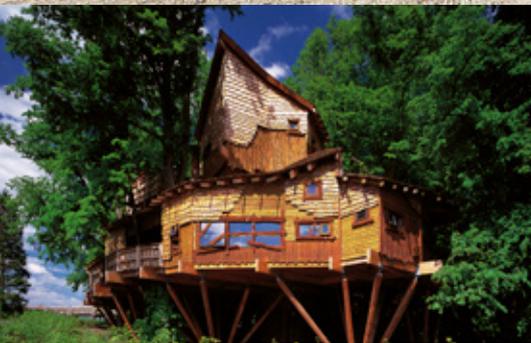


Information booklet

4 March 2020



THE ALNWICK GARDEN TRUST 5% BONDS DUE 2030



Issued by Retail Charity Bonds PLC
Secured on a loan to The Alnwick Garden Trust

Lead Manager

Allia C&C

Authorised Offerors

AJ Bell Securities Limited

Equiniti Financial Services Limited

iDealing.com Limited

Redmayne-Bentley LLP

THIS IS AN ADVERTISEMENT AND NOT A PROSPECTUS

The Prospectus (as defined herein) is available on the website of Retail Charity Bonds PLC (www.retailcharitybonds.co.uk/bonds/the-alnwick-garden-trust) and the website of The Alnwick Garden Trust (www.alnwickgarden.com/retail-charity-bond-issue).

The Prospectus has been approved by the Financial Conduct Authority (the "FCA") as competent authority under Regulation (EU) 2017/1129 (the "Prospectus Regulation"). The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not

be considered as an endorsement of Retail Charity Bonds PLC, The Alnwick Garden Trust or the quality of the Bonds that are the subject of the Prospectus.

Potential investors should read the Prospectus before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the Bonds. Any decision to invest in 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.

IMPORTANT INFORMATION

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

This Information Booklet is an advertisement within the meaning of Article 2(k) of the Prospectus Regulation and is not a prospectus for the purposes of the Prospectus Regulation.

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 The Alnwick Garden Trust (the “Charity”).

This Information Booklet is a financial promotion made by the Issuer and approved by City & Continental Ltd trading as Allia C&C (the “Lead Manager”) solely for the purposes of section 21(2)(b) of the FSMA. “Allia C&C” is a trading name of City & Continental Ltd (incorporated in England No. 09997053), whose registered office is Cheyne House Crown Court, 62-63 Cheapside, London, EC2V 6AX, and which 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 Alnwick Garden Trust 5% fixed rate Bonds due 2030 (referred to in this Information Booklet as the “Bonds”). A prospectus dated 4 March 2020 (the “Prospectus”) has been prepared and made available to the public in accordance with the Prospectus Regulation. Copies of the Prospectus are available from the website of the Issuer (www.retailcharitybonds.co.uk/bonds/the-alnwick-garden-trust) and the website of the Charity (www.alnwickgarden.com/retail-charity-bond-issue). Your Authorised Offeror will provide you with a copy of the Prospectus and the KID (as defined below).

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. A copy of the KID is also available from the website of the Issuer.

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.

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, 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.

Subject to certain exceptions, the Bonds may only be offered in the United Kingdom, Guernsey, Jersey and/or the Isle of Man during the Offer Period referred to below. In those jurisdictions, offers of the Bonds must also comply with applicable rules and regulations. You are referred to the sections headed “Subscription and Sale” and “Important Legal Information” in the Prospectus on page 69 and page 77.

THE ALNWICK GARDEN TRUST

5% BONDS DUE 2030

The Alnwick Garden Trust 5% fixed rate Bonds due 2030 pay interest of 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 may 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, if applicable, the proceeds of any Retained Bonds (as defined below) sold to any third party from time to time) will be lent to the Charity (the **“Loan”**), via a loan agreement (the **“Loan Agreement”**) to be entered into between the Issuer and the Charity.

