AMBERSIDE ALP PLC

STERLING SUFFOLK ONLY BONDS

S1 INFORMATION MEMORANDUM



AUGUST 2018



IMPORTANT NOTICE

This document dated 3rd September 2018 (the “S1 Information Memorandum”), issued by Amberside ALP plc, a public limited company, incorporated in England with the registered number 11041038 and whose registered office is at Amberside House, Wood Lane, Hemel Hempstead, Hertfordshire HP2 4TP (the “Company”, “we” or “us”), constitutes a financial promotion for the purposes of section 21 of the Financial Services and Markets Act 2000 and has been approved for such purposes by Amberside Capital Limited, a private limited company, incorporated in England with the registered number 09479851 and whose registered address is Amberside House, Wood Lane, Hemel Hempstead, Hertfordshire HP2 4TP (“Amberside”); Amberside is authorised by the Financial Conduct Authority (“FCA”) with the reference number 706218. This S1 Information Memorandum does not constitute an approved prospectus within the meaning of section 85(7) of the Financial Services and Markets Act 2000 (“FSMA”). By reading this document you represent and warrant to the Company and Amberside that, amongst other things, you are able to receive the S1 Information Memorandum without violating any applicable laws.

This S1 Information Memorandum does not constitute an offer by the Company in respect of its Bonds (a “direct offer financial promotion”) and should not be communicated to you as a potential investor unless, prior to such communication (i) your independent financial adviser or Amberside has confirmed that they will comply with the FCA suitability rules in relation to your subscription in the Bonds or (ii) you have been certified as a ‘high net worth investor’ (including an individual with net assets of at least £250,000 or net income of £100,000 who has signed a declaration in a prescribed form), a ‘sophisticated investor’ (including a person whom an authorised firm has assessed as having sophistication in non-readily realisable securities and in respect of whom the firm and person have signed declarations in prescribed forms), a ‘self-certified sophisticated investor’ (including an individual with professional or personal experience of investing in or running unlisted companies who has signed a declaration in a prescribed form); or a ‘restricted investor’ (including an individual who will not invest more than 10% of their net assets in unlisted securities who has signed a declaration in a prescribed form) in accordance with FCA rules and Goji or another firm subject to FCA regulation is able to assess that an investment in the Bonds is appropriate for you having regard to your knowledge and experience of similar investments. Communication of this S1 Information Memorandum is not authorised in circumstances other than those set out above or to the professional advisers of such persons or other investment professionals. Unauthorised communication of this S1 Information Memorandum may constitute a criminal offence.

Prospective Investors should not regard the contents of the S1 Information Memorandum as constituting legal, tax or investment advice.

You are advised to read this S1 Information Memorandum in full. The Company and the Directors (whose names are set out on pages 9 and 10 accept responsibility for the information contained in this S1 Information Memorandum. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the S1 Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Applications, once made, may not be withdrawn save where a supplementary S1 Information Memorandum is published by the Company in which case investors may withdraw their applications during the two Business Days following the publication of the supplementary S1 Information Memorandum. Copies of this S1 Information Memorandum are available (and any supplementary S1 Information Memorandum published by the Company will be available) free of charge from the offices of the Company at Amberside House, Wood Lane, Hemel Hempstead, Hertfordshire HP2 4TP or on the Amberside ALP website at [www.ambersideALP.com](http://www.ambersideALP.com).

**IMPORTANT NOTICE**

Your attention is drawn to the risk factors set out on page 12 to 16 of this document. All statements of opinion contained in this S1 Information Memorandum, all views expressed and all projections, forecasts or statements relating to expectations regarding future events or the possible future performance of the Company represent the Company’s own assessment based on information available to it as at the date of this S1 Information Memorandum. If you are in doubt as to the action you should take, you should consult an independent financial adviser authorised under FSMA.

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# OFFER OF S1 BONDS TO FINANCE LINKED LOANS TO STERLING SUFFOLK LIMITED

The Company and its wholly owned subsidiary, Amberside ALP Trading Ltd, were launched as a new money-lending platform earlier this year in March 2018 and the Company has since raised approximately £3 million (before expenses) by the issue of Series A, Series B, Series C and Series Z Bonds (Diversified Bonds). The funds raised by the Diversified Bonds have largely been invested by way of secured loans to Sterling Suffolk Limited (SSL), a company which intends to construct and operate an 8.3 hectare greenhouse, to grow premium quality tomatoes **requiring total finance of approximately £21.5m. The greenhouse, situated on agricultural land near Ipswich, will grow premium quality tomatoes which are intended for sale to a major premium supermarket. SSL has raised £9.4m of its required funding so far as debt from ALP and from equity investors.**

The Board is also keen to provide additional loan support to SSL, which is progressing well with the development of its facilities and a number of potential investors have expressed interest in subscribing for a new Series of bonds, the proceeds of which will be wholly applied only in the making of additional loans to SSL and which will be secured only on the cashflows received by ALP from SSL and not on the cashflows flowing to ALP from other lending transactions. Therefore it is proposed, subject to the approval of the holders of Diversified Bonds to certain necessary amendments to the Bond Instrument and Security Trust Deed, to issue a special Series of Bonds (“S1 Bonds”) in order to raise up to £12m of additional capital to fund additional loans to SSL, in particular enabling SSL to undertake phase 2 of the construction project. **The S1 Bonds will pay a fixed annual interest rate of 8.5% and will mature in January 2022.**

In order to issue a special Series of Bonds which will be secured on the cashflows received by ALP from SSL and not on the cashflows flowing to ALP from other lending transaction the Company requires Diversified Bondholders’ approval of certain amendments to the Bond Instrument and the Security Trust Deed. To this end a General Meeting of Diversified Bondholders will be held at Amberside House, Wood Lane, Hemel Hempstead, Hertfordshire HP2 4TP on 28th September 2018 from 12 noon. These amendments are required to enable the issue of S1 Bonds and other Series of special Bonds where there is investor interest in deploying bond capital in loans to specific projects rather than in loans to a diverse portfolio of borrowers.

Additional funds raised by the Series A, Series B, Series C bonds and other Diversified Bonds which will be issued in due course on a pari passu basis will be invested by way of secured loans to other infrastructure borrowers as well as to SSL, in order to create a diverse loan portfolio underpinning the security of Diversified Bonds.

The key project details for SSL Linked Loans are as follows;

|  |  |
| --- | --- |
| Project Name | Sterling Suffolk |
| Company | Sterling Suffolk Limited (company number: 08994132)(“SSL”) |
| Location | Bramford, Suffolk (4 miles from Ipswich) |
| Purpose of funding | Construction of a glasshouse and associated facilities to grow premium tomatoes (the “Facilities”). The greenhouse will utilise hydroponic growing techniques. |
| Status | Construction in progress. |
| Scheduled Construction Completion Date | 31st December 2019. |
| Glasshouse Size | 83,200 m2 |
| Buyer / Offtaker | Suncrop Produce Limited (“Suncrop”, a preferred supplier to a major premium supermarket) |
| Construction Contract | Fixed price design and build contract with Dutch greenhouse specialist Van der Hoeven (“VdH”) |
| Land | SSL has a 25 year lease over the land |
| Planning Permission | Planning permission was granted on 3rd August 2015 |

# Final Terms of Issue for S1 Bonds

|  |  |
| --- | --- |
| Series Number | SSO1 |
| Series Name | S1 Bonds |
| Linked Loans | The capital raised by the issue of S1 Bonds will be deployed wholly in funding loans to Sterling Suffolk Limited (company number: 08994132) |
| Half-Yearly Interest rate | 4.1634 % compounded on each Roll Over Date |
| Effective Annual Interest Rate | 8.5% per annum |
| Accumulated return | Interest is rolled up and paid on Redemption |
| Offer closes | 31 July 2019 with monthly capacity limited to maximum drawdown requirements of Sterling Suffolk Limited |
| Term | From the Commencement Date until the Redemption Date |
| Commencement Date | The date on which a Bond certificate is issued |
| Redemption Date | 31st January 2022 |
| Innovative Finance ISA status | Applicable |
| Issue price | £1 |
| Minimum Subscription | £100 |
| Transferability | Transferable |
| Interest Payment Date | Interest is paid on Redemption. |
| First Interest Period | From the Commencement Date to the last day of the Half-Year following that in which the Bond is subscribed provided that if the Bond is subscribed within the last month of a Half-Year then the First Interest Period will end of the last Business Day of the following Half-Year |
| Roll Over Date | On the last Business Day of each Half Year |
| Half-Years | 1 January to 30 June  1 July to 31 December |
| Final Interest Period | From midnight on the last Roll Over Date to close of Business on the Redemption Date |
| Other Interest Period(s) during the Term | From midnight on each Roll Over Date to midnight on the next Roll Over Date |
| General | The S1 Bonds will be secured on the cashflows received by the Company in respect of Linked Loans advanced by ALP to Sterling Suffolk Limited and will not be secured on any other assets of the Company or of ALP |

# **THE S1 BONDS**

## Repayment

Holders of S1 Bonds will receive repayment of their capital and interest payments at an annualised rate of 8.5% on the Redemption Date of 31st January 2022. The Linked Loan from ALP to SSL matures in December 2021, and the bond payment will be funded only from the proceeds of the Linked Loan repayment.

## Security

Bonds, whether Diversified Bonds or S Bonds, constitute debt obligations of the Company and the obligations of the Company to pay all monies due under the Bonds are secured on the assets of the Company. This security is held by the Security Trustee for the benefit of all Bondholders pursuant to the terms of the Security Trust Deed.

Capital raised by the Company from the issue of all Bonds is lent to the Company’s wholly owned subsidiary, Amberside ALP Trading Limited (ALP). The obligation of ALP to repay amounts due to the Company is secured on the assets of ALP. Those assets include the benefit of the loans made by ALP to third party borrowers and the third party security arrangements agreed with those borrowers.

Under the terms of the Bond Instrument all Diversified Bonds rank pari passu without any preference among themselves, that is to say, equally with each other as regards payments of amount due on the Bonds to their holders.

S Bonds (including S1 Bonds) will not rank pari passu, that is equally, with the Diversified Bonds or with any other Series of S Bonds.

A Series of S Bonds is different because the holders of S Bonds will be repaid only from the money and/or other assets which ALP receives from or in connection with the Linked Loans to be funded by the capital raised by that Series of S Bonds. By the same token, the holders of a Series of S Bonds would not have any recourse to the money or assets received by ALP which are not held or received in connection with Linked Loans attributed to that Series of S Bonds.

