

**NOT FOR DISTRIBUTION IN THE UNITED STATES**

## **Prospectus**

### **INGARD PROPERTY BOND DESIGNATED ACTIVITY COMPANY**

*(incorporated in Ireland with limited liability under the laws of Ireland with registered number 573380)*

Prospectus for the admission of £4,050,000, 7% Secured Notes due 2023 on the Corporate Bond Market of the Regulated Market of the Cyprus Stock Exchange

Ingard Property Bond Designated Activity Company (the “**Issuer**”) has authorised the issue of up to £4,050,000 7% secured notes due 2023 (the “**Notes**”).

The Prospectus has been approved by the Cyprus Securities and Exchange Commission (“**CySEC**”) as the competent authority in Cyprus which the Issuer has elected as its Home Member State for the said securities. CySEC only approves the Prospectus as meeting the requirements imposed under the Public Offer and Prospectus Law of 2005, L.114(I)/2005, as amended, (the “**Prospectus Law**”). The approval only relates to the Notes which will be admitted to trading on the corporate bond market of the regulated market of the Cyprus Stock Exchange (the “**CSE**”) within 12 months from the date hereof.

The Notes will be issued to the wholesale market, to qualified investors as defined in the Investment Services and Activities and Regulated Market Law, Law 144 (I)/2007(as amended) and Markets in Financial Investments Directive (2004/39/EC) (“**MiFID**”). No notes will be issued or offered or sold to the retail market.

The issue price of the £4,050,000 7% Secured Notes due 2023 (the “**Notes**”) of Ingard Property Bond Designated Activity Company (the “**Issuer**” or the “**Company**”) is 100 per cent. of their principal amount. The Notes will be placed with qualified investors, on a reasonable endeavours basis, in four tranches, commencing with the first tranche of £1,750,000 on 19 December, 2016. The three subsequent tranches will follow, with a tranche being issued approximately every four weeks thereafter. The placing of the Notes is not underwritten.

Unless previously redeemed or cancelled, the Notes will be redeemed at their principal amount on the Maturity Date. The Notes are subject to redemption, in whole but not in part, at their principal amount, plus interest, if any, to the date fixed for redemption at the option of the Issuer at any time at an amount calculated on a “make-whole” basis.

The Notes will bear interest from the issue date of each tranche (the “**Issue Date**”) at the rate of 7 per cent. per annum. Interest on the Notes will be payable by the Issuer annually in arrears on 31 December of each year calculated on a year of 360 days until the Final Repayment Date. Payments on the Notes will be made in £GBP (British Pounds Sterling) without deduction for or on account of any taxes.

The Notes will constitute secured obligations of the Issuer which will at all times rank *pari passu* among themselves and ahead of all other present and future secured obligations of the Issuer, save for certain mandatory exceptions of applicable law.

The Prospectus and any further information supplied pursuant to the Terms and Conditions should not be considered as a recommendation or as constituting an invitation or offer by or on behalf of any of the Issuer, the Trustee or the Placement Agent that any recipient of the Prospectus or any further information supplied pursuant to the terms of the Notes should subscribe for or purchase any of the Notes. The Prospectus does not constitute an offer of, or an invitation by, or on behalf of, the Issuer or the Placement Agent to subscribe for or purchase any Notes and the Prospectus, should not be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Accordingly, the Notes may not be offered or sold, directly or indirectly, and the Prospectus nor any other prospectus, form of application, advertisement, other offering material or other information may be issued, distributed or published in any country or jurisdiction (including Cyprus, the United Kingdom and the Republic of Ireland), except in circumstances that will result in compliance with all applicable laws, orders, rules and regulations of that country or jurisdiction.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and are not subject to United States tax law requirements, may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Investors should take account of and fully consider, when making a decision as to whether or not to invest in the Notes, that all payments under the Notes are wholly dependent upon the performance of the Issuer and (on the occurrence of an Event of Default) the effectiveness of the value and efficacy of the Security.

**Investing in the Notes involves a number of other risks. Prospective investors should carefully consider the factors described in the section of the Prospectus headed “RISK FACTORS” in connection with an investment in the Notes.**

Application has been made to the Cyprus Stock Exchange (the “**CSE**”) to admit the Notes to listing on the Corporate Bond Market of the Regulated Market of the CSE. This Prospectus constitutes a prospectus for the purposes of the Prospectus Directive. The Corporate Bond Market of the Regulated Market of the CSE is a regulated market for the purposes of Directive 2004/39/EC.

The Issuer confirms that all third party sourced information contained in the Prospectus has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Issuer and all of the Directors signing the Prospectus by virtue of section 20 of the Prospectus Law, assume full responsibility, both jointly and severally, for the contents and information set out in this Prospectus and responsibly declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Global Capital Securities and Financial Services Limited, in its capacity as Underwriter (hereinafter referred to as the “**Underwriter**”) responsible for the drawing up of this Prospectus, by virtue of section 23 of the Prospectus Law, responsibly declares that, having taken all reasonable care to ensure

that such is the case, the information contained in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

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The date of the Prospectus is 21 December 2016.

## IMPORTANT NOTICES

In the Prospectus, except where otherwise specified or the context otherwise requires, all references to “we”, “us”, “our” or “ourselves” are references to **Ingard Property Bond Designated Activity Company** and its subsidiaries, except where otherwise specified or the context otherwise requires. The “**Issuer**” or “**Company**” also refers to **Ingard Property Bond Designated Activity Company**, or any successor thereof.

Words defined in the Terms and Conditions and set out in the Prospectus under the section headed “**TERMS AND CONDITIONS OF THE NOTES**” shall have the same meaning when used in the Prospectus unless otherwise defined.

The Issuer and the Issuer’s directors signing the Prospectus accept full responsibility for the information contained in the Prospectus. To the best knowledge of the Issuer, which has taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Notes offered hereby by any person in any jurisdiction in which it is unlawful for such person to make an offer or solicitation. The distribution of the Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession the Prospectus come are required by the Issuer, the Trustee or the Placement Agent to inform themselves about and to observe any such restrictions.

You should rely only on the information contained in the Prospectus. No person is authorised to give any information or to make any representation not contained in the Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Trustee or the Placement Agent. The information contained in the Prospectus is accurate as of the date of the Prospectus and for the period of validity of the Prospectus. In receiving the Prospectus and any supplement you hereby acknowledge that (i) you have been afforded an opportunity to request from the Issuer and to review, and have received, all additional public information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained herein, (ii) you have had the opportunity to review all of the documents described herein, (iii) you have not relied on the Trustee or the Placement Agent or any person affiliated with the Trustee or the Placement Agent in connection with any investigation of the accuracy of such information or the investment decision and (iv) no person has been authorised to give any information or to make any representation concerning the Issuer or the Notes (other than as contained herein) and, if given or made, you should not rely upon any such other information or representation as having been authorised by the Issuer, the Trustee or the Placement Agent.

Each prospective purchaser of the Notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and the Issuer shall not have any responsibility therefor.

See the section of the Prospectus headed “**RISK FACTORS**” for a description of certain factors relating to an investment in the Notes, including information about the Issuer’s business. None of the Issuer, the Trustee or the Placement Agent is making any representation to you regarding the legality of an investment by you under applicable legal investment or similar laws. You should consult with your own advisers as to legal, tax, business, financial and related aspects of a purchase of the Notes.

## **FORWARD-LOOKING STATEMENTS**

The Prospectus contains statements that constitute forward-looking statements. These forward-looking statements are based principally on the Issuer's current expectations and on projections of future events and financial trends that currently affect or might affect the Issuer's business.

The words "*believe*," "*expect*," "*continue*," "*understand*," "*estimate*," "*will*," "*may*," "*anticipate*," "*should*," "*intend*" and other similar expressions are intended to identify forward-looking statements. Such statements refer only to the date on which they were expressed and the Issuer assumes no obligation to publicly update or revise any forward-looking statements as a result of new information or any other events. In light of these risks and uncertainties, the forward-looking statements, events and circumstances discussed in the Prospectus may not be accurate and the Issuer's actual results and performance could differ materially from those anticipated in the Issuer's forward-looking statements. Investors should not make an investment decision based solely on the forward-looking statements in the Prospectus.

## **RESPONSIBILITY STATEMENTS**

This document comprises a Prospectus in the form of a single document and is prepared in accordance with Part IV of the Prospectus Law (as amended) and the Prospectus Regulation (as amended) This document is a prospectus for the purpose of giving information with regard to the Issuer and the Notes, which is necessary to enable investors to make an informed assessment as to the Issuer and the Notes.

The Issuer and the Underwriter responsible for the drawing up of the prospectus accept responsibility for the information contained in the Prospectus. To the best of the knowledge and belief of the Issuer and the Underwriter (having taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information or the content of this document. This document contains the necessary and required disclosures set forth in the Prospectus Regulation.

None of the Trustee or the Placement Agent (notwithstanding that one entity may be performing multiple roles) has separately verified or takes responsibility for the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Placement Agent or the Trustee as to the accuracy or completeness of the financial information contained herein, or any other financial statements or any further information supplied in connection with the issue of the Notes or their distribution. The statements made in this paragraph are without prejudice to the respective responsibilities of the Issuer in relation to the Notes.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with the Prospectus or any other financial statements or further information supplied pursuant to the terms of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuer, the directors of the Issuer, the Placement Agent or the Trustee.

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## PROSPECTUS SUMMARY

This prospectus summary is made up of disclosure requirements known as “**Elements**”. These elements are enumerated in sections A-E. This summary contains all Elements required to be included in a prospectus summary for securities of the nature sought to be admitted to listing on the Cyprus Stock Exchange. Some Elements are not required to be addressed depending on the Annexes of the Prospectus Regulation that are applicable. Further whilst certain Elements may be required to be included in the summary because of the type of securities involved, it is possible that there is no disclosure to be made against those Elements in which case the Element will be stated as “not applicable”.

### **Section A –Introduction and warnings**

<b>Element</b>	<b>Disclosure Requirement</b>	<b>Disclosure</b>
A.1.	Warning	<p>This summary (the “Summary”) should be read as an introduction to the Prospectus Any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2.	Subsequent resale of securities or final placement of securities through financial intermediaries	Not Applicable

## Section B – Issuer

Element	Disclosure Requirement	Disclosure
B.1.	Legal and commercial name of the Issuer	Ingard Property Bond Designated Activity Company
B.2.	Domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation	The Issuer is a newly incorporated special purpose vehicle incorporated in Ireland on 11 December 2015 as a limited company. The principal legislation under which the Issuer operates is the Irish Companies Act, 2014.
B.4.b	Description of any known trends affecting the Issuer	Not Applicable
B.5.	Group Structure	<p>The Issuer is a wholly owned subsidiary of Ingard Limited, a UK registered company, the sole shareholder of which is Mr. David Ewing, who is also a director of the Issuer. Ingard Limited is also the parent of:</p> <p>Ingard Alternative Funding (IAF) - which will borrow the proceeds of issue of the corporate bonds and provide bridging loans to the UK property market; and</p> <p>Ingard Financial Limited – which is an FCA regulated mortgage broker.</p>
B.9.	Profit forecast	Not Applicable
B.10.	Description of the nature of any qualifications in the audit report on the historical financial information	Not Applicable. The Issuer is newly incorporated SPV and as such has not yet started its operations.
B.12.	Historical Key Financial Information	Not Applicable. The Issuer is newly incorporated SPV and as such has not yet started its operations.
B.13.	Recent Events Material to Issuer’s solvency	Not Applicable as SPV is newly incorporated and has not yet started its operations.
B.14.	Issuer Dependent on Group Companies	The Issuer will lend the proceeds of the Notes to IAF, who in turn will grant collateral as security for such loan to the

		<p>Issuer. The Issuer's ability to meet interest payments and/or principal repayments is dependent on IAF meeting its obligations under the Loan Agreement. Should IAF default, for example by failing to make an interest payment or to repay the Loan, then the Issuer may be unable to make interest payments or to repay any principal to the Noteholders the Notes. The Issuer is not dependant on any other entities in the Group.</p> <p>IAF's business model is to lend at high monthly interest rates over short terms, secured on UK property or land. IAF is dependent on its lending operations being successful in order to meet its obligations under the Loan Agreement. Insufficient demand for bridge funding at an average of 1.5% pcm would adversely impact IAF's business and could mean that it was unable to meet its obligations to the Issuer, who would then be unable to meet its obligations to the Noteholders.</p>
B.15.	Issuers Principal Activities	The Issuer is a special purpose vehicle incorporated solely to act as Issuer of the Notes.
	Ownership and Control	The Issuer is wholly owned by Ingard Limited, the sole shareholder of whom is David Ewing, who is also a director of the Issuer.
B.17.	Credit Ratings	Not Applicable

## Section C - Securities

Element	Disclosure Requirement	Disclosure
C.1.	Type and class of securities and/or to be admitted for trading including any identification numbers	<p>The securities are secured Notes issued by the Issuer with an entitlement to interest at the rate of 7% from the date of issue over the term of the Notes. The form of the Notes is registered. The register of the Notes shall be maintained by the Registrar. Settlement of the Notes will be cleared through CREST. The Notes have been assigned:</p> <p>ISIN: GB00BYQLMM09; SEDOL: BYQLMMO.</p>
C.2.	Currency denomination of securities	The currency denomination is sterling and each Note is denominated in Stg£75,000 or integral multiples thereof.
C.5.	Restrictions on the free transferability of the securities	There are no restrictions on transferability.
C.8.	Rights Attached to Securities	<p>The securities are 7% secured Notes which rank <i>pari passu</i> amongst themselves and in priority to any subsequent unsecured creditors. The interest is payable from date of issue until the maturity of the Notes. The interest rate is fixed and can only be changed with a vote of 75% of the holders of the Notes. Payment of interest and principal sums on maturity has priority and ranks only subject to payment of Exceptional Expenses which are defined as being costs and expenses relating to fees, expenses, out-of-pocket expenses, liabilities (inclusive of VAT), which are not operating expenses owed to any operating creditors (being trustee, auditors, legal advisers or any delegate or person appointed by the trustee).</p>
C.9.	Additional to C.8. above	The interest rate of 7% is fixed

		and commences from date of issue of the Notes. Interest is payable annually on 31 December in each year, on the basis of a 360 day year. The maturity date of the Notes is 31 December, 2023. Interest payments will be made directly to the noteholders and the Issuer will only be able to vary the 7% interest rate and frequency of the annual interest with the prior consent of 75% of the noteholders.
C.10.	Additional to C.9. above	Not Applicable
C.11.	Application for Admission to trading	An application has been made to the Cyprus Stock Exchange for the admission to listing of the Notes on the Corporate Bond Market of the Regulated Market of the CSE.

