



3-year
8.0% Growth Bonds
(Non-Transferable Securities)

Series 7

A simple and
transparent investment

LCF | London Capital
& Finance Plc.

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This section is very important and requires your attention.

As a summary marketing document, this brochure only provides headline information relating to the Bond offering and it cannot be relied on alone, consequently THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH THE INFORMATION MEMORANDUM (IM) AND SUPPLEMENTAL IM DATED 16.01.17 SPECIFIC TO THE BOND which provides more details of the offering along with associated risks. The IM can be provided on request by calling 0800 410 1155 or by downloading from the LC&F website.

Many people tend to ignore the detail of any offering and focus on the headline benefits – please don't. All potential investor's circumstances are different and all investment is speculative and involves risk. You must understand the particular risks involved in this offering and make a decision that is appropriate for your personal circumstances. We further encourage you to take independent financial advice on the contents of this document by contacting a professional adviser authorised by the Financial Conduct Authority (FCA) to conduct investment business and who specialises in advising on investments in bonds, shares, and other securities, including unlisted securities.

Investors should note that repayment of the Bonds offered by London Capital & Finance Plc and the payment of interest on the Bonds depends on the performance of loans made by London Capital & Finance Plc to various small to medium sized enterprises (SMEs). In the event that these borrowers default on the loans, Investors may lose some or all of their investment. Investment in the bonds of London Capital & Finance Plc is therefore speculative and carries a degree of risk.



Hands on management minimises risk

Unlike peer-to-peer lending or crowd-funding, people (not computers) are involved in every stage of the loan and investment lifecycle.

The purpose of this document is to provide you with a synopsis of the London Capital & Finance Plc (LC&F) Series 7 Bond offering.

LC&F is an expanding commercial lender that is seeking to support UK based SMEs with the provision of credit, whilst at the same time providing Investors with an attractive return on their investment. LC&F is incorporated in England and Wales under the Companies Act 2006 as a public limited company

with registered number 08140312. Its principal activity is to identify opportunities in structured finance within the UK SME sector and to generate income via loan interest and associated fees.

The total principal amount of Bonds to be issued is up to £25 million per bond.

What is a Bond?

LC&F Series 7 Growth Bond is a Mini Bond, which is a type of loan to a company. The Company (LC&F) agrees to pay you a fixed rate of interest over a defined period of time (3 year). At the end of the period, your money is repaid. The money you invest in the Bond is loaned to SMEs and is secured over all of the assets and undertakings of the borrowing SME, present and future.



“Did everything we expected of them and we would be happy to deal with them again.” Feefo Feedback Testimonial

LC&F Business Model

To continue to grow a profitable commercial loan business to meet the increasing demand of successful, but cash-starved UK SMEs.

At the end of 2014, there were 5.2 million businesses in the UK, of which SMEs accounted for 99%. According to statistics published by the Bank of England (BoE), cumulative lending to SMEs (measured every quarter against the same period from the previous year) between April 2012 and February 2015 has dropped by 111.3% for businesses with a turnover of below £25 million and by 150.6% for businesses with a turnover of over £25 million.

UK businesses continue to be starved of funding, creating an increased demand for

short-to-medium-term credit facilities. Statistics from the BoE show that cumulatively between January 2012 and February 2015, net loans to UK businesses have dropped by £29.5 billion. However, over the same period BoE statistics show that demand has risen by 79.2%. In addition the National Audit Office has predicted that by 2017, the gap between the amount of funding available to UK businesses and the amount of funding required by UK businesses will hit £22 billion.

Statistic sources:

Office of National Statistics demography survey

Department of Business Innovation SME access to external finance paper BoE trends in lending between January 2013 and April 2015.

