

Information booklet

10 October 2017

Hightown Housing Association Limited 4% Bonds due 2027 (including retained bonds)

Issued by Retail Charity Bonds PLC
secured on a loan to Hightown Housing Association Limited

Lead Manager
Peel Hunt LLP

Authorised Offerors
AJ Bell Securities Limited
Equiniti Financial Services Limited
Redmayne-Bentley LLP
iDealing.com Limited

This is an advertisement and not a prospectus.
Any decision to purchase or sell the Bonds should
be made solely on the basis of a careful review of
the Prospectus.

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



Important Information

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

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

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

The proceeds of the Bonds are intended to be loaned to Hightown Housing Association Limited (“**Hightown**”). References to “**Hightown**” or to the “**Charity**” in this document are references to Hightown Housing Association Limited.

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

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 Hightown Housing Association Limited 4% fixed rate Bonds due 2027 (referred to in this Information Booklet as the “**Bonds**”). A prospectus dated 10 October 2017 (the “**Prospectus**”) has been prepared and made available to the public in accordance with the Directive. Copies of the Prospectus are available from the website of the Issuer

(www.retailcharitybonds.co.uk/bonds/hightown2017), the website of Hightown Housing Association Limited (www.hightownha.org.uk) and the website of London Stock Exchange plc (www.londonstockexchange.com/newissues). Your Authorised Offeror will provide you with a copy of the Prospectus.

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

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

United States of America or to U.S. persons. The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and the Bonds, which are in registered form, are subject to certain U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to U.S. persons. **You are referred to the section headed “Subscription and Sale” in the Prospectus on page 85.**

Hightown Housing Association Limited 4% Bonds due 2027

The Hightown Housing Association Limited 4% fixed rate Bonds due 2027 pay interest of 4% per annum on the face value of £100 per Bond until the Expected Maturity Date (as defined below).

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

The Bonds are expected to be repaid on 31 October 2027 (the **“Expected Maturity Date”**), however the terms of the Bonds allow for a deferral of the repayment until 31 October 2029 (the **“Legal Maturity Date”**), as well as early repayment of the Bonds if Hightown elects to repay the Loan early pursuant to the terms of the Loan Agreement.

Interest will be paid in two equal instalments a year on 30 April and 31 October every year (with the first payment being made on 30 April 2018) up to and including the Expected Maturity Date, or the Legal Maturity Date if the Bonds are deferred, unless the Bonds have previously been redeemed, purchased or cancelled. On the Expected Maturity Date (i.e. 31 October 2027), or the Legal Maturity Date (i.e. 31 October 2029)

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

The only way to purchase these Bonds is through a stockbroker or other financial intermediary, which has been granted consent by the Issuer and/or the Charity (as the case may be) to use the Prospectus (an **“Authorised Offeror”**). Contact your stockbroker or other financial intermediary today, or any of those listed in the **“Authorised Offerors”** section of this document on page 17 if you wish to purchase these Bonds. The minimum initial amount of Bonds you may buy is £500. Purchases of greater than £500 must be in multiples of £100. After the initial purchase of Bonds, the Bonds can be bought and sold in multiples of £100. Your Authorised Offeror will provide you with a copy of the Prospectus. You are referred to the section headed **“Important Information”** on page 2 of this document.



What is a bond?

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

A bond is a tradable instrument; you do not have to keep the Bonds until the date when they mature. The market price of a bond will vary between the start of a bond's life and the date when it matures. You are referred to the sections headed "**Key Risks of Investing in the Bonds**" and "**Further Information – How to trade the Bonds**" on pages 8 and 15 of this document.

What are Retained Bonds?

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

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

Any Retained Bonds shall, following a sale to any third party from time to time, cease to be Retained Bonds to the extent of and upon such sale or disposal. Bonds which have ceased to be Retained Bonds shall carry the same rights



and be subject in all respects to the same Terms and Conditions as other Bonds. You are referred to the sections headed "**What are Retained Bonds?**" and "**How will the Issuer deal with the Retained Bonds?**" on page 58 of the Prospectus.