#### Section D - Risks

Element	Disclosure Requirement	Disclosure
D.2.	Key information on the key risks that are specific to the Issuer	<p>The risks associated with the structure of the transaction are:</p> <ul style="list-style-type: none"> <li>•Investment in a security of this nature, being an illiquid investment, is speculative in nature, involving a degree of risk resulting in the Noteholders receiving less than the original amount invested and it may not be possible to redeem the note prior to the redemption date.</li> <li>•The Issuer has no operating history and there can be no assurance that it will achieve its investment objectives.</li> </ul> <p>The Issuer's future success is substantially dependent on the continued services of its Directors. Loss of service of any of the Issuer's executive and</p>

		<p>non-executive officers could have a material adverse effect on the Issuer’s business.</p> <p>The following are the material factors for assessing the market risks associated with the Notes:</p> <ul style="list-style-type: none"> <li>• The Notes may not be a suitable investment for all investors. Each potential investor should have sufficient knowledge and experience as well as access to the appropriate analytical tools in order to determine the merits and risks of investing in the Notes. Additionally should also have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes and should understand the terms of the Notes and be familiar with the behavior of any relevant financial market.</li> <li>• The Notes are complex financial instruments not to be purchased as a stand-alone investment but as a way to reduce or enhance yield with an understood and measured addition of risk to the overall portfolio.</li> <li>• The investment</li> </ul>
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		<p>opportunity described in the Prospectus may not be suitable for all recipients. Investors are recommended to consult an investment advisor.</p> <ul style="list-style-type: none"> <li>• The Prospectus has been prepared having regard to and taking account of current UK tax legislation, practice and interpretation. Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to the Noteholders. The Issuer in accordance with UK tax legislation, is tax resident in the UK and thus will act in accordance with and follow UK tax practices and interpretation. All relevant agreements in connection with the issue of the Notes are governed by English law.</li> <li>• The Issuer's business is dependent upon the availability of adequate funding. There can be no assurance that sufficient or continuing funding will be available to the Company in the future.</li> <li>• The Issuer's business operations, information systems and processes</li> </ul>
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		<p>and those of companies in which the Issuer invests are vulnerable to loss of business continuity.</p> <ul style="list-style-type: none"> <li>• Legal proceedings may arise from time to time in the course of the Issuer’s businesses. Such litigation could have a material adverse effect on the financial condition, results or operations of the Issuer.</li> </ul> <p>The key risks specific to the Issuer are:</p> <ul style="list-style-type: none"> <li>• The Issuer is a newly incorporated SPV with no track record and no previous activity in the bridging loan sector of UK property market;</li> <li>• The Issuer will provide a loan facility to its associated company IAF who in turn will provide bridging loans into the UK property market. The Issuer’s ability to make interest and/or principal payments under the Notes is dependent on IAF performing its obligations under the loan agreement with the Issuer. If IAF defaults, the Issuer may be unable to make interest and/or principal payments</li> </ul>
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		<p>under the Notes;</p> <ul style="list-style-type: none"> <li>• A downturn in the property market or a lack of demand for bridging loans will impact IAF's utilisation of funds and affect IAF's return on those funds which will in turn affect its ability to perform its obligations under the loan;</li> <li>• Downturn in the UK property market;</li> <li>• Illiquid UK property market;</li> <li>• Default by borrowers under the bridging loan agreements by borrowers resulting in enforcement procedures being followed which could mean amounts less than the bridging loan are recovered;</li> <li>• The success of the Issuer is dependent on the continued services and contributions of its directors. The loss of the services of its directors may have a material adverse effect on the Issuer's business.</li> <li>• If a larger competitor, or a competitor with a</li> </ul>
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		<p>lower cost of capital or greater funding capabilities should enter the market the IAF may find that its ability to fund sufficient lending opportunities is reduced.</p> <p>The Notes are secured by the assets of the IAF and the value of those assets if realisation is sought were a default to occur may be less than the face value of the bonds issued. On enforcement of the security bondholders may receive less than the face value of the Notes and/or any outstanding coupon.</p>
D.3.	Key information on the key risks that are specific to the Securities	<p>The risks specific to the securities are:</p> <ul style="list-style-type: none"> <li>• investment in the Notes is of a speculative nature and an investor may receive less than the amount invested;</li> <li>• the investment is an illiquid investment;</li> <li>• the Notes are complex financial instruments and an investor should not invest in the Notes unless it has the expertise (either alone or together with a financial adviser) to evaluate how the Notes will perform under</li> </ul>

		<p>changing conditions, the resulting effects on the value of the Notes and the impact of the investment on the investors overall portfolio;</p> <ul style="list-style-type: none"> <li>the Notes are secured but the value of the security may on an enforcement, be less than the face value of the Notes together with any interest coupon.</li> </ul>
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**Section E - Offer**

<b>Element</b>	<b>Disclosure Requirement</b>	<b>Disclosure</b>
E.2.b.	Reasons for the offer, use of proceeds when different from making profit and/or hedging certain risks.	<p>Not applicable.</p> <p>There will be no public offer of the Notes.</p> <p>The offer to qualified investors is made in order to raise funds to be utilised for the provision of bridging loan finance into the UK property market.</p> <p>The proceeds are going to be used for the purpose of providing bridging loan finance and the amount to be raised is £4,050,000.</p>
E.3.	Terms and conditions of the offer	<p>Not applicable. There will be no public offer of the Notes.</p> <p>The Issuer has authorised the issue of up to £4,050,000 7% secured notes due in 2023 (the “Notes”). The Notes will be issued to the wholesale market to qualified investors as defined in the Investment Services and Activities and Regulated Market Law, Law 144 (I)/2007 (as</p>

		<p>amended).</p> <p>The Notes will be placed with investors, on a reasonable endeavours basis, in four tranches, commencing with the first tranche of £1,750,000 already placed on 19 December, 2016. The three subsequent tranches will follow, with a tranche being issued approximately every four weeks thereafter. The placing of the Notes is not underwritten.</p> <p>The price of the Notes is already fixed at Stg£75,000 per unit. There is no charge to investors for any costs, expenses or taxes in connection with the Notes.</p>
E.4.	Material interests	There are no such material interests in connection with the Issue.
E.7.	Estimated expenses charged to the investor by the Issuer	There are no expenses charged to the investors.

## **PERSONS RESPONSIBLE**

The Prospectus has been prepared in accordance with the relevant legislation and has been approved by CySEC acting as the competent authority under the Prospectus Directive. This Prospectus contains all information concerning the Issuer required to be published by the Prospectus Law and the Prospectus Regulation which concerns the Issuer and the Notes. Thus, this Prospectus enables the investors to evaluate the assets, liabilities, financial position, performance and prospects of the Company as well as the rights attached to the Notes.

### **Company and Directors responsible for the content of the Prospectus**

The Issuer assumes full responsibility for the information contained in this Prospectus and declares that the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. The Directors of the Issuer signing this Prospectus, are also responsible jointly and severally for the information contained in this Prospectus and declare that: (i) having taken all reasonable care to ensure that such is the case, the information contained in it are, to the best of their knowledge, in accordance with the facts, complete and true; (ii) contains no omission of which is likely to affect its import; and (iii) no legal actions or claims of material importance are pending or threatened against the Issuer that could materially affect the Issuer's financial position. In accordance with section 20 of the Prospectus Law, this Prospectus has been signed by all of the directors of the Issuer, whose names appear below, which persons are responsible for the completeness, clarity, accuracy and update of the information contained herein:

- Mr. Andrew Williamson;
- Mr. Antony Legge;
- Mr. Ivano Cafolla;
- Mr. David Ewing.

### **IAF and its director responsible for drawing up of the Prospectus**

The director of IAF takes responsibility for all the information given as to IAF of whatsoever nature in the Prospectus and having taken all reasonable care to ensure that such is the case the information contained in the Prospectus as to IAF is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its import. This Prospectus has been signed by the sole director of IAF, Mr. David Ewing.

### **Underwriter responsible for drawing up of the Prospectus**

Global Capital Securities & Financial Services Limited whose registered address is at 50 Arch. Makarios III Avenue, Alpha House, 1st Floor, 1065, Nicosia, Cyprus, in its capacity as Underwriter responsible for the drawing up of this Prospectus by virtue of section 23 of the Cyprus Prospectus Law, declares that, having taken all reasonable care to ensure that that is the case, the information contained in the Prospectus is, to the best of its knowledge in complete accordance with the facts and contains no omissions likely to affect its import.

### **No responsibility of Trustee or Placement Agent**

None of the Trustee or the Placement Agent (notwithstanding that one entity may be performing multiple roles) has separately verified or takes responsibility for the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Placement Agent or the Trustee as to the accuracy or completeness of the financial information contained herein, or any other financial statements or any further information supplied in connection with the issue of the Notes or their distribution. The statements made in this paragraph are without prejudice to the respective responsibilities of the Issuer in relation to the Notes.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with the Prospectus or any other financial statements or further information supplied pursuant to the terms of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuer, the directors of the Issuer, the Placement Agent or the Trustee

## **RISK FACTORS**

In addition to the other relevant information set out in the Prospectus, the following specific factors should be considered carefully by potential investors in evaluating whether to make an investment in the Notes. An investment in the Notes may not be suitable for all potential investors. If you are in any doubt about the action you should take, or the contents of the Prospectus, you should seek your own financial advice, including as to any tax consequences from your stockbroker, solicitor, accountant, bank manager or other independent financial advisor authorised to conduct investment business and who specialises in advising on investments in unlisted securities.

Noteholders may receive less than the original amount invested. Investment in a security of this nature, being an illiquid investment, is speculative, involving a degree of risk. It may not be possible to redeem the Notes prior to the redemption date. There may not be buyers willing to purchase the Note in the market.

Risk factors which are material for the purpose of assessing the market risks associated with the Notes are described below.

### **1. Risks associated with the structure of the Transaction**

#### **Speculative nature of the investment**

Noteholders may receive less than the original amount invested. Investment in a security of the nature of the Notes, being an illiquid investment, is speculative, involving a degree of risk. It may not be possible to redeem the Notes prior to the redemption date. There may not be buyers willing to purchase the Notes in the market.

#### **The Company has no operating history and there can be no assurance that it will achieve its investment objectives.**

Although the Issuer expects to benefit from the combined industry experience of the Directors and any management team that is put in place, the Issuer is a newly formed entity and therefore has no trading history upon which to evaluate the likely performance of the Issuer. There is no guarantee that the Issuer's investment objectives will be achieved. The prior experience Directors does not represent the prospective performance of the business to be pursued by the Issuer. As with all performance data, past performance can provide no assurance of future results. A prospective investor should be aware that the value of an investment in the Issuer is subject to normal market fluctuations and other risks inherent in investing in securities. The results of the Issuer's operations will depend on many factors, including, but not limited to, the availability of opportunities for the acquisition of assets, the level and volatility of interest rates, readily accessible funding alternatives, conditions in the financial markets and general economic conditions.

#### **Dependence on the expertise of the Directors and attraction/ retention of key personnel**

The Issuer's future success is substantially dependent on the continued services and continuing contributions of its Directors. The loss of the services of any of the Issuer's executive and non-executive officers could have a material adverse effect on the Issuer's business.

The Issuer's future success will also depend on its ability to attract and retain additional suitably qualified and experienced employees. There can be no guarantee that the Issuer will be able to attract and retain such employees, and failure to do so could have a material adverse effect on the financial condition, results or operations of the Issuer. It is possible that the identity of the

Directors may change during the term of the Note and, therefore, the ability of the Issuer to continue to be able to meet its obligations to Noteholders will also depend, *inter alia*, on its future directors and management team. The recruitment of suitably skilled directors and retention of their services or the services of any future management team cannot be guaranteed.

In addition, the future success of the Issuer may be dependent on the Issuer's ability to integrate new teams or professionals. There can be no guarantee that the Issuer will be able to recruit such teams or effect such integration. Failure to do so could have a material adverse effect on the financial condition, results or operations of the Issuer.

## **2. Factors which are material for the purpose of assessing the market risks associated with the Notes**

### **The Notes may not be a suitable investment for all investors**

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in the Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal and interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### **Investment Performance**

The investment opportunity described in the Prospectus may not be suitable for all recipients of the Prospectus. Investors are strongly recommended to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of this nature before making a decision to invest.

## **Taxation**

The Issuer is in accordance with UK tax legislation tax resident in the UK and thus will act in accordance with and follow UK tax practices, and interpretation. All relevant agreements in connection with the issue of the Notes are governed by English Law.

The Prospectus have been prepared having regard to and taking account of current UK tax legislation, practice and concession and interpretation thereof. Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Noteholders or alter post tax returns to Noteholders. Statements in the Prospectus concerning the taxation of Noteholders are based on current tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

## **Dependence on availability of capital**

The Issuer's business is dependent upon the availability of adequate funding. Although the Issuer expects to have sufficient capital to satisfy all of its capital requirements, there can be no assurance that any, or sufficient, funding or will continue to be available to the Issuer in the future on terms that are acceptable to it.

## **Risk of loss of business continuity**

The Issuer's business operations, information systems and processes, and those of companies in which the Issuer invests, are vulnerable to damage or interruption from, fires, power loss, bomb threats, explosions or other forms of terrorist activity and other natural and man-made disasters. These systems may also be subject to sabotage, vandalism, theft and other similar misconduct.

## **Litigation**

Legal proceedings may arise from time to time in the course of the Issuer's businesses. The Directors cannot preclude that litigation, whether with merit or not, may be brought against the Issuer, or any company in which the Issuer invests, and that such litigation could have a material adverse effect on the financial condition, results or operations of the Issuer.

## **Tranches**

The Issuer intends to raise up to £4.05m in several tranches over the next three months. In the event that the less money is raised, the fees, which are mainly fixed will represent a higher proportion of the funds raised. Thus the company will need to generate a higher return on its capital to offset the cost of the Listing.

### **3. Specific Risks to the Issuer**

#### **IAF may Default on its obligation under the Loan Agreement**

The Issuer's ability to meet interest payments and/or principal repayments is dependent on IAF meeting its obligations under the Loan Agreement. Should IAF default, for example by failing to make an interest payment or to repay the Loan, then the Issuer may be unable to make interest payments or to repay any principal to the Noteholders under the Notes.

IAF's business model is to lend at high monthly interest rates over short terms, secured on UK property or land. IAF is dependent on its lending operations being successful in order to meet its obligations under the Loan Agreement. Insufficient demand for bridge funding at an average of 1.5% pcm would adversely impact IAF's business and could mean that it was unable to meet its obligations to the Issuer, who would then be unable to meet its obligations to the Noteholders.

### **No Track Record**

IAF is a new operation and has no track record in making bridging loans. There can be no guarantee that its operations will be successful and that it will be able to meet its obligations under the Loan Agreement.

### **The Value of the UK Property Market**

IAF will be lending at high loan to value ratios. Hence, if the UK property market experiences a downturn in value such that the values of the properties over which IAF may have security are less than the value of the loan secured on them then, in the event of a default in a Bridging Loan Agreement, IAF may not recover the full value of the Bridging Loan and any accumulated interest. This may make it difficult for IAF to meet its obligations under the Loan Agreement.

### **Demand for Bridge Funding**

A downturn in activity in the property market or a lack of demand for bridge funding may mean that IAF is unable to utilise all the funds available to it under the Loan Agreement. This would adversely impact the return that IAF is looking to generate on the funds and could restrict it from being able to meet its obligations under the Loan Agreement.

### **Interest Rates for Bridge Funding**

IAF's business model assumes lending at interest rates significantly in excess of those achieved in the past, as it will be lending on higher loan to value ratios. If it is unable to achieve its target interest rates, then it may struggle to meet its obligations under the Loan Agreement.

### **Default of Bridging Loan Agreements**

In the event of a client of IAF defaulting on a Bridging Loan Agreement, IAF will need to recover the funds lent by exercising the security and taking possession of the property or lands against which the bridging loan was originally made. IAF could incur costs which mean that the monies recovered are less than the original Bridging Loan and accumulated interest. This will decrease the return that IAF is seeking to generate from its lending activities and could adversely impact its ability to meet its obligations under the Loan Agreement.

### **Illiquidity of UK Property Market**

Bridge funding may be used to cover a gap between a transaction completing and funding being granted by a high street lender or to cover a short term funding requirement ahead of an asset realisation. Thus, the demand for bridge funding requires a degree of liquidity in the property market. A significant decrease in liquidity in UK property markets, whether regional or national, from the current level in the UK could result in a decrease in demand for bridge funding and hence adversely impact IAF's lending operations and restrict the return that IAF is seeking to generate from the funds received under the Loan Agreement.

In addition, should IAF need to sell any property or land taken due to the default of a Bridging Loan, it could be prevented from doing so by the UK property market becoming insufficiently liquid or it

may have to accept a value significantly below that of the original Bridging Loan in order to complete the sale and recover all the funds outstanding.

### **Competition**

There is currently little appetite from the main high street lenders for funding bridging loans on high loan to value ratios. The majority of the completion for IAF's business will come from individuals and small operations, similar to IAF. The directors of IAF believe that using IFL as a means of funding potential customers will ensure that it has a sufficient deal flow. However, if a larger competitor, or a competitor with a lower cost of capital or greater funding capabilities should enter the market then IAF may find that its ability to fund sufficient lending opportunities is reduced.

### **Dependence on Key Personnel**

IAF is depending on a small number of key personnel for their experience in evaluating the risk inherent in a bridging loan opportunity. If any of these personnel were to leave IAF then its ability to operate effectively could be reduced.

### **Value of the Security**

The Notes are secured by the assets of IAF and the value of those assets if realisation is sought were a default to occur may be less than the face value of the Notes issued together with outstanding coupon if any and the applicable costs of enforcement (Investors should note that at the outset, the assets of IAF will consist mainly of the Initial Loan Amount and hence will be less than the nominal value of the Notes). On enforcement of the security bondholders may, therefore, receive less than the face value of the Notes and/or any outstanding coupon.

## DEFINITIONS

For the avoidance of doubt definitions and rules of interpretation used in the Terms and Conditions of the Notes (as attached to the Prospectus) shall have the same meaning where used in the Prospectus unless otherwise defined.

