

CROWDSTACKER®

AUTHENTIC ALEHOUSES
PUBS & BREWING CO.

INFORMATION BROCHURE

CROWDSTACKER.COM/AUTHENTIC-ALEHOUSES

CROWDSTACKER®

Winner 2018 Moneynet.co.uk
Best Innovative Finance ISA Provider



Best P2P
Provider



Best Innovative
Finance ISA Provider



Best Peer to Peer
Lending Platform



Best Alternative
Finance Company

AUTHENTIC ALEHOUSES

DISCLAIMER

THIS DISCLAIMER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This document (the “Information Brochure” or “Document”) constitutes the basis upon which you may make a Loan offer to Authentic Alehouses Ltd (“Authentic Alehouses”) which Authentic Alehouses may accept on the terms and conditions set out in this Document.

You should not make an offer to lend to Authentic Alehouses as set out in this Document except on the basis of the information published in this Document and the Key Commercial Terms (see format on page 25).

Your attention is particularly drawn to the “Risk Factors” which are set out on pages 22, 23 and 24 of this Document. You should consider carefully whether Authentic Alehouses Loans are a suitable financial commitment for you to make in the light of your personal circumstances. Authentic Alehouses Loans will become a secured debt of Authentic Alehouses but may not be a suitable financial commitment for all recipients of this Document. The money that you lend to Authentic Alehouses as an Authentic Alehouses Loan (your “Capital”) is at risk.

Making a Loan of this nature involves a degree of risk. It may not be possible to sell or realise the Authentic Alehouses Loans before they mature or to obtain reliable information about the risks to which they are exposed.

Authentic Alehouses Loans will be a debt of Authentic Alehouses secured over all of its assets under a debenture constituting a fixed and floating charge. However, there can be no certainty or guarantee that any realisation of such assets through the enforcement of such security will be sufficient to enable Authentic Alehouses to repay all or part of the Loans or Authentic Alehouses’s liabilities thereunder.

This Document, which is a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”), is issued by Authentic Alehouses which accepts responsibility for the information contained herein. This Document has been approved as a financial promotion for UK publication by Crowdstacker Limited, which is authorised and regulated by the Financial Conduct Authority

to operate an electronic lending platform. Crowdstacker is registered on the Financial Conduct Authority’s Register with registration number 648742.

This Document does not constitute a prospectus to which the Prospectus Rules of the Financial Conduct Authority apply. Therefore, this Document and the Loans have not been approved by the Financial Conduct Authority or any other regulatory body, and do not give rise to any rights to claim compensation under the Financial Services Compensation Scheme.

You should ensure that you have read and understood this Document in its entirety before agreeing to offer Loans to Authentic Alehouses. If you are in any doubt as to the contents of this Document, or whether making the Loans is a suitable financial commitment for you, you should seek your own independent advice from an appropriately qualified advisor, authorised under the Financial Services and Markets Act 2000, and who specialises in advising on loans, financial commitments and other such debt instruments.

This Document does not constitute an offer to make a Loan or other financial commitment, or the solicitation of an offer to make a Loan or other financial commitment, in any jurisdiction in which such offer or solicitation is unlawful. The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

Communications sent by you to the Custodian (as such term is defined on page 3) shall be treated as delivered to it on the day of actual receipt by the Custodian. All documents, payments or electronic information and communications sent by, to or from you, or on your behalf will be sent entirely at your own risk.



AUTHENTIC ALEHOUSES DEFINITIONS

COMPANY

Authentic Alehouses Limited.

CROWDSTACKER

Crowdstacker Limited, an electronic lending platform that is authorised and regulated by the FCA.

CUSTODIAN

Crowdstacker Limited or as otherwise nominated by Crowdstacker.

EXPECTED MARKET VALUE

Expected market value including such components as the fair maintainable trade of a reasonably efficient operator, comparable businesses and transactions.

FCA

Financial Conduct Authority.

GUARANTOR

Authentic Alehouses Trading Ltd.

**INFORMATION BROCHURE
OR DOCUMENT**

This document.

KEY COMMERCIAL TERMS

The key commercial terms format set out in this Document on page 25, which on acceptance will be populated with the Lender's details, the Interest Rate, the Commencement Date, the Loan Amount and the Repayment Date.

LENDERS

All those individuals who enter into Loan Contracts with Authentic Alehouses.

LOAN T&CS

The terms and conditions applicable to each Loan, as set out in this Document, and which form part of each Loan Contract.

LOAN CONTRACTS

The Loan contracts, consisting of the Loan T&Cs and the Key Commercial Terms, between Lenders and Authentic Alehouses.

AUTHENTIC ALEHOUSES

Authentic Alehouses Limited.

**AUTHENTIC ALEHOUSES
LOAN OR LOANS**

Loans made or to be made to Authentic Alehouses pursuant to the terms and subject to the conditions of the Loan Contracts following acceptance by Authentic Alehouses.

SECURITY TRUSTEE

Crowdstacker Corporate Services Limited or such other person as is appointed as trustee under the Security Trust Deeds.

SECURITY TRUST DEED

The deeds between the Security Trustee and the Company and also the Guarantor by which the Security Trustee holds the Security on trust for the benefit of Lenders.

AUTHENTIC ALEHOUSES

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AUTHENTIC ALEHOUSES

THE AUTHENTIC ALEHOUSES LOANS

The British pub plays a unique role in our local communities. They can bring together friends and family, boost local economies, provide much needed jobs and attract tourism to the UK.

Our latest investment opportunity, Authentic Alehouses, offers you the chance to support a great British business, and a uniquely British way of life.

You can choose between two interest rates, either a 5.9% p.a. gross return over an 18 month term or 6.5% p.a. gross return over a 3 year term.

TERM:
UP TO 3 YEARS

INTEREST RATE:
UP TO 6.5% P.A.GROSS

INTEREST PAYMENT:
QUARTERLY

AUTHENTIC ALEHOUSES

Authentic Alehouses was formed to turnaround under-performing pubs. The Company will invest in freehold pubs across the UK, targeting only those pubs that the team believe offer the opportunity to add value. The pubs selected will typically be operating units requiring extensive refurbishment which will be then operated, principally non-tenanted, through an established operations team.

In recent years the pub sector has gone through a structural decline. Legislation, increased operational costs, social and economic trends have affected the revenues of many pubs.

As a result many individual units are unsustainable, with many requiring substantial investment. This has created the opportunity to acquire such freehold pubs, currently trading below what the team believe to be their potential. By refurbishing the pubs, and supporting them with a centralised operations team, Authentic Alehouses believe operational efficiency, flexibility to deal with issues, automation in monitoring and ordering, and purchasing power will be improved. Operation costs can be reduced, revenue increased and thus potentially value added.

Once the portfolio of freehold pubs increases to 5, there is expected to be additional portfolio value uplift. The portfolio in its entirety should be worth more than the individual components due to economies of scale, together with the combined barrelage and associated revenues which are expected to be higher across the portfolio.

This opportunity has been structured with the aim of reducing risk; the goal being that as the portfolio builds, diversification for lenders will increase over time.

The investment strategy is planned to start with the initial purchase of two established units, both with proven good trade and profitability. This will help ensure the Company hits the ground running, generating positive cash flow and profits from day one.

THE LOAN

Loans to Authentic Alehouses are available from £500. You can earn either a 5.9% p.a. gross return over an 18 month term or 6.5% p.a. gross return over a 3 year term. The Loan is secured against the freehold properties and the Company assets.

AUTHENTIC ALEHOUSES

HOW IT WORKS

1. You make your Loan - from £500 - and receive the opportunity to earn either a 5.9% p.a. gross return over an 18 month term or 6.5% p.a. gross return over a 3 year term. Your interest is paid quarterly and your Loan is secured via a first ranking legal charge over freehold pubs, as well as the other assets of the Company via a first ranking debenture.

2. Your money will be used to purchase and refurbish freehold pubs. The Company will use equity or subordinated debt to fund 30% of each acquisition, with your Loan being used to fund the remaining 70% of the purchase price. An independent RICS valuation from a chartered surveyor on our approved panel of three specialist hospitality/leisure valuers will be obtained for each property prior to the purchase, and will confirm (i) the value of the property at the time of purchase, and (ii) Expected Market Value of the property. Your money will also be used to fund 100% of the refurbishment costs of each pub, providing that the total amount of funding does not exceed 70% of the Expected Market Value of the pub after refurbishment.