Where Linked Loans are also funded by capital raised from Diversified Bonds or any other S Bonds attributed to the same Linked Loans, the holders of Diversified Bonds and of all Series of S Bonds attributed to those Linked Loans would rank on a pari passu basis alongside each other in proportion to the capital raised and invested in those Linked Loans from Diversified Bonds and those Series of S Bonds. The holders of Diversified Bonds will not otherwise have the right to seek repayment or otherwise benefit from the money or assets ALP receives from or in connection with Linked Loans attributed a Series of S Bonds.

The first Series of S Bonds to be issued in order to raise capital specifically for a Linked Loan to SSL will be the Series S1 Bonds

# **DETAILED INFORMATION ON THE SSL PROJECT**

3.1 Introduction

SSL is constructing and will operate an 8.32 hectare greenhouse to grow premium quality tomatoes. The tomato plants will be grown in substrate on troughs fed with natural nutrients and water in a controlled environment.

SSL has entered into a contract to sell its produce to Suncrop. Having worked with them for 25 years, Suncrop is a strategic supplier to a major premium supermarket and also supplies produce to other major retailers.

SSL will employ a team of growers to operate the Facilities. The head grower, Richard Lewis, has already been recruited. Richard has 30 years’ experience growing tomatoes in facilities such as this.

## 3.2 The Site

*The 8-hectare glasshouse is located*

*in the field opposite the lake*

SSL has leased 19 hectares from a dairy farm in Bramford, Suffolk which is owned by Stephen Wright - a director of SSL and one of the instigators of this project - on which the greenhouse and associated facilities are being built.

The site lies 6km northwest of the centre of Ipswich and approximately 1.5km to the south west of the village of Claydon. Access to the site is from the B1113 (Loraine Way) which connects with the A14 to the north and the A12 to the south.

The ground has been levelled and compacted using heavy ground rollers and the glasshouse has been built on standard glasshouse foundations.

## 3. The Facilities

### The Greenhouse

The 83,160 m2 semi-closed “Modulair” greenhouse is designed to be highly efficient in its use of heat and CO2. It comprises a galvanised steel structure standing on concrete foundation posts set into concrete with a cast concrete ring beam to the perimeter and partition walls.

The greenhouse structure is modular in nature, which will allow for phasing of operations commencement, with 56,160m2 of greenhouse able to produce crops in 2019, prior to full operations commencement in 2020. It is made up of twelve cells arranged either side of a 5m wide central roadway. Each cell has eight bays spanning 9m wide and 95m long.

Aluminium tubular profile gutters are fitted to collect roof water (using the top of the gutter) and condensation water (inside the gutter profile). This water is recycled via a reservoir onsite reducing the requirement to import water.

*The site as at May 2018*

The growing zones of the greenhouse are glazed in horticultural glass and are held in an aluminium glazing system to the roof and vertical elevations. The tempered glass on the roof will have an initial light transmission of at least 91% and be between 3.8mm and 4.2mm thick. The outer and inner walls will have clear float glass with light transmission of at least 89% and be between 3.8mm and 4.2mm.

The ventilation windows will be operated by aluminium push bars that are connected to a push-pull tube which is placed on top of the trellis girders supporting the tomato plants. The tube is fixed to a gear rack drive that will be driven by main shafts with chain couplings that are connected to a motor.

A Hoogendoorn Next Generation iSii computer system will control the greenhouse environment remotely. The system lets the user control nutrient levels, CO2, temperature, humidity, recirculation and ventilation systems CO2 and nutrient levels via a decentralised system. Sensors linked to the system monitor temperature, humidity and CO2. A meteorological post with sensors for a local weather station also feed information into the Hoogendoorn system.

### Ancillary Facilities

In addition to the growing area, the Facilities are made up of:

Canteen, including kitchen area (100m2), a Locker room (100m2), first aid room, and male and female toilets.

An Office Area: comprising entrance foyer, reception office, manager’s office, supervisor’s office and computer room, each room sized at 20m2. The ground floor also has a service room (for cleaning materials etc) and a store room. On the first floor there is a meeting room (50m2), male & female toilets and a kitchen. The boardroom will provide visitors display and view into the glasshouse.

An Energy Centre: The energy centre occupies 540m2. It is designed to provide all the heat and Carbon Dioxide required by the glasshouse. Energy will be provided initially by natural gas boilers. These are simple, tried and trusted means of heating glasshouses. Natural gas boilers provide a ratio of 0.18 tonnes of CO2 per MWh of heat. This means that in winter, early spring and late autumn the boilers are operated primarily for heat with CO2 being in abundance. From late spring to early autumn boilers operate primarily to produce CO2.

The Company will install a dual fuel boiler which gives a fuel oil back-up in case the gas supply is off for any reason.

The whole heat delivery system is further reinforced by a 25m diameter 12m tall heat buffer storage tank which is designed to provide full heat supply for 36 hours under winter conditions.

Irrigation Room: The irrigation room is the largest room in the facilities building at 1080m2. All nutrients required to maintain the health and productivity of the plant must be supplied in the irrigation water. The irrigation room will have systems to purify fresh and recycled water and a series of tanks to hold water for processing and return to the glasshouse. Fertiliser mixed into the irrigation water provides potassium (K), nitrogen (N), calcium (Ca) and Magnesium (Mg) and Sulphur (S). The irrigation room includes a fertiliser storage area sufficient for a week’s supply of nutrients.

Reservoir: All rainwater falling on the roof of the glasshouse and facility building is directed by pipes from the roof to feed the reservoir. The reservoir area exceeds 11,000 m2 and will have 5.1m depth. Allowing for the slope of the reservoir the total storage volume will exceed 45,000m3.

Borehole water is available to the project through Stephen Wright as landlord. Currently a water license is not required for trickle irrigation systems. The water resource strategy will include a bleed of borehole water into the reservoir all year round, firstly to maintain an even quality of water and secondly to ensure that the reservoir is at or near capacity at the onset of any period of drought.

Temperature Controlled Store Tomatoes picked in the glasshouse are warm and can generate internal heat after picking. The temperature controlled store provides 200m2 of space to hold the produce at 10 degrees centigrade to dissipate internal heat.

Shipping Area: Product packing initially will be into bulk trays rather than into finished packaging. Tomatoes carefully placed in crates will be taken by trolley to the temperature controlled store and then when required for shipping are brought into the 810m2 shipping area. Quality control assessment will be undertaken by trained quality staff prior to the crates being palletised and shipped to Suncrop.

The shipping area comprises 810m2 of floor space and has a sealed docking bay for direct loading onto temperature controlled articulated lorries. Tomatoes shipped in crates will be packed for consolidation and onward delivery.

Parking Glasshouse staff will typically travel in shared transport, by public transport, bicycle or motorbike. Twenty spaces will be provided for staff and visitors in addition to a covered cycle store and space for motorbikes will be provided. The bus service to Ipswich and Stowmarket is within 100 metres of the entry to the site.

The main access road and turning area will be tarmac. Elsewhere surfaces will be of compacted crushed stone. This not only reduces the civils cost but allows rainwater to soak away rather than creating run-off to site drains.

Crime Prevention: Vehicle movements on site during the hours of darkness will be rare. PIR sensors will detect movement and a dedicated system provides illumination for any vehicle reversing to the loading dock. Site managers and supervisors will receive notification of movement on site and CCTV cameras will be accessible on-line to check for the presence of unauthorised vehicles, personnel or stray animals.

A 2m high grey paladin fence is to be provided around the site.

### Growing Operations

The tomato plants will be transported to the greenhouse by HGV. The young plants for the lit production area will be delivered in September and the conventional season area in December each year. The plants will then be placed onto an isolated coir growing substrate in a ‘grow bag’ format which sits on a grow gutter, where the roots will develop and the plant will grow. Sterling Suffolk would expect the first crop 8 - 9 weeks after planting.

The greenhouse will operate under a hydroponic system, this system grows plants using mineral nutrient solutions, in water, without soil. The nutrient and water mix will be controlled via the pump house located in the north of the greenhouse and will be applied directly to the grow bags through a trickle irrigation system. Heat and carbon dioxide, produced by the boilers installed on site, will be utilised in the greenhouse to aid in the growing process.

As plants grow within the hydroponic gutter they are supported by strings suspended from the glasshouse support structure and reach a height of ca. 4.5 metres. The plant support is adjusted as required so that the ripening crop is about 1.3 metres from the ground. This ensures ease of picking from the ground with the aid of a harvesting trolley.

As the fruit is picked from the lower levels the plant is let down, by moving the plant along the support wires. The stem of the plant therefore lies along the top of the gutter. By the end of the year the plant will have reached a length of 12 metres or more.

Crop workers are responsible for looking after the plants and will secure fresh growth, adjust the height of the plant, remove unwanted growth and remove lower leaves to expose the ripening fruit. The crop supervisor organises the team, looks for signs of stress, ensures nutrient is reaching the plants and so on.

Harvesters are responsible for cutting the ripe vines.

Produce from the greenhouse will be transported to the cold storage area. The tomatoes will then be packed as required to service Suncrop’s contract. Following packing, the produce will be loaded directly onto HGVs, from the loading bay located at the northern end of the greenhouse.

Richard Lewis has been recruited by Sterling Suffolk Ltd to run the growing operation.

3.4 The Directors of SSL

The Directors of SSL are as follows:

Jane Elizabeth Evans, (Non SSL shareholder);

Jane trained as a chartered accountant with KPMG and became a Director in KPMG Corporate Finance. She spent 23 years with them, for 15 years leading teams in their Project Finance group advising both public and private sector clients on the funding of major infrastructure projects. Following KPMG Corporate Finance she was a Director at Navigant Consulting and then a Finance Director of the investment arm of a private construction business.

Richard Anthony Lewis, (Non shareholder);

Richard Lewis is a horticulturist with over 30 years’ experience within the commercial glasshouse sector, with a range of experience in fresh produce.

Richard was previously the principal growing manager with Stubbins Growing Partnerships and held a number of key growing positions with various nurseries prior to Stubbins. A director of the British Tomato Growers’ Association and a member of the British Tomato Study Group, Richard has a long track record in the industry.

David James Scrivens, (of Amberside Capital Ltd);

As per page 9

Adam John Woodcock, (of Suncrop Produce Ltd and Bluebridge Holdings Limited a company owned by the directors of Suncrop);

Adam is the Sales & Marketing Director of Suncrop. SSL has entered into a supply agreement with Suncrop. This agreement governs the mechanic under which Suncrop and the SSL agree which varieties of crops will be grown in the upcoming year, and fix the price of crops for the next season and the volume Suncrop will commit to buy.

Stephen James Wright, (Shareholder. Stephen’s land is being leased on arms-length commercial terms by the SSL);

SSL has entered into a lease for the land with Stephen James Wright, who owns the farm on which the site is based. The lease runs until 31st December 2042. Rent is £50k per annum payable quarterly in advance and indexed every five years for changes in the Retail Price Index.