<b>“Act”</b>	means the Companies Act 2006 of the United Kingdom as the same may be varied from time to time;
<b>“Account Bank”</b>	means <b>Allied Irish Bank plc</b> as at the date of the Prospectus together with any permitted successor thereto;
<b>“Articles”</b>	means the constitution of the Issuer in place as at the date of the Prospectus and which will be in place upon Admission as more particularly described in the section of the Prospectus headed <b>“INFORMATION ON THE ISSUER”</b> ;
<b>“Assets”</b>	the Loan together with any other assets of the Issuer (howsoever comprised) from time to time;
<b>“Admission”</b>	means the admission to listing and trading of the Notes on the regulated market of the CSE;
<b>“Board”</b>	means the board of directors of the Issuer;
<b>“Bridging Loan Agreement(s)”</b>	means a loan agreement between a Permitted Borrower and IAF in substantially the same form as prescribed in the Loan Agreement and as more particularly described in the section of the Prospectus headed <b>“BUSINESS OF IAF”</b> ;
<b>“Company” or “Issuer” or “SPV”</b>	means Ingard Property Bond Designated Activity Company;
<b>“CREST”</b>	means the Relevant System (as defined in the Crest Regulations) for paperless settlement of share and other transfers and the holding of shares and other securities in uncertified form which is administered by

	Euroclear;
<b>“Crest Regulations”</b>	means the Uncertified Securities Regulations 2001 (SI 2001/3755) as amended from time to time;
<b>“CSE”</b>	means the Cyprus Stock Exchange;
<b>“Directors”</b>	means the directors of the Issuer as the same may be comprised from time to time;
<b>“Directors Service Agreements”</b>	means the service agreements entered into between the Issuer and those persons who are Directors as at the date of the Prospectus as more particularly described in the section of the Prospectus headed <b>“INFORMATION ON THE ISSUER”</b> ;
<b>“FCA”</b>	means the Financial Conduct Authority of the United Kingdom;
<b>“IAF”</b>	means Ingard Alternative Funding Limited, a wholly owned subsidiary of the Issuer;
<b>“IFL”</b>	means Ingard Financial Limited, a subsidiary of Ingard, a company registered in England and Wales with company number 05728066 and regulated by the FCA;
<b>“IAF Security”</b>	means (1) the debenture to be granted by IAF to the Issuer, and (2) the legal mortgage over the shares of IAF in favour of the Issuer to be provided by the sole shareholder of IAF pursuant to the terms of the Loan Agreement;
<b>“Ingard”</b>	means Ingard Limited, a company incorporated and registered in England with company number 04332252;
<b>“Initial Loan Amount”</b>	means the Net Proceeds less the Initial Running Costs and an amount

	sufficient to meet the first six monthly payment due on the Notes
<b><i>“Initial Running Costs”</i></b>	means the anticipated running costs of the Issuer for the first six months following Admission, plus the first interest payment due from the Issuer; which together are expected to amount to approximately <b>£220,000</b> ;
<b><i>“Loan”</i></b>	means the loan to be advanced by the Issuer to IAF under the terms of the Loan Agreement;
<b><i>“Loan Agreement”</i></b>	means the loan agreement to be entered into between the Issuer and IAF as more particularly described in the section of the Prospectus headed <b>“BUSINESS OF THE ISSUER”</b> ;
<b><i>“Net Proceeds”</i></b>	means the proceeds received from all Investors subscribing for the Notes after deducting the costs of issuing the Notes (which are expected to amount to approximately £250,000);
<b><i>“Main Market”</i></b>	means the regulated Corporate Bond Market of the Regulated market of the Cyprus Stock Exchange;
<b><i>“Permitted Borrower”</i></b>	means a person to whom IAF is entitled to advance bridging finance to under the terms of the Loan Agreement;
<b><i>“Permitted Securities”</i></b>	means the securities to be granted in favour of IAF by Permitted Borrowers pursuant to the terms of the Bridging Loan Agreements;
<b><i>“Prospectus”</i></b>	means the Prospectus prepared by the Issuer in relation to the admission of the Notes to listing and trading on the Main Market.
<b><i>“Prospectus Directive” or “PD”</i></b>	means EU Directive 2003/71/EEC (as amended)
<b><i>“Prospectus Law” or “PD Law”</i></b>	means the Public Offer and Prospectus Law, Law 114(I)/2005 (as amended).
<b><i>“Prospectus Regulation”</i></b>	means Commission Regulation (EC) 809/2004 (as amended).

<b><i>“Registrar”</i></b>	means as at the date hereof, Share Registrars limited of UK or any permitted successor thereto.
<b><i>the “Security”</i></b>	means the debenture granted by the Issuer to the Trustee pursuant to the terms of the Trust Deed for the benefit of Noteholders as more particularly described in the section of the Prospectus headed <b>“BUSINESS OF THE ISSUER”</b> under the paragraph “Material Contracts”;
<b><i>“Registrar Agreement”</i></b>	means the registrar agreement in place between the Registrar and the Company in relation to, amongst other things, the provision of registrar and settlement services as more particularly described in the section of the Prospectus headed <b>“INFORMATION ON THE ISSUER”</b> under the paragraph “Material Contracts”; and
<b><i>“Terms and Conditions”</i></b>	means the terms and conditions of the Notes as set out in full in this section of the Prospectus headed <b>“TERMS &amp; CONDITIONS”</b> .

## DETAILS OF THE NOTES

<b>ISSUE DETAILS</b>	
<b>Issuer:</b>	Ingard Property Bond Designated Activity Company.
<b>Specified Currency</b>	British Pounds Sterling ("GBP " or "£").
<b>Principal Amount</b>	Up to £4,050,000.
<b>Governing law</b>	The Notes shall be governed by the laws of England & Wales.
<b>Authorised Denomination(s)</b>	GBP£75,000 and integral multiples of GBP£75,000.
<b>Minimum total aggregate subscription</b>	£1,750,000.
<b>Issue:</b>	<p>The Notes will be placed with qualified investors, on a reasonable endeavours basis, in four tranches, commencing with the first tranche of £1,750,000 already placed on 19 December, 2016. The three subsequent tranches will follow, with a tranche being issued approximately every four weeks thereafter. The placing of the Notes is not underwritten.</p> <p>All notes will rank <i>pari passu</i> and will be issued on the same terms and conditions.</p>
<b>Issue Date for the First Tranche</b>	19 December, 2016.
<b>Issue Price</b>	Par.
<b>Trustee</b>	Templar Steele (Trust & Custody) Limited)
<b>Account Bank</b>	Allied Irish Banks plc
<b>Placement Agent</b>	SVS Securities Plc.
<b>Status</b>	Secured debt of the Issuer.
<b>PROVISIONS RELATING TO THE FORM OF THE NOTES</b>	
<b>Form of Notes (Condition 2)</b>	Registered Notes. The register of Noteholders will be maintained by the Registrar.
<b>PROVISIONS RELATING TO INTEREST AND PAYMENTS</b>	
<b>Interest</b>	<p>7% per annum from the date of issue of the Notes over the term of the Notes.</p> <p>Interest payments shall be made directly by the Issuer to Noteholders. No paying agent has been appointed by the Issuer.</p> <p>The Issuer will be entitled to vary the amount and frequency of the annual interest payments with the prior consent of the</p>

	Noteholders of 75% of the Principal Amount of the Notes for the time being outstanding obtained at a duly convened general meeting of the Noteholders.
<b>Interest provisions</b>	Payment of interest to Noteholders in accordance with the Order of Priority of payments noted below (after payment in full of items ranking senior to the Noteholders) shall constitute full and final settlement of all of the Issuer's obligations to pay interest.
<b>Payment Date</b>	Payment of interest and repayment of the Principal Amount shall be made respectively on the Interest Payment Dates and the Maturity Date.
<b>Business Day Convention:</b>	Following Business Day Convention.
<b>Cities required for definition of "Business Day"</b>	London and Nicosia.
<b>Manner in which the Interest Amount is to be determined</b>	360 day year.
<b>PROVISIONS RELATING TO INTEREST AND REDEMPTION</b>	
<b>Maturity Date</b>	31 December 2023 subject to adjustment in accordance with the Business Day Convention or at the discretion of the Issuer such earlier date upon which the Issuer makes payment to the Noteholders of the Principal Amount and all interest which has not been paid but would have been due and payable to the Noteholders up to 31 December, 2023.
<b>Redemption Amount</b>	The Principal Amount of the Notes.
<b>Priority of Payments</b>	<p><b>Priority of Payments (General):</b></p> <p>On receipt of any sums from the Assets, (and also upon enforcement and realisation in full of the Security) the Issuer shall apply those sums in making or providing for payment towards satisfaction of the following amounts (to the extent they have not already been satisfied) in the following order of priority:</p> <ol style="list-style-type: none"> <li>1 to pay in full any Exceptional Expenses attributable and payable to the Trustee or any attorney, manager, agent, delegate or other person appointed by the Trustee;</li> <li>2 to pay in full, on a <i>pro rata</i> and <i>pari passu</i> basis, any Exceptional Expenses due and payable to the Operating Creditors (other than those paid to the Trustee, or any attorney, manager, receiver, agent, delegate or other person appointed by the Trustee) and any taxes and statutory fees due and payable by the Issuer;</li> </ol>

- 3 sums remaining after the applications in 1 and 2 shall be accrued and applied on each Interest Payment date on a *pro rata* and *pari passu* basis to the Noteholders in satisfaction of the Issuer's interest obligations under the Notes;
- 4 in no order of priority per se, but *pro rata* to the respective amounts then due to pay *pari passu* the sums (if any) remaining after the applications in 1, 2 and 3 above shall be accrued by the Issuer and repaid to the Noteholders on the Maturity Date in satisfaction of the Issuer's Principal repayment obligations under the Notes at the Maturity Date until the Notes are fully redeemed; and
- 5 after the Maturity Date to release the balance (if any) to the Issuer.

If all monies received by the Issuer between the Closing Date and the Maturity Date in respect of the Assets, and at any time on enforcement of the Security, would otherwise be insufficient to pay all amounts due in accordance with the Order of Priority, such obligations shall be deemed to be reduced or extinguished in inverse order of the Order of Priority.

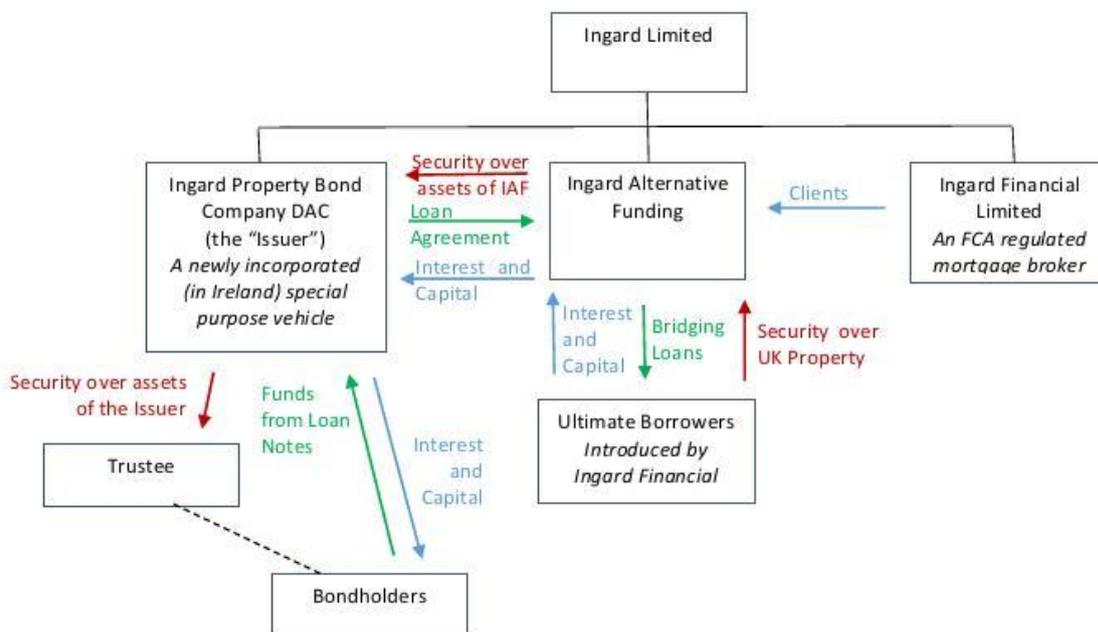
**Priority of Payments (upon the occurrence of a Suspension Event):**

On receipt of any sums from the Assets, the Issuer shall apply those sums in making or providing for payment towards satisfaction of the following amounts (to the extent they have not already been satisfied) in the following order of priority:

- 1 to pay in full any Exceptional Expenses attributable and payable to the Trustee or any attorney, manager, agent, delegate or other person appointed by the Trustee;
- 2 to pay in full, *pro rata* and on a *pari passu* basis, any Exceptional Expenses due and payable to the Operating Creditors (other than the Trustee, or any attorney, manager, receiver, agent, delegate or other person appointed by the Trustee) and any taxes and statutory fees due and payable by the Issuer; and
- 3 sums remaining after the applications in 1 and 2 above, shall be accrued and applied on each Interest Payment date on a *pro rata* and *pari passu* basis to the Noteholders in satisfaction of the Issuer's interest obligations under the Notes.

<b>Events of Default</b>	Condition 10 of the Terms and Conditions details the events which shall trigger an Event of Default.
<b>Interest Payment Date</b>	31 December in each year up to Maturity Date.
<b>Loan Agreement Default</b>	The Issuers ability to make interest payments and/or principal repayments is dependent on IAF meeting its obligations under the Loan Agreement. Should IAF default, for example by failing to make an interest payment or repay the Loan, then the Issuer may be unable to make interest payments or repay any principal to the Noteholders under the Notes.
<b>DISTRIBUTION</b>	
<b>Selling restrictions:</b>	
<b>United States:</b>	Not Regulation S or Rule 144A eligible and the Notes will not be issued by the Issuer to subscribers in the United States of America.
<b>Others:</b>	European Union, United Kingdom, Republic of Ireland, Germany, Hong Kong, Japan, France and Cyprus (as more particularly described in the Terms and Conditions).
<b>OPERATIONAL INFORMATION</b>	
<b>ISIN:</b>	GB00BYQLMM09
<b>SEDOL:</b>	BYQLMM0
<b>Settlement Procedures:</b>	Settlement will be via CREST
<b>Transfer Procedures:</b>	Transfer shall take place within the CREST system (or any alternative system on which the Notes may be issued from time to time)
<b>LISTING</b>	
<b>Listing of the Debt</b>	It is a condition to the issue of the Notes that application shall be made to admit the Notes to the Corporate Bond market of the Regulated Market of the CSE forthwith upon the issue by the Issuer of the Notes.
<b>ASSETS AND SECURITY</b>	
<b>Assets</b>	means the Loan together with any other assets of the Issuer, however comprised, from time to time.
<b>Security</b>	A debenture to be granted by the Issuer.
<b>Ranking of Security</b>	First Ranking (in priority to any other creditors).
<b>Trustee</b>	Templar Steele (Trust & Custody) Limited
<b>Status</b>	Limited recourse obligation of the Issuer

DIAGRAM OF THE TRANSACTION STRUCTURE ON CLOSING AND CASH FLOW



The Issuer is a newly incorporated entity whose purpose is to issue the Notes. The majority of the Net Proceeds (being the Initial Loan Amount) will be loaned to IAF under the terms of the Loan Agreement. IAF intends to use the Loan to provide bridging finance, secured on UK land or property. The Issuer and IAF are both subsidiaries of Ingard. Ingard has a third subsidiary, IFL, an FCA regulated mortgage broker.

The Issuer is an Irish incorporated limited company, registered on 11 December 2015 with registration number 573380. It has its registered office at 27 Hatch Street Lower Dublin 2, Ireland Ltd. (Tel.No: +35317755600; Fax No: +35317755601).

On Admission, the cash flows from the Noteholders to the Issuer. The Issuer then lends the majority of the funds to IAF, under the Loan Agreement, keeping sufficient in reserve (as a matter of financial prudence) to meet the six monthly payment and running costs for the same period. IAF then lends the funds to a variety of customers, mainly sourced through IFL. IAF will have a portfolio of Bridging Loans with terms ranging from one month or less up to 12 months. The interest on these loans is rolled up and repaid, along with the principal, at the end of the term. IAF will seek to have sufficient demand that once a Bridging Loan is repaid, it can immediately lend the funds back out to another customer, thus maximising the interest generating potential of its capital. Every six months, IAF will pay the interest due on the Loan Agreement to the Issuer thus enabling the Issuer to pay the annual interest payments due to Noteholders in accordance with the Terms and Conditions.

The Issuer will hold a reserve, which is not loaned down to IAF, at least equal to the first six monthly interest charge and the running costs of the Issuer for the same period. IAF will manage its portfolio of loans such that sufficient loans, together with their accumulated interest payments, are repaid to IAF in time for it to meet its six monthly obligations to the Issuer and thus enable the Issuer to discharge its obligation to meet the interest payments due to Noteholders under the Terms and Conditions. The reserve held by the Issuer provides a buffer in the event that, for whatever reason, IAF is unable to make its first six monthly payment; however, this buffer only works for one missed

payment and a second consecutive missed payment could result in the Issuer defaulting on its obligations to the Noteholders.