3. The pubs will then be managed using Authentic Alehouses extensive knowledge and experience to reduce operational costs, increase profitability and optimise the portfolio's asset value.

4. Over time your Loan will become diversified as the proceeds are used to purchase an increasing number of freehold pubs across the U.K. The portfolio of pubs is anticipated to show an increase in value and hence reduce investor risk.

5. Your Loan will be secured via a first ranking debenture over all the assets of the Company and its subsidiary. Additionally, each freehold property purchased with Authentic Alehouses Loans will be secured by way of a first ranking legal charge registered at the Land Registry.

6. Before being used to purchase properties, your Loan will be held in the Company bank account, where the Security Trustee is a joint signatory. This means the Security Trustee will authorise the release of the funds for the purchase of each property.

7. Your Loan will help contribute to the continuance of UK pubs in local communities, giving people a place to connect as well as creating employment.



AUTHENTIC ALEHOUSES

THE MARKET OPPORTUNITY

There is a growing appetite from investors for investments that are linked to the freehold pub sector. Investors are attracted to this market by strong underlying property values and a stable income.

However, the ALMR Christie & Co Benchmarking Report*, shows the average cost of running a pub is at a seven-year high due to incremental wage costs and related taxes (Apprenticeship Levy), higher food and drink costs (driven by depreciation in sterling versus the euro) and increases in rent and business rates.

Some smaller pubs, trading on thin margins, are in distress. Creating a disparity between current valuations and potential valuations of these businesses.

Accordingly, there is a great opportunity for experienced operators to add value to freehold pubs by redeveloping / refurbishing under-invested sites and reopening them as the place-to-be venue in the local area. While at the same time, through economies of scale, efficiency, enhanced purchasing power and good management, can increase margins.

Authentic Alehouses has been recently set up and aims to create a second-to-none customer experience at its newly refurbished pubs through the introduction of big screens, with sports and other entertainment, a comprehensive beverages offer, and artisanal food.



* ALMR Christie & Co Benchmarking Report, London, 2016.

FINDING THE FREEHOLD PUBS

The management team have the experience, expertise and contact base to identify attractive freehold sites.

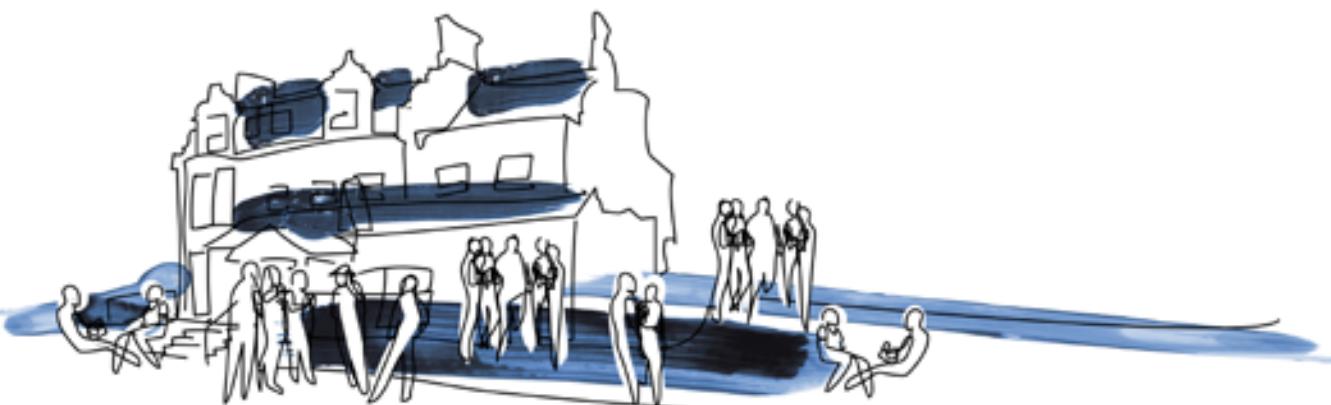
Both on and off market freehold pub opportunities, which range from individual units to small portfolios of pubs, will be sourced through licensed property agents and a vast network of brewery and other trade contacts.

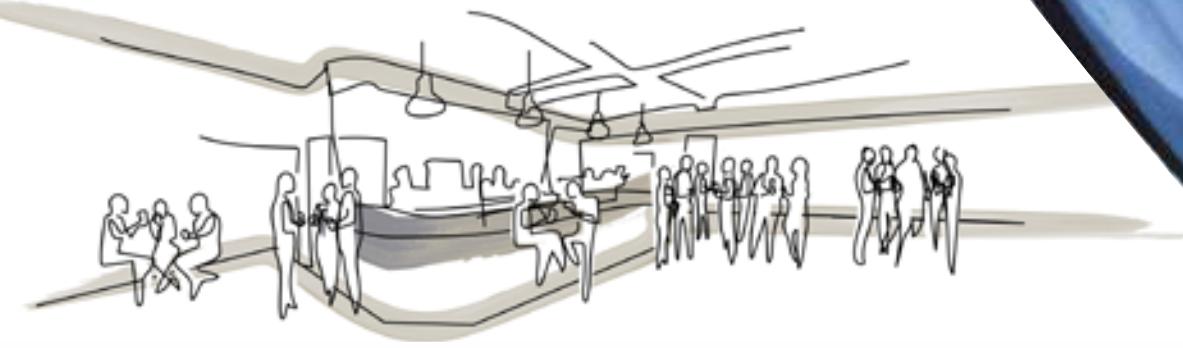
ASSESSING EACH PUB

The management team will perform or oversee a full appraisal of the surrounding area where the target freehold pub is situated. This analysis will include the immediate location, site and area demographics. They will also analyse the competition, drinking circuits, and where the existing trade is in the vicinity.

An assessment will then be made as to the refurbishment required to increase trade. This will include a structural appraisal of any extensions needed to increase trade areas. Key factors considered include: requirements for planning permission; licensing; listed building consent; building regulations; and the time implications of the consents required.

Chartered surveyors, senior operations team members and architects will carry out the assessment, with the board approving any submission of offers.





THE TYPICAL PUB & REFURBISHMENT

Typical pubs selected will be approximately 2,000-5,000 square feet in area, ex-tenanted, on the high street and in a suburban location or within secondary city centre circuits. The management will typically select pubs where other licensed premises exist within close proximity. This is to help ensure an existing drinking circuit is already established.

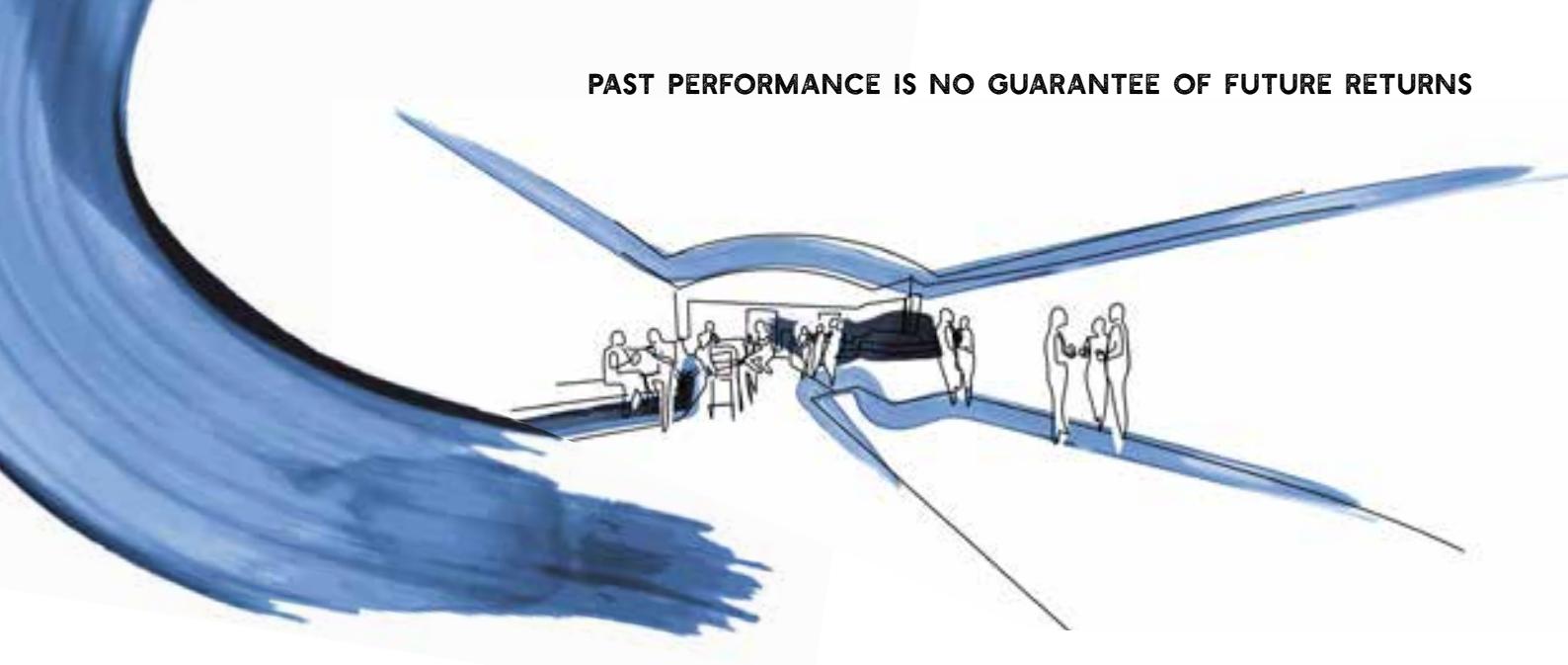
The pubs will often be in a poor state of repair, old and with a dilapidated interior through general lack of maintenance and investment. A beer garden and car parking is preferable if they are not in high street locations.

