Information booklet

1 July 2021

Golden Lane Housing Ltd

3.25% Social Bonds due 2031

Issued by Retail Charity Bonds PLC

secured on a loan to Golden Lane Housing Ltd

Manager
Allia C&C

Authorised Offerors
AJ Bell Securities Limited
Arnold Stansby & Co. Limited
Equiniti Financial Services Limited
Hedley & Company Stockbrokers Limited
iDealing.com Limited
Interactive Investor Services Limited
Redmayne Bentley LLP

RCB

This is an advertisement and not a prospectus.

The Prospectus (as defined herein) is available on the website of Retail Charity Bonds PLC (https://rcb-bonds.com/bonds/golden-lane-housing) and the website of Golden Lane Housing Ltd (https://www.glh.org.uk/bond).

The Prospectus has been approved by the Financial Conduct Authority (the "FCA") as competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act (the "EUWA") (the "UK Prospectus Regulation"). The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of Retail Charity Bonds PLC, Golden Lane Housing Ltd 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 UK 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 Golden Lane Housing Ltd (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 "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 FCA.

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 retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA, and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; and (ii) all channels for distribution of the Bonds are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services, subject to the distributor's suitability and appropriateness obligations under COBS, 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 the FCA Handbook Product Intervention and Product Governance Sourcebook 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 COBS, as applicable.

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

This Information Booklet relates to the Golden Lane Housing Ltd 3.25% fixed rate Social Bonds due 2031 (referred to in this Information Booklet as the "Bonds"). A prospectus dated 1 July 2021 (the "Prospectus") has been prepared and made available to the public in accordance with the UK Prospectus Regulation. Copies of the Prospectus are available from the website of the Issuer (https://rcb-bonds.com/golden-lane-housing) and the website of the Charity (https://www.glh.org.uk/bond). 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 as it forms part of domestic law by virtue of the EUWA 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 stockbroker or other financial intermediary 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 and 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 72 and page 80.

The Golden Lane Housing Ltd 3.25% Social Bonds Due 2031

The Golden Lane Housing Ltd 3.25% fixed rate Social Bonds due 2031 pay interest of 3.25% 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 22 July 2031 (the "**Expected Maturity Date**"), however the terms of the Bonds allow for a deferral of the repayment until 22 July 2033 (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 22 January and 22 July every year (with the first payment being made on 22 January 2022) 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. 22 July 2031), or the Legal Maturity Date (i.e. 22 July 2033) (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 14 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**" on pages 8 to 9, and "**Further Information – How to trade the Bonds**" on page 15 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 44 of the Prospectus.

Interest on the Bonds

The level of interest payable on the Bonds is fixed when the Bonds are issued. The rate of interest on the Bonds is 3.25% 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 £8.125 twice a year until the Expected Maturity Date starting on 22 January 2022. 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 section headed "**How will payments on the Bonds be funded?**" on page 48 of the Prospectus.

You are also referred to the section headed "**Key Risks of Investing in the Bonds**" on pages 8 to 9 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. 22 July 2031 or 22 July 2033).

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.

CASHFLOWS

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

Social Bonds

The Issuer has put in place a sustainability bond framework (the "**Sustainability Bond Framework**") to demonstrate its alignment with the International Capital Market Association's ("**ICMA**") Social Bond Principles and Green Bond Principles.

The Bonds are intended to be Social Bonds (as defined in the ICMA's Social Bond Principles) in accordance with the Sustainability Bond Framework.

A second-party opinion ("**SPO**") on the Sustainability Bond Framework has been provided by Standard & Poor's Financial Services LLC. The SPO and the Sustainability Bond Framework are available on the website of the Issuer (https://rcb-bonds.com/documents).

Key Features of the Bonds

Issuer: Retail Charity Bonds PLC.

Charity: Golden Lane Housing Ltd.

Interest Rate: 3.25% per annum up to but excluding the Expected Maturity Date.

Adjusted Interest Rate: 4.25% 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 22 January and 22 July in each year, starting on 22 January 2022 up to (and including) the Expected Maturity Date (22 July 2031), or up to (and including) the Legal Maturity Date (22 July 2033) if repayment of the Bonds is deferred until the Legal Maturity Date.

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

Offer Period: The Bonds are available for purchase through your stockbroker or other financial intermediary in the period from 1 July 2021 until noon (London time) on 16 July 2021 or such earlier time and date as agreed by the Issuer and the 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 14 of this Information Booklet) have been approved by the Issuer and the 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 81 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: 22 July 2021.

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) 22 July 2031.

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) 22 July 2033.

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, a requirement to ensure that as at each testing date, its net asset value as determined by reference to its most recent audited financial statements is at least 130 per cent. of the outstanding balance of the Loan and all other unsecured, unsubordinated borrowings (other than any liabilities that might arise under any shared investment contributions arrangements) of the Charity, in each case as shown in the most recent audited financial statements of the Charity from time to time.