During the periods between the dates when interest payments are due on the Notes, the Issuer may invest the reserve in one month or three month cash deposits which generate rates of c 0.5% AER with main stream banks. IAF is unlikely to utilise such instruments.

Payments due to the Issuer will be made by IAF to the Account Bank into such account as the Issuer may nominate for this purpose.

## **FINANCIAL INFORMATION ON THE ISSUER**

Since the date of incorporation the Issuer has not started its operations and no financial statements have been made up as at the date of the Prospectus nor has the Issuer appointed any statutory auditors.

## **FINANCIAL INFORMATION ON IAF**

The financial information in respect of IAF for the two financial years ending 31 August 2015 is set out below. **The financial information is NOT prepared in accordance with international accounting standards adopted pursuant to Article 3 of Regulation (EC) 1606/2002. The said Financial Information does not relate to the Issuer as the Issuer is a newly incorporated Company which has not started its operations. The reason the said Financial Information has been included in this Prospectus is by virtue of the fact that IAF is the borrower under the Loan Agreement.**

**INGARD ALTERNATIVE FUNDING LIMITED**

**Abbreviated Unaudited Accounts**

**For The Year Ended 31 August 2015**

INGARD ALTERNATIVE FUNDING LIMITED (REGISTERED NUMBER: 08667182)

Contents of the Abbreviated Accounts  
For The Year Ended 31 August 2015

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**INGARD ALTERNATIVE FUNDING LIMITED**

**Company Information  
For The Year Ended 31 August 2015**

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**DIRECTOR:** D N Ewing

**REGISTERED OFFICE:** 1 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

**REGISTERED NUMBER:** 08667182 (England and Wales)

INGARD ALTERNATIVE FUNDING LIMITED (REGISTERED NUMBER: 08667182)

Abbreviated Balance Sheet  
31 August 2015

	Notes	2015 £	2014 £
<b>CURRENT ASSETS</b>			
Debtors		1	1
<b>CREDITORS</b>			
Amounts falling due within one year		<u>776</u>	<u>523</u>
<b>NET CURRENT LIABILITIES</b>		<u>(775)</u>	<u>(522)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(775)</u>	<u>(522)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	2	1	1
Profit and loss account		<u>(776)</u>	<u>(523)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(775)</u>	<u>(522)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2015.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2015 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the director on 15 October 2015 and were signed by:

D N Ewing - Director

The notes form part of these abbreviated accounts

INGARD ALTERNATIVE FUNDING LIMITED (REGISTERED NUMBER: 08667182)

Notes to the Abbreviated Accounts  
For The Year Ended 31 August 2015

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1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

In the opinion of the directors, it remains appropriate to continue to adopt the going concern basis of accounting.

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

3. ULTIMATE PARENT COMPANY

Ingard Limited is regarded by the director as being the company's ultimate parent company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

**INGARD ALTERNATIVE FUNDING LIMITED**

**Abbreviated Unaudited Accounts**

**For The Period 28 August 2013 to 31 August 2014**

**INGARD ALTERNATIVE FUNDING LIMITED (REGISTERED NUMBER: 08667182)**

**Contents of the Abbreviated Accounts  
For The Period 28 August 2013 to 31 August 2014**

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**INGARD ALTERNATIVE FUNDING LIMITED**

**Company Information**  
**For The Period 28 August 2013 to 31 August 2014**

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**DIRECTOR:** D N Ewing

**REGISTERED OFFICE:** 1 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

**REGISTERED NUMBER:** 08667182 (England and Wales)

INGARD ALTERNATIVE FUNDING LIMITED (REGISTERED NUMBER: 08667182)

Abbreviated Balance Sheet  
31 August 2014

	Notes	£
<b>CURRENT ASSETS</b>		
Debtors		1
<b>CREDITORS</b>		
Amounts falling due within one year		<u>523</u>
<b>NET CURRENT LIABILITIES</b>		<u>(522)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(522)</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	2	1
Profit and loss account		<u>(523)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(522)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 August 2014.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 August 2014 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the director on 3 September 2014 and were signed by:

D N Ewing - Director

The notes form part of these abbreviated accounts

INGARD ALTERNATIVE FUNDING LIMITED (REGISTERED NUMBER: 08667182)

Notes to the Abbreviated Accounts  
For The Period 28 August 2013 to 31 August 2014

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1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

In the opinion of the directors, it remains appropriate to continue to adopt the going concern basis of accounting.

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
1	Ordinary	£1	<u>1</u>

1 Ordinary share of £1 was allotted and fully paid for cash at par during the period.

3. ULTIMATE PARENT COMPANY

Ingard Limited is regarded by the director as being the company's ultimate parent company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

## Basis of Historical Financial Information

The foregoing financial information relating to IAF is abbreviated and unaudited having been prepared in accordance with the UK Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) ('FRSSE') as issued by the Accounting Standards Board in respect of its application in the UK and by the Institute of Chartered Accountants in Ireland in respect of its application in the Republic of Ireland.

The FRSSE brings together in a single place the accounting standards and the accounting requirements of UK company law applicable to smaller companies. The measurement bases in the FRSSE are generally the same as those in existing UK generally accepted accounting principles ('UK GAAP') and international accounting standards arising from Article 3 of Regulation (EC) 1606/2002. However, in many cases, the disclosure requirements of the accounting standards included as part of the FRSSE are significantly reduced.

In 2013 the FRSSE was amended to enable micro-entities to comply with the FRSSE whilst taking advantage of the exemptions for micro-entities contained within the UK's Small Companies (Micro-Entities' Accounts) Regulations 2013 (SI 2013/3008).

The FRSSE is applicable to companies and groups that qualify as small under the Act and analogous entities. A company qualifies as small in relation to its first financial year if the qualifying conditions are met in that year. A company qualifies as small in relation to a subsequent financial year:

- if the qualifying conditions are met in that year and the preceding financial year;
- if the qualifying conditions are met in that year and the company qualified as small in relation to the preceding financial year;
- if the qualifying conditions were met in the preceding financial year and the company qualified as small in relation to that year.

The qualifying conditions are met by a company in a year in which it satisfies two or more of the following requirements:

- |                       |                             |
|-----------------------|-----------------------------|
| ○ Turnover            | Not more than £6.5 million  |
| ○ Balance sheet total | Not more than £3.26 million |
| ○ Number of employees | Not more than 50            |

Some of the key simplifications in the FRSSE by comparison to existing UK GAAP and other financial reporting standards are as follows:

- **Finance leases:** allocation of interest on a straight-line basis may provide a reasonable approximation to a constant periodic rate of charge over the period of the lease;
- **Value in use:** removal of the detailed requirements for calculating value in use (as part of recoverable amount) and subsequent monitoring of cash flows for five years following an impairment review where recoverable amount has been based on value in use;
- **Retirement benefits:** the FRSSE omits the following requirements:
  - when assessing defined benefit scheme liabilities, to attribute benefits to periods of service according to the scheme's benefit rules;

- for assumptions in actuarial valuations of defined benefit scheme liabilities to reflect expected future events;
  - to allocate tax relief on contributions between the profit and loss account and statement of recognised gains and losses;
  - to make a charge to the profit and loss account for expected costs of providing death-in-service or incapacity benefits the FRSSE does not include the prohibition against accounting for a change in estimation technique as a prior period adjustment;
- **Deferred tax:** the FRSSE omits the requirements:
    - to provide deferred tax when assets are 'marked to market';
    - to provide deferred tax on unremitted earnings of subsidiaries, associates and joint ventures;
  - **Share-based payments:** no expense need be recorded for equity-settled share-based payments; for cash-settled share-based payments, a best estimate of the amount required to settle the liability at the balance sheet date is used rather than fair value.
  - **Disclosures:** A number of disclosures required by existing UK GAAP and other financial reporting standards are not required under the FRSSE. The disclosure requirements under FRSSE include:
    - identification of related parties;
    - detailing of subsidiary undertakings;
    - information relating to substantial shareholdings (over 20% interest);
    - identification of details of interests held by partnerships;
    - ascertaining details of parent undertakings;
    - detailing information relating to directors remuneration;
    - ascertaining information concerning controlling entities;
    - providing information concerning guarantees of company debts by related parties;
    - information relating to transactions with parties described above; and
    - information concerning transactions and their conduct at arms length or otherwise.

**The foregoing information set out under the heading Basis of Historical Financial Information is summary information only and is not advice on which Noteholders may rely. Noteholders reviewing the IAF historical financial information should do so having regard to the provisions of the UK Companies Act 2006 and the FRSSE or obtain advice from a suitably qualified professional.**

## PARTIES TO THE TRANSACTION

The following table details the parties to the Transaction and their role and responsibilities in the Transaction. For further details on the role and responsibilities to be performed by each of the below listed parties more information can be found in the section of the Prospectus headed “**BUSINESS OF THE ISSUER**”:

Name	Role/ responsibility within the Transaction	Regulatory status (if applicable)
SVS Securities Plc	Placement Agreement	Regulated by the Financial Conduct Authority of the United Kingdom
Templar Steele (Trust & Custody) Limited	Trustee	n/a
Marriott Harrison LLP	Solicitor to the Issuer in relation to Admission as to English law	Regulated by the Solicitors Regulatory Authority of England and Wales
Keane Vgenopoulou & Associates LLC	Lawyers to the Issuer as to Cyprus law	Regulated by the Cyprus Bar Association
Allied Irish Bank plc	Account Bank	Regulated by the Central Bank of Ireland
Share Registrars Limited	Registrar	n/a
SVS Securities Plc	Settlement Agent	Regulated by the Financial Conduct Authority of the United Kingdom

Other than as disclosed in the Prospectus there are no conflicts of interest among the above listed parties to the transaction, or their related parties.

## **USE OF NET PROCEEDS**

The majority of the Net Proceeds will be loaned to IAF under the terms and conditions of the Loan Agreement, as set out in the section of the Prospectus headed **“BUSINESS OF THE ISSUER”**.

Future interest payments will be met by the interest payments due to the Issuer from IAF under the Loan Agreement, the terms of which the Issuer has assured are sufficiently aligned to allow the Issuer to meet its obligations to Noteholders under the Terms and Conditions. Future monthly running costs for the Issuer are expected to be covered by the monthly payments due from IAF under the Loan Agreement.

## **BUSINESS OF THE ISSUER**

The Issuer is a newly incorporated entity whose sole purpose is to issue the Notes and enter into the Loan Agreement with IAF. The Notes are secured on 100% of the assets of IAF. Further information in IAF can be found in the sections of the Prospectus headed “**BUSINESS OF IAF**” and “**INFORMATION ON IAF**”. The business of the Issuer will be managed by the Directors.

### **1. Loan Agreement**

The Issuer has entered into a loan agreement (the “**Loan Agreement**”) with IAF, conditional only upon Admission, pursuant to which the Issuer will advance at least an amount equal to **£1,140,000** (the “**Initial Loan Amount**”) to IAF. The Loan Agreement is for 7 years with IAF due to repay all sums advanced prior to the maturity of the Notes. All sums advanced under the Loan Agreement may only be used by IAF for the purpose of providing bridging facilities to clients of IAF (as more particularly described in the section of the Prospectus headed “**BUSINESS OF IAF**”).

The Loan Agreement is governed by the laws of England and Wales.

The Loan Agreement includes various stringent financial covenant obligations on IAF which restricts the clients to which IAF can make bridging facilities available. Furthermore, it specifies the type of security (“**Permitted Securities**”) which must be obtained by IAF from the Permitted Borrower in respect of any bridging facilities that it makes available pursuant to a Bridging Loan Agreement. Permitted Securities are prescribed as being either a first or second fixed charge over the heritable property being financed. The Loan Agreements also prescribes the format of both the Bridging Loan Agreements and the Permitted Securities. The covenants within the Loan Agreement also specify the maximum exposure that IAF may have to both types of fixed security.

If the Issuer raises money in addition to the Initial Loan Amount through the sale of Notes it hereby agrees to advance any such funds as it may raise from this sale (less costs incurred through the sale and admission to trading of any such additional Notes) to IAF upon the same terms as set out in the Loan Agreement. It may do so by varying the terms of the Loan Agreement to increase the quantum of the Loan to an amount not exceeding £4,050,000.

The Initial Loan Amount shall be advanced under the Loan Agreement as soon as reasonably practicable following Admission in accordance with the terms of that document and to the extent funds are held by the Issuer following Admission and pending advance they shall be held in escrow for the benefit of the Noteholders under the control of the Trustee.

The Loan Agreement also includes a number of warranties and indemnities granted by IAF to the Issuer together with a series of events of default pursuant to which all sums advance and interest would be immediately repayable.

Under the Loan Agreement IAF warrants and represents to the Issuer, the following:

- 1.1 It:
  - 1.1.1 is a duly incorporated limited liability company validly existing under the laws of its jurisdiction of incorporation; and
  - 1.1.2 has the power to own its assets and carry on its business as it is being conducted.

- 1.2
  - 1.2.1 It has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of, the matters contemplated in the Loan Agreement.
  - 1.2.2 No limit on its powers will be exceeded as a result of the borrowing or grant of security contemplated by the finance documents described in the Loan Agreement (the “**Finance Documents**”).
- 1.3 The entry into and performance by it of, and the transactions do not and will not contravene or conflict with:
  - 1.3.1 its constitutional documents;
  - 1.3.2 any agreement or instrument binding on it or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or
  - 1.3.3 any law or regulation or judicial or official order, applicable to it.
- 1.4 It has obtained all required or desirable authorisations to enable it to enter into the transaction contemplated in the Loan Agreement.
- 1.5 Its obligations are legal, valid, binding and enforceable in accordance with their terms.
- 1.6 It is not necessary to file, record or enrol any Finance Document (other than the registration of the Security Document under the Companies Act 2006 and, in the case of real property registration at HM Land Registry with any court or other authority or pay any stamp, registration or similar taxes relating to any Finance Document or the transactions contemplated by any Finance Document.
- 1.7 No event of default or potential event of default has occurred or is continuing, or is reasonably likely to result from making the Loan or the entry into, the performance of, or any transaction contemplated by the Finance Documents.
- 1.8 No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination thereof, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on IAF or to which any of its assets is subject which has or is likely to have a material adverse effect on its business, assets or condition or ability to perform its obligations under the Finance Documents.
- 1.9 No litigation, arbitration or administrative proceedings are taking place, pending or, to IAF's knowledge, threatened against it, any of its directors or any of its assets, which might reasonably be expected to have a material adverse effect on its business, assets or condition, or its ability to perform its obligations under the Finance Documents.
- 1.10 The information, in written or electronic format, supplied by, or on its behalf, to the Issuer in connection with the Facility and the Finance Documents was, at the time it was supplied or at the date it was stated to be given (as the case may be), to the best of its knowledge and belief having made all due enquiry:
  - 1.10.1 if it was factual information, complete, true and accurate in all material respects;

- 1.10.2 if it was a financial projection or forecast, prepared on the basis of recent historical information and on the basis of reasonable assumptions and was fair and made on reasonable grounds; and
- 1.10.3 if it was an opinion or intention, made after careful consideration and was fair and made on reasonable grounds; and
- 1.10.4 not misleading in any material respect, nor rendered misleading by a failure to disclose other information,

except to the extent that it was amended, superseded or updated by more recent information supplied by, or on behalf of, IAF to the Issuer.

1.11 The Security creates (or once entered into, will create):

- 1.11.1 valid, legally binding and enforceable Security for the obligations expressed to be secured by it; and
- 1.11.2 subject to registration under section 859A of the Companies Act 2006 and, in the case of real property registration at HM Land Registry, perfected Security over the assets expressed to be subject to security in it,

in favour of the Issuer, having the priority and ranking expressed to be created in the Security and ranking ahead of all (if any) securities and rights of third parties except those preferred by law.

Each of the representations and warranties given by IAF is deemed to be repeated by IAF on:

- the date of the request to draw down the Loan;
- the date that the Loan is actually drawn down; and
- each date immediately succeeding the date on which interest is paid under the Loan Agreement.

by reference to the facts and circumstances existing on each such date.

As security for all and any sums advanced pursuant to the Loan Agreement, IAF will grant to the Issuer a debenture, and Ingard, as the sole shareholders of IAF, will grant a legal mortgage over the entire issued share capital of IAF (the “**IAF Security**”), as security for all sums advanced by the Issuer to IAF under the Loan Agreement. Furthermore, IAF has agreed to execute and deliver any security document that the Issuer requires (acting in its sole discretion) by way of security for the Loan over IAF’s assets.