Refurbishments will be carried out by various specialist contractors within the sector. The refurbishment will typically range from small redecoration, to major redevelopment and structural works and extensions.

The utmost care will be taken to ensure that only companies with the necessary accreditations are contracted to perform the refurbishments.

Typically, the purchase price of a pub will be in the region of £400,000 and where around £250,000 will be spent on refurbishment. Generally the time-frame from purchase to full operation of the pub is expected to be 12 weeks. Venues are expected to generate circa £18,000 of revenue per week with 85% derived from drink sales and 15% from food.





AUTHENTIC ALEHOUSES

MONITORING THE PUBS

The pubs will be operated by an experienced operator, BurningNight Group, who have an existing head office and experienced operations team. BurningNight Group have the capacity, expertise and processes to bring operational efficiencies and cost savings through centralised buying and monitoring.

The BurningNight team have developed their own in-house software, providing live, up-to-the-minute data on sales, stock levels, rotas, and staffing costs. This information is key to running the freehold pubs profitably and efficiently.

THE TEAM'S PREVIOUS EXPERIENCE

The management team have refurbished and operationally managed numerous pubs over the past 25 years. They have developed an efficient process for quickly building profitable businesses.

Through existing contacts and the ability to move rapidly on new sites, freeholds can be purchased, often at prices below their true market value.

PLEASE NOTE:

The management team of the Company has some of the same key management as BurningNight Limited. Christopher Pickles and Allan Harper are directors of both BurningNight Limited and the Company and Allan Harper has a current shareholding in both BurningNight Limited and the Company.



The following deals are examples of where the management team have found distressed, under-trading or closed venues. These venues were then refurbished and re-launched, and traded before being sold at a premium. The model is based on building a portfolio, generating increased revenues and profits.

BARGE HUDDERSFIELD, HD6

BOUGHT:	£48,501
SPENT:	£125,269
SOLD:	£379,544

118% ROI

(Return On Investment)

OMNIBUS BRADFORD, BD13

BOUGHT:	£71,176
SPENT:	£79,684
SOLD:	£325,605

116% ROI

(Return On Investment)

ROYAL DENHOLME BRADFORD, BD13

BOUGHT:	£73,250
SPENT:	£57,883
SOLD:	£271,549

107% ROI

(Return On Investment)

YORKSHIRE VICTORIA HUDDERSFIELD, HD1

BOUGHT:	£111,987
SPENT:	£76,920
SOLD:	£380,607

101% ROI

(Return On Investment)

BRIDGE HUDDERSFIELD, HD1

BOUGHT:	£81,816
SPENT:	£44,670
SOLD:	£326,377

158% ROI

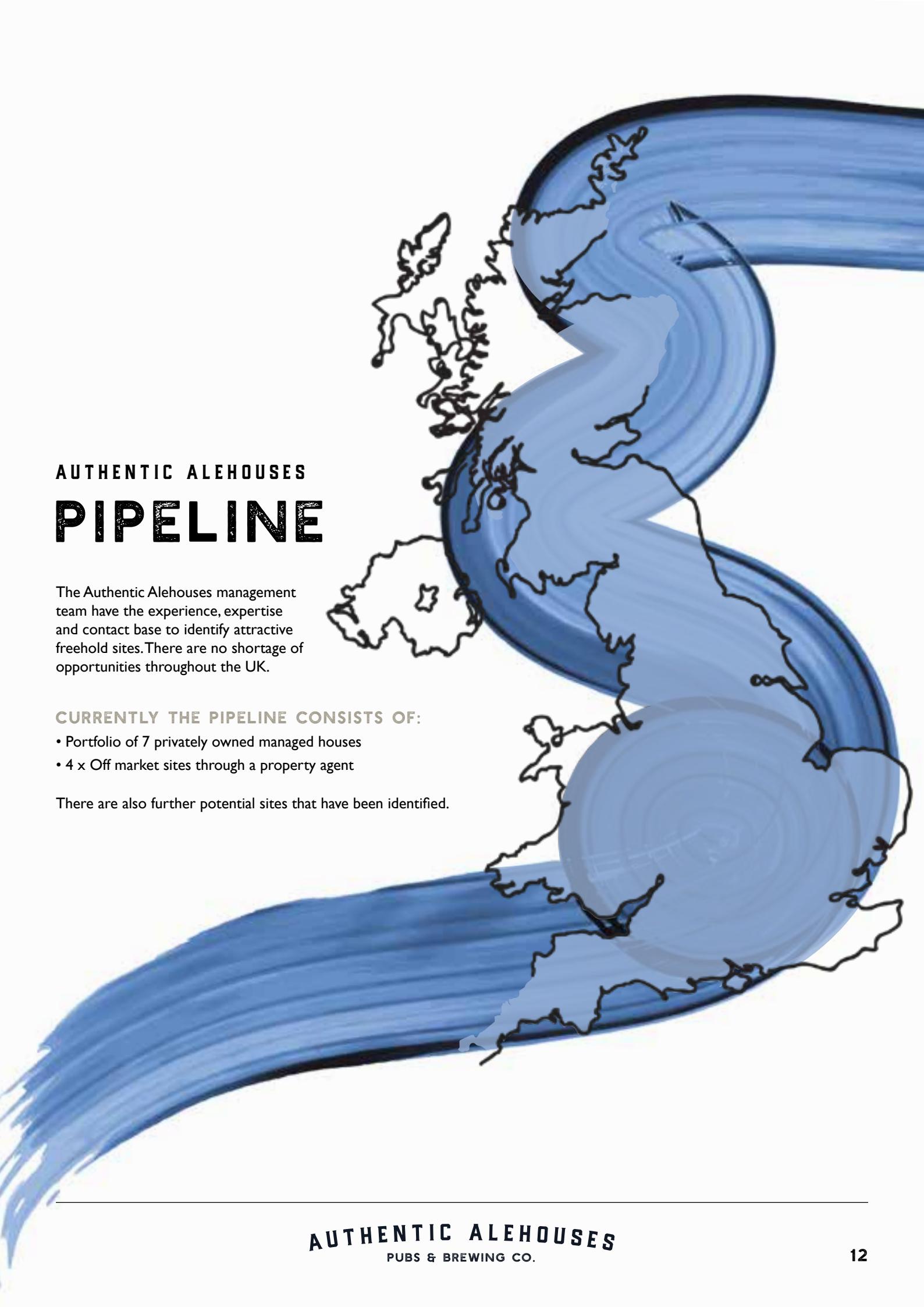
(Return On Investment)

PACKAGE OF 56 SITES VARIOUS

BOUGHT:	£6,527,768
SPENT:	£3,463,431
SOLD:	£20,751,086

108% ROI

(Return On Investment)



AUTHENTIC ALEHOUSES PIPELINE

The Authentic Alehouses management team have the experience, expertise and contact base to identify attractive freehold sites. There are no shortage of opportunities throughout the UK.