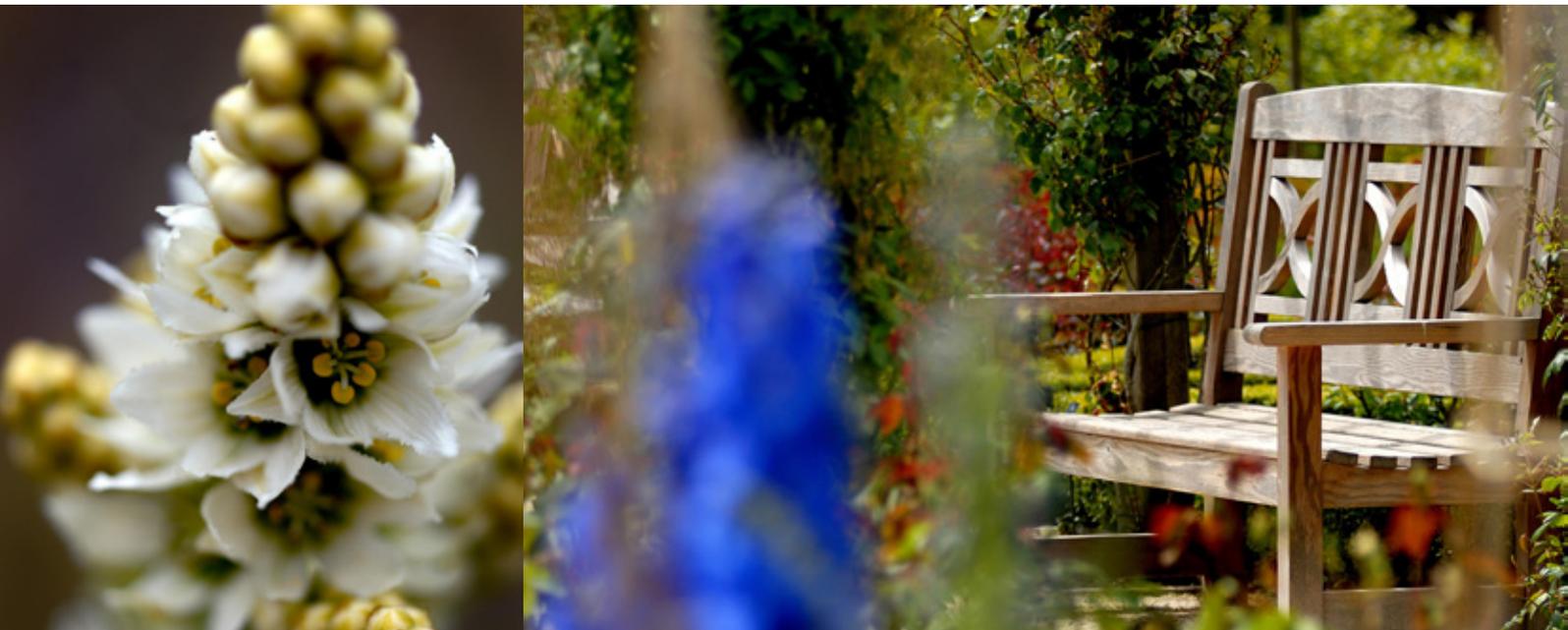
The Bonds are expected to be repaid on 27 March 2030 (the **“Expected Maturity Date”**), however the terms of the Bonds allow for a deferral of the repayment until 27 March 2032 (the **“Legal Maturity Date”**), as well as early repayment of the Bonds if the Charity elects to repay the Loan early pursuant to the terms of the Loan Agreement.

Interest will be paid in two equal half-yearly instalments on 27 March and 27 September every year (with the first payment being made on 27 September 2020) 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. 27 March

2030), or the Legal Maturity Date (i.e. 27 March 2032) (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. If any Retained Bonds are issued, no payments of interest will be made in relation to such Retained Bonds and the Issuer will not repay any amounts in respect of such 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 that has been granted consent by the Issuer (and, as applicable, the Charity) 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 19 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 and the KID. 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 20 of this document.

What are Retained Bonds?

When the Bonds are issued, the Issuer may immediately purchase some of the Bonds (any such Bonds so purchased, the **“Retained Bonds”**). The aggregate amount (if any) of such Retained Bonds will be specified in the issue size announcement published by the Issuer following the End of Offer Date (as defined below).

Any Retained Bonds issued 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 such 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 any 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 any Retained Bonds?”** on page 41 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 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 £12.50 twice a year until the Expected Maturity Date or the Legal Maturity Date (as the case may be) starting on 27 September 2020. 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 payments on the Bonds be funded?

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

You are referred to the sections headed **“How will payments on the Bonds be funded?”** on page 45 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. 27 March 2030 or 27 March 2032).