The Permitted Securities obtained by IAF will consist of first or second ranking charges over UK property. The underlying assets of IAF will comprise the various Bridging Loan Agreements. The manner in which IAF manages its assets is set out in the section of the Prospectus headed “Business of IAF”. There is no separate external entity managing the securities.

Under the terms of the Loan Agreement, IAF will also covenant with the Issuer that, as from the date of Loan Agreement until all its liabilities under the various finance documents have been discharged:

- 1.12 It will deliver to the Issuer:
- 1.12.1 within 180 days after the end of each of its financial years, its audited accounts;
  - 1.12.2 within 30 days after preparation its management accounts;
  - 1.12.3 promptly such financial or other information as the Issuer may, from time to time, reasonably request relating to the IAF or its business.
- 1.13 It will promptly, after becoming aware of them, notify the Issuer of any litigation, arbitration or administrative proceedings or claim.
- 1.14 It will promptly obtain all consents or authorisations necessary (and do all that is needed to maintain them in full force and effect) under any law or regulation to enable it to perform its obligations under the various finance documents and to ensure the legality, validity, enforceability and admissibility in evidence of the finance documents in its jurisdiction of incorporation.
- 1.15 It will procure that any of its unsecured and unsubordinated obligations and liabilities under the finance documents rank, and will rank, at least pari passu in right and priority of payments with all its other unsecured and unsubordinated obligations and liabilities, present or future, actual or contingent, except for those obligations and liabilities mandatorily preferred by law of general application to companies.
- 1.16 It will comply, in all respect, with all laws, if failure to do so has or is reasonably likely to have a material adverse effect on its business, assets or condition, or its ability to perform its obligations under this agreement.
- 1.17 It will notify the Issuer of any Potential Event of Default or Event of Default (and the steps, if any, being taken to remedy it) promptly on becoming aware of its occurrence.
- 1.18 If the Issuer is obliged for any reason to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the IAF will, promptly on the request of the Issuer, supply (or procure the supply of) such documentation and other evidence as is reasonably requested in order for the Issuer to be able to carry out, and be satisfied that it has complied with, all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the various finance documents.
- 1.19 It will carry on and conduct its business in a proper and efficient manner and will not make any change to the general nature or scope of its business as carried on at the date of this agreement.
- 1.20 Furthermore, IAF will not:
- 1.20.1 create, or permit to subsist, any Security on or over any of its assets other than security created pursuant to the security;
  - 1.20.2 sell, transfer or otherwise dispose of any of its assets on terms whereby such assets are or may be leased to or re-acquired or acquired by it; or
  - 1.20.3 sell, transfer or otherwise dispose of any of its receivables on recourse terms; or

- 1.20.4 enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
  - 1.20.5 enter into any other preferential arrangement having a similar effect, in circumstances where the arrangement or transaction is entered into primarily as a method of raising Borrowed Money or of financing the acquisition of an asset.
- 1.21 It will not sell, assign, lease, transfer or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, its assets other than:
- 1.21.1 trading stock in the ordinary course of its business; and
  - 1.21.2 assets exchanged for other assets comparable or superior as to type, value and quality.
- 1.22 It will not incur or permit to subsist, any obligation for Borrowed Money.
- 1.23 It will ensure that its aggregate exposure in respect monies advanced to Permitted Borrowers will not at any time exceed 80% of the aggregate market value of all property over which IAF holds Permitted Securities .
- 1.24 No individual Permitted Borrower will at any time be advanced an amount in excess of 35% of the aggregate market value of all Property over which the Borrower holds Permitted Securities.
- 1.25 It will ensure that it does not advance monies to any Permitted Bridge Finance Borrower to whom it is not entitled to advance monies pursuant to its regulatory authorisation (no matter how comprised) at any time.

## 2. **Material Contracts**

In addition to the Loan Agreement, the Issuer has entered into the following material contracts each of which are governed by English Law, the result of which could be that the Issuer is under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Noteholders in respect of the Notes:

### 2.1 **Trust Deed**

Upon the unconditional Admission of the Notes to trading on the Corporate Bond Market of the Regulated Market of the Cyprus Stock Exchange the Issuer will enter into a deed of trust with Trustee.

This contract, inter alia:

- constitutes the Notes and confirms that the Notes will pay an annual coupon of 7%;
- creates a covenant to redeem and to pay interest on the Notes by the Issuer to the Trustee, for the benefit of the Noteholders;
- provides for the Trustees powers and responsibilities to Noteholders;

- constitutes the Trustee as the security trustee of the Security for the benefit of the Noteholders and details enforcement provisions in relation to the same should an Event of Default occur;
- sets out the form and issue of the Notes;
- imposes an obligation to ensure that the Registrar keeps a register of Noteholders which shall be kept in the jurisdiction of incorporation of the Issuer or otherwise where the Trustee shall determine;
- provides that the Trustee will pursue any and all remedies available to Noteholders with respect to the Notes;
- application of any monies received by the Trustee with respect to the Notes;
- provides that the obligations of the Issuer are limited recourse limited to the lesser of the nominal value of the Notes and the actual amount received or recovered by the Issuer in respect of the security;
- sets out the remuneration and indemnification of the Trustee;
- lays out the circumstance under which the Trustee may resign or be removed and the procedures for so doing; and
- sets out the procedure for the governance of meeting of the Noteholders of Notes.

## 2.2 **The Security**

The Issuer, has entered into the Security conditional only upon Admission.

## 2.3 **Directors service agreements**

The Issuer will, upon the unconditional admission of the Notes to trading on Corporate Bond Market of the Regulated Market of the Cyprus Stock Exchange , enter into the following directors service agreements:

- a director's agreement for the provision of services with David Ewing, for of an initial period of one year, terminable at will by either party with 3 months' notice, for an annual fee of £12,000;
- a director's agreement for the provision of services with Antony Legge, for of an initial period of one year, terminable at will by either party with 3 months' notice, for an annual fee of £24,000;
- a director's agreement for the provision of services with Andrew Williamson, for of an initial period of one year, terminable at will by either party with 3 months' notice, for an annual fee of €12,000; and
- a director's agreement for the provision of services with Ivano Cafolla, for of an initial period of one year, terminable at will by either party with 3 months' notice, for an annual fee of €12,000.

## INFORMATION ON THE ISSUER

The Issuer was incorporated as a designated activity company limited by shares under Part 16 of the Companies Acts 2014 in the Republic of Ireland on 11 December 2015 under the name of Ingard Property Bond Designated Activity Company and with registration number 573380.

The Issuer was established as a special purpose vehicle for the purpose of issuing the Notes. The objects of the Issuer as stated in clauses 3 and 4 of its memorandum of association are:

“to carry on the business of issuing bonds and other related activities thereto.

To carry on all such other things as are incidental or conducive to the attainment of the above object.”

The Issuer has an authorised share capital of €100,000 divided into 100,000 shares of €1.00 each.

The Issuer has an issued share capital of €1.00 divided into 1 share of €1.00 each. The sole shareholder is Ingard Limited, whose sole shareholder in turn is Mr. David Ewing. The board of directors of the Issuer is comprised of 4 persons who collectively are responsible for the management of the business of the Issuer. There is no single person exercising control.

An application is to be made for the Notes to be admitted to trading on the Corporate Bond Market of the Regulated Market of CSE.

The Issuer has been incorporated with the sole purposes of issuing the Notes to Noteholders pursuant to the Terms and Conditions of the Notes.

The only assets that will be held by the Issuer are the Assets.

The Issuer may borrow such sums of money as the Issuer may require from time to time consider prudent for the purpose of operating its business.

The registered office of the Issuer is: 27 Hatch Street Lower, Dublin 2, Ireland.

The telephone number of the Issuer is: Telephone: +353 1 77 55 600 and Facsimile: +353 1 77 55 601.

The Issuer is an Irish incorporated company but as it does not intend to list in Ireland it has not taken any decision to and will not comply with the corporate governance regime in Ireland.

There are no legal actions or claims of material importance pending or threatened against the Issuer that could materially effect the Issuer's financial position.

### Directors

As at the date of the Prospectus the details of the Directors are as follows:

Director	Business Address	Other directorships
<b>Antony Fabian Legge</b>	27 Hatch Street Lower, Dublin 2, Ireland	Current: LMG Consulting Services Limited and Servision Plc Past: Precision Midstream Plc, Citypoint Investments Plc, Fenchurch Capital Limited, Aldermay Securities Limited, Lagan Capital Limited, Updown Investment LLP, Marchdale Capital Plc, H2JL Limited, Javelin Ventures Limited, Casect

		Ltd, Commedica Ltd
<b>Andrew Williamson</b>	11 Staple Inn, London WC1V 7QH	Current: Queensway Investments Limited, Queensway Trust Company Limited, Marriott Harrison LLP, Crescent Global Partners Limited, Lycidas Property Management Company Limited, Inverclyde Development Limited, Jiatang Limited, Crescent Equity Partners Limited
<b>Ivano Cafolla</b>	N 27 Hatch Street Lower, Dublin 2, Ireland	Current: Leisurecorp International Ltd, Palm Holdings Ltd and Wilde Whiskey Ltd  Past: VLM Content Ltd, VLM Holdings Ltd, Glanola Holdings Ltd, Glanola Solutions Ltd and Glanola UK Ltd
<b>David Ewing</b>	Ryan House, 18-19 Aviation Way, Southend, Essex SS2 6UN	Current: True Bridging Limited, SVS Securities Plc, Ingard Alternative Funding Limited, Ingard Intermediary Services Limited, Rendita Financial Limited, Rendita Limited, Rendita Properties Limited, Ingard Financial Limited, Ingard Limited.

Each of the directors appointed are executive directors and have the normal functions as such, viz. the responsibility for the management of the affairs and business of the Company. No appointments to particular function such a managing director, CEO etc., have yet been made.

The board also has not as yet appointed any committees (such as audit committee) of the board.

Save for Mr. David Ewing being the sole shareholder of the shareholder of the Issuer, none of the directors stand in a position of conflict of interest.

### **Directors biographies**

#### Antony Legge, Director, Aged 48

Antony Legge is an experienced corporate financier who has worked with small quoted companies on the London capital markets for over 20 years. Antony has advised boards on a comprehensive range of equity capital market issues; IPOs, secondary fund raisings, acquisitions and disposals (both public and private). He is also well versed in the benefits of good corporate governance and investor communication.

#### Andrew Williamson, Director, Age 48

Andrew qualified as a solicitor in Scotland in 1990 and specialises in corporate, corporate finance and capital markets work. In addition to being a solicitor Andrew worked as a corporate stockbroker for Peel Hunt Limited. Andrew has worked for, and been a partner in, a number of law firms and since September 2015 has been a partner with Marriott Harrison LLP and a senior member of its Capital Markets Group.

#### Ivano Cafolla, Aged 57

Ivano has been a director of over 60 companies across 15 different countries. He has held business interest in circa 10 European countries, the United States, the Caribbean, and the Middle East, operating his own ventures, business in JV with others and Governments and acted as an equity

consultant and/or partner. He brings a wealth of commercial experience, including a number of property projects.

David Ewing, Aged 46

David has been involved in finance and property lending for over 20 years. After several years as a sole trader, providing advice as both an Independent Financial Adviser and mortgage adviser, he founded Ingard Financial Limited in 2006. The company now has over 10 employees and operates a network for over 40 mortgage brokerages, incorporating over 70 brokers, across the country. In the year to December 2015, Ingard Financial wrote over £370 million of first and second charge lending.

## **Resolutions of the Issuer**

The following resolutions of the Issuer in respect of the Transaction have been passed:

***“IT WAS RESOLVED THAT** the Prospectus tabled at the meeting were in substantially final form and contain no material omissions and that they be and hereby are approved for submission to the Cyprus Stock Exchange for approval prior to the Company seeking a listing of the Notes”*

***“IT WAS RESOLVED THAT** the Company create £4,050,000 7% Notes due 2023 (the “Notes”) subject to the terms set out in the terms and conditions of the Notes (the “**Terms and Conditions**”) and the instrument creating the Notes (copies of which are hereby tabled) and that these be and hereby are approved for issue subject to purchaser(s) being found in relation thereto.”*

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) since the incorporation of the Issuer which may have, or have had in the recent past, significant effects on the Issuer’s financial position or profitability.

## **Shareholders’ Agreements**

As of the date of the Prospectus, the shareholder of the Issuer is the sole shareholder and therefore there is no shareholders’ agreement in place.

## **Dividend Policy**

The Issuer does not intend to pay any dividends, although it is entitled to do so under the terms of its constitution and reserves the right to do so.

## **Directors powers**

The Directors may, amongst other things, exercise all the powers of the Issuer to raise or borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof. The directors’ powers are subject to the terms of the Issuer’s constitution and the laws of the Republic of Ireland.

## **Conflicts of Interest**

None of the directors stand in a position of conflict of interests between their personal interests and the duties they owe as directors of the Issuer.

## **Principal Shareholders**

The table below contains information relating to the ownership of shares in the Issuer as at the date of publication of the Prospectus:

Shareholder	No and type of shares held	% of entire issued share capital
Ingard Limited	1 ordinary share of €1.00	100

The sole shareholder of Ingard Limited is David Ewing.

#### **Arrangements**

The Issuer knows of no arrangement in place, the operation of which would result in a change of control of the Issuer.

#### **Post issuance reporting**

The Issuer intends to provide regular updates, every six months to Noteholders on the performance of the underlying lending portfolio of IAF, such updates shall be provided by post or by email address directly to the Noteholders at the address (either physical or electronic) which they provide for this purpose.

## BUSINESS OF IAF

Ingard Alternative Funding is a newly incorporated subsidiary of Ingard Limited and a sister company to IFL. IAF was incorporated with the intention of becoming a principal lender for clients of Ingard Financial seeking short term, bridge financing. The financing of IAF's operations is being provided by the Loan. IAF will seek to build a portfolio of Bridging Loans with terms ranging from one month or less up to 12 months. The interest on these Bridging Loans is rolled up and repaid, along with the principal, at the end of the term. IAF will seek to have sufficient demand that once a Bridging Loan is repaid, it can immediately lend the funds back out to another customer, thus maximising the interest generating potential of its capital.

IAF's target market is for bridging loans with monthly interest rates of over 1.5%. Demand for these loans is expected, initially, to come from introductions by IFL, who may be individuals, sole traders, companies (including special purpose vehicles) or partnerships. As an FCA regulated entity, IFL is required to give best advice and so clients of IFL will not be automatically passed on to IAF but IAF will need to demonstrate that its offer is at least as good as other market alternatives. In order to compete effectively, IAF will target customers that need a quick turnaround time (days not weeks) or those who have a high loan to value ration and who therefore cannot find loans from the normal high street lenders. Recent statistics (from Business Moneyfacts, Bridging Finance Focus Nov 2015) show that it takes, on average, 46 days to complete a bridging loan and that the average loan to value is around 51%, with an average monthly interest rate of approximately 0.9%.

IFL is a Directly Authorised Mortgage Brokerage and Network that was founded in 2006 and now has over 10 employees and operates a network of over 40 mortgage brokerages, incorporating over 70 brokers, across the country. As a Directly Authorised Brokerage, IFL arranges mortgages (and associated financial products) and insurance on a residential and commercial basis direct to the public from its offices in Southend and Chester and also via its network of directly authorised brokers located throughout the country. Registered with the FCA as a Network, IFL is also responsible for the compliance and training and competence for this network of mortgages brokerages, all of which utilise IFL as a central hub for compliance support and case submission. The management of IFL has many years' experience of arranging loans secured on property lending. In addition to David Ewing, who founded IFL and who has been involved in finance and property lending for over **20** years, IFL has four other key employees, with a combined experience of over **70** years of experience in the mortgage industry. In the year to December 2015, IFL wrote approximately £370 million of first and second charge lending.

Recently, IFL has expanded its operations into finding short term loans (i.e. no more than 18 months) for its clients. In the last 18 months, IFL has arranged short term loans with a cumulative nominal value of over £11 million, with an average loan to value rate of below 50%. These loans, which are usually used for bridging purposes in property transactions, have attracted interest rates of up to 1.5% pcm.

Based upon IFL's market knowledge; IAF believes there is an opportunity to command a higher monthly rate by offering a higher loan to value rate and that the demand for such loans will be sufficient such that it anticipates investing all of the Facility Funds within a few months. If IAF considers that the capital available under Loan Agreement is insufficient to meet the demand for bridge funding from its clients, then IAF may seek to raise further funding through the issue of further secured loan notes, similar to the Notes, which will rank equally with the Notes.