Redemption at Expected Maturity Date: Assuming 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. 22 July 2031).

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. 22 July 2033).

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**" on pages 8 to 9, and "**Further Information – How to trade the Bonds**" on page 15 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: XS2357539522.

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**").

Manager: Allia C&C.

You are referred to the sections headed "Important Legal Information" starting on page 80 and "Risk Factors" starting on page 17 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 17 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 is subject to detailed building safety regulations and 'best practice' guidance, as building safety in the social housing sector has received significantly increased focus following the Grenfell Tower fire. If the Government were to change its building safety requirements to be more onerous, then the increased cost of compliance may impact the Charity's ability to meet its payment obligations under the Loan Agreement.
- The principal source of income for the Charity is rental income generated by its social housing property portfolio, as derived from housing benefit payable by local authorities. If the Government were to change legislation such that housing benefit would be reduced or ceased, this may have an adverse impact on the Charity's income.
- The vast majority of the Charity's tenants receive welfare benefits such as the 'Personal Independence Payment' to support them with their increased living expenses. If such support were to cease or be reduced in the future, then this may affect the ability of such tenants to meet any top-up rental payment.
- The Government is setting challenging UK targets on climate and net zero carbon emissions. These may impose additional costs on the Charity if the Government were to introduce onerous housing legislation and/or 'best practice' guidance to social housing providers to accelerate compliance with these targets.
- If the Charity's properties are vacant this could result in a reduction of the profitability of the Charity, which may mean that the Charity is unable to repay its liabilities when due, including those under the Loan Agreement.
- The Charity is exposed to developments in the UK residential property market. A very substantial drop in the value of its property portfolio could lead to a breach of the net asset covenant under the Loan Agreement. Wider fluctuations in the UK residential property market may also impact on the Charity's cash flow and therefore its ability to make payments under the Loan Agreement.
- 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.

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

One of the biggest challenges facing people with a learning disability in the UK is lack of access to suitable supported accommodation. Due to the chronic housing shortage in the UK, a significant number of people with a learning disability live in unsuitable residential institutions or with elderly parents and carers, and as a result face an uncertain future. Local authority accommodation is in short supply and, with limited choice available, individuals often have to move into accommodation far away from friends and family.

The Charity aims to provide people with a learning disability with the opportunity to live in the right house, in the right place, with the right support so that they can prosper, develop their independence and skills and contribute to their communities.

The Charity was originally established by the Royal Mencap Society in 1998. To date, the Charity's operations have been exclusively in England, Wales and Northern Ireland.

Principal activities of the Charity

Since its inception, the Charity has built up a substantial property portfolio and currently has 2,342 tenancy units (as at 31 March 2021) for tenants with a learning disability in both its owned and leasehold properties. Its main activities are:

- the ownership and leasing of homes, providing housing for tenants with a learning disability in the UK; and
- the provision of specialist services to its tenants in partnership with other care providers, including Mencap. This includes providing bespoke adaptations to the properties to meet the needs of the tenants.

Underpinning the Charity's principal activities are five key values which are the foundations on which the Charity's work and future plans are based:

1. **Caring:** we treat everyone with respect and kindness
2. **Listening:** we involve people in the review and design of housing and services
3. **Honesty**: we build trust by being open and fair in everything we do
4. **Reliable:** we are dependable and trusted to keep our standards and commitments
5. **Creative:** we work together in many different ways for great outcomes

Business model

The Charity has a range of housing solutions, which are predominately rent accommodation, with a small number of shared ownership units and managed discretionary trusts set up by deceased parents. The principal source of income of the Charity (comprising 90% of total income in the financial year to 31 March 2021) is rent from its tenants in return for provision of accommodation and specialist landlord services. These services range from housing management and maintenance services tailored to the needs of people with a learning disability (including a 24 hour repairs helpline) to advice and guidance to families, individuals, carers and social care professionals on housing related issues.

The Charity works very closely with over 200 support organisations who provide care and support services. Mencap is currently the support provider for approximately 31 per cent. of the Charity's tenants. Each of the other support providers works with a much smaller percentage of the Charity's tenants. The support providers are all regulated by the Care Quality Commission. They are appointed and paid directly under contracts with the relevant social service and health authorities.

The Charity became registered as a registered provider of social housing with the Homes and Communities Agency (now the Regulator of Social Housing, the "**RSH**") on 15 January 2015.

The latest regulatory judgement by the RSH, dated 9 December 2020, confirmed the Charity's governance grade as G1 and its viability grade as V1.

Products and services

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

(a) **Purchase and adaptation.** This has been the core business of the Charity and involves the purchase of high-quality housing tailored to meet an individual tenant's specific needs. This product is particularly suited to people with higher needs because the freehold ownership allows the Charity to make bespoke property adaptations and provide long-term security of tenure for the individual. As of 31 March 2021 50 per cent. of the Charity's tenants are housed through owned properties and the Charity's aim is to continue to invest in this product using the proceeds of the Loan.