Interest on the Bonds

The level of interest payable on the Bonds is fixed when the Bonds are issued. The rate of interest on the Bonds is 4% 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 £10 twice a year until the Expected Maturity Date or the Legal Maturity Date (as the case may be) starting on 30 April 2018. No payments of interest will be made in relation to any Retained Bonds.

If the Charity elects to defer the repayment of the Bonds 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. This means that the interest payments on the Bonds after the Expected Maturity Date will also increase by 1.00 per cent. per annum.

Hightown Housing Association Limited 4% Bonds due 2027



How will interest payments on the Bonds be funded?

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

You are referred to the section headed **“How will payments on the Bonds be funded?”** on page 62 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.

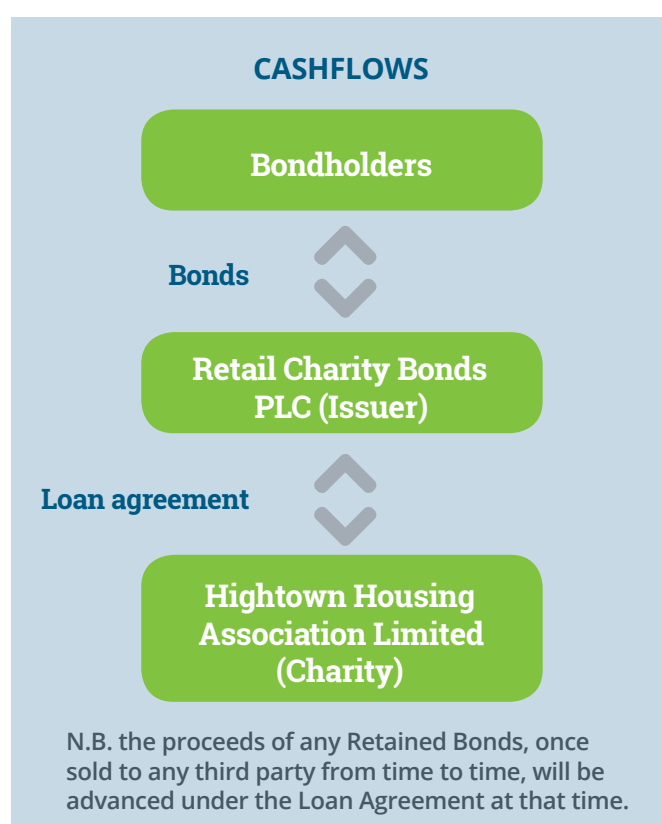
Payment on the face value of the Bonds

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. 31 October 2027 or 31 October 2029).

Early redemption

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

Structure



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

Key features of the Bonds

Issuer: Retail Charity Bonds PLC.

Charity: Hightown Housing Association Limited.

Interest Rate: 4% per annum up to but excluding the Expected Maturity Date.

Adjusted Interest Rate: 5% 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 30 April and 31 October in each year, starting on 30 April 2018 up to but excluding the Expected Maturity Date (31 October 2027), or up to but excluding the Legal Maturity Date (31 October 2029) if the Bonds are 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 10 October 2017 until noon (London time) on 24 October 2017 or such earlier time and date as agreed by the Issuer and the Lead Manager and announced via a Regulatory Information Service (which is expected to be the Regulatory News Service operated by the London Stock Exchange) (the “**End of Offer Date**”).

Authorised Offerors: A number of Authorised Offerors (listed on page 17 of this Information Booklet) have been approved by the Issuer and the Lead Manager to provide this document and the Prospectus to potential investors in the Bonds until the End of Offer Date. The Issuer and/or the Charity (as the case may be) have also granted their consent for other financial intermediaries to use the Prospectus for the purposes of making offers of the Bonds to potential investors in the United Kingdom, Jersey, Guernsey and the Isle of Man. The conditions attached to this consent are set out in the section headed “**Important Legal**

Information – Public Offer of the Bonds” on page 93 of the Prospectus.

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

Date on which the Bonds are issued and on which interest begins to accrue: 31 October 2017.