CURRENTLY THE PIPELINE CONSISTS OF:

- Portfolio of 7 privately owned managed houses
- 4 x Off market sites through a property agent

There are also further potential sites that have been identified.

SECURITY

FIRST: SECURED ON THE PROPERTIES

Your Loan will be secured on each property purchased by the Company, by way of a first ranking legal charge over the property, in favour of the Security Trustee on behalf of the Lenders. Each charge will be registered with the Land Registry. The Company will use equity or subordinated debt to fund 30% of each acquisition, with your Loan being used to fund the remaining 70% of the purchase price.

SECOND: SECURED ON THE COMPANY'S ASSETS AND GUARANTOR'S ASSETS

Your Loan will also be secured over the assets of Authentic Alehouses Ltd and the Guarantor (its subsidiary), where the Company and the Guarantor gives the Security Trustee a first ranking debenture over the assets of the respective companies. Authentic Alehouses' assets will primarily consist of the freehold pubs that are purchased, cash and any other assets.

THIRD: THE COMPANY'S LOAN OBLIGATIONS GUARANTEED

The Guarantor, which will be a wholly owned subsidiary of the Company, will operate the non-tenanted pubs owned by the Company. They will pay rent to the Company under leases of these pubs. The Guarantor will give, in favour of the Security Trustee, a guarantee of the Company's obligations under the Loans.

FOURTH: THE PORTFOLIO WILL BE INDEPENDENTLY VALUED

An independent valuation of the properties will be carried out to establish the value prior to purchase and an Expected Market Value after refurbishment. The Loan to Value (LTV) will not exceed 70% of the purchase price on purchase and 70% of the Expected Market Value of the properties after refurbishment.

A further independent valuation on the portfolio of pubs will be carried out on an annual basis. If the outstanding Loan is greater than 70% of the Company assets, the shareholders take the following actions:

- Shareholders may procure that further cash is injected into the Company by issuing shares or subordinated debt.
- Company may choose to sell a property in order to realise any excess capital uplift.

HOW YOUR LOAN IS REPAYED

A portfolio of freehold pubs will be built up over time.

The pubs are expected to generate operating cash flow that will be used to pay the interest on the loans.

At the end of the Loan term, the Company envisages a number of potential ways by which lenders can be repaid:

FROM THE ACCUMULATED PROFITS OF THE COMPANY GENERATED OVER THE THREE-YEAR PERIOD OF THE LOANS;

FROM THE PROCEEDS OR SALE OF SOME, OR ALL, OF THE PROPERTY ASSETS OF THE COMPANY;

FROM A SALE OF THE BUSINESS OF THE COMPANY;

FROM A REFINANCING OF THE LOANS;

FROM A COMBINATION OF THE ABOVE WAYS.

AUTHENTIC ALEHOUSES

WHO'S BEHIND AUTHENTIC ALEHOUSES



ALLAN HARPER

Allan has worked in the food and beverage sector for 30 years. His CV catalogues numerous examples of his ability to create substantial revenues and capital profit by purchasing, refurbishing, operating and disposing of public houses. Working closely with Richard Weddall, Allan has acquired, improved and sold many pubs and portfolios of pubs culminating in an estate disposal of 56 freeholds in 2005 for c.£21m, yielding a profit of c.£11m. This track record, proven time and time again, demonstrates Allan has the expertise to identify a good opportunity with potential for profit.



DARREN HARVEY

Following 10 years in accountancy practice where Darren qualified as a Chartered Accountant, he has over 20 year's accountancy post-qualification experience in industry, the latter years being in the leisure industry. He has a demonstrable track record of managing accounting teams and complex finance functions in a variety of organisations, including the Department of Health PBR Tariff. Darren heads up the accounting team and reports on all aspects of the groups finances, including weekly and monthly accounts, detailed KPI's and annual statutory financial statements, as well as dealing with all statutory matters with Companies House and HMRC. Darren also has experience in preparing detailed business plans, and knowledge of the reporting requirements needed by funding partners.



RICHARD WEDDALL

Richard is a Qualified Chartered Surveyor with over 17 years post qualification experience, specialising in the licensed and leisure industry. He has a proven track record of identifying and acquiring public houses, bars and development sites. Utilising a wealth of experience and contacts within this specialist sector, has worked for clients ranging from niche pub and development companies through to national pub, restaurant and convenience store companies. Richard is responsible for the project management of capital schemes. Ranging from small refurbishments, to a dilapidated grade two listed former fire station.



MARTYN TOWELL

Martyn has over two decades of operational experience in the leisure industry and in particular the pub sector. Having worked for a number of pub groups operating licensed premises throughout England and Wales, Martyn has honed his skills in ensuring venues trade to their maximum potential. As an area manager, Martyn has further developed management and interpersonal skills and has overseen day to day control and operational development of up to 20 sites at a time. His ability to source, recruit, appoint and motivate individual managers for pubs is second-to-none. His extensive network of contacts throughout the country makes him the ideal choice to develop and run the business from an operational perspective.

AUTHENTIC ALEHOUSES

YOUR LOAN TO AUTHENTIC ALEHOUSES

The Key Commercial Terms set out the main financial terms, parties and security that forms part of your Loan. You need to familiarise yourself with the Key Commercial Terms and the Loan T&Cs.

AUTHENTIC ALEHOUSES DRAWS YOUR ATTENTION TO THE FOLLOWING KEY TERMS:

TARGETING TO RAISE £10M	5.9% P.A. GROSS RETURN OVER AN 18 MONTH TERM OR 6.5% P.A. GROSS RETURN OVER A 3 YEAR TERM	MINIMUM LOAN AMOUNT IS £500	18 MONTH TERM OR 3 YEAR TERM.
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WHAT COULD I BE EARNING OVER THE NEXT 18 MONTHS?

INVESTMENT AMOUNT	£500	£5K	£10K	£50K	£100K
TOTAL INTEREST PER ANNUM	29.50	295.00	590.00	2,950.00	5,900.00
TOTAL INTEREST PER QUARTER	7.38	73.75	147.50	737.50	1,475.00
TOTAL INTEREST OVER 18 MONTHS	44.25	442.50	885.00	4,425.00	8,850.00

WHAT COULD I BE EARNING OVER THE NEXT 3 YEARS?

INVESTMENT AMOUNT	£500	£5K	£10K	£50K	£100K
TOTAL INTEREST PER ANNUM	£32.50	£325.00	£650.00	£3,250.00	£6,500.00
TOTAL INTEREST QUARTERLY	£8.13	£81.25	£162.50	£812.50	£1,625.00
TOTAL INTEREST OVER 3 YEARS	£97.50	£975.00	£1,950.00	£9,750.00	£19,500.00

AUTHENTIC ALEHOUSES

HOLD IN YOUR ISA

The Crowdstacker IFISA is designed for P2P investing, allowing you to earn higher returns on your money, while helping British businesses borrow at reasonable interest rates.

You can invest up to £20,000 this tax year (2017/18) across the three types of ISA: Cash ISA; Stocks & Shares ISA; and the Innovative Finance ISA. All the interest you receive in your IFISA is completely tax-free, subject to your own personal tax status. Interest payments are paid directly back into your Crowdstacker IFISA account.

You can transfer in part, or all, of your existing ISA pot (any funds from Cash ISA or Stocks & Share ISA accounts you may have from previous tax years) to a Crowdstacker IFISA.

Transfers from current and previous ISAs will not be deducted from this year's ISA allowance.

You can find out more about the Crowdstacker IFISA in our guide, available on request.

Crowdstacker is an HMRC approved, ISA Manager, authorised and regulated by the FCA.

Tax treatment depends on the individual circumstances of each investor and may be subject to change in the future.



SELECT INVESTMENT

Choose a Peer to Peer investment from our current range of lending opportunities.



IFISA

FUND THROUGH IFISA ACCOUNT

Earn tax-free interest by investing in an IFISA, add this year's ISA allowance or transfer from an existing ISA.



P2P

FUND THROUGH P2P ACCOUNT

Earn up to £1,000 interest tax-free* by investing through a P2P account.



RECEIVE INTEREST INTO YOUR IFISA ACCOUNT

View your tax-free interest on your Crowdstacker IFISA account, which you can then re-invest.



RECEIVE INTEREST INTO YOUR P2P ACCOUNT

View your interest on your Crowdstacker P2P account balance, which you can then re-invest.



WITHDRAW INTEREST

You are able to have the interest earned paid into your bank account.