(b) **Leased Properties.** The Charity's lease product involves the Charity renting properties from private sector landlords, local authorities, and support providers and then sub-letting them to people with a learning disability. Through leases, the Charity acts as a bridge between the private rented sector and people with a learning disability which means it can ensure that people in need benefit from high quality housing and the peace of mind of knowing the Charity is their landlord. The lease model has been a successful product for the Charity in recent years; however, due to lease restrictions, it is not always appropriate for those tenants with higher needs who require adaptations and security of tenure. As of 31 March 2021 some 50 per cent. of the Charity's tenants use the lease product.

Use of proceeds

The Charity will use the proceeds of the issue of the Bonds to further its charitable objects, including but not limited to the refinancing of a previous loan from the Issuer and the acquisition and/or adaptation of housing for people with one or more learning disabilities.

Financial summary

The Charity has generated a consistent income and expenditure surplus since its inception in 1998 and has a balance sheet comprising £39.1 million of net assets as at 31 March 2021. Based on this, the Charity believes it has a resilient and proven business model.

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

Income and expenditure	Year 31 Mar 2021 Audited £'000	Year 31 Mar 2020 Audited £'000	Year 31 Mar 2019 Audited £'000
Turnover	22,682	20,718	17,250
Operating expenditure	(17,879)	(16,608)	(13,122)
Gain on Disposal of Housing Properties	949	370	348
Operating surplus	5,752	4,480	4,476
Interest receivable	9	25	21
Interest and financing costs	(2,249)	(2,129)	(2,077)
Surplus before tax	3,512	2,376	2,420
Taxation	0	0	0
Surplus for the year after tax	3,512	2,376	2,420
Total comprehensive income for the year	**3,512**	**2,376**	**2,420**

Balance Sheet	Year 31 Mar 2021 Audited £'000	Year 31 Mar 2020 Audited £'000	Year 31 Mar 2019 Audited £'000
Fixed assets	111,320	106,908	98,795
Cash and cash equivalent	12,754	8,552	8,577
Other current assets	1,694	2,013	1,864
Current assets	14,448	10,565	10,441
Current liabilities	17,415	6,141	4,121
Net current assets / (liabilities)	(2,967)	4,424	6,320
Creditors due after more than one year	68,886	75,430	71,638
Provision	412	359	310
Total net assets	39,055	35,543	33,167
Income and expenditure reserve	38,570	34,983	32,607
Restricted (and / or endowment) reserve	485	560	560
Total Reserves	**39,055**	**35,543**	**33,167**

Property Portfolio

The Charity's property portfolio is located across England, Wales and Northern Ireland in 217 Local Authority areas. Unlike most other housing associations, the Charity does not own blocks of housing on estates because each property owned by the Charity has been specifically obtained (and in many cases adapted) to meet the particular needs of individuals with a learning disability.

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

As at 31 March 2021, the Charity had a £122.9 million property portfolio (at historic cost) which comprises 478 freehold and long leasehold properties, including 8 under development and 5 properties rented at market rent as non-social housing. In addition, 711 properties are leased from landlords and 16 are managed for other bodies.

Below is a summary of the existing property portfolio by size as at 31 March 2021 which has been extracted from the management database of its property portfolio held and administered by the Charity.

Properties	1 bed	2 bed	3 bed	4 bed	5 bed +	Total
Owned	148	108	124	71	27	478
Leased	495	84	56	43	33	711
Total	643	192	180	114	60	**1,189**
Managed	10	5	0	0	1	16
Total	653	197	180	114	61	**1,205**

You are referred to the section headed "Description of the Charity" starting on page 31 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 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 68 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 (https://rcb-bonds.com/documents)

You are referred to the section headed "Description of the Issuer" starting on page 63 in the Prospectus.

Authorised Offerors

AJ Bell Securities Limited
4 Exchange Quay, Salford Quays, Manchester, M5 3EE
www.ajbellsecurities.co.uk

Arnold Stansby & Co. Limited
30 Queen Street, Manchester, M2 5JJ
www.arnold-stansby.com

Equiniti Financial Services Limited
Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
www.equiniti.com

Hedley & Company Stockbrokers Limited
19 Trident Park, Blackburn, BB1 3NU
www.hedleyandco.co.uk

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

Interactive Investor Services Limited
Exchange Court, Duncombe Street, Leeds, LS1 4AX
www.ii.co.uk

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

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 FCA and admitted to trading on the main market of the London Stock Exchange plc.

The Bonds are also expected to be eligible for the London Stock Exchange's 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 pages 8 to 9 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 Manager will receive a fee of 0.5% of the nominal amount of the Bonds (other than any Retained 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 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 59 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 72 of the Prospectus, "Taxation" on page 59 of the Prospectus, "Important Legal Information" on page 80 of the Prospectus and "Additional Information" on page 76 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 Golden Lane Housing Ltd 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.