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

Expected Maturity Date: (i.e. when the Bonds are expected to mature and are repayable): 31 October 2027.

Legal Maturity Date: (i.e. when the Bonds become repayable if the Charity elects to defer the repayment on or before the Expected Maturity Date): 31 October 2029.

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

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

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

Security: Payments of interest and principal due on the Bonds will be funded by payments due under the Loan Agreement. The Issuer’s rights to receive payments under the Loan 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.

Key features of the Bonds

Financial Covenant: The Loan Agreement contains certain covenants which the Charity has agreed to comply with from time to time such as, for example a requirement to ensure that, as at each relevant testing date, the sum of the Charity's group's (the **"Group"**) (i) unencumbered properties, (ii) investments, (iii) stock and (iv) work in progress are not less than 130% of the total unsecured debt of the Group, as determined by reference to the financial statements of the Group.

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. 31 October 2027).

Redemption at Legal Maturity Date: The Charity may elect to defer the repayment of the Loan until the Legal Maturity Date. If the Bonds are not redeemed on the Expected Maturity Date, they will be redeemed at 100 per cent. of their face value on the Legal Maturity Date (i.e. 31 October 2029).

Early redemption by Issuer: The Loan may be prepaid early by the Charity. If the Loan is prepaid early the Issuer will redeem the Bonds early (in whole but not in part) at the **"Sterling Make-Whole Redemption Amount"**. The Sterling Make-Whole Redemption Amount is an amount which is calculated to ensure that the redemption price produces a sum that, if reinvested in a reference bond (in this case a UK gilt), would continue to give the Bondholders the same yield on the money that was originally invested as they would have received had the Bonds not been redeemed.

Trading: Investors will, subject to market conditions, be able to buy Bonds or sell their



Bonds during the term of the Bonds. You are referred to the section headed **"Key Risks of Investing in the Bonds"** and **"Further Information – How to trade the Bonds"** on pages 8 and 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: XS1695541299.

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

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

Lead Manager: Peel Hunt LLP.

You are referred to the sections headed "Important Legal Information" starting on page 92 and "Risk Factors" starting on page 25 of the Prospectus.

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

Key Risks of investing in the Bonds

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

Full risk factors relating to the Issuer, the Charity, and the Bonds are set out in the section headed “Risk Factors” starting on page 25 of the Prospectus. Please read them carefully.