In order to determine which Bridging Loan Agreements it should enter into, IAF has drawn up a set of lending criteria, as summarised below which, for the avoidance of doubt, is in addition to the requirement that they must be Permitted Borrowers pursuant to the terms of the Loan Agreement:

1. All funding by IAF will be secured on UK property/land via a Permitted Security;
2. Maximum exposure under any single Permitted Loan Agreement will be a loan to value ratio of 100%;
3. The aggregated exposure of IAF's loan portfolio of all Bridging Loan Agreements to be no more than 80% loan to value across the portfolio of property where charges are held; and
4. Individual Permitted Borrower exposure to be limited to 35% of IAF's total book.

Bridging Loan Agreements will be secured on UK investment properties owned by the borrowers by way of Permitted Securities. This security obtained by IAF, the Permitted Securities, will consist of just one asset type, being first or second ranking charges over UK property or land. The assets of IAF, being the Bridging Loan Agreements, are not liquid. However, the directors of IAF believe that capping the aggregate loan to value ratio at 80% will provide sufficient headroom to enable its obligations under the Loan Agreement to be met.

Whilst the Loan agreement allows IAF to take first or second charges as security for the bridging loan, it is anticipated that second charge loans will represent on a small percentage of the total book. Where a first charge already exists and IAF is taking a second charge then, in respect of bullet points 2 and 3 above, the loan to value calculation will also include the prior charge that exists on the property such that the total charges of IAF and any other lender will not exceed 100% for a single property or 80% in aggregate on the total book. Checks will be made with the Land Registry as to any existing charge as permission will need to be granted by any existing lender before IAF can take a second charge against a property.

The Permitted Securities represents the minimum level of security to be taken by IAF. Under the terms of the Bridging Loan Agreements, IAF also retains the right to take additional security on any other property owned by the property should it so wish; for example, where IAF is taking a second charge on one property, it may take a further charge on a second property as additional security.

Since speed of turnaround will be one of the criteria by which IAF secures business, it will not always be possible for IAF to undertake a formal valuation on the underlying asset; namely, the property against which the bridging loan is being secured. Where the loan to value ratio provides sufficient headroom, for example a loan to value ratio of 60% or less, IAF will utilise the experience of the executive directors and look at comparative valuations of nearby and similar properties. Where there is little headroom, for example a loan to value ratio of 90% or more, then IAF may seek a formal valuation. A Land Registry check will always be undertaken.

### **Bridging Loan Agreements**

IAF shall only be entitled to advance funds to Permitted Borrowers pursuant to the terms of Bridging Loan Agreements. Bridging Loan Agreements shall be governed by the laws of England and Wales.

The Bridging Loan Agreements contain the following representations and warranties that shall be granted by any Permitted Borrower to IAF:

- The Permitted Borrower is the legal and beneficial owner of and has good and marketable title to the property that is the subject of the Bridging Loan Agreement (the "**Property**").

- The Property is free from any encumbrances other than as disclosed and the encumbrance created by the Bridging Loan Agreement.
- The Permitted Borrower has not received or acknowledged notice of any adverse claim by any person in respect of the Property or any interest in it.
- There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever, which materially adversely affect the Property.
- There is no breach of any law or regulation which materially adversely affects the Property.
- No facility necessary for the enjoyment and use of the Property is subject to terms entitling any person to terminate or curtail its use.
- Nothing has arisen, has been created or is subsisting which would be an overriding interest in the Property.
- No encumbrance expressed to be created under this agreement is liable to be avoided, or otherwise set aside, on the bankruptcy of the Permitted Borrower or otherwise.
- There is no prohibition on the Permitted Borrower assigning its rights in the Property and the entry into this agreement by the Permitted Borrower does not and will not constitute a breach of any policy, agreement, document or instrument binding on the Permitted Borrower or its assets.

### **Permitted Security**

Under the terms of each Bridging Loan Agreement a Permitted Borrower will be required to provide IAF with the Permitted Security as a condition to the bridging loan being made.

## INFORMATION ON IAF

The Director of IAF takes responsibility for all information given as to IAF of whatsoever nature in the Prospectus and having taken all reasonable care to ensure that such is the case the information contained in the Prospectus as to IAF is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its import.

IAF was incorporated under the Companies Act 2006 on 28 August 2013 in England and Wales with registration number 08667182 under the name Ingard Alternative Funding Limited. Its registered office is 1 Nelson Street, Southend on Sea, Essex SS1 1EG and its principal place of business is Ryan House, 18-19 Aviation Way, Southend, Essex SS2 6UN. The telephone number of the IAF is: Telephone: 01702 533400 the business does not use facsimile.

The business of IAF is to act as a principal lender to customers looking for short term, bridge funding. The IAF is a subsidiary of Ingard Limited and a sister company to both the Issuer and IFL.

IAF has not appointed any statutory auditors.

IAF has an issued share capital of £1.00 divided into 1 share of £1.00 each.

The financial year end of the IAF is 31 August.

The only assets that will be held by IAF are the charges over UK property taken by the IAF as security for the bridge lending.

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the IAF is aware) since the incorporation of the IAF which may have, or have had in the recent past, significant effects on the IAF's financial position or profitability.

There has been no material adverse change in the prospects of IAF since its last published unaudited statements as set out in the section of the Prospectus headed "**FINANCIAL INFORMATION ON IAF**".

There has been no significant change in the financial or trading position of the group which has occurred since the end of the last financial period that financial information has been published under the section headed "**FINANCIAL INFORMATION ON IAF**" of the Prospectus.

### Directors

As at the date of the Prospectus the details of the sole Director is as follows:

Director	Business Address	Other directorships
<b>David Ewing</b> <i>(Managing director)</i>	Ryan House, 18-19 Aviation Way, Southend, Essex SS2 6UN	True Bridging Limited, SVS Securities Plc, Ingard Alternative Funding Limited, Ingard Intermediary Services Limited, Rendita Financial Limited, Rendita Limited, Rendita Properties Limited, Ingard Financial Limited, Ingard Limited.

## Directors biography

### David Ewing, Aged 46

David has been involved in finance and property lending for over 20 years. After several years as a sole trader, providing advice as both an Independent Financial Adviser and mortgage adviser, he founded Ingard Financial Limited in 2006. The company now has over 10 employees and operates a network of over 40 mortgage brokerages, incorporating over 70 brokers, across the country. In the year to December 2015, Ingard Financial wrote over £370 million of first and second charge lending.

Under the terms of the Loan Agreement, the Issuer has the right but not the obligation to appoint a person to the board of IAF.

There are no conflicts of interest between the private interests of David Ewing and the duties owed by David Ewing to IAF.

## Shareholders' Agreements

As of the date of the Prospectus, the shareholder of IAF is the sole shareholder and therefore there is no shareholders' agreement in place and the rights of the sole shareholder will be in relation to how it may exercise its control over IAF shall be governed principally by the Companies Act 2006 of the United Kingdom.

## Dividend Policy

IAF does not intend to pay any dividends, although it is entitled to do so under the terms of its articles of association and reserves the right to do so.

## Directors powers

The Directors may, amongst other things, exercise all the powers of IAF to raise or borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof. The directors' powers are subject to the terms of the IAF's constitution and the laws of the England and Wales.

## Principal Shareholders

The table below contains information relating to the ownership of shares in IAF as at the date of publication of the Prospectus:

Shareholder	No and type of shares held	% of entire issued share capital
Ingard Limited	1 ordinary share of £1.00	100

The Sole Shareholder of Ingard Limited is David Ewing.

## Arrangements

IAF knows of no arrangement in place, the operation of which would result in a change of control of the IAF.

## Post issuance reporting

IAF will provide regular reports to the Issuer, sufficient to enable the Issuer to provide updates to the Noteholders on the performance of the underlying loan portfolio held by IAF. The Issuer also intends to make announcements of the same to the market on a regular basis.

## FINANCIAL INFORMATION ON IAF

### THE ASSETS

The Assets have characteristics that demonstrate capacity to produce funds to service any payments due and payable to Noteholders under the Terms and Conditions.

The cash flow from the Assets is anticipated to generate sufficient cash inflow for the Issuer which will allow the Issuer to meet its obligations to Noteholders.

The Issuer believes that it will generate sufficient cash flows to allow it to meet its obligations to Noteholders for the following reasons:

- The Issuer has prepared extensive financial models to allow it to project cash flow over a 7 year period based upon conservative assumptions.

The Assets will be secured to the Trustee for the benefit of Noteholders by way of the Security.

At present the Issuer has not entered into any arrangement for the provision to it of debt and does not envisage doing so.

The legal jurisdiction of the Assets will be the United Kingdom or Ireland as the Loan Agreement will be governed by the laws of England and Wales and the Issuer is incorporated in Ireland and shall have its banking facilities with the Account Bank in Ireland. It is not envisaged, although it cannot be discounted, that the Issuer will hold assets in any other jurisdictions.

The Assets constitute primarily the Loan which will create an obligation on IAF, as the borrower thereunder, to make payments under the terms of the Loan Agreement to the Issuer and creates a right for the Issuer to receive the same.

Payment of principal and interest under the Loan Agreement (including the maturity date of the Loan) will be established so as to enable capital returned to the Issuer on maturity of the Loan to be used to repay sums to Noteholders in accordance with the Terms and Conditions.

The minimum amount to be loaned to IAF under the terms of the Loan Agreement is £1,140,000, however the loan amount can increase up to the full amount of the Notes, being £4,050,000.

The loan to value ratio of the Loan will be 100% initially which it is anticipated may decrease from time to time to reflect e.g the profits of IAF which are held as cash in bank, any additional assets that IAF may acquire from these profits etc because the Loan Agreement gives the Issuer security over all of the assets of the Issuer by virtue of the Debenture.

The Board has originated the Loan, being the primary Asset. The principal lending criteria is more particularly summarised in the section of the Prospectus headed "BUSINESS OF THE ISSUER" where the Loan Agreement is summarised in detail. However, the use of proceeds section of the Loan Agreement states that it must be used for the purpose of making bridging loans available to Permitted Borrowers. Furthermore IAF has undertaken that:

- It will ensure that its aggregate exposure in respect monies advanced to Permitted Borrowers will not at any time exceed 80% of the aggregate market value of all property over which IAF holds Permitted Securities .

- No individual Permitted Borrower will at any time be advanced an amount in excess of 35% of the aggregate market value of all Property over which the Borrower holds Permitted Securities.
- It will ensure that it does not advance monies to any Permitted Borrower to whom it is not entitled to advance monies pursuant to its regulatory authorisation (no matter how comprised) at any time.
- The Issuer has undertaken that should it raise any additional sums in excess of the Net Proceeds from the sale of the Notes it shall advance the same to IAF (less reasonable costs) under the terms of the Loan Agreement Loan Agreement.

The Issuer may, provided that it has delivered to the Trustee (or the Trustee already holds) Security in respect thereof and such additional documents as may be required by the Trustee, from time to time substitute alternative assets (of no lesser quality or of a different class) for such of the Assets as the Issuer may deem appropriate. Any such alternative assets will become part of the Assets and will be held subject to the charges in favour of the Trustee set out or contemplated in these presents and/or the Trust Deed. The Issuer may, and will if required by a relevant listing authority or stock exchange, prepare a supplement to the Prospectus setting out details of such substitution and, in any event, shall notify the Noteholders thereof (and the other Secured Creditors)

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes (the “Terms and Conditions”) which (subject to completion and amendment and as the same may be supplemented or varied in accordance with the provisions of the Prospectus and these Terms and Conditions will be incorporated by reference into each Registered Note. Terms used in the Prospectus and not otherwise defined herein shall have the same meanings as those given to them in the Prospectus.*

The Notes are constituted by the Trust Deed (as amended or supplemented from time to time) by which the Issuer and the Trustee of the Notes (which expression shall include all persons for the time being the trustee or trustees in respect of the Notes under the Trust Deed) are bound. The board of directors of the Issuer have by a resolution dated 24 August, 2016 resolved to issue the Notes on the terms and conditions set out herein and in the Trust Deed. The commencement of the issue of the tranches of the Notes is on 19 December, 2016, subject to all relevant approvals being obtained.

Certain statements in the Prospectus are summaries of the detailed provisions appearing on the face of the Notes (which expression shall include the body thereof) or in these Terms and Conditions.

Copies of the Transaction Documents are available for inspection at the offices of the Receiving Agent as specified in the Prospectus.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents and are deemed to have notice of all the provisions of such Transaction Documents.

### **1 Definitions and interpretation**

The following words and expressions shall have the following meanings in these Terms and Conditions:

<b><i>Authorised Denomination</i></b>	means the denomination or denominations of such currency or currencies specified in the Prospectus;
<b><i>Bankruptcy</i></b>	means:  (i) a receiver, administrator, administrative receiver, examiner or liquidator or similar officer in respect of the Issuer or the whole or part of the undertakings, assets and/or revenues of the Issuer is appointed (or application for any such appointment is made) or an encumbrancer takes or threatens to take possession of the whole or any substantial part of the assets or revenues of the Issuer; or  (ii) proceedings are initiated or threatened against the Issuer under any applicable bankruptcy, liquidation, administration, insolvency, composition, reorganisation or other similar laws; or  (iii) the Issuer takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or is granted by a competent court a moratorium of payments in

	<p>respect of any of its indebtedness or any guarantee of any indebtedness given by it; or</p> <p>(iv) the Issuer ceases or threatens to cease to carry on all or any substantial part of its business except for purposes of or pursuant to an amalgamation or reconstruction as is referred to in (v) below; or</p> <p>(v) a petition is presented, an order is made or an effective resolution is passed for the winding-up, liquidation, examinership or dissolution of the Issuer; or</p> <p>(vi) the Issuer admits that it is unable to pay its debts; or</p> <p>(vii) the Issuer convenes a meeting of its creditors;</p>
<b><i>Business Day</i></b>	means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and Nicosia;
<b><i>Business Day Convention</i></b>	has the meaning ascribed to it in Condition 6(b) of these Terms and Conditions;
<b><i>Closing Date</i></b>	means the date of issue of a Note or a series of Notes;
<b><i>CREST</i></b>	means the Relevant System (as defined in the CREST Regulations) for paperless settlement as share and other transfers and the holding of shares and other securities in uncertificated form which is administered by Euroclear;
<b><i>CSE</i></b>	means the Cyprus Stock Exchange;
<b><i>CREST Regulations</i></b>	means the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time;
<b><i>Day Count Convention</i></b>	means interest payable on the Notes will be calculated on the basis of a 360 day year consisting of twelve 30 day months;
<b><i>Deliver</i></b>	means to deliver, novate, transfer, assign, sell or endorse, as appropriate, in the manner customary for the settlement of the applicable securities (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in such securities free and clear of any and all liens, charges, claims or encumbrances

	(including without limitation any counterclaim, defence or right of set-off);
<b><i>Euroclear</i></b>	means Euroclear UK and Ireland Limited;
<b><i>Event of Default</i></b>	means any of the events set out in Condition 10;
<b><i>Exceptional Expenses</i></b>	means any fees, expenses, out-of-pocket expenses, costs, liabilities or indemnity amounts or any other amounts (inclusive of V.A.T) which are not Operating Expenses, which are incurred and claimed by an Operating Creditor and which are due and payable by the Issuer to an Operating Creditor under any document to which it is a party;
<b><i>Force Majeure Event</i></b>	<p>means the occurrence to one or more of the Parties to the Transaction Documents of any circumstance not within a party's reasonable control including, without limitation:</p> <p>(a) acts of God, flood, drought, earthquake or other natural disaster;</p> <p>(b) epidemic or pandemic;</p> <p>(c) terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations; or</p> <p>(d) nuclear, chemical or biological contamination or sonic boom.</p>
<b><i>Noteholder</i></b>	means the person in whose name a Registered Note is registered, as the case may be. References herein to Notes shall include Registered Notes as specified in the Prospectus;
<b><i>Illegality</i></b>	means it becoming unlawful for the Issuer to perform any of its obligations under the Notes or any of the Transaction Documents;
<b><i>Interest Commencement Date</i></b>	means the Closing Date or such other date as may be specified as the Interest Commencement Date in the Prospectus;
<b><i>Interest Determination Date</i></b>	means the date of calculation of the amount of interest payable on any Interest Payment Date;
<b><i>Interest Payment Date</i></b>	means 31 December 2016 and each anniversary thereof, until the Maturity Date;