Illustration of Returns

3 Year Growth Bond

Investment Term: 3 Year

Annual 8.0% Interest (Fixed)

Interest paid on maturity

Full asset backed security

INVESTMENT	TERM INTEREST	TOTAL PAID BY END OF TERM (including return of initial investment)
£5,000	£1,298.56	£6,298.56
£20,000	£5,194.24	£25,194.24
£50,000	£12,985.60	£62,985.60
£100,000	£25,971.20	£125,971.20
£200,000	£51,942.40	£251,942.40

Your capital and interest are at risk

Interest is calculated at 8.0% on the principal amount invested and interest compounded

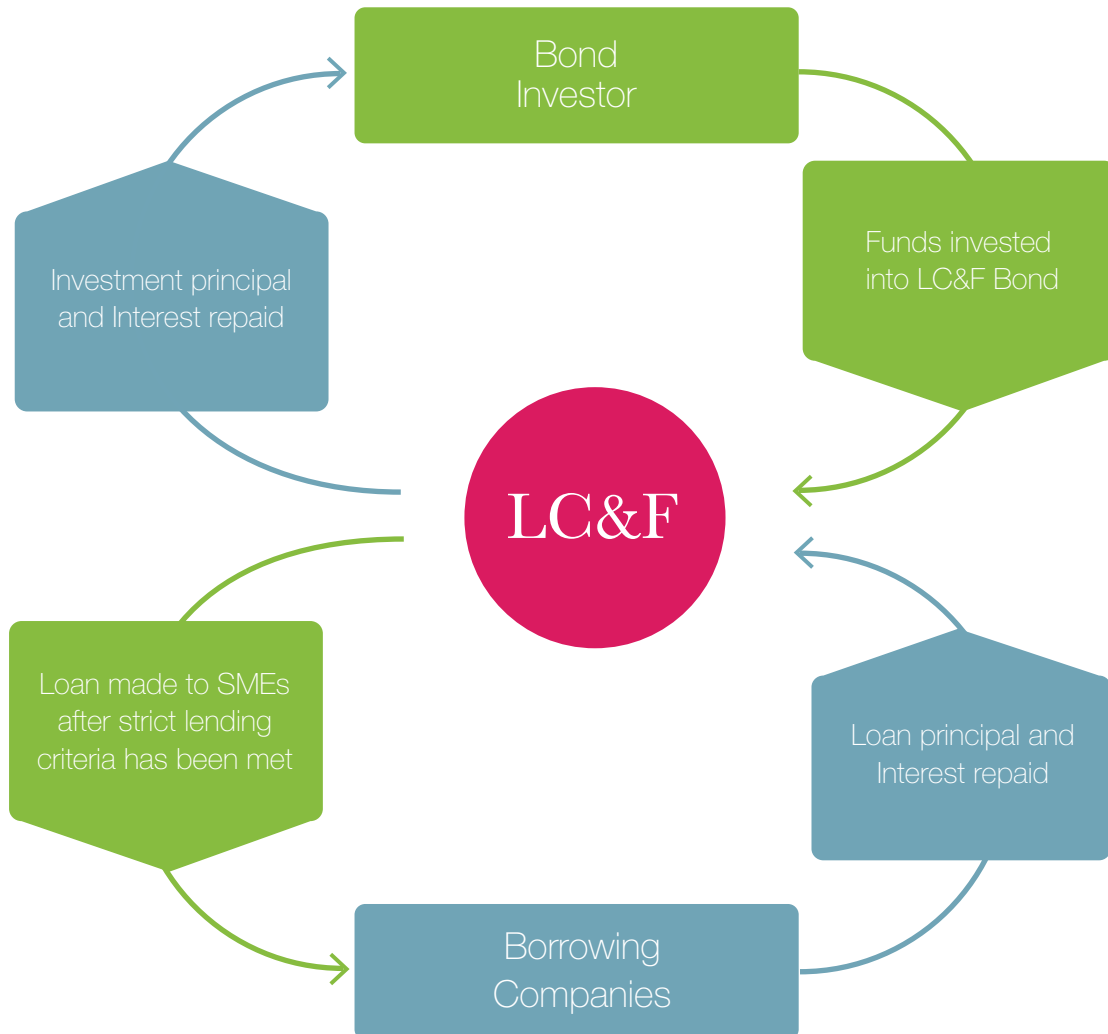
The above interest figures are shown gross.

Opportunity for Investors

LC&F has developed a business model whereby it raises money from investors by issuing secured Bonds and uses the proceeds to make loans to SMEs on a secured basis. This provides investors with the opportunity to make returns by investing in successful SMEs and enables LC&F to meet the significant lending demand from the SME sector.