- The Issuer is an entity which has been established for the purpose of issuing asset-backed securities. It has very limited assets. As investors in the Bonds, Bondholders will only have limited recourse to certain of those assets in the event that the Issuer fails to make payments in respect of the Bonds.
- The Issuer's only material assets in respect of the Bonds will be its rights under the Loan Agreement and, accordingly, as investors in the Bonds, Bondholders will take credit risk on the Charity.
- The Issuer is a party to contracts with a number of third parties that have agreed to perform certain services in relation to the Bonds. The nature of some of these services is highly specialised and disruptions in these arrangements could lead to Bondholders incurring losses on the Bonds.
- The Issuer has not undertaken and will not undertake any investigations or due diligence to establish the creditworthiness of the Charity for the benefit of the Bondholders.
- A large proportion of the rent received by the Charity is derived from housing benefit. Future changes in the legislation relating to housing benefit could have an adverse impact on the payment of rent. The receipt of rental income by the Charity may be delayed by, for example, the failure of the tenant to pay rent which is due. This could affect the ability of the Charity to meet its obligations under the Loan Agreement.
- If the Charity's properties are vacant, this could result in a reduction of 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 could find itself unable to access sources of funding at suitable interest rates.
- The Charity is subject to interest rate risk in respect of its variable rate borrowing.
- In certain circumstances, repayment of the Bonds may be deferred to a later date, and such deferral will not constitute a default under the terms of the Bonds, provided the Bonds are repaid on the Legal Maturity Date.
- The Bonds are not protected by the UK Financial Services Compensation Scheme.
- The Bonds are limited recourse obligations of the Issuer and the rights of enforcement for investors are limited.
- Bondholders do not have direct recourse to the Charity in respect of any failure of the Charity to fulfil its obligations under the Loan Agreement. However, the Issuer will assign by way of security its rights, title and interest in the Loan Agreement in favour of the Trustee for the benefit of the Bondholders and the other secured parties.
- The Bonds pay interest at a fixed rate and the Issuer will pay principal and interest on the Bonds in pounds sterling, which potentially exposes Bondholders to interest rate risk, inflation risk and exchange rate risk.
- Neither the Bonds nor the Loan Agreement contains a gross-up provision requiring the Issuer or the Charity to pay any additional amounts to Bondholders or (in the case of the Loan Agreement) the Issuer, to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Bonds or the Loan Agreement.
- If a withholding or deduction for or on account of tax in respect of payments due on the Loan by the Charity results in a shortfall in the amounts available to the Issuer to pay interest due on the Bonds, such shortfall shall be deferred and shall become due and payable on the next interest payment date to the extent that the Issuer has sufficient funds (in accordance with its priority of payments) to pay such shortfall.
- Bondholders may not receive payment of the full amounts due in respect of the Bonds as a result of amounts being withheld by the Issuer or the Charity in order to comply with applicable law.
- Defined majorities may be permitted to bind all the Bondholders with respect to modification and waivers of the terms and conditions of the Bonds.
- If the Issuer does not satisfy the conditions to be taxed in accordance with the Securitisation Companies Regulations 2006 (S.I. 2006/3296) (as amended) (or subsequently ceases to satisfy those conditions), then the Issuer could suffer tax liabilities not contemplated in the cash flows for the transaction described herein and in the Prospectus.
- If you choose to sell your Bonds at any time prior to the Expected Maturity Date or Legal Maturity Date (as the case may be) the price you receive from a purchaser could be less than your original investment. Factors that will influence the market price of the Bonds include, but are not limited to, market appetite, inflation, the time of redemption, interest rates and the financial position of the Charity. In particular, you should note that:
 - (i) if interest rates start to rise, then the income to be paid by the Bonds might become less attractive on a relative basis and the price you get if you sell could fall. However, the market price of the Bonds has no effect on the income you receive or what you get back on expiry of the Bonds if you hold on to the Bonds until they mature; and
 - (ii) inflation will reduce the real value of the Bonds. This may affect what you could buy with the return on your investment in the future and may make the fixed interest rate on the Bonds less attractive in the future.
- If you invest at a price other than the face value of the Bonds, the overall return or 'yield' on the investment will be different from the headline yield on the Bonds. The headline indication of yield applies only to investments made at (rather than above or below) the face value of the Bonds.
- There is no guarantee of what the market price for selling or buying the Bonds will be at any time. If prevailing market conditions reduce market demand for the Bonds, the availability of a market price may be impaired. Although Peel Hunt LLP will act as market maker (you are referred to the section headed “**Further Information – How to trade the Bonds**” on page 15 of this document) for the Bonds, if trading activity levels are low, this may severely and adversely impact the price that you would receive if you wish to sell your Bonds.

Hightown Housing Association Limited

Overview

Hightown Housing Association Limited (the **"Charity"**) was incorporated on 19 July 1967 as Hightown Housing Society and is an exempt charity registered in England with limited liability as a charitable community benefit society under the Co-operative and Community Benefit Societies Act 2014 (with registered number 18077R). It is registered as a Registered Provider of Social Housing with the Homes and Communities Agency (the **"Regulator"**) (with registered number L2179). The registered address of the Charity is Hightown House, Maylands Avenue, Hemel Hempstead, Hertfordshire HP2 4HX.

Background and History

The Charity is the result of a number of mergers of small housing associations from west Hertfordshire which had been formed in the late 1960s and early 1970s to help address the homeless and affordable housing problems of that era – problems that had been highlighted by the 'Cathy Come Home' television drama/documentary. The principal mergers were between Hightown Housing Association from Hemel Hempstead and Praetorian Housing Association from St. Albans in 1995, and between Hightown Praetorian Housing Association and St. Albans and District Churches Housing Association in 2003.

