding the staff team and operating within the NHS 'Six Cs' framework of Courage, Competency, Commitment, Care Quality and Safety, Communication and Compassion.
- ii. **Dementia Care:** The Charity draws on 20 years of experience in supporting people with dementia. The physical environment of Belong villages, in particular the open-plan Household design, aims to maximise independence and orientation, and reduce dependence on memory. The staff are trained to recognise and deal sensitively with the wishes of the person with dementia, ensuring that all residents can participate in their community, however complex their needs may become. The Charity also offers an Admiral Nurse service at no extra charge, which provides specialist dementia support and advice to residents who have been medically diagnosed with any form of dementia, as well as their family members and carers.
- iii. **Belong at Home:** Belong at Home is a high quality home care service registered with the CQC. Under this service, the Charity provides personal care, support and companionship to customers whilst they continue to live in their own home and community. This can also include supporting residents who are living in the Charity's independent living Apartments, who form a significant part of the customer base. The Charity staff can assist with general domestic chores and help customers to attend appointments or go out



for leisure. Their expertise in supporting people with dementia can also help to alleviate stress and promote customers' general well-being.

- iv. **Experience Days:** Experience days are provided daily from 10am to 4pm across all Belong villages. This specialist day care service offers people from the wider community the opportunity to join in meaningful activities and be a part of the Belong community on a day basis. The service also serves to give usual carers a break. Activities include classic film screenings, poetry reading, exercise sessions, local history, crafts and flower arranging.

C. Belong Village Facilities and Amenities

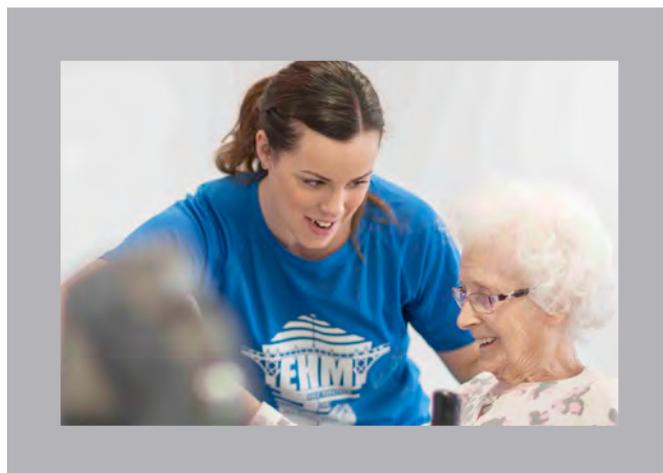
- i. **Village Facilities:** The village centre is open to the public and offers a range of amenities including restaurants, a gym and a beauty salon, where all members of the community can meet, relax and access a programme of events and activities.

Use of Proceeds

The Charity will use the proceeds of the issue of the Bonds to further its charitable objects, to develop further Belong villages and to repay some or all of the RBS Loan.

Financial Summary

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



Income and expenditure			
	Year 31 Mar 2015*	Year 31 Mar 2016	Year 31 Mar 2017
	Audited	Audited	Audited
	£'000	£'000	£'000
Income			
Donations	37	15	5
Charitable activities	33,463	32,938	30,635
Other trading activities	22	66	43
Investment income	19	11	16
Other income (profit on disposal of Fixed Assets)	5,638	3	11,385
Total income	39,179	33,033	42,084
Expenditure			
Raising funds	(6)	(8)	(1)
Charitable activities	(31,604)	(30,006)	(27,062)
Gains/(losses) on changes in fair value of financial instruments	(243)	(89)	74
Total expenditure	(31,853)	(30,103)	(26,989)
Net income	7,326	2,930	15,095
Other recognised gains / (losses)			
Actuarial gains / (losses) on defined benefit pension schemes	(356)	1,536	(2,890)
Net movement in funds	6,970	4,466	12,205
Reconciliation of funds			
Total funds brought forward	2,909	9,879	14,345
Total funds carried forward	9,879	14,345	26,550

Balance Sheet			
	Year 31 Mar 2015* Audited £'000	Year 31 Mar 2016 Audited £'000	Year 31 Mar 2017 Audited £'000
Fixed assets			
Tangible assets	56,087	59,746	56,539
Current assets	8,210	9,107	11,744
Stocks	56	60	32
Debtors	2,920	3,656	2,849
Cash at bank and in hand	5,234	5,391	8,863
Creditors: amounts falling due within one year	(11,728)	(12,725)	(11,029)
Net Current Assets/(Liabilities)	(3,518)	(3,618)	715
Total Assets Less Current Liabilities	52,569	56,128	57,254
Creditors: amounts falling due after more than one year	(32,116)	(33,085)	(19,578)
Net assets excluding pension liabilities	20,453	23,043	37,676
Defined benefit pension scheme liabilities	(10,574)	(8,698)	(11,126)
Net assets including pension liabilities	9,879	14,345	26,550
Financed by:			
Unrestricted reserves	9,686	14,097	25,797
Restricted reserves	193	248	753
	9,879	14,345	26,550