The LC&F Funding Lifecycle



The funding lifecycle starts with funds being invested into Bonds issued by LC&F and finishes when all interest and principal is returned to Bond Holders. During the funding lifecycle, LC&F will utilise funds raised via

Bonds to make loans to UK SMEs that it considers creditworthy, that meet LC&F's lending criteria and that have realistic and robust repayment proposals.



"Good communication keeping me up to date. The application process was quick and easy. I had no problems and would recommend this company."

Feefo Feedback Testimonial

LC&F Management Team

Strong experienced leadership in wealth management and corporate lending.



Andrew Thomson - Chief Executive Officer

Andrew is a financial industry professional of 20 years experience, who's held senior positions within some of the UK's largest banks and financial organisations, such as the Bank of Scotland and latterly the Royal Bank of Scotland where he was Head of the Business Lending Unit. Andrew has comprehensive experience of providing financing solutions to many sectors as well as modelling financial solutions for both the mergers and acquisitions market and to companies requiring turnaround/restructuring support. In addition, Andrew has gained extensive hands-on experience of financing large property projects from conception right through the build programme and ultimate completion. The size of these projects ranged from £2 million single residential builds to £100m+ commercial estates.



Katherine Simpson - Head of Human Resources

Katherine is a career HR specialist. She has held a number of senior positions with multinational organisations, such as Pfizer and T.E.N. (Sony Warner distribution) where she led the delivery of HR solutions at regional and national levels assisting these companies with their national expansion plans. Building on her experience, Katherine set up her own HR consultancy in 2006 to provide proactive HR solutions across all sectors assisting companies with both expansion and change issues. Since 2006, the consultancy has grown significantly and the majority of Katherine's time is utilised in assisting executives with shaping the direction of their companies to enable future expansion.



Kobus Huisamen - Head of Risk & Compliance

Kobus has a BA in Law and an MBA in Finance and became a certified M&A adviser in 2007. He has advised international boards on complex M&A structures and latterly has focused on the risk elements of corporate finance. As well as heading LC&F's Risk & Compliance department Kobus also advises the boards of a number of UK financial companies.



Key Business Partners



Clients Money Custodian

GCEN

Global money transfer and currency exchange specialists with offices in the UK, Dubai, Spain and Portugal.

FCA Registration Number
504346



Regulated Corporate Financial Advisor

Sentient Capital

A regulated firm that has approved the financial promotion material of the bond.

FCA Registration Number
679298



Solicitors to the Fundraising

Lewis Silkin LLP

Based in London, Oxford and Cardiff, the firms practice covers: Employment, Reward and Immigration; Media, Brands and Technology; Corporate; Real Estate and Development; litigation and dispute resolution; FCA compliance.



Security Trustee

Global Security Trustees

The management team have over 120 years legal experience in business with a focus on Corporate and Security Bond law.



Accountants to the Company

Oliver Clive & Co

Oliver Clive & Co is a London based specialist in audit and finance with expertise in SME evaluation, funding and business growth.



Solicitors to the Company

Buss Murton LLP

Buss Murton was established over 300 years ago, tracing its roots back to 1713. The firm has branches in Cranbrook, Dartford and East Grinstead and provides legal advice to a wide range of corporate legal services.

Risk Factors

Investing in Bonds carries risk and you may lose part or all of your investment. Please ensure you read the full Investment Memorandum and supplemental IM dated 16.01.17 for the specific Bond you are choosing and pay attention to the Risk Factors.



Here are specific risk factors you should consider

Bonds are non-transferable

There is, and will be, no established market for the Bonds as the Bonds are non-transferable and you should not invest if you may need to realise your investment prematurely.

Illiquidity and non-transferability

Investments in unquoted securities (i.e. investments not listed or traded on any stock market or exchange) such as these Bonds are illiquid (i.e. they cannot be cashed in during the bond term). The Bonds are non-transferable, so your money is effectively locked in until the Maturity Date of each specific Bond.

Taxation

The statements in this brochure and the associated Information Memorandum and supplemental IM dated 16.01.17 are intended to be a brief description of some of the realities of investing in Bonds. Potential Bond Holders should seek their own specialist advice if they are unsure of their own taxation position in relation to investing in Bonds.