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 the Charity, via the Loan Agreement to be entered into between the Issuer and the Charity. The Charity 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 the Charity under the Loan Agreement.



KEY FEATURES OF THE BONDS

- **Issuer:** Retail Charity Bonds PLC.
- **Charity:** The Alnwick Garden Trust.
- **Interest Rate:** 5% per annum up to but excluding the Expected Maturity Date.
- **Adjusted Interest Rate:** 6% 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 27 March and 27 September in each year, starting on 27 September 2020 up to (and including) the Expected Maturity Date (27 March 2030), or up to (and including) the Legal Maturity Date (27 March 2032) 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 4 March 2020 until noon (London time) on 20 March 2020 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**”).
- **Authorised Offerors:** A number of Authorised Offerors (listed on page 19 of this Information Booklet) have been approved by the Issuer and the Lead Manager to provide this document, the Prospectus and the KID to potential investors in the Bonds until the End of Offer Date. The Issuer and the Charity 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 78 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, as applicable, the Charity) 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:** 27 March 2020.
- **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 are repayable) 27 March 2030.
- **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) 27 March 2032.
- **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 Covenants:** The Loan Agreement contains certain covenants which the Charity must comply with such as, for example:

- (i) a requirement that the Charity shall not at any time create, purport to create or permit to subsist any security (“**Third Party Security**”) on, or in relation to, any of its business, assets, properties and undertakings unless, before or at the same time as the relevant Third Party Security is created, the Charity takes any and all action necessary to ensure that all amounts payable by it under the Loan are secured in favour of the Issuer by security which is equal to, and rateable with, the relevant Third Party Security; and
- (ii) a requirement that, until the Loan has been repaid or prepaid in full, the Charity shall: (A) not make any payments under the Northumberland Loan; (B) procure that the terms of the Northumberland Loan do not require or permit the Charity to make any payments to the Northumberland Estates under the Loan; and (C) procure that its obligations under the Northumberland Loan rank (and are expressed, within the documentation relating to the Northumberland Loan, to rank) junior to the Charity’s obligations to the Issuer in respect of the Loan upon a winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) or other analogous procedure of the Charity.

- **Redemption at Expected Maturity Date:** Assuming 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, 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. 27 March 2030).

- **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. 27 March 2032).

- **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 20 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:** XS2132997433.

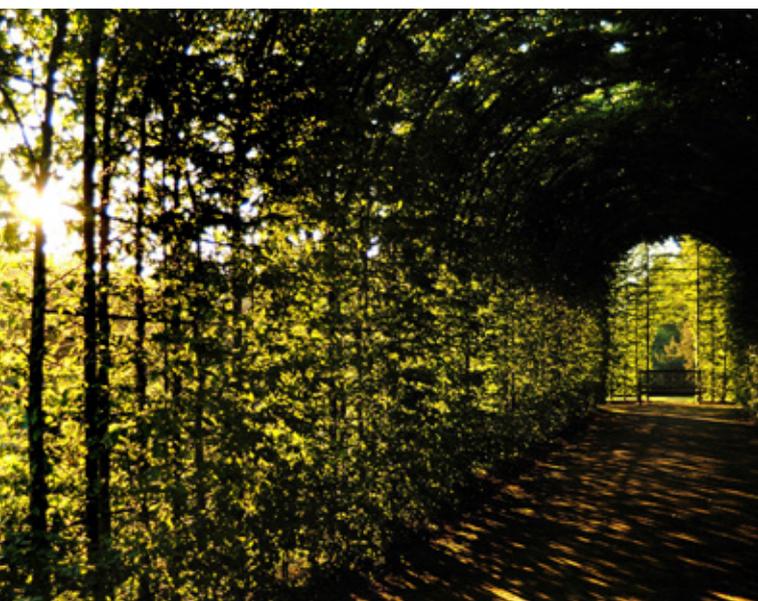
- **Amount of Bonds to be issued:** The total amount of the Bonds to be issued will depend on the number of applications to purchase the Bonds received before the End of Offer Date.

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

- **Lead Manager:** Allia C&C.