IFISA INNOVATIVE FINANCE ISA

* Peer to Peer investments can be included as part of your Personal Savings Allowance and you could earn up to £1,000 interest tax-free dependent on your tax status.

AUTHENTIC ALEHOUSES

IFISA KEY POINTS

1. HOW DO I OPEN A CROWDSTACKER INNOVATIVE FINANCE ISA?

The process to open a Crowdstacker IFISA is very easy. All you need are your bank account details (for the account you would like to link to your IFISA) and your National Insurance number to hand.

You can apply online at:
www.crowdstacker.com
or call us on 020 7118 7570
for a paper application form.

2. WHAT ARE THE TAX RULES ON AN ISA?

Investors do not have to declare income or gains from an ISA on their tax returns, unless the ISA subscription has been made void. Capital losses in respect of ISA investments are disregarded for the purposes of capital gains tax.

3. WHAT ARE THE ISA LIMITS?

Investors can subscribe in each tax year to one of each of the following: Cash ISA, Stocks and Shares ISA, and Innovative Finance ISA. From 6 April 2017 the overall ISA limit of £20,000 can be split between a Cash ISA, a Stocks and Shares ISA, and an Innovative Finance ISA as the investor wishes.

4. CAN I TRANSFER FROM MY EXISTING ISAS?

You can transfer the funds from your Cash ISA, Stocks and Shares ISA, or other Innovative Finance ISA into your Crowdstacker Innovative Finance ISA.

If you apply online for the Innovative Finance ISA you will be offered transfer forms during the online application process which will allow you to transfer from any existing ISAs to your new Crowdstacker Innovative Finance ISA

If you would like to apply by post please call us on 020 7118 7570 and we can send the paper application forms to you.

5. DOES CROWDSTACKER CHARGE ANY FEES?

It's completely free to open an Innovative Finance ISA account with Crowdstacker.

Crowdstacker does not charge any fees to transfer ISA funds from previous or current tax years into your Innovative Finance ISA.

6. ARE THERE ANY TAX CONSEQUENCES IF I WITHDRAW MONEY FROM THE IFISA?

Whilst your funds are within the ISA wrapper, or when transferred direct to or from another ISA, your interest earned is tax-free. However, if you withdraw your money to your bank account, you will lose the future tax-free status of that interest.

IFISA INNOVATIVE
FINANCE
ISA

AUTHENTIC ALEHOUSES
PUBS & BREWING CO.

AUTHENTIC ALEHOUSES

CROWDSTACKER

**CROWDSTACKER LIMITED IS AN ELECTRONIC LENDING PLATFORM,
AUTHORISED AND REGULATED BY THE FCA.**

We believe we are different from other platforms. Our goal is to save you time by filtering through the many opportunities out there. Leaving you with what we consider to be of the highest quality. We aim to achieve this through our carefully designed selection process.

We carry out bespoke, due diligence on each potential borrower. We reject many along the way. We negotiate additional levels of protection for our Lenders, organising the documentation so that it is easy to understand the benefits and risks of each opportunity.

Our due diligence includes three key steps. Only what we believe are the best investment opportunities will make it to the third. The three key steps are:

1. PRE- SCREENING

This initial assessment includes:

VERIFICATION:

Confirming the identity of the potential company and its directors. Checks include for County Court Judgements, directors that have been disqualified and other red flags, as well as Anti Money Laundering checks performed in line with Financial Action Task Force (FATF) guidelines.

AUTOMATED CREDIT ANALYSIS:

Using a credit scoring model* to provide an initial assessment of credit worthiness. The model is one used by the majority of credit insurers and claims to predict around 70% of the defaults in the next 12 months.

2. IN-DEPTH ANALYSIS

Our due diligence process is performed by chartered accountants with experience of analysing companies of all sizes. This includes:

FINANCIAL HEALTH

An assessment of current and projected financial performance and position. Management and statutory accounts, cash flows, business plans, repayment strategy and existing debt are all considered.

MANAGEMENT TEAM

We meet senior management teams at their premises and assess the quality of the team and its operations.

LOAN STRUCTURE AND CONDITIONS

A recommendation is made regarding the Loan structure and associated conditions to protect investors.

3. CREDIT COMMITTEE

Our credit committee is responsible for reviewing all reports and approving each new business proposal.

Once a Loan is approved, we work with the company to produce informative documentation that outlines the key benefits and key risks for the loan.

We also co-ordinate the payment of interest and the return of investors' capital at the end of the Loan.

Crowdstacker Corporate Services Ltd (a fellow group Company of Crowdstacker) also acts as Security Trustee. This gives us the authority to take action if we become aware of any issues that could put your investment at risk.

CROWDSTACKER®

*www.creditsafeuk.com

THE SECURITY TRUSTEE

Crowdstacker's associate Company, Crowdstacker Corporate Services Limited acts as Security Trustee.

The role of the Security Trustee is to:

- Hold on behalf of all Lenders the security for the Loans over the assets of Authentic Alehouses and its subsidiary companies;
- Enforce the security over Authentic Alehouses in certain circumstances where Authentic Alehouses fails to pay interest or repay the Loans;
- Further information on the role of the Security Trustee can be found in clauses 18 and 19 of the Lender T&Cs.

CLIENT MONEY

We may hold client money on your behalf, for example, prior to you making a loan to a borrower or when collecting interest payments from the borrower for you.

This money is held on deposit with a UK bank in client money accounts. In the event of this bank becoming insolvent, these deposits are protected against losses of up to a maximum of £85,000 per eligible client per bank under the Financial Services Compensation Scheme ('FSCS'). The limit applies to the total of all deposits held for you with that bank, whether held through Crowdstacker or directly with the bank. In the event that you were to suffer a financial loss directly as a result of Crowdstacker becoming insolvent you may be able to claim compensation from the FSCS of up to £50,000.

Following the relevant Commencement Date, we will transfer the full amount of the Loan monies to Authentic Alehouses. If the Loans do not satisfy the Acceptance process, we will return your money to you.

Finally, we are also responsible for organising the payment of interest and repayment of your Loan to you once we have received payment from Authentic Alehouses.

CROWDSTACKER®

AUTHENTIC ALEHOUSES
PUBS & BREWING CO.

AUTHENTIC ALEHOUSES

TWO MINUTE FAQS

We are more than happy to answer any questions you may have. If your question is not covered by the FAQs below, please contact us on info@crowdstacker.com.

WHAT RETURN CAN I EXPECT?

You can choose between two interest rates and have the opportunity to receive either a 5.9% p.a. gross return over an 18 month term or 6.5% p.a. gross return over a 3 year term.

HOW OFTEN WILL INTEREST BE PAID?

Your interest will be paid quarterly.

HOW MUCH CAN I LEND?

The minimum amount you can lend is £500.

WHEN DO THE AUTHENTIC ALEHOUSES LOANS MATURE?

The Authentic Alehouses Loans are for either an 18-month or 3-year fixed term dependent on the option you choose. On maturity, you are entitled to the return of the original Capital in full.

WHAT ABOUT PENSIONS?

You may be able to hold Authentic Alehouses Loans within a Small Self-Administered Scheme (SSAS) or a Self-Invested Personal Pension (SIPP).

WHAT ABOUT ISAS?

You can hold your Loan in the Crowdstacker Innovative Finance ISA, and receive tax-free interest.

WHAT IS THE FUNDRAISING TARGET?

The Loans have a target of £10m, which may be extended in the future.

HOW WILL YOUR LOAN BE USED?

Your Loan will be used by Authentic Alehouses to purchase, refurbish and operate freehold UK pubs.

WHO IS THE BORROWER?

Authentic Alehouses Limited

WHO IS CROWDSTACKER?

Crowdstacker is an electronic lending platform, authorised and regulated by the FCA. Crowdstacker matches companies that are seeking to raise finance with lenders like you, seeking to invest money.

IS CROWDSTACKER COVERED BY THE FINANCIAL SERVICES COMPENSATION SCHEME?

Your funds will be covered by the FSOS while Crowdstacker holds your money, processes funds, and services your client account. Once your funds are lent to the borrower, the FSOS protection ends and the investment security package takes effect. Remember, your capital is at risk when you lend to businesses.

WHAT HAPPENS IF CROWDSTACKER GOES OUT OF BUSINESS?

In the unlikely event that Crowdstacker goes out of business, your Loan would be administered by a back-up service provider in the normal way. You would continue to receive interest payments until maturity, when your capital will be repaid.