LC&F is required by HMRC to retain a 20% withholding tax from any interest payable from the Bond (UK non tax-payers may be eligible to reclaim the tax back directly from HMRC). Bond Holders may be liable, depending on their own circumstances, to further taxation on the interest payable by the Bonds. Any additional taxation liability will be required to be met from Bond Holders' own resources.

LC&F is dependent on Borrowing Companies to repay loans

LC&F makes loans to Borrowing Companies and is reliant on their repayment to make subsequent payments of principal and interest to Bond Holders. If a significant volume of loans fall into default, LC&F may not have sufficient funds to be able to pay principal and interest to Bond Holders within the timescales of the Bond.

Financial Services Compensation Scheme

The protections offered by the Financial Services and Markets Act 2000 including recourse to the Financial Ombudsman Service and compensation entitlements under the Financial Services Compensation Scheme do not apply. All prospective Investors and Bond Holders are strongly recommended to seek advice on the suitability of this investment.

Proceeds on the realisation of security

The Bonds are secured by a debenture over the assets of LC&F. There can be no assurance that, in the event that this security is realised, the amounts realised will be sufficient to satisfy the obligations to repay principal and accrued interests under the Bonds.

Investor Security

How are the Bond loan monies protected?

Bond holder funds are secured by a charge over the assets of LC&F and all borrowing companies. London Capital and Finance plc have appointed an independent Security Trustee who holds the security on behalf of the investor.



Diligent and secured lending

Once a potential Borrowing SME has been assessed as creditworthy and its business plan viable, agreed security in the form of a charge over either property and/or other assets of the Borrowing SME is taken at no more than 75% loan to value.

So, for example, for a loan of £750,000, the value of the charged assets of the Borrowing SME would need to be at least £1 million.

Only when all legal and security documentation has been completed to LC&F's satisfaction will funds be transferred to the Borrowing SME.

Strong risk controls

In addition to the physical security charged, LC&F has controls in place to monitor the Borrowing SME and alert it to any potential repayment issues early on. By adding these additional layers of control and monitoring, LC&F has endeavoured to create multiple layers of security and safeguards to protect Bond Holders' capital.

Security Trustee

LC&F has granted the Security Trustee a charge over all of its assets, which includes the value of security LC&F takes over the Borrowing SMEs' assets. The Security Trustee holds this charge over LC&F's assets in trust for the benefit of all Bond Holders.



The sources of your asset-backed security

In the event of London Capital and Finance plc becoming insolvent, repayment of capital will be made from the following sources:

- 1 Our accumulated profits
- 2 Repayment of loan capital from borrowing SMEs
- 3 Sale of assets used to secure loan
- 4 Liquidation of LC&F's assets



"Pleased with the service. Interest paid on time and easy to transfer to my bank account. Good communication from the company. Nice to know that you are at the end of a phone should I need any info." Feefo Feedback Testimonial

Frequently Asked Questions

Why should I invest in the Bond?

The directors believe that an investment in the Bond is suited to Investors:

- Who want an above average return on their investment.
- Who want the security of a Bond that is asset-backed.
- Who are looking for income and/or growth over a specified investment period.

What are the fixed returns and when do I receive them?

The series 7 growth bond returns 8% (Gross PA) and is paid at the end of the 3 years term along with the principal capital invested.

Can I put the Bond into my SIPP?

The Bonds are suitable for Self-Invested Personal Pensions (SIPPs) subject to approval by the SIPP provider.

What type of investment is this?

Investors are purchasing UK Fixed Interest Corporate Bonds, which make fixed interest payments over a specified period of time.

When is interest paid and capital returned?

Interest accrues from the date each Bond is issued and is payable in arrears on specific defined dates which are as follows:

Bond Term	Interest Payment Date
1 Year	Anniversary of the investment i.e. the maturity date.
2 Year	Income Bond: On the last day of April and October and also on the maturity date. Growth Bond: Compounded and paid on the maturity date.
3 Year	Income Bond: On the last day of March, June, September and December and also on the maturity date. Growth Bond: Compounded and paid on the maturity date.