You are referred to the sections headed “**Important Legal Information**” starting on page 77 and “**Risk Factors**” starting on page 15 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 15 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 Charity's income is largely based on the number of paying visitors to The Alnwick Garden. The number of visitors in any year can be influenced by various factors and if visitor numbers are lower than expected and/or budgeted for, there may be an adverse impact on the results and operations of the Charity, which may have an adverse impact on the Charity's ability to make payments under the Loan Agreement.
- Ticket prices generally have an impact on potential visitors' appetite to visit tourist attractions. If the Charity were required to lower its ticket prices in an attempt to attract sufficient numbers of visitors, this may result in a loss of income for the Charity.
- As with any operating business, the Charity may be faced with unexpected expenses from time to time. There is no guarantee that the current ratio of income to expenses can be maintained. 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.
- 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 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:
 - 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
 - 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 one or more registered market makers will be appointed in respect of the Bonds (you are referred to the section headed “**Further Information – How to trade the Bonds**” on page 20 of this document), 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.

THE ALNWICK GARDEN TRUST

The Alnwick Garden Trust (the “**Charity**”) was incorporated on 7 November 2002. It is a registered charity in England and Wales (No. 1095435) and is registered with the England and Wales Companies House as a private limited company (Company No. 04584694). The registered address of the Charity is Gardeners Cottage, Greenwell Road, Alnwick, Northumberland NE66 1HB.

The Charity cultivates communities and raises aspirations in a place of beauty, inspiring and connecting people in an inclusive garden environment that creates learning opportunities and enriches lives.

Background

Alnwick Castle has been the home of the Duke and Duchess of Northumberland for over 700 years. In 1996 the present Duchess of Northumberland initiated work to develop the old gardens in the grounds of the Castle and to create unique modern gardens that would be open for the public to enjoy. The new gardens were designed by Belgian landscape designers Jacques and Peter Wirtz, and the first phase

of development was completed and opened to the public in 2001. The Charity was incorporated in the following year to manage the gardens (named as “The Alnwick Garden”), which were leased to the Charity under a lease expiring on 9 October 2098 and containing an entitlement to terminate by either side on 31 March 2047.

Since 2001, the Charity has spent over £33 million on further development of The Alnwick Garden and its facilities, as described below.

In addition to The Alnwick Garden itself, the Charity has numerous award-winning community outreach programmes that benefit people of all ages. As a charitable trust, the Charity operates on a not-for-profit basis, so surplus funds after operating expenses are invested back into the operations of the Charity and delivery of its charitable objects. In this way, the Charity is able to serve the community whilst charging comparatively modest entrance fees to The Alnwick Garden in comparison to similar attractions in the surrounding area.



The Alnwick Garden

The Alnwick Garden is a 67-acre garden and visitor attraction in the North East of England. It features a range of unique spaces and themed play areas, including:

- **the Poison Garden**, the only garden of its kind in the world, filled with a large selection of lethal plants;
- **the largest treehouse** in the world, made from sustainably sourced Canadian cedar, Scandinavian redwood and English and Scots pine (the “Treehouse”);
- **the Ornamental Garden**, a symmetrical structured garden with over 16,500 European plants;
- **the Rose Garden**, containing David Austin roses and consisting of a mixture of pergola lined paths and walkways, covered in climbing and shrub roses mixed with clematis and honeysuckle, with a collection of over 3,000 roses;
- **the Serpent Garden**, a serpent shaped garden with different water sculptures designed by leading water sculptor, William Pye;
- **the largest Taihaku Cherry Orchard** in the world, with 326 “Taihaku” trees (a free flowering Japanese cherry species) that bloom together for up to two weeks around the end of April/beginning of May each year; and
- **the Grand Cascade**, a tumbling mass of water, ending in an eruption of fountains where 7,260 gallons of water travel down the 90-meter-long, 21 weirs of the Grand Cascade every minute. A computer system synchronises a range of displays that, in addition to being visually stimulating, offers interactive enjoyment for younger visitors who can play amongst the water jets.