Matthew Benedict Evans, (Investor director).

As per page 10

3.5 Conflicts of Interest

There are a number of directors of the Company, listed below, who have conflicts of interest in relation to Linked Loans by ALP to SSL. Accordingly all material decisions by the Company in respect of SSL Linked Loans will be taken by the independent Chairman of the Company Robert McClatchley.

The relevant conflicts of interest are set out below:

Amberside Capital Limited is a shareholder in SSL. David Lomas and David Scrivens are both directors and shareholders of Amberside Capital as well as in the Company and ALP. David Scrivens is also a director of SSL;

* Matthew Evans and Richard Spacey are both members of CH1 Investment Partners which is a shareholder of SSL as well as being a director and shareholder of the Company and ALP. Matthew is also a director of SSL.

There are other commercial conflicts of interest relating to the business of SSL as follows.

* Suncrop owns Bluebridge Holdings Limited which is a shareholder in SSL and the primary off-taker of the tomatoes produced. To mitigate this conflict a supply agreement has been put in place dictating the commercial agreement. Adam Woodcock, the Suncrop director on the board of the Company, will not be allowed to vote on any matters relating to the sale of tomatoes.
* Stephen Wright is both a shareholder in and a director of SSL as well as the owner of the land leased to the project to build the facilities on. To mitigate this conflict Stephen Wright is not able to vote at SSL board meetings on any items where he is conflicted.

3.6 Management and administration of the company

The Directors are responsible for managing the business of the Group. Day-to-day lending operations in relation to SSL will be managed by the Lending Team and overseen by the Credit Committee, details of whom are set out below.

# **THE BOARD OF THE COMPANY AND ALP**

Robert McClatchey (Independent Chairman)

Robert McClatchey was Managing Director of Barclays infrastructure funds business in the UK and Europe until 2013. With c£1.5 billion assets under management he led investment in a diverse range of assets from renewable energy projects, small health and education projects, student accommodation, transport and local authority assets. He had joined Barclays Capital in 1992 from KPMG where he had qualified as a chartered accountant in 1990 and joined the infrastructure business in 1996. Since 2013 he has taken on a number of Chairmanship and non-executive roles focusing on governance, strategy and operational management. He is currently Chairman of the UPP Group, a major developer and operator of student accommodation with UK Universities.

David Lomas

David Lomas co-founded Amberside Capital in 2015. Prior to that he was a Director at Barclays Infrastructure Funds where he made and managed equity and subordinated debt investments for five infrastructure funds with combined commitments of £1. billion. David has energy experience from Oxford Capital where he was involved in the UK’s first Capacity Market Auction and led investments and exit processes for renewable energy projects and portfolios. David began his career at ANZ Investment Bank lending to and advising on a range of infrastructure projects in developing countries.

David Scrivens

David Scrivens co-founded Amberside Capital in 2015. David was a founder director and 50% shareholder of Clubfinance Ltd a direct-to-consumer retail brokerage which he successfully exited through a trade sale to Wealth Club Ltd in January 2018. David is also a founder director and shareholder in several companies, including an ICAEW regulated accountancy practice, a financial modelling business and an energy consultancy and developer. David brings the experience of having founded and exited his own companies giving invaluable hands on experience of the full company lifecycle.

Matthew Evans

Matthew Evans co-founded CH-1 Investment Partners in 2016. Prior to that he was a founding partner of Vestra Wealth LLP in 2008 where he ran the illiquid division, Vestra Ventures, alongside Richard Spacey where they advised on and managed equity and debt investments for high net worth clients for over 8 years, investing in areas including UK renewables and infrastructure projects. Prior to that Matthew was at PwC where he managed the Financial Planning division in London.

Richard Spacey

Richard Spacey co-founded CH-1 Investment Partners in 2016. Prior to that he ran Vestra Ventures alongside Matthew Evans where they advised on and managed equity and debt investments for high net worth clients for over 8 years, investing in areas including UK renewables and infrastructure projects. Richard is a Director of a number of UK renewable businesses including over 90MW of UK solar assets and has experience in investing in a wide range of UK start-up businesses. Richard started his career at Lloyds Bank where he spent 17 years, the last 6 years of which were in offshore banking advising ex-patriates in Australia, the Caribbean and Latin America.

Jeff Cornish

Jeff Cornish set up Portunus Investment Solutions Ltd in 2009. Portunus is an independent promotions and marketing company assisting fund managers to distribute their products to the financial services intermediary market. With over 25 years’ experience in financial services intermediary sales, Jeff started his career with NPI and worked with them for 14 years eventually becoming one of their National Sales Directors. In 2004 he moved into the distribution of VCT and EIS products setting up Beringea’s IFA distribution network. After a brief period at Ingenious he joined Matrix and then set up Portunus Investment Solutions in 2009 with Matrix Private Equity Partners (now Mobeus Equity Partners) as his cornerstone client.

## The Lending Team

The Lending Team consists of Amberside and CH1 and associated employees. Certain services shall be made available and undertaken by Amberside and CH1 which will be governed by a management services agreement which the Company will enter into with each provider. No Linked Loan to SSL proposed by the Lending Team will be made without the approval of the Credit Committee and the independent chairman Robert McClatchey.

## The Credit Committee

The Credit Committee for each loan will consist of Robert McClatchey in his capacity as the Independent Chair and three of Matthew Evans, David Lomas, David Scrivens, Richard Spacey and Jeff Cornish. If a Director is conflicted for a particular transaction, they will not usually form part of the Credit Committee for that transaction. The decisions of the Credit Committee must be unanimous. In particular, no loans will be made to any persons connected with Amberside or CH1 without the consent of the Independent Chair who shall confirm that they consider that such loans are made on bona fide commercial terms. Should more than two of the Directors be conflicted, the Credit Committee will consist of the Independent Chair and the remaining Directors.

## Role of Independent Chair

The Independent Chair will chair both the Credit Committee and the board meetings of ALP and the Company. They will have an equal vote with all other non-conflicted Directors on the Credit Committee and the Board of Directors.

In addition, the Independent Chair will also be responsible for managing any conflicts during the life of loans made by ALP to SSL. For example, in circumstances where a Linked Loan to SSL is underperforming and the other Directors are conflicted (for example due to an equity holding in SSL), the Independent Chair will decide upon and lead the implementation of the appropriate remediation measures.

1. LENDING PROCESS FOR LINKED LOANS TO SSL

Initial Assessment

An initial assessment was undertaken by the Lending Team. This assessment considered:

* Quality of management team;
* Construction risk;
* Commissioning / technology risk;
* Operational risk;
* Market risk;
* Refinancing risk;
* Security; and
* Gearing level and cover ratios.

The Lending Team were satisfied with the results of the initial assessment, and they then presented the opportunity for review by the Credit Committee to seek approval to proceed.

Detailed Due Diligence

Once initial credit approval had been obtained, detailed due diligence and documentation commenced.

This included:

* Legal review – Independent legal advisers reviewed the project contracts and reported on key risks and the security position; and
* Financial review – Building on the initial assessment conducted prior to credit committee approval, detailed financial modelling was undertaken to allow the interrogation of the assumptions made in forecasting long term cash flows;

Once detailed due diligence was completed, a further report was presented to the Credit Committee for final approval. A technical review was also undertaken, where a sector expert reviewed the project and forecast assumptions provided by the Borrower and benchmarked against their expectations.

Loan Monitoring

Once final credit committee approval was received, the funding documents were signed and funds made available to the Borrower.

The loan is being drawn down based on milestones in the construction programme. This approach aims to help shield ALP from construction risks whilst allowing the SSL to avoid unnecessary interest costs.

ALP conducts regular site visits and once operational ALP will review the progress of the project and confirm that the forecasts provided during the due diligence phase are being realised.

SSL has reporting obligations set out in the credit agreement, which include leading indicators of performance. If key indicators such as debt coverage ratios fall below required levels, ALP has rights under the credit agreement to apply penalties, such as halting dividend payments from SSL to its shareholders. In more severe cases of underperformance ALP will have rights to take control of the SSL’s assets.

Sterling Suffolk Ltd intends to refinance its loan in December 2021. ALP will work closely with SSL to ensure the refinancing is complete prior to the scheduled redemption of the S1 Bonds.

# **FEES AND CHARGES**

Initial Fee

There is no arrangement fee between SSL and ALP, although SSL will pay for due diligence costs.

Ongoing Costs

SSL will pay monitoring fees to ALP of £3,500 per month during construction and up to £25,000 per year post-construction.

Fees and Charges to the Directors and Shareholders

The Company will pay fees of £12,500 per year to each of the Directors and the Independent Chair. Management fees of an amount to be approved by the Independent Chair but not exceeding £100,000 per year will also be paid by ALP to Amberside and CH1 for services undertaken on behalf of ALP. These management fees are intended to cover the employment costs and overheads of those making and managing the loans on behalf of ALP, as well as third party costs. Neither Amberside or CH1 intend to profit from these fees.

# **RISK FACTORS**

You should read this S1 Information Memorandum in full before deciding whether to invest and bear in mind the risks of investing in Bonds, such as:

Capital at risk

If you invest you might not get your money back or receive the returns that are due to you if ALP becomes insolvent. Returns might be delayed if ALP suffers cashflow problems. The past performance of the Company, ALP, Amberside Capital or CH1 or any of their directors, partners or affiliates or companies or funds which they have managed or invested in is not necessarily a guide to future performance. The Company, ALP and the Bonds have not been assigned a credit rating by any independent credit rating agency.

The holders of a Series of S1 Bonds will be repaid only from the money and/or other assets which ALP receives from or in connection with the Linked Loans to SSL.

The holders of a Series of S1 Bonds shall not have any recourse to the money or assets received by ALP in connection with other assets of ALP which are not held or received in connection with Linked Loans to SSL.

Where Linked Loans to SSL are also funded by capital raised from Diversified Bonds or any other S Bonds attributed to the same Linked Loans, the holders of Diversified Bonds and of all Series of S Bonds attributed to those Linked Loans shall rank on a pari passu basis alongside each other in proportion to the capital raised and invested in those Linked Loans from Diversified Bonds and those Series of S Bonds.

The holders of Diversified Bonds will have no other right to seek repayment or otherwise benefit from the money or assets ALP receives from or in connection with Linked Loans to SSL.

Amounts due to the holders of a Series of S1 Bonds will not be reduced in order to reflect the losses (if any) attributable to loans made by ALP which not Linked Loans to SSL.

The forecast cashflow can be delayed or reduced effecting the borrower’s ability to service the loans.