If the interest payment date is a weekend or a bank holiday in England and Wales, then interest will be payable on the next business day and on the Maturity Date.

In order to subscribe for Bonds, Investors are required to open an account with Global Currency Exchange Network Limited (GCEN) (see page 20). The GCEN account will be operated by GCEN and its affiliate entity Global Custodial Services Ltd (GCS) in accordance with their standard terms of business.

Interest & capital payments will be made directly into investors nominated bank accounts.

How long is the bond term?

The bond term is 3 years for the Series 7 Growth Bond.

How is my money protected?

LC&F has endeavoured to create multiple layers of security and safeguards to protect Bond Holders' capital, which range from upfront and ongoing due diligence on prospective borrowers to taking charges over borrowers' assets. The Bonds are secured by a debenture (a form of legal charge) over all the assets of LC&F (the secured assets), which is held by an independent trustee on behalf of Bond Holders. The secured assets include the cash reserves in the business and the security taken from Borrowing Companies. The nominated Security Trustee is Global Security Trustees Limited.

How do I invest?

Applications can be made in two ways, either online via the website www.londoncapitalandfinance.co.uk or by paper application. To apply online just select the Start Application tab and follow the application instructions. Alternatively, for a paper application contact our Investor Relations Team. They will answer any questions and guide you through the sign-up process. Please use the Contact Us tab from the website or email info@londoncapitalandfinance.co.uk.

Who are GCEN and what is their role?

LC&F has engaged GCEN and its affiliate entity GCS to provide payment services and certain related services in respect of the subscription process. Subscribers are also required to open an account with GCEN in their own name in order to collect investment funds.

GCEN is regulated by the FCA as an Authorised Payment Institution in accordance with the Payment Services Regulations 2009. GCS is authorised and regulated by the FCA to hold a client's money on their behalf.



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- 1 Provides a dedicated bank account into which Investors deposit their subscription monies.
 - 2 Verifies the identity of each Investor and the source of their investment monies, in accordance with the provisions of the Money Laundering Regulations 2007 and current industry best practice.
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Disclaimer

The material contained in this brochure is for information purposes only. It does not constitute an offer, or the solicitation of an offer, to buy or sell any security or instrument, or to participate in any transaction or trading activity.

London Capital & Finance Plc (LC&F) offers Bonds with fixed interest rates and is asset-backed for security. A detailed presentation of each Bond offered can be found in the respective Information Memorandum, which has been approved for promotion for the purposes of section 21 of the Financial Services and Markets Act 2000 (FSMA) by Sentient Capital London Limited (Sentient) of 1 Royal Exchange Avenue, London, EC3V 3LT. Sentient is authorised and regulated by the Financial Conduct Authority with FRN 679298. This brochure is not intended to be a source of advice or credit analysis and the information contained herein does not constitute investment advice. Therefore, any decision in connection with funds, instruments or transactions described or mentioned within this brochure must be made solely on the information contained in the relevant Information Memorandum and supplemental dated 16.01.17 and no reliance should be placed on any other representations.

LC&F is registered with the FCA for consumer credit lending, registration number 722603. LC&F does not offer financial advice. However, it should be noted that the Bonds offered by LC&F are repaid via loans made to companies, therefore your capital may be at risk. Interest payments are not guaranteed if the borrower defaults. Investing in LC&F's Bonds is speculative and involves a degree of risk. It is important to remember that historic loan default rates are not necessarily indicative of future default rates. Prospective investors are advised to consult their own professional advisors before contemplating any investment to which this brochure refers.

If you are reading this brochure from outside the jurisdiction of England and Wales, the material contained within this brochure may be interpreted as a financial promotion or an offer to purchase or sell securities. The information in this brochure is intended to be viewed by persons who do not fall within the scope of the financial promotions regulations of their country of residence, or the country in which this brochure is being reviewed. If you are uncertain about your position under the laws of your country of residence or the country in which this brochure is being reviewed, you should obtain legal advice from a lawyer practising in that country to clarify your position.

How do I speak with **LC&F**?

Investors who have any questions concerning the Bond can speak directly with the Company. The contact details are:



0203 8611234



applications@lcaf.co.uk



www.londoncapitalandfinance.co.uk



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