These spaces are complemented by a number of food and beverage options and other facilities, including:

- **the Treehouse Restaurant**, an all-day restaurant, located in the Treehouse spread over 6,000 square feet and located in the treetops of mature lime trees. The Treehouse Restaurant is available for private hire for celebrations, special events and weddings;
- **the Potting Shed**, a casual restaurant offering light lunches, coffee, tea and cake;
- **the Pavilion Kitchen** and adjoining **Events Room**, a contemporary event and conference facility with glass walls and a high ceiling designed by Sir Michael Hopkins CBE, a British architect. The Pavilion Kitchen hosts up to 200 guests at any given time;
- **the Bakery** and the **Ice Cream Outlet**;
- **the Pinery Gift Shop and Pantry**, offering a selected range of products that has been sourced from crafts people and manufacturers from within the UK and around the world, branded souvenirs, locally produced beers, fine foods, gifts, artwork and photography;
- **the Plant Centre**, which offers a variety of perennials, alpins, shrubs, climbers and roses from The Alnwick Garden's own, as well as other specialist, nurseries; and
- **the Forgotten Garden Adventure Golf Course**, a 13-hole adventure golf course set amongst the trees, which is open daily or may be reserved for private functions.

In 2019, 350,902 people visited The Alnwick Garden. Based on independent research, the Charity estimates that it has contributed about £282 million to the local economy over a period of 18 years, which equates to an average of £15.6 million per annum.

Year	Visitor numbers
2009	334,183
2010	352,759
2011	263,362
2012	326,289
2013	331,756
2014	268,260
2015	319,416
2016	329,784
2017	360,095
2018	348,299
2019	350,902

Business Plan

The Charity's strategic plan focuses on two themes: the commercial theme that secures the Charity financially and the social theme that ensures that its charitable objectives are maximised. The Charity's current objectives are:

- **Commercial Objective 1** – to transform the catering offer across site so that The Alwick Garden becomes a food destination in its own right.
- **Commercial Objective 2** – to transform the retail operation into a complete shopping experience.
- **Commercial Objective 3** – to become the top Halloween and Christmas destination in the North East.
- **Social Theme 1** – to significantly upscale the Charity's social impacts by expanding its community programmes, creating jobs and supporting local businesses.
- **Social Theme 2** – to sustain the winning culture and to ensure the team of staff and volunteers continue to uphold and live by the values of the Charity, centred around teamwork, caring and being an active member of the local community.

Use of Proceeds

The Charity will use the proceeds of the issues of the Bonds for or in advancement of its charitable purposes, including, but not limited to, the development of its existing projects.





1. **Blooming Well** – specifically targeted to older people living with dementia to help link them with others whilst providing activities to stimulate thinking, practical skills and improve physical wellbeing;
2. **Being Healthy** – delivering activities that promote healthy, active lifestyles;
3. **The Gentleman's Garden** – working with ten men at a time who are often widowers, lonely, have multiple physical ailments and potential mental health issues and are sometimes living with dementia;
3. **Drop-in Centre** – open three days per week where older, isolated people drop in for a cup of tea, cake, chat, game of chess, to watch the TV, do a jigsaw and, mainly, feel part of something.

Community and education programmes

The Charity's community and education provision seeks to:

- promote skills and lifelong learning;
- encourage people to think differently about disabilities, seen and unseen;
- enable new experiences to support mental wellbeing;
- encourage healthy living for all; and
- build strong partnerships through positive community development.

This is done through a range of provisions that directly tackle isolation and loneliness, unemployment and exclusion, and the Charity strives to support young people to make positive life choices and increase their chances of realising and achieving their aspirations. Its programmes are tailored to be flexible and responsive to ensure that improved wellbeing and mental health are embedded throughout and that individuals always feel better after they have visited The Alnwick Garden.

The Charity's longest running programme, the "Elderberries", supports over 1,000 people each year through structured, inclusive activities and one-off events. Elderberries supports people aged 55 and over, particularly those who are lonely, isolated and some with early on-set dementia. The Elderberries programme consists of four main elements, each with differing outcomes:



The Charity also has a range of programmes aimed at young people:

- **Grow Into Work** – aimed at tackling unemployment and primarily working with young people to support their transition into work. The programme has achieved an 80% success rate in beneficiaries achieving positive outcomes by either moving into employment, going into further training or volunteering.
- **Roots and Shoots** – working with 20 schools each year, with direct delivery to 200 children per year in promoting healthy lifestyles and how to maintain a garden through growing their own produce and using it to cook.
- **Young Gardeners** – supporting children with additional needs, learning and behavioural difficulties along with their parents and carers. Each year, the Charity supports families in tending and harvesting their own plot and providing a non-threatening and engaging opportunity to socialise, share stories and develop positive support networks. To date, the Charity has supported over 100 families through this project.