<b><i>Interest Rate</i></b>	means the rate of interest payable from time to time in respect of the Notes and which is either specified in, or calculated in accordance with the provisions of, these Conditions and/or the Prospectus;
<b><i>Issuer</i></b>	means INGARD PROPERTY BOND DESIGNATED ACTIVITY COMPANY;
<b><i>Prospectus</i></b>	means the Prospectus prepared by the Issuer in relation to the admission of the Notes to trading on the regulated market of the CSE;
<b><i>Maturity Date</i></b>	means the maturity date of the Notes being 31 December 2023;
<b><i>Net Proceeds</i></b>	means the net proceeds received from all Investors subscribing for the Notes;
<b><i>Notes</i></b>	means the up to £4,050,000 million 7% Notes due 2023 issued by the Issuer;
<b><i>Operating Creditor</i></b>	means any of (i) the Trustee, (ii) the Receiving Agent, (iii) the auditors of the Issuer, (iv) the legal advisors of the Issuer and (v) any attorney, manager, receiver, agent, delegate or other person appointed by the Trustee;
<b><i>Operating Expenses</i></b>	means any anticipated fees and expenses (inclusive of V.A.T) due and payable by the Issuer to any Operating Creditor;
<b><i>Order of Priority</i></b>	means the order of priority of payments as more particularly set out in Condition 13;
<b><i>Principal Amount</i></b>	means in relation to a Note, the original face value thereof less any repayment of principal made to the Noteholder thereof in respect of such Note, and in relation to each series and class of Notes and as of any date of determination, the initial principal amount of such Notes less (in each case) the aggregate amount of all principal payments in respect of the Notes that have been paid since the Closing Date for such Notes on or prior to that date of determination;
<b><i>Record Date</i></b>	means the Business Day which is 15 Business Days prior to the Interest Payment Date;

<b><i>Redemption Amount</i></b>	means unless otherwise specified in the Prospectus, in relation to a Note, the Principal Amount at the Maturity Date;
<b><i>Registered Note</i></b>	means a Note appearing on the register of Noteholders maintained by the Registrar;
<b><i>Suspension Event</i></b>	means the suspension of payments by the Issuer to Noteholders in breach of the Terms and Conditions;
<b><i>Terms and Conditions</i></b>	means these terms and conditions;
<b><i>Title</i></b>	means full legal and beneficial title;
<b><i>Transaction</i></b>	means the transaction contemplated within and more specifically described in the Prospectus;
<b><i>Transaction Documents</i></b>	means the Prospectus, the Trust Deed and the Registrar Agreement together with any other agreement that the Issuer enters into with any other party in respect of the Notes during the term of the Notes;
<b><i>Transferor Noteholder</i></b>	means any Noteholder wishing to transfer their Notes;
<b><i>Trust Deed</i></b>	means the trust deed to be entered into between the Trustee and the Issuer as more particularly described in Part IV of the Prospectus;
<b><i>Trustee</i></b>	means trustee and custodian, who, as at the date of Admission shall be Templar Steele (Trust and Custody) Limited and any permissible successor thereto; and
<b><i>Yearly Statement</i></b>	means a statement of the assets and the liabilities of the Issuer produced by the Issuer for each financial period of the Issuer.

## 2 Form, Denomination and Title

The Notes will be issued in uncertificated form only in an Authorised Denomination. Clearing and settlement of executed trades shall take place within CREST (or any alternative system on which the Notes may be issued or traded in uncertificated form from time to time).

The holder of any Note will (except as otherwise required by law or ordered by a court of competent jurisdiction or an official public authority) be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any express or constructive notice of any claim by any other person of any interest therein and no person will be liable for so treating such Noteholder.

## 3 Transfers of Registered Notes

### (a) Transfer of Registered Notes

Registered Notes shall be capable of transfer through CREST (or any alternative system on which the Notes may be issued or traded in uncertificated form from time to time).

### (b) Registration at the expense of Transferor Noteholder

Registration of Registered Notes on transfer will be effected at the expense of the Transferor Noteholder by or on behalf of the Issuer, and upon payment of (or the giving of such indemnity as the Issuer may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

### (c) Closed periods

No transfer of a Registered Note to be registered may occur during the period of 15 Business Days ending on the due date for any payment of principal, interest or Redemption Amount (as defined below) on that Note.

## 4 Status and Instructing Creditor

### (a) Status

The Notes are secured limited recourse obligations of the Issuer, secured in the manner described in Condition 5 and recourse in respect of which is limited to the Security and the Assets as described in Condition 11, and will rank pari passu without any preference among themselves.

### (b) Instructing Creditor

The Noteholders can request the Trustee to take actions contemplated in these Terms and Conditions by means of a request in writing of the holders of at least 75% in principal amount of the Notes then outstanding, or by means of an Extraordinary Resolution of the Noteholders.

The Noteholders may also appoint a representative to act on their behalf as Instructing Creditor by means of a written resolution of the holders of at least 75% in principal amount of the Notes then outstanding or by means of an Extraordinary Resolution of the Noteholders at a meeting of the Noteholders.

The Security in relation to the Notes will become enforceable upon the Trustee giving an Enforcement Notice to the Issuer following to the occurrence of an Event of Default or as otherwise provided in the Trust Deed.

The Trustee shall not be bound to give any Enforcement Notice in respect of the Notes, to take any steps or institute any proceedings to enforce the Security for the Notes or to enforce payment of any amount due and payable under or pursuant to the Notes unless it shall have been so requested by the Instructing Creditor in relation to the Notes and have been secured and/or indemnified to its satisfaction.

The Trustee will, where the interests of the Instructing Creditor conflict with those of the other Secured Creditors, prefer the interests of the Instructing Creditor over the interests of the other Secured Creditors (and shall not take into account the interests of such other Secured Creditors).

## **5 Related Agreements and Security**

### **(a) Related Agreements**

In connection with the issue of the Notes the Issuer will enter into the Transaction Documents with one or more Counterparties. The obligations of a Counterparty may be guaranteed by a guarantor. The Issuer's liability in respect of any of the Transaction Documents will be limited to the Security and Assets subject to the order of priority specified in the Terms and Conditions and the Prospectus.

### **(b) Security**

The Trust Deed will provide that the obligations of the Issuer under the Notes are secured by security interests (governed by English law or the law of any other relevant jurisdiction) over the Assets.

### **(c) Realisation of the Assets upon enforcement**

Subject to the Prospectus, to the full extent permitted under applicable laws, in the event of the Security created becoming enforceable as provided in Condition 10, the Trustee shall have the right to enforce its rights under the Security but in each case without any liability as to the consequence of such action and without having regard to the effect thereof on, or being required to account for such action to, any Secured Creditor, provided that the Trustee shall not be required to take any action that would involve the Trustee in any personal liability or expense unless previously indemnified and/or secured to its satisfaction.

### **(d) Application of Net Proceeds**

All monies received by the Trustee in connection with the issue of the Notes will be held by the Trustee on trust to apply the same in accordance with the application of Net Proceeds provisions as is specified in the Prospectus.

### **(e) Substitution of the Assets**

The Issuer may, provided that it has delivered to the Trustee (or the Trustee already holds) a Security in respect thereof and such additional documents as may be required by the Trustee, from time to time substitute alternative assets (of no lesser quality or of a different class) for such of the Assets as the Issuer may deem appropriate. Any such alternative assets will become part of the Assets and will be held subject to the charges in favour of the Trustee set

out or contemplated in these presents and/or the Trust Deed. The Issuer may, and will if required by a relevant listing authority or stock exchange, prepare a supplement to the Prospectus setting out details of such substitution and, in any event, shall notify the Noteholders thereof (and the other Secured Creditors) in accordance with Condition 15.

## **6 Interest and other Calculations**

### **(a) Interest on Notes**

Each Note bears interest which shall accrue on its Principal Amount from the Interest Commencement Date at the rate of 7% per annum compounded daily and payable annually in arrears on or about 31 December in each year in which interest is payable.

(b) If any date referred to in the Terms and Conditions is specified to be subject to adjustment in accordance with a Business Day Convention and would otherwise fall on a day which is not a Business Day, the 'Next Business Day Convention' shall apply and such dates shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day.

## **7 Redemption**

Unless previously redeemed, or purchased and cancelled as provided below, each Note will be redeemed at its Redemption Amount on the Maturity Date together with all interest accrued and unpaid thereon.

The Issuer may redeem all (but not some only) of the Notes prior to the Maturity Date upon payment of the Redemption Amount, and all accrued interest, and all interest that would have accrued thereon between the date of such redemption and the Maturity Date.

## **8 Payments**

### **(a) Payments on Notes**

Noteholders require to take no further action in respect of Notes as all Notes shall be held in uncertificated form and all payments will be made in accordance with the provisions of these Terms and Conditions.

### **(b) Payments subject to fiscal laws; payments on Notes**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 9. No commission or expenses shall be charged to the Noteholders in respect of such payments.

The holder of a Note shall be the only person entitled to receive payments of the Principal Amount (or Redemption Amounts) and interest on such Note and the Issuer will be discharged by payment to, or to the order of, the Noteholder of such Registered Note in respect of each amount paid.

### **(c) Non-Business Days and interest on the Notes**

If any date for payment in respect of any Note is not a Business Day, the Noteholder shall not be entitled to any interest or other sum in respect of such postponed payment.

## 9 Taxation

### (a) Withholding Tax

All payments in respect of the Notes will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature unless the Issuer or the Trustee (as the case may be) is required by applicable law (in Ireland, Cyprus or elsewhere) to make any payment in respect of the Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties or assessments or governmental charges of whatsoever nature. In that event, the Issuer or the Trustee (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor the Trustee will be obliged to make any additional payments to the Noteholders in respect of such withholding or deduction. The Issuer may require the Noteholders to provide such certifications and other documents as required by applicable law in order to qualify for exemptions from applicable tax laws.

The above is a general summary of the withholding tax position with respect to the Notes and does not purport to be a comprehensive description of all tax aspects relating to the Notes. In particular the above does not analyse the tax position of the Issuer and it does not constitute nor should it be construed as, tax or legal advice. Prospective investors in the Notes should consult their tax and other professional advisers as to the specific tax consequences of acquiring, holding and disposing of the Notes and of receiving interest on the Notes.

## 10 Default Events

### (a) Events of Default

Subject to Condition 10 (c), the Trustee at its discretion may, and if so requested by the Noteholders having passed an Extraordinary Resolution to that effect shall, (in each case, provided that the Trustee is secured, indemnified, or both to its satisfaction), give notice (an “**Enforcement Notice**”) to the Issuer that the Notes are, and they shall accordingly immediately become, due and repayable, at their Redemption Amount together with accrued interest to the date of payment upon the occurrence of any of the following Events of Default:

- (i) *if default is made for a period of 14 days or more in the case of interest or 7 days or more in the case of Principal Amount in the payment of any sum due in respect of the Notes or any of them; or*
- (ii) *if the Issuer fails to perform or observe any of its other obligations under the Notes or the Trust Deed and, where the Trustee considers, in its absolute discretion that such default can be remedied, such failure continues for a period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of written notice requiring the same to be remedied; or*
- (iii) *it is, or will become, illegal for the Issuer to perform or comply with any one or more of its obligations under the Notes; or*

- (iv) *if any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer or an order is made for the Issuer's Bankruptcy (or any analogous proceedings) save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms approved by the Trustee; or*
- (v) *if (a) any other proceedings are initiated against the Issuer under any applicable liquidation, Bankruptcy, insolvency, composition, reorganisation, readjustment or other similar laws (but excluding the presentation of any application for an administration order under the Insolvency Act 1986 of the United Kingdom) and such proceedings are not being disputed in good faith, or (b) an administrative receiver or other receiver, administrator or other similar official (not being an administrative receiver or other receiver or manager appointed by the Trustee pursuant to the Trust Deed) is appointed in relation to the Issuer or in relation to the whole or any substantial part (in the opinion of the Trustee) of the undertaking or assets of the Issuer or (c) an encumbrancer (not being the Trustee or any receiver or manager appointed by the Trustee) shall take possession of the whole or any substantial part (in the opinion of the Trustee) of the undertaking or assets of the Issuer or (d) a distress or execution or other process shall be levied or enforced upon or sued out against the whole or any substantial part (in the opinion of the Trustee) of the undertaking or assets of the Issuer (other than, in any such case, by the Trustee pursuant to any of the Transaction Documents) and in any of the foregoing cases (other than in relation to the circumstances described in (b) where no grace period shall apply) such order, appointment, possession or process (as the case may be) is not discharged or stayed or does not cease to apply within 14 days; or*
- (vi) *if the Issuer initiates or consents to judicial proceedings relating to itself (except in accordance with paragraph (iv) above) under any applicable liquidation, Bankruptcy, insolvency, composition, reorganisation, readjustment or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally; or*
- (vii) *if the Issuer becomes insolvent or is adjudicated or found bankrupt.*

(b) **Confirmation of no Event of Default**

The Issuer shall provide a 'Certificate of No Default' to the Trustee, on each anniversary of the Closing Date, confirming that no Event of Default or other matter which is required to be brought to the Trustee's attention has occurred and is continuing (as the case may be) notifying the Trustee of any Event of Default which has occurred or is continuing.

(c) **Enforcement**

In the event of the Security becoming enforceable, the Trustee shall, but in each case without any liability as to the consequence of such action and without having regard to the effect of, or being required to account for, such action to the Noteholders, have the right to enforce its rights under the Security, provided that the Trustee shall not be required to take any action that would involve the Trustee in any personal liability or expense unless previously indemnified and/or secured to its satisfaction.

(d) **Force Majeure**

If an affected Party is unable to fulfil completely or partially its obligations under the relevant Transaction Document(s) as a consequence of one or more of the Force Majeure Events, the time for fulfilment of the respective obligations under the Transaction Documents shall be extended for the period during which such circumstances last.

On the occurrence of a Force Majeure Event, the Party for whom it becomes impossible to meet its obligations under the relevant Transaction Document(s) shall advise all the other Parties affected by such Force Majeure Event within five Business Days as regards commencement and cessation of the circumstances preventing fulfilment of its obligations. A certificate issued respectively by a recognised regulatory body or governmental department in the Affected Party or Affected Parties countries shall be sufficient proof of the existence of such contingencies and their duration, provided such certificate shall be issued in the English language.

If such circumstances last more than six months, each of the Parties to the relevant Transaction Documents shall have a right to terminate the relevant Transaction Documents and none of the affected Parties shall have a right to claim compensation for losses suffered as a result of such termination from the other Party, unless the Parties to the relevant Transaction Documents otherwise agree.

## **11 Limited Recourse Enforcement**

- (a) If the amounts realised from the Security and the Assets are not sufficient (after meeting the Trustee's and any receiver's expenses, liabilities and remuneration, and any other amounts that rank in priority to the Notes) to make payment of all amounts due in respect of the Notes and all other secured obligations with respect to the Notes, such amounts due and other secured obligations shall be deemed to be reduced or extinguished in the order of priority specified in the Prospectus so that there is no obligation to make any payment in excess of the amounts so realised. Any claim of the Holders remaining after such application shall be extinguished and such Holders will have no further recourse to the Issuer and any failure to make any payment in respect of such shortfall shall in no circumstances constitute an Event of Default under Condition 10.
- (b) Only the Trustee may pursue the remedies available under the Trust Deed, the Terms and Conditions and the Transaction Documents. No Noteholder is entitled to proceed directly against the Issuer or the Assets unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so within a reasonable period and such failure or neglect is continuing. However, the Trustee shall not be bound to take any action to enforce the Security or pursue the remedies available under the Trust Deed, the Terms and Conditions or any of the Transaction Documents unless it is indemnified and/or secured to its satisfaction and has, if so required by the Conditions, been requested to do so by the Holders in respect of the relevant Notes.
- (c) After enforcement of the Security and distribution of the net proceeds thereof in accordance with any priority of payments that may exist under these Terms and Conditions, neither the Trustee nor any Noteholder may take any further steps against

the Issuer or any of its assets to recover any sums due but unpaid in respect of the Notes or otherwise and all claims and all rights to claim against the Issuer in respect of each such sum unpaid shall be extinguished.

- (d) No Noteholder, nor the Trustee on its behalf, may institute against or join any person in instituting against the Issuer any Bankruptcy, winding-up, re-organisation, arrangement, insolvency or liquidation proceeding (except for the appointment of a receiver or a receiver and manager pursuant to the terms of the Trust Deed) or other proceeding under any similar law nor shall any of them have any claim in respect of such sum over or in respect of any of the property or any assets of the Issuer other than the Assets. The Holders accept and agree that the only remedy of the Trustee against the Issuer after any of the Notes have become due and payable pursuant to Condition 10 is to enforce the Security pursuant to the provisions of the Trust Deed or any other security document executed in relation to the Notes.

## 12 Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within one year (in the case of the Principal Amount from the Maturity Date) or 6 calendar months from the relevant Interest Payment Date (in the case of interest).

## 13 Meetings of Noteholders, the Issuer and modification

### (a) Meetings of Noteholders and modification

The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the modification by Extraordinary Resolution of the Conditions or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than fifty per cent. (50%) of the Principal Amount of the Notes for the time being outstanding. In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders whether or not they were present at such meeting. The Trustee may, but without consulting the Noteholders, determine that an event which would otherwise be an Event of Default shall not be so treated but only if and in so far as in its opinion the interests of Noteholders shall not be materially prejudiced thereby.