WHAT SECURITY DO I HAVE IF AUTHENTIC ALEHOUSES LTD BECOMES INSOLVENT?

Please refer to page 13.

TAX TREATMENT DEPENDS ON THE INDIVIDUAL CIRCUMSTANCES OF EACH INVESTOR AND MAY BE SUBJECT TO CHANGE IN THE FUTURE.

AUTHENTIC ALEHOUSES

CASE STUDY

PRUNE PARK INN, BRADFORD

BRIEF:

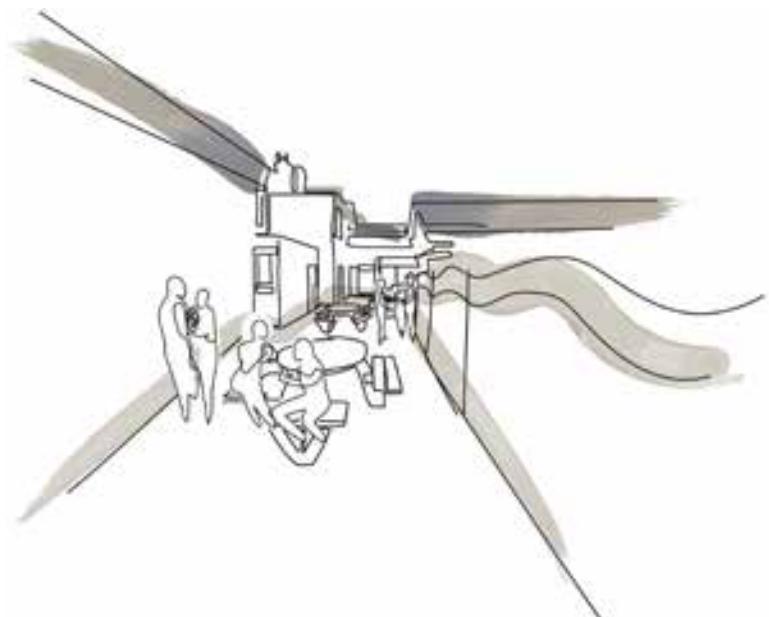
Develop and re-open a distressed under-performing venue and bring to the market as an upmarket “Gastro pub”

WHAT WE DID:

Purchase freehold run-down site for £255k
Redesigned, Refurbished and re-opened for a refurbishment spend of £325,000.

OUTCOME:

Trade increased.
Sold for £1,030,000 generating a ROI of 77%.



AUTHENTIC ALEHOUSES RISK FACTORS

IN ADDITION TO THE OTHER RELEVANT INFORMATION SET OUT IN THIS INFORMATION BROCHURE THE FOLLOWING SPECIFIC RISK FACTORS SHOULD BE CONSIDERED CAREFULLY WHEN EVALUATING WHETHER TO MAKE A LOAN TO AUTHENTIC ALEHOUSES.

If you are in any doubt about the contents of this Information Brochure, or the action you should take, you are strongly recommended to consult a professional advisor, specialising in advising on loans, financial commitments and other such debt instruments.

The directors of Authentic Alehouses (the "Directors") believe the following risks to be significant for potential lenders. The risks listed, however, do not necessarily comprise all those associated with Authentic Alehouses and Authentic Alehouses Loans, and are not intended to be presented in any assumed order or priority. In particular, Authentic Alehouses performance may be affected by changes in legal, regulatory and tax requirements as well as overall global financial conditions.

PARTICULAR COMPANY RELATED RISKS:

VALUATION RISK

An independent valuation will be carried out on each pub purchased, and on the portfolio on an annual basis. There is a risk an asset may be overvalued and worth less than expected. Factors contributing to valuation risk can include an overestimation of fair maintainable trade, market instability, and poor data analysis by the people responsible for determining the value of the asset.

MITIGATION

The independent valuations will be carried out by a chartered surveyor on our approved panel of three specialist valuers with experience and expertise in the hospitality and leisure industry. These valuers will assess the market, location, demographics as well as the fit out and refurbishment costs to determine the valuations.

NOT PROTECTED BY THE FINANCIAL SERVICES COMPENSATION SCHEME

As with stocks and bonds, Authentic Alehouses Loans are not protected by the Financial Services Compensation Scheme against loss.

BUSINESS RISK

No assurances can be given as to the future performance of Authentic Alehouses and whether Authentic Alehouses will continue to achieve its business objectives. Prospective lenders should be aware when considering the past performance of Authentic Alehouses that past performance is not necessarily indicative of future results. There can be no guarantee that Authentic Alehouses will be profitable in the future.

Performance depends on many factors including the value of the assets, market conditions, any related costs, the timing and management of the transactions. All of which may change over time.

MITIGATION

The team have circa 30 years history within the specialist licensed trade, and includes a specialist Chartered Surveyor and a Chartered Accountant. The existing operations team have established financial and operations departments, and a track record of performing quickly on the acquisition and refurbishment of sites.

MANAGEMENT RISK

Lenders will not have the opportunity to evaluate fully for themselves relevant economic, financial and other information regarding Authentic Alehouses, and will be dependent on the judgment and abilities of Authentic Alehouses management. There is no assurance that Authentic Alehouses management will not make mistakes or take the best course of action in all the circumstances. Accordingly, no person should lend to Authentic Alehouses unless willing to entrust all aspects of conducting the business of Authentic Alehouses to the Directors and senior management. Lenders do not have any right to participate in the day-to-day management of Authentic Alehouses or business decisions.

MITIGATION

Although Authentic Alehouses has recently been set up, the Directors of Authentic Alehouses are experienced professionals that have 30 years' experience in the industry and have a strong track record in the licensed trade business.

ILLIQUID ASSET RISK

The Loans are not available for sale on any market so the Loans are an illiquid asset. There is a risk that Lenders will not be able to dispose of their Loans to third parties. Therefore it may not be possible to sell or realise Authentic Alehouses Loans until they are repaid by Authentic Alehouses when the Loans mature.

MITIGATION

Crowdstacker will endeavour to make available a facility on its platform that gives Lenders the ability to sell their Loans to other members of the Crowdstacker community. However, there is no certainty or guarantee that Lenders will find willing buyers for the Loans at a price that Lenders will find acceptable, and Lenders may suffer a loss on a disposal of their Loans.

NO CERTAINTY THAT LENDERS WILL BE REPAYED AT MATURITY

RISK

If Authentic Alehouses were to become insolvent, there is a risk that (a) the Authentic Alehouses Loans will not be repaid in part or in full, and (b) some or all of the interest due on the Authentic Alehouses Loans will not be paid in part or in full. There is no certainty or guarantee that any realisation of assets or the security will be sufficient to enable Authentic Alehouses or, as the case may be, the Security Trustee, to repay the Authentic Alehouses Loans or Authentic Alehouses liabilities thereunder.

MITIGATION

Authentic Alehouses Loans are a debt of Authentic Alehouses secured over all of its assets and undertakings, which include a first ranking legal charge over the freehold properties that the Company owns.

PROFITS OF THE BUSINESS ARE NOT SUFFICIENT TO PAY INTEREST OR REPAY THE LENDERS

RISK

If Authentic Alehouses were unable to achieve sufficient turnover, the profitability of the Company would be impacted, and may not be in a position to pay interest or capital to Lenders

MITIGATION

Although Authentic Alehouses has recently been set up, the management team have extensive experience of running businesses in the licensed trade industry. In the event sales do not achieve the forecasted targets they will take appropriate actions, such as selling some of the freehold pubs and reducing staff numbers.

LICENSED TRADE RISK

RISK

Given the nature of the business, there is always a possibility that the licensed trade regulation could change. Or the business could be found to have been acting inappropriately, not adhering to the rules of the alcohol licensing laws. In this case, fines or other legal proceedings could impact the profitability of the business.

MITIGATION

The management team have the knowledge and experience to adapt to, and embrace, regulatory changes, as well as having experienced management in place to manage any risks.

INABILITY TO ATTRACT NEW CLIENTS AND MAINTAIN EXISTING ONES

RISK

Demand falls leading to a reduction in revenues.

MITIGATION

Authentic Alehouses aims to deliver a great customer experience. Customers' needs are always considered, and met to the highest standard ensuring good customer relationships. This will in turn encourage good reviews and referrals from existing customers.