- **Drugs Education** – working with schools, youth groups, Pupil Referral Units, children in care and any other relevant charities, to deliver activities in order to tackle growing substance abuse issues. Wider outcomes are to increase participants' resilience to make positive choices, increase confidence and self-worth and raise aspirations so children and young people can realise their potential and know what steps to take to achieve it.

Beyond the impact of these community programmes, the Charity contributes significantly from an economic and social perspective to the wider region. Based on independent research, the Charity estimates that it has contributed about £282 million to the local economy over the last 18 years, 40% of which has been spent with local suppliers. The Charity currently has 123 full-time equivalent employees, whilst its economic activity has supported 2,800 jobs regionally since opening.

You are referred to the section headed “Description of the Charity” starting on page 26 in the Prospectus.



Future developments

One of the Charity's key future developments is the Lilidorei Play Village ("Lilidorei").

The concept for Lilidorei is a small settlement set within a forest clearing, with an unearthly, quirky, and magical atmosphere that will be in character with the existing treehouse and forest environment. It will consist of 30 small, wooden houses and a 19 metre high aerial play structure based around three towers, as well as tunnel slides, play areas for younger children, and more challenging climbing structures for older children. There will also be a medieval-style long hall with a capacity of 600, food and beverage facilities, play and storytelling activities, and shops.

Lilidorei is intended to be a separately ticketed attraction. As an all-weather attraction, it is expected to extend The Alnwick Garden's visiting season and diversify the variety of attractions already on offer. The key commercial objectives of Lilidorei are to draw around 272,000 additional visitors (of whom 252,000 are paying visitors) to The Alnwick Garden. As a result, the Charity aims to generate additional revenue of approximately £5.5 million per annum (based on an average spend of £21.83 per head) and an operating margin of £2.1 million per annum for the Charity to reinvest in its programmes.

The Charity believes that the development of Lilidorei will provide additional financial security to the future

of The Alnwick Garden and increase its economic impact in North Northumberland and the wider area. It further anticipates that the attraction of greater visitor numbers to the region during the winter season will benefit the tourism industry generally and thereby the local economy.

The trustees of the Charity also believe that Lilidorei will contribute to the social impact of the Charity, encouraging imaginative play amongst children and adults, with resulting positive impact on health, wellbeing and fitness. Under the Lilidorei 'Free Fridays' initiative, schools across Northumberland will be able to bring their students for a day to explore Lilidorei free of charge.

The proposed development of Lilidorei was granted planning permission by the Northumberland County Council on 3 July 2018 and is estimated to cost £15 million. The Charity expects Lilidorei to be open to visitors by Easter 2023.

For the purposes of developing Lilidorei and on the basis of the potential benefits that the development holds, the Charity has secured a grant from the Department for Communities and Local Government to the value of £5,000,000, subject to certain conditions including that the Charity successfully raises a further £10,000,000 by way of loan finance to complete the funding required for the development.



Financial Summary

Given that the Charity largely reinvests its surpluses, the financial summary below is provided, in addition to the consolidated income statement and balance sheet, to give a more accurate indication of the Charity's financial position prior to capital investment and expenditure on social impact programmes.