SSL may fail to meet its financial obligations for a variety of unanticipated reasons. For example, construction of the facilities being financed by the Linked Loans could be delayed leading to a delay in revenue. While this may be mitigated through liquidated damages from the contractor this risk may not be fully mitigated. Repayment of the Linked Loans by SSL is dependent on SSL raising further debt. SSL’s ability to raise further debt will be dependent on both the operational performance of the facilities and the market conditions at the time.

The Company is not yet listed on any stock exchange so Bonds cannot easily be sold

The Company is not yet listed on any stock exchange so Bonds cannot easily be sold. Also, as the Company is not listed it is also not subject to all the rules and regulations which apply to listed companies. In accordance with the terms of the Bond Instrument, Bond Holder Resolutions are passed by a show of hands or by a poll vote of the aggregate nominal number of Bonds held.

Investors will not become shareholders or have any ownership stake in the Company

Investing in Bonds means that investors are lending money to the Company. Investors will not become shareholders or have any ownership stake in the Company. All the shares in the Company will be held by Amberside Capital and the Directors. Instead, subject to the risks that we describe here, investors will receive interest together with their initial investment amount back at the end of the term of each S1 Bond (when it matures).

New rules, regulations and laws could create additional burdens for ALP

The Company will be under a duty to comply with any new rules, regulations and laws applicable to its operations. Compliance with these rules, regulations and laws could create additional burdens for the Company and could have a material adverse effect on its profitability and ability to make payments to Bond Holders.

The IT systems upon which ALP relies may fail

The Company relies on its and third parties’ information technology ("IT") systems to conduct its business, including the Website. The Group's and those third parties’ processes and systems may not operate as expected, may not fulfil their intended purpose or may be damaged or interrupted by increases in usage, human error, unauthorised access, natural hazards or disasters or similarly disruptive events. Any failure of the IT systems and/or third-party infrastructure on which the Company relies could lead to costs and disruptions that could adversely affect the Company’s reputation, business, results of operations, financial condition and prospects.

There may be changes in the Company’s tax status or in taxation legislation

Any change in the Company’s tax status or in taxation legislation, or which may affect a third party from which its income is sourced, could affect the profitability of ALP and its ability to make payments to Bond Holders.

The Company has not been assigned a credit rating

At the date of this S1 Information Memorandum, the Company has not been assigned a credit rating by any independent credit rating agency. Accordingly, Investors will need to make their own assessment of the credit of the Company and the other factors, which may affect the value of the S1 Bonds, without the benefit of an independent credit rating.

The Financial Services Compensation Scheme does not protect the S1 Bonds

The S1 Bonds are not protected by the Financial Services Compensation Scheme (the "FSCS"). Accordingly, neither the FSCS nor anyone else will pay an Investor compensation upon the failure of the Company. If the Company goes out of business or becomes insolvent, you may lose all or part of your investment in Bonds. Individuals approaching retirement and considering options under the new pension freedoms should realise that an investment in S1 Bonds is a much higher-risk alternative to buying an annuity. Individuals in retirement, who may have significant sums in savings and may be concerned about low interest rates, and are tempted, to invest in S1 Bonds may be taking an inappropriate level of risk with their money.

Consequently, your capital is at risk and therefore before making a decision about whether to invest, we urge you to consider whether investing is right for you. You should not invest money which you cannot afford to lose.

Yield

The indication of yield stated within this document applies only to investments made at (as opposed to above or below) the issue price of the S1 Bonds. An investment in the S1 Bonds at a price other than the issue price of the S1 Bonds could result in a yield on the investment that is different from the illustrative yields stated.

S1 Bonds may be difficult to transfer

Whilst the S1 Bonds are transferable and whilst S1 Bond Holders may request the Company’s assistance to find buyers for their S1 Bonds for the original full face value, the Company is under no obligation to facilitate this nor does the Company anticipate offering this service except in circumstances where it is viable to do so. Factors affecting the ability to transfer may include, but are not limited to, market appetite, inflation, the time of redemption, interest rates and the current financial position of the Company (including any information on its cash flow projections) and an assessment of the future prospects of the Company.

There will be no ready market in which the S1 Bonds may be sold

No application has been, or will be made to any Recognised Investment Exchange for the listing of the S1 Bonds and so there will be no ready market in which the S1 Bonds may be sold which may, therefore, make them difficult or impossible to sell.

Non-readily realisable securities risk warnings

The S1 Bonds are a non-readily realisable security. This means they are debt securities of a small enterprise; they are illiquid securities which means it can be difficult or even impossible to claim back money invested or have it converted back into cash, i.e. there is no, or only a limited, secondary market to sell your investment; they are difficult to value and hard to price; Investors in them generally have no recourse to the Financial Services Compensation Scheme (‘FSCS’); they are high risk and can be complex; and they provide no guarantee investors will receive a return.

The Company has the right to repay the S1 Bonds early

In accordance with the Terms and Conditions, the Company has the right to repay the Bonds early. If this were to happen the length of an investment in the Bonds could be materially shortened, as would the period over which Interest is paid.

S1 Bonds pay a fixed rate of Interest

S1 Bonds pay a fixed rate of interest and there is a risk that a fixed rate will become less attractive if interest rates available elsewhere go up. Similarly, high inflation could adversely impact the real return on an investment in S1 Bonds (in respect of both capital and interest) to a S1 Bond Holder.

Investors applying for Bonds directly will not receive the additional rights and protections applicable to Investors who are advised by a Financial Adviser

Investors applying for Bonds directly will not receive the additional rights and protections applicable to investors who are advised by a Financial Adviser which are triggered by their relationship with a Financial Adviser (not with ALP), and which may include:

* a suitability assessment in the form of a personal recommendation by the Financial Adviser to say that Bonds are suitable for an individual investor’s circumstances; and
* additional recourse to Financial Services Compensation Scheme and the Financial Ombudsman Service, which may cover cases where loss has been caused by bad investment advice (although as stated in the risk factors above, the Bonds themselves are not protected by the FSCS).

An investment in Bonds is concentrated in one company and not an investment in a diversified portfolio

A S1 Bond is an investment in one company only, namely the Company. Accordingly, an investment in S1 Bonds is concentrated in one company and is not an investment in a diversified portfolio of companies.

There may be changes in the law, regulations or administrative practices

The structure of the issue of the S1 Bonds is based on English law, regulatory and administrative practice in effect as at the date of this document, and has due regard to the expected tax treatment of all relevant entities under UK tax law and the published practice of HMRC in force or applied in the UK as at the date of this document. No assurance can be given as to impact of any possible change to English law, regulatory or administrative practice in the UK, or to UK tax law, or the interpretation or administration thereof or to the published practice of HMRC as applied in the UK after the date of this Document.

Forward looking statements

This document includes statements that are (or may be deemed to be) “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology including the words “believes”, “continues”, “expects”, “intends”, “may”, “would” or “should” or, in each case their negative or other variations or comparable terminology.

These forward-looking statements include all matters that are not historical facts.

Forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements contained in this document based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future

# THE BONDS, THE PARENT CHARGE AND THE SECURITY TRUSTEE

The Bonds

The S1 Bonds have been created under the Bond Instrument, which is governed by and shall be construed in accordance with English law. The original aggregate nominal amount of the Bonds is limited to £12 million.

The S1 Bonds are secured debt instruments and are to be issued by the Company under a programme (the “Programme”) through which the Company shall issue S1 Bonds within 12 months from the date of this Document in accordance with the terms set out herein and/or any document which is published supplemental hereto.

Register of the Bond Holders

The Company will at all times keep at its registered office, or at such other place as the Company may have appointed for the purpose, the Register, showing:

1. the nominal amount of the S1 Bonds held by the Bond Holder;
2. the serial number of each S1 Bond issued;
3. the date of issue and all subsequent transmissions of ownership; and
4. the name and address of the S1 Bond Holder.

A S1 Bond Holder may at all reasonable times during office hours inspect that S1 Bond Holder's details entered in the Register and take copies of such details from the Register. The Register may be closed by the Company for such periods and at such times as it thinks fit but not more than thirty (30) days in any calendar year. Any change of a S1 Bond Holder's details, including but not limited to name, email address or address, must be notified to the Company and the Register will be updated accordingly.

Interest bearing

Interest accrual on all S1 Bonds will begin from the date of issue of a S1 Bondholder Certificate.

Neither the principal amount of the S1 Bonds nor any accrued Interest thereon shall be capable of conversion into shares or other securities in the Company.

The Company will be responsible for calculating the Interest. Interest shall be calculated on a compounded basis at the Interest Rate attached to the principal amount outstanding under the S1 Bonds from their Commencement Date until their Date of Redemption. Interest is calculated daily. The Company shall be entitled to apply what it reasonably regarded to be relevant market conventions in calculating Interest.

Each S1 Bondholder will receive an annual statement each April, which shall set out the Interest that has been paid and, in relation to any S1 Bonds which are not held in an ISA account, the tax that has been deducted.

If the Company is unable to make a payment of Interest on an Interest Payment Date in accordance with the payment instructions provided by an Investor, that Investor will have a period of 6 years from the relevant Interest Payment Date to make a claim for the Interest due.

Redemption and taxation of interest

The Company will redeem all S1 Bonds on the Redemption Date, at the original full-face value, together with any unpaid but accrued Interest up to and including the Redemption Date. All payments of principal and Interest in respect of the S1 Bonds shall be made:

1. by bank transfer to the S1 Bond Holders’ Nominated Account;
2. where the S1 Bonds issued are held within an ISA Account, free and clear of and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed, unless such withholding or deduction is required by law; and
3. in the case of S1 Bonds issued which are not within an ISA Account, save as noted below, the Company will deduct basic rate income tax from interest payments made to S1 Bond Holders. This is what HMRC term as ‘withholding tax’ which is 20% of the gross Interest amount. On behalf of S1 Bond Holders, ALP transmits this payment to HMRC. The Company does not have to deduct tax from interest if it reasonably believes the recipient is a company liable to corporation tax on the Interest amount received, a local authority, or body exempt from tax such as a charity or pension fund.

All S1 Bonds redeemed by the Company will be cancelled and will not be available for reissue.

Early Redemption of S1 Bonds by the Company

The Company will be entitled to redeem any or all of the principal amount of the S1 Bonds together with Interest accrued thereon at any time.

Early redemption of the S1 Bonds on an event of default by ALP

Each S1 Bond Holder acting via the Security Trustee may exercise all rights, remedies, powers or discretions in their capacity as Bond Holders on an Event of Default of the Company.

Each of the following events shall be an Event of Default:

1. the Company failing on the due date to make any payments of principal or interest to any S1 Bond Holders of Bonds in that Series (save where remedied within five to ten Business Days respectively);
2. a petition is presented or any proceedings are commenced or an order is made or a resolution is passed or a notice issued convening a meeting for the purposes of passing any resolution, or any other step is taken for the winding up, insolvency, administration, bankruptcy or reorganisation of ALP; or
3. ALP stops payments to its creditors generally or is unable or admits its inability to pay its debts within the meaning of Section 123 Insolvency Act 1986; or
4. a creditor takes possession of all or any part of the business or assets of ALP or any execution or other legal process is enforced against all or any part of the business or assets of such company and is not discharged or stated within 14 days.