The Charity has grown considerably since 2003, largely as a result of an active, new-build development programme, but the Charity has always been a provider of care and support to vulnerable people as well as a social landlord. In 2016 the Charity took over contracts from Radian Support Limited providing care to clients in Buckinghamshire and Bracknell Forest. The Charity changed its registered name from Hightown Praetorian & Churches Housing Association Limited to Hightown Housing Association Limited in 2015.

Principal activities of the Charity

The Charity operates in Hertfordshire, Buckinghamshire, Berkshire and Bedfordshire with its head office located on the Maylands Business Park in Hemel Hempstead.

The Charity currently manages over 5,300 homes and employs about 670 full time equivalent staff. As at 31 March 2017, the Charity had an annual turnover of £63 million and total fixed assets of £531 million.

The Charity aims to be an excellent provider and manager of housing and support services and to develop high quality new homes to meet the urgent need for additional affordable housing.

The Charity has three main functional activities:

- It is a social landlord managing over 5,300 units of housing of which 3,254 are affordable homes for rent, 541 are supported housing units, 659 are homes for shared ownership, 717 are leasehold homes, 195 are managed for other entities, eight are nursing bed spaces and 12 are held for development;
- It is a provider of housing and support to people with support needs including people with learning disabilities and mental health problems, young people and homeless people (supporting approximately 820 service users at any one time and providing over 30,000 hours of support a week); and
- It is an active developer of new affordable housing at a rate of approximately 350 new homes a year although this figure may be subject to significant fluctuation upwards or downwards depending on timings and the usual risks associated with development. At 31 March 2017 it had 906 units under development.



Business Plan

The Charity's revenue is mostly generated by the provision of social housing accommodation and specialist landlord services. These include:

- Rental revenues from General Needs, Supported Housing and Care & Nursing Homes, which account for approximately 77.6 per cent. of the revenue;
- Shared Ownership Rental and Sales which account for approximately a further 20.1 per cent. of the revenue; and
- The remaining 2.3 per cent. includes Management Services and Charity Shop Revenue.



Products and Services

The Charity provides accommodation and other housing related services through a number of different products and services:

- a) General Needs;
- b) Supported & Sheltered Housing;
- c) Intermediate Rent, Key Worker & Rent Homebuy;
- d) Shared Ownership;
- e) Registered Care & Nursing Homes; and
- f) Leasehold Management.

Use of Proceeds

The Charity will use the proceeds of the issues of the Bonds for general corporate purposes, including, but not limited to, the development of new social housing stock.



Financial Summary

The Charity has consistently generated an improving cash surplus after interest and has £98.8 million of retained reserves as at 31 March 2017.

The 30 year business model is reviewed by the housing regulator each year for reasonableness and robustness, with a view on the assumptions used.

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

Statement of Comprehensive Income

	£'000				
Year Ended 31 March	2013	2014	2015*	2016*	2017*
Turnover (ex Sales)	32,645	36,014	39,574	42,988	53,373
Operating Costs	(18,903)	(19,295)	(20,925)	(22,830)	(30,811)
Depreciation	(2,696)	(3,278)	(3,434)	(4,677)	(5,164)
Shared Ownership Sales	11,026	9,282	6,639	7,699	9,412
Cost of Shared Ownership Sales	(10,501)	(8,356)	(5,432)	(6,526)	(7,319)
Surplus on sale of Fixed Assets	48	1,068	2,178	3,190	2,975
Operating Surplus	11,619	15,435	18,600	19,844	22,466
Interest Receivable	96	175	106	1,522	138
Interest Payable	(5,024)	(6,072)	(6,061)	(7,100)	(6,530)
Surplus on ordinary activities for the year after tax	6,691	9,538	12,645	14,266	16,074