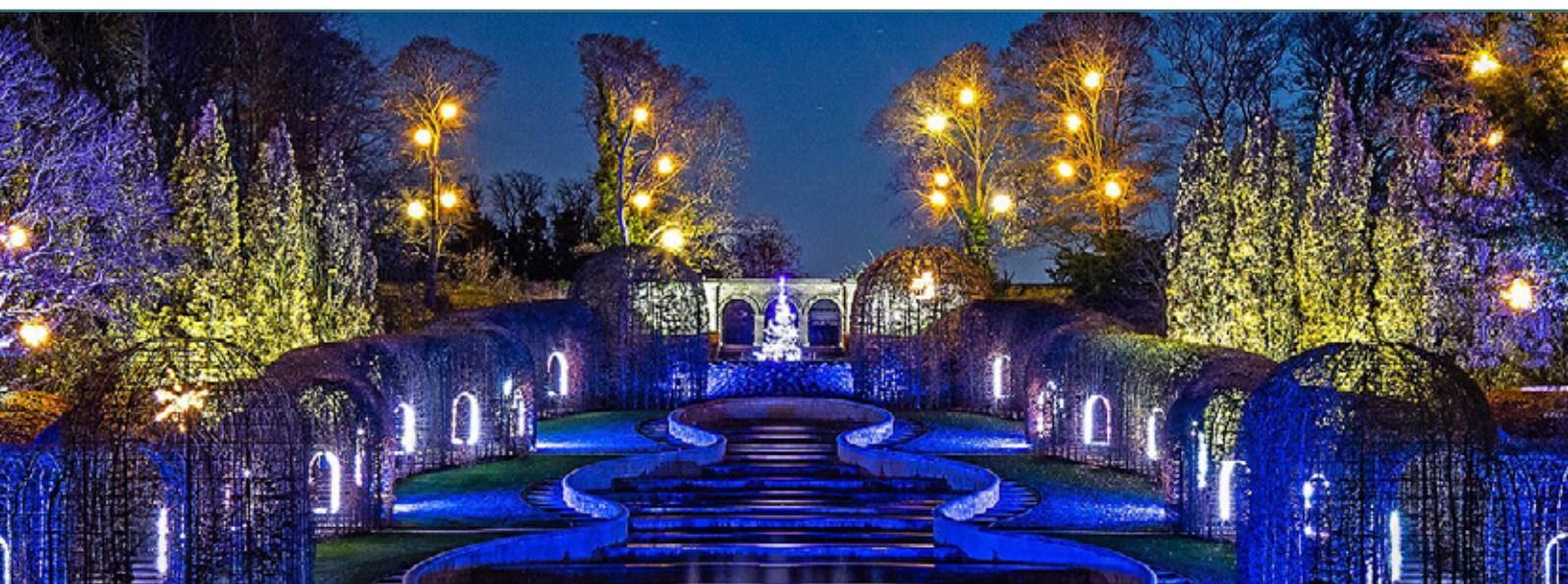
Financial Performance Summary¹

Item	2018-19	2017-18	2016-17
Revenue			
Admissions (including Friends and Gift Aid)	2,545,925	2,506,961	2,373,922
Retail Sales	697,793	701,672	597,586
Catering Sales	1,318,618	1,375,645	1,304,604
Rental and Other Revenue	421,318	328,879	239,401
Other Income	27,139	4,714	51,184
Total Revenue	5,010,793	4,917,871	4,566,697
Direct Costs			
Admissions Direct Costs	815,472	749,878	683,541
Retail Cost of Sales and direct costs	549,605	519,790	457,781
Catering Cost of Sales and direct costs	1,069,116	1,177,810	1,083,400
Other Direct Costs	12,144	14,999	-
Total Revenue	2,446,337	2,462,477	2,224,722
Gross Profit	2,564,456	2,455,394	2,341,975
Operating Costs			
Garden Maintenance	339,292	303,251	284,774
Marketing and Communication	371,536	351,099	318,023
Management and Administration	420,154	424,140	412,296
Other Staff Costs	14,015	17,992	21,629
Other Overheads	94,267	101,093	106,900
Premises Costs	316,482	320,237	280,534
Repairs and Maintenance	217,720	213,311	205,703
Total Operating Costs	1,773,466	1,731,123	1,629,859
Operating Surplus before Capital Investment, Major Repairs and Impact Activity	790,990	724,271	712,116
Major Repairs and Investment charged to Profit and Loss	179,016	69,737	82,432
Capital Investment – Capitalised	288,204	575,102	480,112
Post-maintenance surplus before Social Impact Activity	323,770	79,432	149,572
Costs of Social Impact Activity	181,786	161,059	167,306
Donations toward Social Impact Activity	(109,134)	(146,974)	(92,760)
Surplus after Social Impact Activity	251,117	65,347	75,025

¹ The figures included in this table are presented in non-statutory form to demonstrate the underlying profitability of the Charity's operations prior to the Charity taking on significant debt. Classifications between income and expenditure of different operations in this format and the statutory headings and charitable functions described elsewhere in financial statements differ due to some charitable activities being income generating in order to support the wider operations of the Charity. The total income and expenditure set out in this table can be reconciled to the previously audited financial statements of the group.