### (b) The Trustee may agree without the consent of the Noteholders to:

- (i) any modification of any of the provisions of the Trust Deed or the Transaction Documents which is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error; and
- (ii) any other modification which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders.

Any such modification, authorisation or waiver shall be binding on the Noteholders and, unless the Trustee agrees otherwise with the Issuer, such modification shall be notified to the Noteholders as soon as practicable thereafter.

(c) **Issuer**

The Issuer will not, except as specified in the Prospectus, exercise any rights in its capacity as a holder of, or person beneficially entitled to or participating in the Security, unless directed to do so by the Trustee and, if such direction is given, the Issuer will act only in accordance with such directions. The Trustee may, but need not, vote provided that it will nevertheless vote if requested to do so by the Holders and if the Trustee does vote pursuant to such request, it will bear no liability for doing so. In particular, the Issuer will not attend or vote at any meeting of Holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) under the Security or give any consent, waiver, indulgence, time or notification or make any declaration in relation to such Security unless it shall have been so directed by the Trustee in writing.

(d) **Entitlement of the Trustee**

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution as aforesaid) the Trustee shall not have regard to the consequences of such exercise for any individual Holders or of holders of any other notes or bonds, resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Holders be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders.

## 14 Priority of payments

The order of the priority of payments made by the Issuer pursuant to these Terms and Conditions shall be as follows:

**Priority of Payments (General):**

On receipt of any sums from the Assets, (and also upon enforcement and realisation in full of the Security) the Issuer shall apply those sums in making or providing for payment towards satisfaction of the following amounts (to the extent they have not already been satisfied) in the following order of priority:

- 1 to pay in full any Exceptional Expenses attributable and payable to the Trustee or any attorney, manager, agent, delegate or other person appointed by the Trustee;
- 2 to pay in full, on a *pro rata* and *pari passu* basis, any Exceptional Expenses due and payable to the Operating Creditors (other than those paid to the Trustee, or any attorney, manager, receiver, agent, delegate or other person appointed by the Trustee) and any taxes and statutory fees due and payable by the Issuer;
- 3 sums remaining after the applications in 1 and 2 shall be accrued and applied on each Interest Payment date on a *pro rata* and *pari passu* basis to the Noteholders in satisfaction of the Issuer's interest obligations under the Notes;

- 4 in no order of priority per se, but *pro rata* to the respective amounts then due to pay *pari passu* the sums (if any) remaining after the applications in 1, 2 and 3 above shall be accrued by the Issuer and repaid to the Noteholders on the Maturity Date in satisfaction of the Issuer's Principal repayment obligations under the Notes at the Maturity Date until the Notes are fully redeemed; and
- 5 after the Maturity Date to release the balance (if any) to the Issuer.

if all monies received by the Issuer between the Closing Date and the Maturity Date in respect of the Assets, and at any time on enforcement of the Security, would otherwise be insufficient to pay all amounts due in accordance with the Order of Priority, such obligations shall be deemed to be reduced or extinguished in inverse order of the Order of Priority.

**Priority of Payments (upon the occurrence of a Suspension Event):**

On receipt of any sums from the Assets, the Issuer shall apply those sums in making or providing for payment towards satisfaction of the following amounts (to the extent they have not already been satisfied) in the following order of priority:

- 1 to pay in full any Exceptional Expenses attributable and payable to the Trustee or any attorney, manager, agent, delegate or other person appointed by the Trustee;
- 2 to pay in full, *pro rata* and on a *pari passu* basis, any Exceptional Expenses due and payable to the Operating Creditors (other than the Trustee, or any attorney, manager, receiver, agent, delegate or other person appointed by the Trustee) and any taxes and statutory fees due and payable by the Issuer; and
- 3 sums remaining after the applications in 1 and 2 above, shall be accrued and applied on each Interest Payment date on a *pro rata* and *pari passu* basis to the Noteholders in satisfaction of the Issuer's interest obligations under the Notes.

## **15 Indemnification of the Trustee**

The Trust Deed contains provisions for indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any actions including the giving of an Enforcement Notice and the taking of proceedings to enforce repayment unless indemnified and/or secured to its satisfaction.

The Trustee or any of its affiliates is entitled to enter into business transactions with the Issuer, any issuer or guarantor of (or other obligor in respect of) any of the securities or other assets of the Issuer or any of their respective subsidiaries or associated companies without accounting to the Noteholders for any profit resulting therefrom.

The Trustee, in the absence of gross negligence, wilful default or fraud, is exempted from any liability in respect of any loss or theft of all or any part of the assets of the Issuer (the "Assets"), from any obligation to insure all or any part of the Assets and from any liability arising if all or any part of the Assets are held in an account with Euroclear or any similar clearing system in accordance with that system's rules or otherwise held in safe custody by the bank or other custodian selected by the Trustee.

The Trustee was appointed trustee in respect of Notes. Pursuant to the terms of the Trust Deed, the Trustee may retire at any time on giving not less than three months' prior written

notice to the Issuer without assigning any reason and without being responsible for any liabilities occasioned by such retirement.

The Noteholders shall have the power exercisable by Extraordinary Resolution to remove any trustee or trustees for the time being under the Trust Deed. The retirement or removal of any such trustee shall not become effective until a successor trustee being a trust corporation has been appointed. Additional trustees or co-trustees may also be appointed as trustees in respect of the Notes.

## **16 Governing Law**

### **(a) Governing Law**

The Trust Deed, the Notes and all matters arising from or connected therewith are governed by and shall be construed in accordance with English law.

### **(b) English Courts**

The Issuer has, in the Trust Deed, irrevocably agreed that the courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or connected with the Notes.

### **(c) Appropriate Forum**

The Issuer has, in the Trust Deed, agreed that the courts of England and Wales are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

### **(d) Process Agent**

The Issuer has, in the Trust Deed, agreed that the process by which any proceedings in England and Wales are begun may be served on it by being delivered to Marriott Harrison LLP, 11 Staple Inn, London, WC1V 7QH. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall notify the Trustee and appoint a further person in England or Wales to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person at the expense of the Issuer by written notice to the Issuer. Nothing contained in the Trust Deed shall affect the right of the Trustee or Noteholders to serve process in any other manner permitted by law.

## **CREDIT, COMMERCIAL, LEGAL AND TAX CONSIDERATIONS**

The following is a description of certain additional aspects of the issue of the Notes of which any prospective Noteholder should be aware. It is not intended to be exhaustive and any prospective Noteholder should also read the detailed information set out elsewhere in this document and take its own tax, legal and other relevant advice as to the structure and viability of an investment in the Notes.

### **Credit Considerations**

The Notes are solely the obligation of the Issuer. In particular, the Notes are not the obligation or responsibility of, or guaranteed by, the Trustee, the Placement Agent, the Registrar or the Account Bank. Apart from the Issuer, none of those persons will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

### **Commercial and Legal Aspects of the Transaction**

No representations or warranties have been given to or are given by the Trustee, the Placement Agent, the Issuer or any other party in respect of the Notes. Prospective Noteholders should take their own tax, legal, accounting and other relevant advice as to the structure and viability of the Notes and their investment in them.

### **Tax Considerations**

The Issuer is not obliged to pay any additional amount for, or on account of, any payments under the Notes that are the subject of a deduction or withholding for or on account of any tax. Investors should make their own investigations into specific tax implications of holding the Notes and the Issuer takes no responsibility for any adverse tax consequences suffered by any Investor who invests in the Notes.

## **TRANSFER RESTRICTIONS**

### **United States**

The Issuer has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "Investment Company Act") and the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Consequently, the Notes may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act).

## SELLING RESTRICTIONS

### United States

The Issuer has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "Investment Company Act") and the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). Consequently, the Notes may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act).

### European Union

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Placement Agent has represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- in (or in Ireland, where the offer starts within) the period beginning on the date of publication of a prospectus relating to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR43,000,000 and (3) an annual net turnover of more than EUR50,000,000, as shown in its last annual or consolidated accounts; or

At any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### United Kingdom

The Placement Agent has represented, warranted and undertaken to the Issuer that:

- (a) in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

- (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
  - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
  - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("FSMA") by the Issuer;

it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not or would not, if the Issuer was not an authorised person, apply to the Issuer; and it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **Cyprus**

The Placement Agent has represented, warranted and agreed that:

- (a) it has not offered or sold and will not offer or sell any Notes to person who are resident or domiciled in Cyprus;
- (b) it has not offered or sold and will not offer or sell any Notes, except in conformity with the provisions of the Public Offer and Prospectus Law, Law 114/2005 and the provisions of the Cyprus Companies Law, cap. 113 (as amended);
- (c) it has not and will not offer or sell any Notes other than in compliance with the provisions of the Investment Services and Activities and Regulated Markets Law, Law 144(I)/2007;
- (d) it will not be providing from or within Cyprus any "Investment Services", "Investment Activities" and "Non-Core Services" (as such terms are defined in the Investment Services and Activities and Regulated Markets Law, Law 144 (I)/2007, (the "ISARM") in relation to the Notes or will be otherwise providing Investment Services, Investment Activities and Non-Core Services to residents or persons domiciled in Cyprus. The Placement Agent has represented, warranted and agreed that it will not be concluding in Cyprus any transaction relating to such Investment Services, Investment Activities and Non-Core Services in contravention of the IFL and/or applicable regulations adopted pursuant thereto or in relation thereto.

## **Germany**

The Placement Agent has represented, warranted and undertaken to the Issuer not to offer or sell, whether directly or indirectly, the Notes described in the Prospectus in Germany other than in compliance with the German Securities Sales Prospectus Act (Wertpapier-Verkaufsprospektgesetz) of 9 September 1998, as amended, or any other laws applicable in Germany governing the issue, offering and sale of securities. The Placement Agent will represent to and agree with the Issuer that, according to § 2 no. 4 of the German Securities Sales Prospectus Act (Wertpapier-Verkaufsprospektgesetz), a sales prospectus for the Notes described in the Prospectus does not have to be deposited or published.

## **Hong Kong**

The Placement Agent has represented, warranted and undertaken to the Issuer that:

- they have not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent) or (ii) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance Cap.32) of Hong Kong; and
- they have not issued, or had in their possession and will not issue, or have in their possession for the purposes of issue, any advertisement, invitation or document relating to the Notes, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

## **Japan**

The Notes have not been, and will not be, registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law). Neither the Notes nor any interest therein shall be offered, sold, resold or otherwise transferred, directly or indirectly, in Japan or to or for the account of any resident of Japan except in circumstances which result in compliance with an exemption from the registration provisions of the Securities and Exchange Law available thereunder and in compliance with the other relevant laws and regulations of Japan. For the purpose of this paragraph, resident of Japan shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan, and, with respect to any entity organised under the laws of a jurisdiction other than Japan, its branches or offices located in Japan.

## **France**

The Placement Agent has represented, warranted and undertaken to the Issuer that (i) they have not offered, marketed, distributed, sold, resold or otherwise transferred and will not offer, market, distribute, sell, resell or otherwise transfer, directly or indirectly, any Notes to the public in the Republic of France and (ii) any offers, marketing, distributions, sales, re-sales or other transfers of Notes in the Republic of France have been and will only be made to qualified investors (investisseurs qualifiés) acting for their own account, all as defined in, and in accordance with article L.411-2 of the French Code monétaire et financier and décret no. 98-880 dated 1 October, 1998.

The Notes have not been and will not be subject to any approval by or registration (visa) with the French Autorité des Marchés Financiers. The direct or indirect offer, marketing, distribution, sale, re-sale or other transfer of the Notes to the public in the Republic of France must comply with articles L. 411-1, L.411-2, L.412-1 and L.621-8 of the French Code monétaire et financier.

In addition, the Placement Agent will represent and agree that they have not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France the Prospectus or any other offering material relating to the Notes other than to investors to whom offers, marketing, distributions, sales, re-sales or other transfers of Notes in the Republic of France may be made as described above.

**General**

Other than the application to list the Notes on the Corporate Bond Market of the Regulated Market of the Cyprus Global Stock and the approval of the Prospectus by the Cyprus Securities and Exchange Commission, no action has been or will be taken to permit a public offering of the Notes or the distribution of the Prospectus in any jurisdiction. Accordingly, the Placement Agent will agree with the Issuer in the Notes Placement Agreement that it will not, directly or indirectly, offer or sell any Notes in any country or jurisdiction where action for that purpose is required and neither the Prospectus nor any other circular, prospectus, form of application, advertisement or other material will be distributed by it in or from or published in any country or jurisdiction, except under circumstances which will result in compliance with applicable laws and regulations.

## GENERAL INFORMATION

In 2004 the European Commission adopted Directive of the European Parliament and of the Council on the harmonisation of transparency requirements with regard to information about issuers whose securities are admitted to trading on a regulated market in the European Union (2003/0045(COD)) (the “**Transparency Directive**”). Following the admission of the Notes on the corporate bond market of the regulated market of the CSE, the Transparency Directive will apply.

Application will be made for the acceptance of the Notes for clearing with the CREST. The International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for the Notes are set out in the Prospectus. The Common Code will be available once the Notes are accepted for clearing.

Application has been made to the CSE to admit the Notes to listing and trading on the Corporate Bond Market of the Regulated Market of the Cyprus Stock Exchange.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

For so long as any Notes shall be outstanding, physical copies of the following documents (listed at 1 to 8 below) may be inspected during normal business hours at the Issuer's registered office, namely 27 Hatch Street Lower, Dublin 2, Ireland.

Copies of the items listed at 1 to 8 below will be provided free of charge at the registered office of the Issuer upon oral or written request for the duration of Admission.

1. The Issuer's constitution.
2. IAF's memorandum and articles of association.
3. The financial information of IAF set out in the section of the Prospectus headed "**FINANCIAL INFORMATION OF IAF**".
4. Directors Service Agreements.
5. The Trust Deed.
6. The Loan Agreement.
7. The Security Agreement.
8. The Registrar Agreement.

All of the documents listed above will be signed on or before admission to listing of the Notes.

The Issuer estimates that total expenses related to application for trading and issue of the Notes will not exceed **£250,000**.

## **Declaration by Issuer and the Directors**

**This Prospectus of Ingard Property Bond Designated Activity Company dated 21 December, 2016 is signed by the following directors of the said company. The Issuer and the Issuer's directors declare that having taken all reasonable care to ensure that such is the case, the information contained herein is to the best of their knowledge in accordance with the facts and contains no omission which could affect its import:**

**Antony Legge**

**David Ewing**

**Ivano Cafolla**

**Andrew Williamson**

**Declaration of the Underwriter responsible for Drawing up the Prospectus.**

**This Prospectus of Ingard Property Bond Designated Activity Company dated 21 December, 2016 is signed by Global Capital Securities & Financial Services Limited, as underwriter responsible for the drawing up of this Prospectus, in accordance with the provisions of Prospectus Law. Global Capital Securities & Financial Services Limited, declares that having taken all reasonable care to ensure that is the case, the information contained herein to the best of its knowledge in accordance with the facts and contains no omission which could affect its import.**

**Global Capital Securities & Financial Services Limited** \_\_\_\_\_

**Declaration by the Director of IAF**

**IAF acting by its sole director, David Ewing who takes responsibility for all the information given as to IAF of whatsoever nature in this Prospectus of Ingard Property Bond Designated Activity Company dated 21 December, 2016 and declares that having taken all reasonable care to ensure that is the case, the information contained herein to the best of its knowledge is in accordance with the facts and contains no omission which could affect its import.**

**David Ewing**

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**REGISTERED OFFICE OF THE ISSUER**

*27 Hatch Street Lower,  
Dublin 2  
Ireland*

**TRUSTEE**

*Templar Steele (Trust & Custody) Limited  
11 Staple Inn  
London  
WC1V 7QH*

**REGISTRAR**

*Share Registrars Limited  
27/28 Eastcastle Street  
London  
W1W 8DH*

**ACCOUNT BANK**

*Allied Irish Banks plc*

**PLACEMENT AGENT**

*SVS Securities Plc  
20 Ropemaker Street  
London  
EC2Y 9AR*

**LEGAL ADVISERS**

**To the Issuer in relation to the Admission**

**as to English law**

*Marriott Harrison LLP  
11 Staple Inn  
London  
WC1V 7QH*

**To the Issuer as to Cyprus Law**

*Keane Vgenopoulou & Associates LLC  
2 Makarios Aven., Atlantis Building, 2<sup>nd</sup> floor, Office 201,  
Mesa Geitonia, 4000, Limassol, Cyprus*