FAILURE OF IT SYSTEMS AND POTENTIAL LOSS OF OTHER SERVICES

RISK

Failure of IT systems or other services lead to an increase in cost, and affect the ability of the firm to perform its contractual obligations.

MITIGATION

The operations team have invested heavily in its IT systems. All data is held securely in the cloud based storage system and is delivered to computers, tablets and smart phones.

All data is backed up in multiple locations and can be accessed from an alternative location, allowing management and staff to continue working and accessing management data. Given the above considerations, the risk of business disruption due to material failure of IT systems, or loss of other services, is considered relatively low.

RISK OF LOSS OF KEY INDIVIDUALS

RISK

The management skills and processes employed by the business are key to performance and ability to grow. Replacing the loss of key individuals, or any of the directors, within the firm could be a time-consuming process, and impede the ability of the Company to perform its contractual obligations. Leading to revenue reductions.

MITIGATION

Whilst loss of key individuals would be a short-term problem until replacements are appointed, the Management team is satisfied that the long term business plan would not be affected, and replacements could be appointed.

REPUTATIONAL RISK

RISK

As with all companies, there is an underlying risk that customers could complain and/or claim for compensation. The risk associated with this is that the firm could suffer loss of reputation, could fail to attract new business customers or could lose existing customers and thus revenues would suffer.

MITIGATION

Authentic Alehouses is committed to providing high quality products and services aims to ensure that processes and systems are in place, and staff are suitably qualified and trained such that the risk of complaints and/or claims is minimised.

INSURANCE RISK

The business and its assets will be subject to damage and loss by the usual insurable risks of fire, theft and climatic events and by uninsurable risks, such as loss of profit due to fall in demand, poor management, or third party competition. There is no certainty that Authentic Alehouses will not suffer loss and damage by such risks from time to time.

MITIGATION

Authentic Alehouses, where economically practicable and available, endeavours to mitigate insurable business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable. Or the policy provisions, and exclusions, may render a particular claim by Authentic Alehouses, outside the scope of the insurance cover.

GENERAL RISKS:

Macro-economic and political risks and changes in the general economic outlook, both in the UK and globally, may impact the performance of Authentic Alehouses and the property market. Such changes may include (but are not limited to):

Contractions in the UK economy, or increases in the rate of inflation, resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);

Property market fluctuations that will affect market prices for properties;

New or increased government taxes, duties or changes in taxation laws; and

A prolonged and significant downturn in general economic conditions, may have a material adverse impact on Authentic Alehouses trading and financial performance.

Authentic Alehouses Loans may not be a suitable investment for all who review this Information Brochure.

Lenders should take their own tax advice as to the consequences of Authentic Alehouses Loans, as well as receiving interest payments from them.

The value of a Loan may go down and you may receive back less than the full amount invested. In extreme circumstances you may not receive any Capital back at all. Losses on your Capital may arise due to a combination of lower sale prices achieved, a lack of sales and higher costs, inability to raise borrowings or an inability to meet debt payments.

Other than the obligations and other covenants of Authentic Alehouses set out in this Document, no representation or warranty, express or implied, is given to the Lenders by either Authentic Alehouses or the Directors and Officers of Authentic Alehouses.

In particular but without limitation, no representation or warranty is given by any such person or entity as to (i) the tax consequences; (ii) the regulatory consequences; and (iii) the business and investment risks associated with acquiring, holding or disposing of the Loans.

SUMMARY:

The above risk factors are not exhaustive and do not purport to be a complete explanation of all the risks and significant considerations involved in lending to Authentic Alehouses. Accordingly, and as noted above, additional risks and uncertainties not presently known to the Directors or that the Directors currently deem immaterial, may also have an adverse effect on Authentic Alehouses' business and prospects.

AUTHENTIC ALEHOUSES

THE KEY COMMERCIAL TERMS

NAME OF LENDER [Your name]	MINIMUM AMOUNT £500	SECURITY DOCUMENT(S) Debentures over the assets of the Borrower, and the Guarantor as well as a guarantee of the Borrowers obligations from the Guarantor as well as first ranking legal charges over particular assets all in favour of the Security Trustee
ADDRESS OF LENDER [Your address]	MINIMUM LOAN RAISE £350,000	
EMAIL ADDRESS OF LENDER [Your email address]	LOAN AMOUNT [The amount you lend]	
NAME OF BORROWER Authentic Alehouses Limited	INSTALMENT (If applicable)	COMPARABLE LOANS NUMBER AAI
ADDRESS OF BORROWER 118 North Street, Leeds England, LS2 7YN.	TARGET LOAN RAISE £10,000,000	LOAN REFERENCE NUMBER [Your Loan reference number]
CLOSING DATE [The closing date as set out on the website]	LOAN VARIATION TERM No change is permitted to be made to the Loan under clause 8.1 of the Loan T&Cs	GUARANTOR Authentic Alehouses Trading Limited
COMMENCEMENT DATE [The commencement date of your Loan is 1 week from the relevant closing date]	INTEREST PAYMENT DATE Up to 5 business days from the end of each Interest Period	ACCEPTANCE PROCESS The Borrower accepts the Lender's Loan Offer (as such term is defined in the Loan T&Cs) on the relevant Commencement Date provided that the following conditions are all satisfied:
EARLY REPAYMENT CHARGE None	INTEREST PERIOD Quarterly	The Borrower has not notified Crowdstacker that it does not wish to proceed with the Loan; and
REPAYMENT DATE Either 18 months or 3 years from the relevant Commencement Date	INTEREST RATE [The interest rate you have selected]	Crowdstacker has not withdrawn the Loan transaction with the Borrower from the platform.
TERM OF LOAN [Either 18 months or 3 years]	CUSTODIAN Crowdstacker Limited	

1. DEFINITIONS & INTERPRETATION

1.1 The following words have these meanings in the Loan T&Cs unless a contrary intention appears:

DEFINITION

Meaning.

ACCEPTANCE

the process of acceptance by the Borrower as it is specified in the Key Commercial Terms;

BORROWER

a member of Crowdstacker identified as a borrower in the Key Commercial Terms;

BORROWER'S DEBT

all the Borrowers' liabilities to the Lender (and where relevant to the Security Trustee) present, future, actual or contingent and will include (i) Interest (ii) the Loan and (iii) related costs and expenses;

BORROWER T&CS

the Borrower terms and conditions available on the Website, as amended or replaced from time to time;

BUSINESS DAY

a day other than a Saturday or a Sunday on which clearing banks are open for business in London;

CLIENT ACCOUNT

the segregated client account(s) with the Custodian used for the purpose of holding funds on behalf of the members of Crowdstacker;

COMMENCEMENT DATE

as defined in the Key Commercial Terms;

COMPARABLE LOANS

all loans (present and future) made by multiple lenders to the Borrower which are identified as having Key Commercial Terms with the same Comparable Loans Number as the Loan;

COMPARABLE LOANS NUMBER

as defined in the Key Commercial Terms;

CROWDSTACKER

Crowdstacker Limited (UK Company registration number 09056449);

CROWDSTACKER PLATFORM

the Crowdstacker Platform operated by Crowdstacker for the purpose of facilitating Loans between Lenders and Borrowers;

CUSTODIAN

as defined in the Key Commercial Term or as otherwise nominated by Crowdstacker from time to time;

EARLY REPAYMENT CHARGE

as defined in the Key Commercial Terms;

INSTALMENT

as defined in the Key Commercial Terms;

INTEREST PAYMENT DATE

as defined in the Key Commercial Terms;

INTEREST PERIOD

as defined in the Key Commercial Terms;

INTEREST RATE

as defined in the Key Commercial Terms or varied by clause 8.1;

KEY COMMERCIAL TERMS

the key commercial terms (as set out on the Website) for a particular Borrower together with details of the Lender, the relevant Commencement Date and the Loan Amount for that Lender;

LENDER

the member of Crowdstacker identified as a Lender in the Key Commercial Terms;

LENDER T&CS

the Lender terms and conditions available on the Website, as amended or replaced from time to time;

LOAN

the individual Loan transaction entered into between the Borrower and the Lender following Acceptance;

LOAN AMOUNT

the principal amount of the Loan as defined in the Key Commercial Terms;

LOAN CONTRACT

the Loan contract consists of (i) the Loan T&Cs and (ii) the Key Commercial Terms having its own Loan Reference Number;

LOAN OFFER

a Loan offer which a potential Lender makes on the Crowdstacker Platform or in a written application;