The Company will use reasonable endeavours to give notice to the Bond Holders of the happening of any Event of Default within ten (10) Business Days upon becoming aware of the same.

A failure by the Company to pay any amount due in respect of the Diversified Bonds shall not, of itself, constitute a default in respect of any Series of the S Bonds which entitles a Specified Majority to declare that the S Bonds are due and repayable immediately.

A failure by the Company to pay any amount due in respect of a Series of S Bonds shall not, of itself, constitute a default in respect of any other Series of S Bonds which entitles a Specified Majority to declare that the first mentioned Series of S Bonds are due and repayable immediately.

On the happening of an event of default all outstanding S1 Bonds shall, with no upfront costs having to be paid by S1 Bond Holders, become immediately repayable at the original full face value together with all accrued Interest up to and including the date of redemption (although the S1 Bond Holders may pass a S1 Bond Holder Resolution, that is a resolution passed at a meeting of the S1 Bond Holders by S1 Bond Holders holding a majority in value of the outstanding Bonds at such time, directing that the S1 Bonds should continue and in which case the S1 Bonds would not become immediately repayable together with Interest). If any S1 Bond Holder shall waive in writing its right of repayment of principal and all accrued Interest thereon due to it, following an event of default, the S1 Bonds held by such S1 Bond Holder shall remain outstanding.

Bond Holder Meetings and Resolutions

The Company shall be entitled by notice in writing (which for this purpose includes e-mail) to convene a meeting of S1 Bond Holders to consider any matter it proposes (including a S1 Bond Holder Resolution). It shall also convene a meeting of S1 Bond Holders if requested to do so in writing either by (i) S1 Bond Holders holding not less than one tenth of the principal amount of the Bonds then outstanding, or as the case may be of any Series of Bonds then outstanding, to consider a S1 Bond Holder Resolution, or (ii) where an Event of Default has occurred which has not been waived by a S1 Bond Holder Resolution, by any S1 Bond Holder, to consider a S1 Bond Holder Resolution.

In accordance with the terms of the Bond Instrument, Bond Holder Resolutions are passed by a majority of at least three-fourths of the Aggregate Nominal Amount of Bonds.

The Company shall adopt such procedure as appears reasonable to it in relation to the convening of any meeting of Bond Holders, which may include acceptance of votes by Bond Holders submitted in writing or by electronic means (including e-mail) and a meeting shall include any procedure reasonably considered by ALP to be sufficient to ascertain the views of Bond Holders.

In addition to a waiver of any event of default, a Bond Holder Resolution can approve the following:

1. sanction of any proposals for any modification, variation, abrogation or compromise of, or arrangement in respect of, the rights of the Bond holders against the Company, whether such rights arise under the Bond Instrument or otherwise;
2. consent to any modification, amendment or abrogation of any of the provisions contained in the Bond Instrument or any which is proposed by the Company and authorise the Company to execute an instrument supplemental to the Bond Instrument embodying any such modification, amendment or abrogation.

S1 Linked Loan Principal Charged Accounts

A bank account will be set up to hold the proceeds of this S1 bond offer. From this bank account loans will be made to ALP. The bank account will be nominated to receive back the principal of any loan made to ALP on its requisite redemption date. Interest will be paid into a separate account as set out below. The balance of this account may only be used to:

1. make loans to SSL; or
2. to repay the principal of S1 Bonds due for redemption to S1 Bond Holders.

S1 Interest Charged account

A bank account will be set up to receive interest payments from SSL. The Company will be entitled to withdraw 25% of interest payments paid into the account to contribute towards its running costs. The remaining balance of the account will be used to pay the coupon on the S1 Bonds as and when they are due. Once the balance of the account is equal to or greater than 5% of the Aggregate Nominal Amount plus any accrued but unpaid interest on the S1 Bonds, the Company is entitled to withdraw any excess amounts from the account.

# ALP ISA

Investments in the S1 Bonds can be held within an ISA Account if their subscription is arranged online through the Website which can be accessed through the website www.ambersidealp.com.

This means that interest can be paid tax free to investors by the Company to the extent that investors qualify for ISA tax benefits and their subscriptions to all ISA accounts do not exceed £20,000 per annum.

Any investment in S1 Bonds through this website will be facilitated by Goji.

The Terms and Conditions set out on this website will constitute a contract which is binding on you, Goji, and Sapia in relation to any purchase of S1 Bonds which you make through this website and hold in your ISA. In the event Goji becomes an authorised ISA manager, your ALP ISA will be managed entirely by Goji and Sapia will cease to be your ISA manager. Your ISA and its funds will be transferred from the management of Sapia to Goji. There will be no charge for this transfer.

Sapia and Goji will treat you as their client and undertake on your behalf to— (i) receive payments in respect of your S1 Bonds;  (ii) make payments, when due, in respect of your S1 Bonds to you; and (iii) exercise, or facilitate the exercise of, rights in respect of your S1 Bonds.

Goji is a private limited company incorporated in England registered with the Registrar of Companies for England and Wales under number 10234133 with its registered office at 133 Whitechapel High Street, London, England, E1 7QA and which is registered in The Financial Services Register under number 765333 as an appointed representative of Sapia and for whose activities Sapia is responsible.

Sapia is a limited liability partnership incorporated in England, registered with the Registrar of Companies for England and Wales under number OC354934 with its registered office at 134 Buckingham Palace Road, London, SW1W 9SA and authorised by the Financial Conduct Authority under reference number 550103 to provide regulated products and services and by HMRC as a manager of Individual Savings Accounts under reference number Z1811.

Sapia will enter into an agreement with investors under which it will undertake to: treat investors in Bonds as its clients, undertake on their behalf to receive payments in respect of S1 Bonds, make payments, when due, in respect of Bonds to investors, and facilitate the exercise of rights in respect of the Bonds.

These arrangements comply with the requirements of the ISA Regulations in relation to ISA accounts which specify the following conditions which must be satisfied for a holding of S1 Bonds within an ISA account:

1. Bonds must be an instrument creating or acknowledging indebtedness. This is the case for all Bonds;
2. Bonds must be transferable securities issued by a company or a charity. All Bonds issued pursuant to the Programme will be transferable.
3. The investment in the Bonds must be facilitated by a person carrying on an activity of the kind specified in article 25 of the Regulated Activities Order 2001 through an electronic system for such purpose. Investment in the Bonds may be facilitated by Goji which carries on this activity, as an appointed representative of Sapia, through the Company’s Website.
4. That person or another, acting under an arrangement with that person or at that person’s direction, in respect of the investment, must treat the Bond holder as its client and undertakes on behalf of the Bond holder to— (i) receive payments in respect of the Bond;  (ii)  make payments, when due, in respect of the Bond to the Bond holder; and (iii) exercise, or facilitate the exercise of, rights in respect of the Bond. Investors in Bonds issued under the Programme which are designated as being eligible to be held within an ISA Account will be treated as a client by Sapia.
5. The investment in the Bond is not part of a scheme or arrangement the main purpose, or one of the main purposes, of which is the avoidance of tax;
6. The Bond is not made available to the Bond Holder by reason of their or of another’s status, whether past, present or prospective, as an employee, director, partner, trustee or the holder of any office;
7. The Bond Holder is not connected with the issuer of the Bond, and for this purpose “connected” has the meaning given in section 170 of ITA 2007 with the omission of the reference to “in period A” in sub-section (7);
8. The Bond must not be connected with any other investment held outside an ISA account by the Bond Holder or any other person, and for this purpose an investment is to be treated as connected with another if— (i) either was made with reference to the other or with a view to enabling the other to be made on particular terms;  (ii)  the terms on which either investment was made would have been significantly less favourable if the other investment had not been made; and
9. The investment in the Bond must be made on genuine commercial terms.

An investor may only subscribe to a single ISA account in a particular year. The beneficial ownership of Investments within an ISA account must be held in the name of the Bond Holder.

# TAXATION

The following statements are intended as a general guide only to certain United Kingdom tax considerations and do not purport to be a complete analysis of all potential United Kingdom tax consequences of acquiring, holding or redeeming Bonds. They are based on current United Kingdom legislation as at the date of this S1 Information Memorandum. They apply only to Bond Holders who are resident, ordinarily resident and domiciled for tax purposes in (and only in) the United Kingdom, and who hold their Bonds as an investment. The precise tax treatment of a Bond holder will depend on the Bond holder's individual circumstances and law and practice in force at the relevant time and may therefore be subject to change in the future and investors should make sure they understand any changes that are made.

HMRC requires the Company to withhold basic rate tax on all payments of Interest it makes to an Investor in connection with an investment in Bonds.

There is, however, no withholding tax on investments held in an ISA, such as the Bonds, or investments held through SIPPs.

If Bonds are not held within an ISA account then upon investing, the Company will arrange for basic rate tax to be deducted from Interest payments and paid to HMRC on an Investor's behalf. Each year an Investor will be provided with an electronic statement showing the gross Interest payment, how much tax the Company has deducted and the net Interest payment that has been paid into the Client Account. If an Investor is an individual subject only to basic rate tax, there should not be any further liability to pay any income tax on payments of Interest. If an Investor is not normally subject to UK tax, the Investor may be entitled to re-claim from HMRC any basic rate tax withheld. If an Investor is a higher rate or an additional rate taxpayer then there will be additional tax to pay, which may require the submission a self-assessment tax return, upon which the Investor should take his or her own tax advice.

No liability to UK Capital Gains Tax should arise on the issue of Bonds or on their subsequent redemption on the Redemption Date.

No Stamp Duty or Stamp Duty Reserve Tax will be payable on the issue of Bonds.

A holding of Bonds should form part of a Bond Holder’s estate for inheritance tax purposes.

Corporate investors resident in the UK for corporation tax purposes may be entitled to receive payments of Interest gross. Such corporate investors will have to pay tax on the Interest received at the applicable corporation tax rate according to their profits and status.

If a Bond Holder is a non-UK corporate, the Company is obliged to deduct Basic Rate Tax. It may be possible for that Bond Holder to benefit from reduced withholding tax on Interest.

Charities resident in the UK for UK tax purposes will also receive Interest gross.

The ultimate liability to tax in respect of the Bonds will depend upon the individual circumstances of each Bond Holder at the relevant time and may be subject to change. Prospective Investors are advised to consult their own professional advisers concerning the tax consequences of the acquisition, ownership or redemption of Bonds and any Interest and other benefits derived thereon.