* Accounts prepared under FRS 102

Hightown Housing Association Limited

Statement of Financial Position					
£'000					
Year Ended 31 March	2013	2014	2015*	2016*	2017*
FIXED ASSETS					
Housing Properties at depreciated cost	361,092	390,920	425,493	456,851	523,033
Social Housing Grant	(139,639)	(142,419)	-	-	-
	221,453	248,501	425,493	456,851	523,033
Other Tangible Fixed Assets & Investments	8,191	7,979	8,339	8,310	7,645
Total Fixed Assets	229,644	256,480	433,832	465,161	530,678
CURRENT ASSETS					
Stock	3,749	1,886	2,483	11,290	7,765
Debtors	2,202	3,074	3,476	2,942	5,568
Cash at bank and in hand	7,186	16,449	9,350	16,536	14,484
Total Current Assets	13,137	21,409	15,309	30,768	27,817
Creditors: Amounts falling due within 1 year	(9,567)	(10,505)	(11,613)	(16,192)	(21,783)
Net Current Assets	3,570	10,904	3,696	14,576	6,034
Total Assets less Current Liabilities	233,214	267,384	437,528	479,737	536,712
Creditors: Amounts falling due after more than 1 year	189,393	214,191	364,995	396,570	437,471
Provisions for Liabilities and Charges	253	240	3,941	290	417
CAPITAL AND RESERVES					
Reserves	43,568	52,953	68,592	82,877	98,824
Total Equity & Long Term Liabilities	233,214	267,384	437,528	479,737	536,712

* Accounts prepared under FRS 102

Source: Hightown Housing Association Limited's financial statements

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

The Charity's financial statements have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2012/2015 (as relevant).

Property Portfolio

The areas where the Charity operates are generally located in the counties just outside London, as further detailed below. The property portfolio is concentrated across a relatively small number of local authorities, which the Charity believes gives it cost efficiencies. The local authority waiting lists for social housing in Hertfordshire and Buckinghamshire remain high, which ensures high occupancy rates for the Charity's accommodation.



Charity's Areas of Operation

Local Authority	No. of Units	% of portfolio
(As at 31 March 2017)		
Dacorum	1,570	29.2%
St Albans	1,278	23.7%
Aylesbury Vale	522	9.7%
Hertsmere	391	7.3%
Watford	303	5.6%
Central Beds	240	4.5%
North Herts	208	3.9%
Three Rivers	174	3.2%
Chiltern	170	3.2%
Broxbourne	140	2.6%
East Herts	128	2.4%
Stevenage	90	1.7%
Wycombe	87	1.6%
Welwyn Hatfield	46	0.9%
Milton Keynes	27	0.5%
LB Hillingdon	12	0.2%
Total	5,386	100.0%

Source: Hightown Housing Association Limited

As at 31 March 2017, the Charity had a £560m property portfolio (at gross historic cost) which comprises mainly flats and houses, most of which have been acquired since 1974.

You are referred to the section headed "Description of the Charity" starting on page 45 in the Prospectus.

Retail Charity Bonds PLC

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

In order to perform such activities, the Issuer has contracted with Allia Impact Finance Ltd (the **“Servicer”**) to provide certain services including, in particular, in relation to loan servicing, cash management and corporate administration services. **You are referred to the section headed “Description of the Servicer” starting on page 81 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 Retail Charity Bonds PLC” starting on page 77 in the Prospectus.

**RETAIL
CHARITY
BONDS**

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"**).

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

The Bonds are expected to be supported in a market-making capacity by Peel Hunt LLP. Market-making means that a person will maintain prices for buying and selling the Bonds. Peel Hunt LLP will be appointed as a registered market maker through the ORB (www.londonstockexchange.com/exchange/prices-and-markets/retail-bonds/retail-bonds-search.html) when the Bonds are issued.

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

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

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

Fees

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

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



Further information

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 73 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 85 of the Prospectus, “Taxation” on page 73 of the Prospectus, “Important Legal Information” on page 92 of the Prospectus and “Additional Information” on page 88 of the Prospectus.



Authorised Offerors

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<https://www.ajbellsecurities.co.uk>

Equiniti Financial Services Limited Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
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DISCLAIMER

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

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

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

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

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

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

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