Consolidated statement of financial activities (incorporating an income and expenditure account)

	Capital funds	Restricted funds	Unrestricted funds	Total funds		
	2019	2019	2019	2019	2018	2017
	£	£	£	£	£	£
Income from:						
Donations and legacies	-	111,487	4,922	116,409	152,476	106,533
Charitable activities	-	-	2,486,469	2,486,469	2,418,672	2,336,891
Other trading activities	-	12,716	2,564,335	2,577,051	2,527,963	2,258,256
Total income	-	124,203	5,055,726	5,179,929	5,099,111	4,701,680
Expenditure on:						
Raising funds	116,796		2,210,141	2,326,937	2,454,583	2,054,264
Charitable activities	1,465,782	98,730	2,360,043	3,924,555	3,758,910	3,639,378
Total expenditure	1,582,578	98,730	4,570,184	6,251,492	6,213,493	5,693,642
Net income / (expenditure) before transfers	(1,582,578)	25,473	485,542	(1,071,563)	(1,114,382)	(991,962)
Transfers between funds	214,481	(34,807)	(179,674)	-	-	-
Net income / (expenditure) before other recognised gains and losses	(1,368,097)	(9,334)	305,868	(1,071,563)	(1,114,382)	(991,962)
Net movement in funds	(1,368,097)	(9,334)	305,868	(1,071,563)	(1,114,382)	(991,962)
Reconciliation of funds:						
Total funds brought forward	13,769,092	515,937	530,817	14,815,846	15,930,228	16,922,190
Total funds carried forward	12,400,995	506,603	836,685	13,744,283	14,815,846	15,930,228



Consolidated balance sheet

	2019 £	2018 £	2017 £
Fixed assets			
Tangible assets	16,120,260	17,277,834	18,353,060
Current assets			
Stocks	94,752	110,572	97,280
Debtors	488,882	310,541	235,544
Cash at bank and in hand	1,217,232	1,312,660	1,171,438
	<u>1,800,866</u>	<u>1,733,773</u>	<u>1,504,262</u>
Creditors: amounts falling due within one year	(457,578)	(687,019)	(616,960)
Net current assets	<u>1,343,288</u>	<u>1,046,754</u>	<u>887,302</u>
Total assets less current liabilities	<u>17,463,548</u>	<u>18,324,588</u>	<u>19,240,362</u>
Creditors: amounts falling due after more than one year	(3,719,265)	(3,508,742)	(3,310,134)
Net assets	<u>13,744,283</u>	<u>14,815,846</u>	<u>15,930,228</u>
Charity funds			
Capital fund	12,400,995	13,769,092	
Restricted funds	506,603	515,937	455,316
Unrestricted funds	836,685	530,817	15,474,912
Charity funds	<u>13,744,283</u>	<u>14,815,846</u>	<u>15,930,228</u>

Current borrowings

The Charity's current borrowings consist of a single, unsecured, interest free loan granted by the trustees of the Ninth Duke of Northumberland's Will Trust, the Tenth Duke of Northumberland's Referential Settlement and The Duke's Appointed Fund (the "Northumberland Estates") on 4 August 2014 in an amount of £8 million, as amended from time to time (the "Northumberland Loan") and is repayable on 31 March 2047.

The Northumberland Loan will, pursuant to a deed of subordination dated on or around 4 March 2020, be subordinated to the Loan until such time as the Loan has been fully repaid.



THE ISSUER

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 which has been established 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 Bond Services 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 65 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, report on, 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 the Issuer” starting on page 60 in the Prospectus.

AUTHORISED OFFERORS

AJ Bell Securities Limited

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

Equiniti Financial Services Limited

Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
www.equiniti.com

iDealing.com Limited

Finsbury House, 23 Finsbury Circus, London EC2M 7EA
www.idealing.com

Redmayne-Bentley LLP

9 Bond Court, Leeds LS1 2JZ
www.redmayne.co.uk

FURTHER INFORMATION

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”). They 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 one or more registered market makers. Market-making means that a person will maintain prices for buying and selling the Bonds.

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 one or more registered market makers will be appointed (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 56 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 69 of the Prospectus, “Taxation” on page 56 of the Prospectus, “Important Legal Information” on page 77 of the Prospectus and “Additional Information” on page 73 of the Prospectus.

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.

Allia C&C 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 Allia C&C for advice or recommendations of any sort. Allia C&C 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, Allia C&C does not warrant or make any representation as to its completeness, reliability or accuracy, or the completeness, reliability or accuracy of the KID.

Neither Allia C&C, Retail Charity Bonds PLC nor The Alnwick Garden Trust is responsible for any advice or service you may receive from a third party in relation to the Bonds.

Allia C&C 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 and holding, and may include providing 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.