# ADDITIONAL INFORMATION ON THE COMPANY AND ALP

1. Incorporation and Administration.
   1. The legal and commercial name of the Company is Amberside ALP plc.
   2. The Company was incorporated and registered in England and Wales as a public company with limited liability on 31 October 2017 with registered number 11041038. The Company was issued with a trading certificate under section 761 of CA 2006 by the Registrar of Companies on 7 December 2017.
   3. The registered office of the Company is at Amberside House, Wood Lane, Hemel Hempstead, Hertfordshire HP2 4TP and its telephone number is 020 3950 1777.
   4. The principal legislation under which the Company operates is the Companies Act 2006 and regulations made thereunder.
   5. The Company has obtained all necessary consents, approvals and authorisations in England and Wales in connection with the issue and performance of the Bonds.
2. Share and loan capital
   1. On incorporation, the Company allotted 100,000 Ordinary Shares with a nominal of £0.50 to the shareholders for the purposes of applying for the certificate referred to in paragraph 1.2 above. On 14th March 2018 a further 100,000 Ordinary Shares with a nominal value of £0.50 were issued to the shareholders in the same proportion as the shares issued on incorporation. As at the date of this document, the only class of shares in issue are the Ordinary Shares
   2. The issued share capital of the Company as at 14st March 2018 is:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Shareholder | Number of Ordinary Shares Held | % | Nominal Value | Paid up  £ |
| Amberside Capital Limited | 100,000 | 38 | £0.50 | £50,000 |
| Douglas Richard Spacey | 50,000 | 19 | £0.50 | £25,000 |
| Matthew Benedict Evans | 50,000 | 19 | £0.50 | £25,000 |
| Jeff Cornish | 50,000 | 19 | £0.50 | £25,000 |
| Robert McClatchey | 13,169 | 5 | £0.50 | £6,580 |
| TOTAL | 263,169 | 100 |  | £131,580 |

* 1. The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

1. Memorandum and Articles of Association and Principal Activities
   1. The objects and purpose of the Company are unrestricted.
   2. The Company has been organised to carry on the business of being a general finance company.
   3. Since its incorporation, the Company has not engaged in material activities other than those incidental to its registration as a public limited company under the Companies Act 2006, the issue of the shares noted in the table above and preparatory activities related to the issue of the Bonds.
2. Current and Past Directorships
   1. The board of both the Company and ALP comprises six executive directors, including Robert McClatchey who is independent of Amberside and CH1. The Board has substantial experience of project finance and investment and has overall responsibility for the Company’s and the Lender’s affairs, including its Lending Policy.
   2. The Directors are currently or have been within the last 5 years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

|  |  |  |
| --- | --- | --- |
|  | **Current** | **Last Five Years** |
| Robert McClatchey independent chair | Artellite Limited (04877908)  Barrel Industries Limited (09219039)  Degreeart Asia Ltd (06216879)  Liver Research And Development Limited (07944232)  The King's School, Worcester (04776324)  The London Distillery Company Ltd (07681347)  UPP Group Holdings Limited (05016028)  UPP Projects Limited (05272122)  UPP Residential Services Limited (05337048)  16 Lisgar Terrace Management Company Limited (02573287)  16 Lisgar Terrace Management Company Limited (02573287) | Rada In Business Limited (03999577)  Uniplaces Limited (08674633) |
| David Lomas | Amberside Alp Trading Ltd (11146970)  Amberside Alp Plc (11041038)  Amberside Capital Ltd (09479851)  Festival Partners Ltd (08732175)  Property Market Solutions Limited (07604993)  Flightstep Residents Company Limited (02187875) |  |
| David Scrivens | Amberside Alp Trading Ltd (11146970)  Amberside Financial Ltd (11050339)  Amberside Property Ltd (11050999)  Amberside Alp Plc (11041038)  Smarter Energy Solutions Limited (11001374)  Amberside Technology Ltd (10976513)  Amberside Power Ltd (10903993)  Amberside Services Ltd (10903947)  Sterling Suffolk Limited (08994132)  Amberside Energy Ltd (09944800)  Amberside Capital Ltd (09479851)  Amberside Accounting Ltd (08821125)  Clubfinance Project Finance Ltd (06078852) | Decoy Farm Hydroponics Limited (10610641)  Clubfinance Ltd. (04522114) |
| Jeff Cornish | Portunus Property Limited (08145089)  Portunus Investment Solutions Limited (07048055) | Private Office Dfm Solutions Limited (09136578)  Futurepensions Limited (07584832) |
| Matthew Evans | Amberside Alp Trading Ltd (11146970)  Amberside Alp Plc (11041038)  Sterling Suffolk Limited (08994132)  Ethical Power Funding Llp (Oc416615)  Hazel Renewable Energy Vct2 Plc (07378395)  Netley Funding Llp (Oc415050)  Longhedge Renewables Limited (08666213)  Module Lending Llp (Oc412997)  Innova Energy Limited (10283362)  Ch 1 Investment Partners Llp (Oc412678)  Retention Funding Llp (Oc412348)  Vat Lending Llp (Oc412312)  Arc X-Media Limited (09633403)  Ep Solar Construction Llp (Oc402475)  Lindridge Sp Funding Llp (Oc402476)  Oxcliffe Sp Funding Llp (Oc402481)  Lake District Biogas Limited (Sc491828)  Bowerhouse Funding Llp (Oc398687)  Aee Renewables Uk 16 Limited (07453123)  Osprey Solar Limited (08215492)  Denprof Limited (07076615)  J L Strategic Solutions Limited (06838201)  John Lamb Strategies Limited (06451878)  Jl Strategies Limited (03076822) | Jhg Solar Limited (09423117)  Aee Renewables Uk 37 Limited (08273172)  Osprey Solar Limited (08215492)  Lgt Vestra Us Limited (06455240)  Lgt Vestra Llp (Oc329392) |
| Richard Spacey | Hive Energy Funding Llp (Oc420758)  Amberside Alp Trading Ltd (11146970)  Sterling Suffolk Funding Llp (Oc420507)  Amberside Alp Plc (11041038)  Twin Oaks Funding Llp (Oc418958)  Turkish Solar Funding Llp (Oc418632)  Retention Funding Ww2 Llp (Oc418387)  Retention Funding Ww Llp (Oc418218)  Ethical Power Funding Llp (Oc416615)  Common Farm Funding Llp (Oc415891)  Cornwall Street Funding Llp (Oc415890)  Wraysbury Funding Llp (Oc415334)  Wally Corner Funding Llp (Oc415335)  Dentinal Tubules Limited (06862496)  Netley Funding Llp (Oc415050)  Module Lending Llp (Oc412997)  Ash Finco Ltd (10290768)  Innova Energy Limited (10283362)  Ch 1 Investment Partners Llp (Oc412678)  Retention Funding Llp (Oc412348)  Vat Lending Llp (Oc412312)  Ep Solar Construction Llp (Oc402475)  Armstrong Solar Holdings Limited (08532213)  Tavern Restaurants Ltd (09377027)  Keystone Power Limited (08339381)  Aee Renewables Uk 16 Limited (07453123)  Osprey Solar Limited (08215492)  Llangollen Supermarket Income Llp (Oc389627)  M Buckley Leasing Limited (08142569)  M. B. Leasing Limited (08142564)  Mollie Buckley Leasing Limited (08142467)  Poullacour Plc (08062997)  M P Wakefield Leasing Limited (07814147) | Lgt Vestra Llp (Oc329392)  Aee Renewables Uk 37 Limited (08273172)  Aee Renewables Uk 37 Limited (08273172)  Harrier Solar Limited (07936061)  Harrier Solar Limited (07936061)  Gourlay Leasing Limited (08366041)  Gourlay Leasing Limited (08366041) |

1. Directors’ interests and disclosures
   1. Richard Spacey and Matthew Evans, both directors of the Company and ALP, hold shares in the Company as indicated in the table on page 23 and hold shares in CH1.
   2. David Lomas (directly) and David Scrivens (directly and through his holdings in Clubfinance Project Finance Ltd), both directors of the Company and ALP, hold shares in Amberside Capital Limited which holds shares in the Company, as indicated in the table on page 23.
   3. Jeff Cornish, a director of the Company and ALP, holds shares in the Company as indicated in the table on page 23.
   4. Robert McClatchley, a director of the Company and ALP, holds shares in the Company as indicated in the table on page 23.
   5. David Scrivens and Matthew Evans are directors of Sterling Suffolk Limited and Amberside Capital Limited and CH1 are both shareholders as described on page 23. All decisions in respect of SSL Linked Loans will be taken by Robert McClatchley.
   6. Amberside and CH1 will provide services to the Company and ALP on terms to be approved by Robert McClatchley.
   7. Other than as noted above, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company in the period since its incorporation and remains in any respect outstanding or unperformed.
   8. No loan or guarantee has been granted or provided by the Company to or for the benefit of any of the Directors.
   9. The Company has taken out directors’ and officers’ liability insurance for the benefit of its directors but they will not be covered in respect of any fraudulent or dishonest activities.
   10. The Directors are currently or have been within the last 5 years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships as set out in the table above.
   11. No Director has any convictions in relation to fraudulent offences during the previous 5 years.
   12. None of the Directors has, during the previous five years, been associated with any bankruptcies, receiverships or insolvent liquidations in relation to an entity for which they have been acting as members of the administrative, management or supervisory bodies or were a partner with unlimited liability (in the case of a limited partnership with share capital), founder or a senior manager who was relevant to establishing that entity had the appropriate expertise and experience for the management of its business
   13. There has been no official public incrimination and/or sanction of any Director by statutory or regulatory authorities (including designated professional bodies) and no Director has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous 5 years.
2. The Company and ALP
   1. The Company is owned as set out in in the table on page 23. ALP is 100% owned by the Company.
   2. In accordance with the Company's articles of association, the business decisions of the Company are undertaken by the Directors.

The Company’s shareholders will be entitled to all residual profits of the Company after the Company has met all expenses in relation to its business and has made such provisions against losses in relation to bad loans made by ALP.

1. Corporate Governance
   1. The Company is not a company with a primary equity listing and accordingly is not required to comply with the Corporate Governance Code.
2. Management and Administration
   1. The Company is not required to be, and is therefore not, regulated by the Financial Conduct Authority or any other regulatory body.
   2. The Company has no employees (other than the Directors).
   3. The Company has not yet appointed auditors but is in the process of shortlisting appropriate candidates and will appoint an auditor in due course. The Company shall take all reasonable steps to ensure that any auditors which are appointed are a member firm of the Institute of Chartered Accountants in England & Wales, are independent of it and have obtained written confirmation from the auditors that they comply with the guidelines on independence issued by their national accounting and auditing bodies.
   4. Save as mentioned above, as at the date of this document, there are believed to be no governmental, economic, monetary, political or fiscal policies and factors, which have or could materially affect the Company’s operations.
   5. Since the date of incorporation of the Company and up to the date of this document there are no related party transactions save for loans made to SSL.
3. Borrowing Powers

The Board may exercise all powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue Bonds and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. There are no restrictions on the ability of the Company to borrow.