Source: Belong Limited's financial statements

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

* As restated to FRS102 including the Charities Statement of Recommended Practice applicable to charities preparing accounts in accordance with FRS102

The Charity's financial statements have been prepared in accordance with UK GAAP and the Co-operative and Community Benefit Societies Act 2014. The financial statements comply with the requirements of the Charity's Rules and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" ("**FRS 102**") (effective 1 January 2015). The Charity's 2015 Financial Statements were restated in 2016 in order to comply with FRS 102.

Property Portfolio

Property	Year of opening	Freehold/Leasehold	Leasehold Term
Belong Macclesfield	2007	Leasehold	30 years
Belong Wigan	2009	Freehold	N/A
Belong Crewe	2010	Freehold	N/A
Belong Atherton	2011	Freehold	N/A
Belong Warrington	2015	Freehold	N/A
Belong Morris Feinmann, Didsbury	2017	Freehold	N/A
Belong Newcastle-under-Lyme	2018	Leasehold	Apartments and Heritage Gallery 999 years, Care Home and village centre 40 years
Belong Birkdale (land for apartments; planning permission has been obtained)	2019 (estimated)	Leasehold	999 years
Belong Chester land (planning permission has been obtained)	2020 (estimated)	Freehold	N/A



In addition, the Charity’s offices at Pepper House, Market Street, Nantwich, Cheshire, CW5 5DQ are rented on a 5-year operating lease.

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 74 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 (www.retailcharitybonds.co.uk/about/#Governance).

You are referred to the section headed “**Description of Retail Charity Bonds PLC**” starting on page 70 in the Prospectus.

**RETAIL
CHARITY
BONDS**

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.

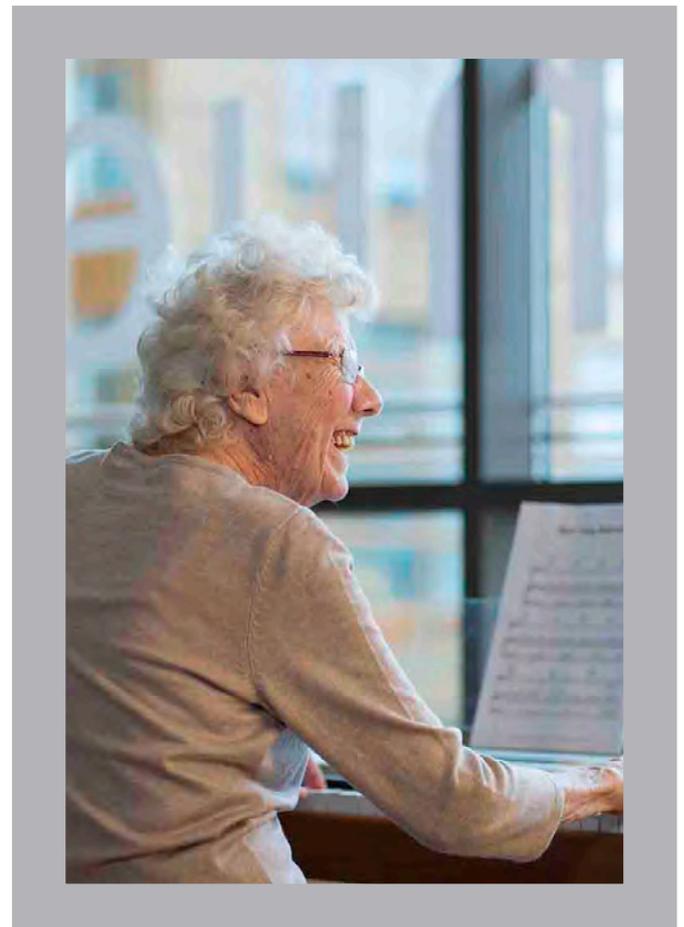
Pricing information for sales and purchases of the Bonds in the market will be available during market hours (8.00am to 4.30pm London time) and in normal market conditions on the ORB.

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 66 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 78 of the Prospectus, “**Taxation**” on page 66 of the Prospectus, “**Important Legal Information**” on page 86 of the Prospectus and “**Additional Information**” on page 82 of the Prospectus.