1. Material Contracts and Connected Party Arrangements
   1. It is anticipated that the Company will receive various administrative services from Amberside and CH1 the terms as to payment for which will be approved by the Independent Chair.
   2. The Company has entered into an administrative and company secretarial services agreement with City Partnership (UK) Limited (“City”) pursuant to which City provide administrative and company secretarial support to the Company and ALP. City will be entitled to a fee based on time costs incurred for administration and company secretarial services.
2. Financial Information
   1. Since the date of its incorporation, the Company has commenced operations but no financial statements of the Company have been prepared as at the date of this Document. The Company intends to publish its first financial statements in respect of the period ending 31 October 2018 or such shorter period as is required pursuant to any further offer which is to be approved by the UKLA. The financial year of the Company ends on 31 October each year.
   2. Reports and accounts published by the Company will, when published, be available for inspection during normal office hours at its business address set out above and within the Group’s website at [www.AmbersideALP.com](http://www.AmbersideALP.com).
3. General
   1. There has been no significant change in the financial or trading position of the Company since incorporation, save as mentioned in this Document.
   2. The following constitute the known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year:
      1. There are events that could damage the returns and financial security of the Company including global or domestic events that cause an economic downturn; and
      2. The referendum result for Brexit has focused attention on the potential impact on the UK economy, and whilst the Company operates predominantly in the UK we do not envisage any immediate Brexit related issues. The Company will continue to monitor all of its business lines in order to mitigate the possibility of bad debt, and its impact on the Company’s returns and capital;
   3. The Company consents to the use of this Documents in connection with any issue of Bonds in the UK during the period commencing from the date of the Documents and until the close of the Offer on or before 5th April 2019 ("Offer Period") by any financial intermediary. In the event of an offer being made by a financial intermediary, information on the terms and conditions of the Offer must be given to Investors by the financial intermediaries at the time that the offer is introduced to Investors. Any financial intermediary using the Information Memorandum must state on its website that it is using the Information Memorandum in accordance with the consent set out in this paragraph.
   4. Amberside, CH1, Goji, Sapia and RW Blears LLP have each given and not withdrawn their written consents to the issue of the Document with the inclusion herein of their names in the form and context in which they appear.
   5. All third-party information in this Document has been identified as such by reference to its source and in each instance, has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
4. Overseas Investors
   1. No person receiving a copy of this Document or accompanying application form in any territory other than the UK may treat it as constituting an offer or invitation to him to subscribe for Bonds issued by the Company.
   2. No action has been taken to permit the distribution of this document in any jurisdiction outside the United Kingdom where such action is required to be taken. All applicants under the Offer will be required to warrant that they have observed all the laws of their relevant territory in connection with the Offer.
5. Documents available for inspection

Copies of this Document and the Bond Instrument (as proposed to be amended) will be available for inspection during normal business hours on any weekday (public holidays excepted) at the registered office of the Company and are on display at the Company’s website at: [www.ambersideALP.com](http://www.ambersideALP.com) whilst the Offer remains open.

# TERMS AND CONDITIONS FOR THE OFFER OF S1 BONDS

You as an investor are applying to subscribe for secured, transferable S1 Bonds (“S1 Bonds”) issued by Amberside ALP PLC (company number: 11041038).

* 1. Your Application is subject to the following terms and conditions.

1. You acknowledge and confirm that you are not relying on any information given or any representations, warranties, agreements or undertakings (express or implied, written or oral) or statements made at any time by the Company in relation to the Company or any group entity other than as contained in the S1 Information Memorandum (including these Terms and Conditions and, from the date of publication on the Company’s website [www.ambersideALP.com](http://www.ambersideALP.com) any supplementary S1 Information Memorandum which may be published by the Company) and the Bond Instrument and that, accordingly, none of ALP, or any directors, officers, agents, employees or advisers of the Company or any such entity or any person acting on behalf of any of them shall have any responsibility for any such information, representations, warranties, agreements or undertakings (express or implied, written or oral).
2. You are not relying on the Company, Amberside Capital, CH1, Sapia or Goji to advise you as to the merits of investing in Bonds or to ensure that Bonds are a suitable investment for you.
3. You have considered and understood the S1 Information Memorandum (including these Terms and Conditions and, from the date of publication on the Company’s website [www.ambersideALP.com](http://www.ambersideALP.com) any supplementary S1 Information Memorandum which may be published by the Company) and the Bond Instrument including (but not limited to) the risk factors in section 5 of the S1 Information Memorandum. Without limiting the preceding sentence, you understand and accept that: Bonds do not give you any right or option to convert them to shares or other securities; there may be tax consequences for you in investing in Bonds (and these may include deduction of withholding tax). General information as to tax for UK individual investors is set out at on pages 21 and 22 of this document. You should consider your own personal tax position and take professional advice as appropriate; and the Company may redeem any Bonds issued to you in whole or part by notice to you in accordance with the Bond Instrument and by repayment of all outstanding principal and accrued Interest.
4. You are either an individual who is 18 years old or more at the date of making your Application and who is not resident in the USA or you are the authorised representative(s) of a non-natural person, including a limited company, a limited liability partnership, trust or foundation that is not registered in the USA ("Business Investor") and fall into one of the following categories; Existing clients of a Financial Adviser who is regulated by the FCA; Persons who meet the criteria for being an elected professional client in accordance with the FCA's Conduct of Business Sourcebook (which are regulatory rules relating to investment advice) ("COBS") 3.5; Persons who qualify as certified high net worth individuals in accordance with COBS 4.7.7; Persons who qualify as certified sophisticated investors in accordance with COBS 4.7.7; Persons who confirm that they will invest no more than 10% of their net assets in non-readily realisable securities in accordance with COBS 4.7.10 (restricted investors);
5. Where you have provided a declaration that you are a (i) "high net worth individual investor", (not applicable to Business Investors) (ii) a "self-certified sophisticated investor”, (iii) a "restricted investor", (iv) an "advised investor", or (v) a "professional investor" (Business Investors only) such declarations are truthful and accurate and made in good faith by you. An individual or individuals authorised to take investment decisions on behalf of a Business Investor may complete the self-certified sophisticated investor declaration in their personal capacity, or may complete a restricted investor, advised investor or professional investor declaration in respect of the Business Investor. For the full definition of each investor type please refer to the FAQs which can also be found on the Website);
6. Where you and/or any third-party adviser or other professional person has certified, or declared that you are a sophisticated investor or that you are a retail client of an FCA-authorised firm which has or will confirm that an investment in Bonds is suitable for you, such certifications and declarations are true and accurate to the best of your knowledge and belief;
7. Your making of the Application, being issued with Bonds and/or receiving any payments under the Bonds, does not contravene any law or requirement of any official or government body based outside the UK to which you are subject. Without limiting any other terms and conditions, you acknowledge and confirm that you are not a US Person, are not receiving Bonds in the United States and are not acquiring Bonds for the account of a US Person;
8. You are aware that it is open to you to seek advice from someone who specialises in advising on investments;
9. Unless the Company expressly agrees otherwise, any third-party adviser or intermediary is not entitled to be paid any commission in relation to your Application. If the Company does agree otherwise, it will set out details of the commission which it has been agreed will be paid in advance of you making an investment, either in writing or on the Website, and such commission will be paid by the Company;
10. Charges may be payable by you to a Financial Adviser who has advised you in relation to your decision to subscribe for any Bonds. By making your Application you authorise ALP to deduct such charges from any payment you make to subscribe for any Bonds and to use the amount so deducted to pay such charges to the relevant Financial Adviser. Details of such charges will be confirmed with you in advance of you making an investment;
11. You acknowledge that the Company may, in its absolute discretion, reject in whole or in part or scale down your Application;
12. You are not engaged in money laundering. No money paid in subscription for Bonds shall represent the proceeds of any criminal activity;
13. Unless you have disclosed to us that you are applying on another person's behalf (for example, as an intermediary who has disclosed Its client's identity) you must make your Application on your own behalf and for no other person. You should note that under the Bond Instrument, Bonds may be held only by a single holder and may not be held jointly with any other person;
14. The Company, its directors, employees, agents and advisers will rely upon the truth and accuracy of the confirmations, acknowledgements and representations contained in your Application; and
15. Your application and the Company’s ability to accept it is conditional upon the approval of the proposals to be considered by existing Diversified Bondholders at a General Meeting (or at any adjournment thereof) of Diversified Bondholders which will be held at Amberside House, Wood Lane, Hemel Hempstead, Hertfordshire HP2 4TP on 28th September 2018 from 12 noon.

Money Laundering

It is also a term of your Application that, to ensure compliance with the legislation relating to money laundering and financial crime, the Company, City Partnership (UK) Limited or Goji may, in their absolute discretion, require information and/or evidence or further verification of your identity and the Company may decide not to issue Bonds until it and/or City Partnership (UK) Limited or Goji are absolutely satisfied as to your identity. If within a reasonable time after a request for information or evidence as to your identity, satisfactory evidence has not been supplied, the Company may, at its absolute discretion, terminate your Application in which event no Bonds will be issued to you.

Third Party Rights

The Company and its directors, officers, shareholders and employees or any person acting on behalf of any of them may rely upon a right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these terms and conditions that refers to an acknowledgement, confirmation, authority or right in their favour. Goji and any person it nominates may enforce the rights of Bond holders under these terms and conditions (including the right to receive payments due to Bond holders) and the Company shall not be required to enquire further as to the authority of such person to do so. No other person shall have a right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these terms and conditions. Notwithstanding any term of these terms and conditions, the consent of any person who is not a party is not required to rescind or vary these terms and conditions.

Jurisdiction

The making of Applications, acceptances of Applications and any resulting contracts in relation to Bonds will be governed by and construed in accordance with English law and you and the Company submit to the exclusive jurisdiction of the relevant courts of the United Kingdom in relation to any disputes, as to the making or acceptance of Applications and in relation to any resulting contracts.

Certificates

The Certificates will be in the form or substantially in the form set out in the Schedule to the Bond Instrument. The Company will recognise the Bond Holder indicated in the Register as the absolute owner of the Bonds. The Company is not bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Bonds may be subject.

If any of the Bonds are due to be redeemed under any of the provisions of the Bonds Deed, the Bond holder shall, if requested by the Company, provide the Company with its up to date account details and, upon such delivery, the Company shall pay the relevant redemption amount to the Bond holder and the relevant Certificate shall be cancelled.

# **DEFINITIONS**

The following definitions apply throughout the S1 Information Memorandum, unless the context requires **otherwise:**

**“2006 Act” the Companies Act 2006;**

**“2018 Bond Issuance Programme”** means the Initial Series of 2018 Issue Bonds and any Further Series of 2018 Issue Bonds;

**“Aggregate Nominal Amount”** in respect of Bonds in issue at any one time, the aggregate principal amount of the Bonds outstanding at that time**;**

**“ALP**” Amberside ALP Trading Ltd (company number 11146970);

**“ALP ISA”** means the innovative finance ISA account in which an investor will hold a Bond issued pursuant to the Programme which is designed to be held in an ISA Account within the meaning of regulation 4(1ZA) of the ISA Regulations in force from 6th April 2017;

**“ALP Network”** Amberside Capital; CH1 and their respective Associates;

**“Amberside Capital”** means Amberside Capital Limited (a private limited company, incorporated in England with the registered number 09479851);

**“Application Forms”** the Hard Copy Application Form and/or the Electronic Application Form (as the **context requires);**

**“Articles”** the articles of association of the Company (as amended or replaced from time to time);

**“Associate”** means any person or persons who, in the opinion of the Independent Chair, acting in his absolute discretion: (i) is acting with Amberside Capital or CH1; or (ii) over whose affairs Amberside Capital or CH1, enjoys a power of direction, alone or with others with whom Amberside Capital or CH1 is acting; or (iii) who alone or with others with whom that person is acting, enjoys a power of direction over the affairs of Amberside Capital or CH1 and, in all cases, whether any action or power of direction is exercisable directly or indirectly and including their respective successors and assigns;

**“Board”** the board of directors of ALP;

**“Bonds”** the Bonds constituted by the Bond Instrument;

**“Bond Holders”** holders of the Bonds;

**“Bond Holder’s Nominated Account”** means the bank account specified by the Bond Holder into which the Company will make Interest Payments and repay the principal of the Bond on the Redemption Date;

**“Bond Instrument**” the secured, non-convertible, transferable debt instrument executed by the Company on 14th March 2018 by which the Bonds are constituted and which is proposed to be amended pursuant to a general meeting of existing Bondholders to be held on 28th September 2018; which is available for inspection, as proposed to be so amended, at the Company’s registered office and is on display at the Company’s website at: [www.ambersideALP.com](http://www.ambersideALP.com);

**“Borrowers”** means the companies to whom ALP makes loans;

**“Business Day”** any days on which banks are generally open in London for the transaction of business, other than a Saturday or Sunday or a public holiday;

**“Certificate(s)”** the certificates which are issued to Bond Holders once they have subscribed for and been issued with Bonds under the Offer;

**“Certificate Date”** the date in which the Certificates are issued to Bond Holders;

**“CH1”** CH1 Investment Partners LLP (a limited liability partnership with the registered number OC412678);

**“Client Account**” means the account to which S Bond Holders shall deposit their cash in exchange for Bonds which is managed by Sapia Partners LLP;

**“Commencement Date”** means the date on which a Bond certificate is issued by the Company;

**“Company”** means Amberside ALP plc (company number 11041038);

**“Directors”** the directors of the Company, whose names are set out on pages 9 and 10 of this S1 Information Memorandum and “Director” shall mean any one of them;

“**Diversified Bonds”** the Series A Bonds, Series B Bonds and Series C Bonds and other Bonds from time to time constituted by the Bond Instrument and secured on (i) the assets of ALP other than money and assets held or received in connection with Linked Loans attributed to any Series of S Bonds; and (ii) the money and assets held or received in connection with Linked Loans attributed to any Series of S Bonds where those Linked Loans are also funded by capital raised from Diversified Bonds or any other S Bonds attributed to the same Linked Loans, on the basis that the holders of Diversified Bonds and of all Series of S Bonds attributed to those Linked Loans will rank on a pari passu basis alongside each other in proportion to the capital raised and invested in those Linked Loans from Diversified Bonds and those Series of S Bonds;

**“Diversified Bond Information Memorandum”** the information memorandum issued by ALP on 14th March 2018 in relation to the Diversified Bonds;

**“Document”** or **“this document”** means this S1 Information Memorandum issued by the Company;

**“EU”** the European Union;

**“FCA”** the Financial Conduct Authority;

**“Financial Adviser”** an authorised intermediary offering investment advice to his client;

**“FSMA”** the Financial Services and Markets Act 2000 as amended;

**“Goji”** means Goji Financial Services Limited (company number 10234133 and FCA firm reference number 765333), which is an appointed representative of Sapia Partners LLP, which is authorised and regulated by the Financial Conduct Authority;

**“Group Charge”** means the security granted by the Company to the Security Trustee on behalf of Bond Holders which grants security interests in respect of its assets including its rights under the Subsidiary Security;

“**Hard Copy Application Form”** the Application Form which may be downloaded from the Website and completed in hard copy form for use by Potential Applicants relating to applications for Bonds when they wish to pay by cheque or bankers draft;

**“HMRC”** HM Revenue & Customs;

**“ISA Account”** means an account within the meaning of the ISA Regulations;

**“Independent Chair”** means those Directors of the Company who are independent of Amberside Capital, CH1 and their Associates;

**“Interest”** interest payable on the S Bonds in accordance with the Bond Instrument;

**“Interest Rate”** the rate of Interest payable in respect of S Bonds in accordance with the Bond Instrument which is available for inspection at the Company’s registered office and is on display at the Company’s website at: [www.ambersideALP.com](http://www.ambersideALP.com);

**“Investor”** a subscriber for S Bonds under the Offer;

**“ISA Regulations”** The Individual Savings Account Regulation 1998, as amended from time to time;

**“Issue”** the issue of the Bonds to the successful Potential Applicants;

**“Issue Price”** £ 1.00 per Bond;

**“ Linked Loan(s)”** a loan or loans made by ALP which is or are to be funded by the capital raised by a Series of S Bonds as described by their Final Terms of Issue, and so that, references to a Linked Loan being attributed to a Series of S bonds or to a Series of S Bonds being attributed to a particular Linked Loan is a reference respectively to the loan or loans described in the Final Terms of Issue for that Series or, as the case may be, to the Series of S Bonds in whose Final Terms of Issue that Linked Loan is so described;

**“Money Laundering Regulations”** the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended from time to time;

**“Offer”** the invitation by the Company to Potential Applicants to apply to subscribe for S1 Bonds on the terms and conditions set out in this Document and in the Application Form;

**“Parent Charge”** means the fixed and floating charge dated 14th March 2018over the assets of the Company granted by the Company in favour of the Security Trustee, who holds the security on behalf of Bondholders;

**“Potential Applicants”** means applicants for Bonds who have registered addresses in, or who are resident in, or citizens of the UK or another jurisdiction approved by the Directors;

**“Primary Term”** means the number of whole years from the Commencement Date for which a S1 Bond will remain outstanding;

**“RAO**” Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (as amended from time to time);

**“Redemption Date”** the repayment date as set out in the Final Terms of Issue for S1 Bonds;

**“Recognised Investment Exchange”** an investment exchange recognised by the FCA under Part XVIII of FSMA, such that a recognition order is in force in respect of it;

**“Register”** the register of Bond Holders from time to time which is maintained by the company secretary;

**“Sapia”** Sapia Partners LLP (company number OC354934) which is authorised and regulated by the Financial Conduct Authority under firm reference number 550103 and is also authorised by HMRC as a manager of ISAs under the ISA Regulations 1992, as amended, reference number Z1811;

**“Securities Act”** the United States Securities Act of 1933 (as amended from time to time);

**“Security Trustee”** The City Partnership (UK) Limited (company number SC269164);

**“Security Trust Deed”** the Security Trust Deed between the City Partnership Trustee Limited (1) and the Company (2) executed on 14th March 2018 and which is proposed to be amended pursuant to a general meeting of existing Bondholders to be held on 28th September 2018; which is available for inspection, as proposed to be so amended, at the Company’s registered office and is on display at the Company’s website at: [www.ambersideALP.com](http://www.ambersideALP.com);

**“Series A Bonds”** the Bonds constituted by the Bond Instrument and issued pursuant to the Diversified Bond Information Memorandum;

**“Series B Bonds”** the Bonds constituted by the Bond Instrument and issued pursuant to this Diversified Bond Information Memorandum;

**“Series C Bonds”** the Bonds constituted by the Bond Instrument and issued pursuant to the Diversified Bond Information Memorandum;

**“SSL”** means Sterling Suffolk Limited (company number 08994132);

**“Statutes”** the 2006 Act and every other statute (and any subordinate legislation, order or regulations made under any of them) concerning companies and affecting ALP, in each case, as they are for the time being in force;

**“Subsidiary Security”** the charge granted by Amberside ALP Trading Ltd in favour of ALP;

**“S Bonds”** means those Bonds which are issued from time to time pursuant to the terms of the Bond Instrument the capital raised by which is to be wholly deployed in funding the Linked Loans described in their Final Terms of Issue;

**“Term”** the period from the Commencement Date until the Redemption Date of a Bond;

**“Terms and Conditions”** the terms and conditions relating to the Offer, set out in the S1 Information Memorandum;

**“UK”** or “**United Kingdom”** the United Kingdom of Great Britain and Northern Ireland;

**“UKLA”** the FCA acting in its capacity as competent authority for Part VI of FSMA;

**“United States**” or **“US”** the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

In the S1 Information Memorandum, all references to times and dates are a reference to those observed in London, UK. In this S1 Information Memorandum, the symbols “£” and “p” refer to pounds and pence sterling respectively and € refers to Euros.

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| --- | --- |
| **Directory** |  |
| The Directors | Robert McClatchley (Independent Chairman)  David Lomas  David Scrivens  Richard Spacey  Matthew Evans  Jeff Cornish |
| Company Secretary | The City Partnership (UK) Limited  110 George Street  Edinburgh EH2 4LH |
| Registered Office | Amberside House  Wood Lane  Hemel Hempstead HP2 4TP |
| Registered Number | **11041038** (England and Wales) |
| Bankers | Hampden & Co  9 Charlotte Square  Edinburgh EH2 4DR |
| ISA Arranger | Goji Financial Services Limited  WeWork 3 Waterhouse Square  138 Holborn  London EC1N 2SW |
| ISA Manager | Sapia Partners  134 Buckingham Palace Road  London SW1W 9SA |
| Security Trustee &  Receiving Agent | The City Partnership (UK) Limited  110 George Street  Edinburgh EH2 4LH |
| Solicitors | RW Blears LLP  29 Lincolns Inn Fields  London WC2A 3EG |