Authorised Offerors

AJ Bell Securities Limited

4 Exchange Quay, Salford Quays, Manchester M5 3EE
www.ajbellsecurities.co.uk

Equiniti Financial Services Limited

Level 6, Broadgate Tower, 20 Primrose Street, London EC2A 2EW
<https://equiniti.com>

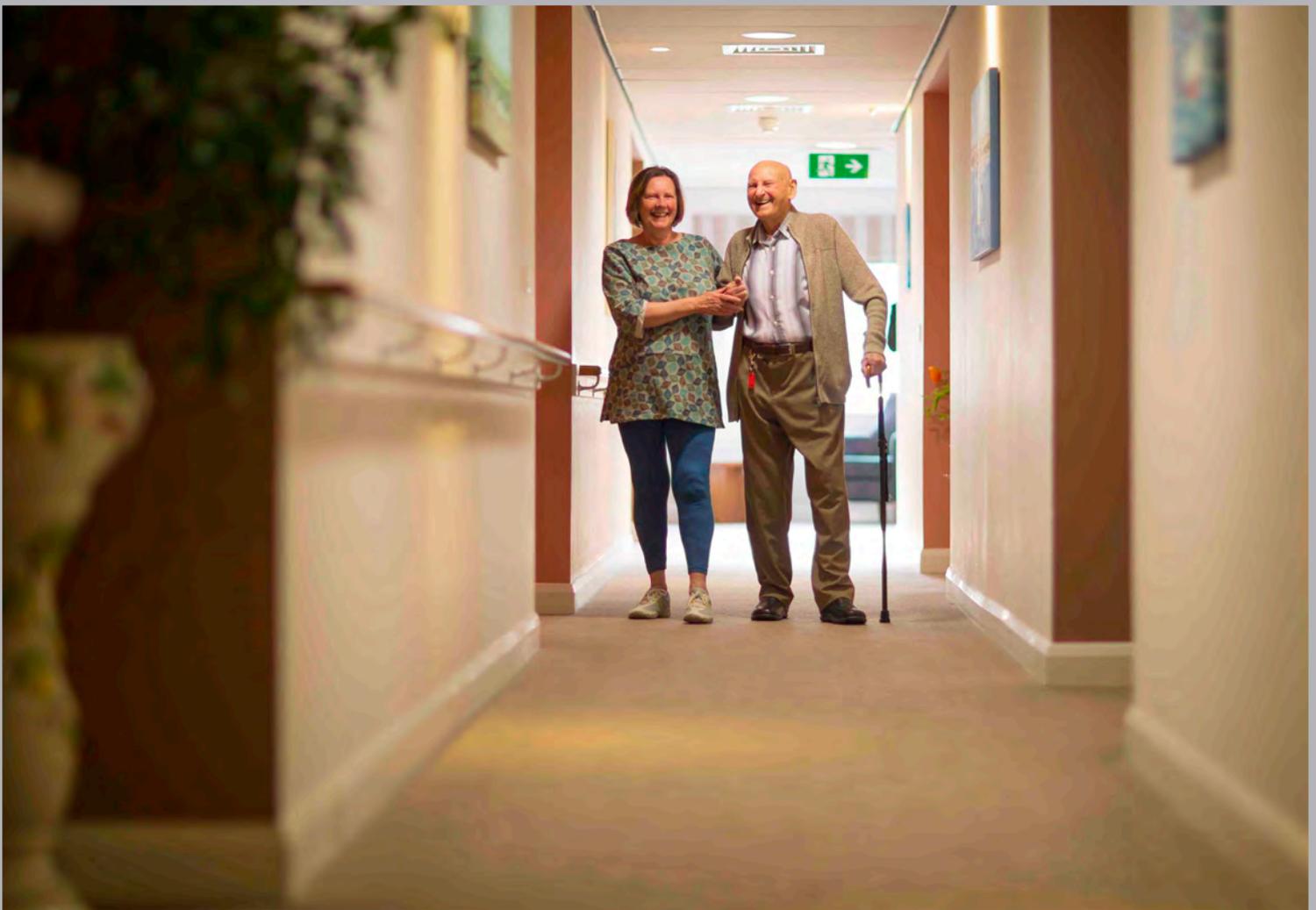
iDealing Limited

114 Middlesex Street, London E1 7HY
<http://idealing.com>

Redmayne-Bentley LLP

9 Bond Court, Leeds LS1 2JZ
www.redmayne.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 or the completeness, reliability or accuracy of the KID.

Neither Peel Hunt LLP, Retail Charity Bonds PLC nor Belong Limited 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.