LOAN SUMMARY

the summary of a particular Loan set out on the Crowdstacker Platform;

LOAN T&CS

these Loan terms and conditions – version 2/2017;

MY ACCOUNT

the section of the Crowdstacker Platform which may be accessed by a member of the Crowdstacker Platform using his/her own secure login details;

REPAYMENT DATE

as defined in the Key Commercial Terms;

SECURITY

the security created by any Security Document;

SECURITY DOCUMENT(S)

the security document(s) effecting security over the assets of the Borrower or other party granted to the Security Trustee and as set out in the Key Commercial Terms before the Commencement Date;

SECURITY TRUSTEE

Crowdstacker Corporate Services Limited or such other person as is appointed as trustee under the Security Trust Deed;

SECURITY TRUST DEED

the deed by which the Security Trustee is appointed to hold the Security for the benefit of the Lender and the lenders of Comparable Loans on the terms set out in that deed;

WEBSITE

the Crowdstacker website at:
www.crowdstacker.com

1.2. In these Loan T&Cs, unless the contrary intention appears:

1.2.1. the singular includes the plural and vice versa and any gender includes the other gender;

1.2.2. ‘person’ unless the context otherwise requires includes a natural person, a firm, a partnership, a body corporate, an unincorporated association or body, a state or agency of state, trust or foundation (whether or not having separate legal personality);

1.2.3. a ‘natural person’ unless the context otherwise requires shall mean a human being, as opposed to a juridical person created by law;

1.2.4. a reference to:

1.2.4.1. a document means that document as amended, replaced or Novated;

1.2.4.2. a statute or other law means that statute or other law as amended or replaced, whether before or after the date of this Loan Contract and includes regulations and other instruments made under it;

1.2.4.3. a clause or schedule is a reference to a clause or a schedule in these Loan T&Cs; and

1.2.4.4. a month means a calendar month;

1.2.5. where the word ‘including’ or ‘includes’ is used, it is to be taken to be followed by the words: ‘but not limited to’ or ‘but is not limited to’, as the case requires;

1.2.6. where a period of time is expressed to be calculated from or after a specified day, that day is included in the period;

1.2.7. headings are inserted for convenience and do not affect the interpretation of these Loan T&Cs.

2. THE LOAN

2.1. The Key Commercial Terms that govern a Loan Contract are agreed between the Borrower and the Lender during the Loan Offer and Acceptance process.

2.2. Where a Lender makes a Loan Offer which results in an Acceptance by the Borrower this gives rise to a Loan. The date of the Loan Contract shall be the relevant Commencement Date.

2.3. These Loan T&Cs set out the terms and conditions which apply in respect to a Loan made by the Lender to the Borrower.

2.4. Before Acceptance the Lender will have made payment of the Loan Amount to the Client Account held by the Custodian.

2.5. After Acceptance the Custodian will pay the Loan Amount from the Client Account to the Borrower within 7 Business Days of the Commencement Date. For the avoidance of doubt the Custodian is only obliged to pay from the Client Account what sum it receives in respect of the Loan Amount from the Lender and no more.

2.6. A Borrower may enter into multiple loans with a number of Lenders where all loans are on similar terms.

3. REPAYMENT

3.1. The Borrower agrees to repay the Lender the Loan Amount at the times and in the Instalments if any shown in the Key Commercial Terms and in any event by the Repayment Date.

3.2. The Borrower agrees to make all payments due under the Loan on time.

3.3. If the Borrower is late in paying an interest payment or Instalment, or repaying the Loan Amount the Lender and Crowdstacker will have the rights detailed in clause 9.

3.4. The Borrower will effect repayment of the Loan Amount by crediting the Client Account with the Loan Amount. On receipt of the Loan Amount the Custodian will pay the Loan Amount from the Client Account to the Lender within 8 days of the Repayment Date. For the avoidance

of doubt the Custodian is only obliged to pay from the Client Account what sum it receives in respect of the Loan Amount from the Borrower and no more.

3.5. All payments by the Borrower will be made without deduction of tax.

3.6. All payments by the Borrower to the Lender will be in the following order of priority:

3.6.1. first towards paying any arrears on the Loan;

3.6.2. second towards paying the current interest and principal due in respect of the Loan.

4. INTEREST

4.1. The Borrower agrees to pay the Lender interest on the Loan at the Interest Rate.

4.2. The Borrower shall pay interest on the Loan on the Interest Payment Date in arrears for each Interest Period.

4.3. Interest on the Loan shall accrue at the Interest Rate from the Commencement Date to the Repayment Date or if earlier the date of actual repayment of the Loan.

4.4. Where the Interest Period is monthly each Interest Period will begin on the same calendar day in each month as the Commencement Date and end on the day before such calendar day in the next month.

4.5. Where the Interest Period is quarterly each Interest Period will begin on the same calendar day in each quarter as the Commencement Date and end on the day before such calendar day every three calendar months thereafter.

4.6. Where the Interest Period is semi-annual each Interest Period will begin on the same calendar day in each semi-annual period as the Commencement Date and end on the day before such calendar day every six calendar months thereafter.

4.7. If the Interest Payment Date falls on a day which is not a Business Day, it shall instead be paid on the next Business Date in that calendar month if there is one or the preceding Business Day if there is not.

4.8. If the Loan is not repaid in full within 14 days of the Repayment Date, interest shall continue to accrue on the Loan at the Interest Rate and be immediately due and payable as it accrues.

5. EARLY REPAYMENT

5.1. The Borrower may repay a Loan early (i.e. before the Repayment Date), but it has to repay the entire Loan Amount and the entire Loan amount of all Comparable Loans.

5.2. Where the Borrower repays a Loan early the Borrower may be subject to paying an Early Repayment Charge to the Lender.

6. TRANSFER BY NOVATION

6.1. Each Lender may transfer by novation its right, title and interest in any Loan Contract and all associated rights under the Lender T&Cs to any other registered lender on the Crowdstacker Platform (or to the Security Trustee if a Loan goes into default as set out in the Lender T&Cs and the Borrower T&Cs, which may subsequently assign or transfer all such rights, title and interest to a third party).

6.2. The Borrower's rights and obligations under a Loan Contract that have been transferred shall not be adversely affected in any way whatsoever.

6.3. A Borrower shall not be entitled to assign or transfer its rights or obligations under any Loan Contract.

6.4. A transfer by novation shall be effected by electronic means upon the acceptance by the new lender of an offer by the transferring Lender to sell a Loan Contract in accordance with the transfer provisions as set out on the Website. The new lender shall make payment of the agreed transfer amount to the Custodian who will collect payment on behalf of the Lender in accordance with the transfer provisions as set out on the Website.

6.5. At the time of entry into a transfer by novation (the "Transfer Time") the Borrower and the transferring Lender shall be released from further obligations towards one another under the relevant Loan Contract (being the "Discharged Obligations"). The Borrower and the new lender shall at the Transfer Time assume those Discharged Obligations towards one another, as if the

new lender's details originally appeared in the Key Commercial Terms in place of the transferring Lender. The new lender will then become the Lender under that Loan Contract. The Borrower confirms its agreement to these arrangements and waives any requirement for it to be a party to such transfer. A transfer by novation will not otherwise have any effect on the Key Commercial Terms applicable to that Loan Contract.

6.6. Any fees charged by Crowdstacker for administering a transfer by novation shall be paid by the relevant Lenders in accordance with the Lender T&Cs, and the Borrower shall not be liable for any fees in connection with the transfer.

7. INFORMATION

7.1. If the Borrower is, or at any time becomes aware of any of the following circumstances, then the Borrower will promptly provide to Crowdstacker full written details of such circumstances, claims or potential claims:

7.1.1. Circumstances (including without limitation any claims, undisclosed liabilities, litigation, arbitration, court proceedings or investigations which are current, threatened, pending or otherwise reasonably likely to occur against the Borrower by any third party) which could or might result in a material adverse change in the Borrower's financial condition, business or assets; and/or

7.1.2. any current or future claim (or potential claim) by HM Revenue & Customs (or any other governmental department or agency or other public body) against the Borrower.

7.2. The Borrower shall, from time to time, on request from Crowdstacker, provide Crowdstacker with such information as it may reasonably require about the Borrower's financial condition, business and affairs, and compliance with the terms of the Loan Contract.

8. VARIATION

8.1. Notwithstanding any other clause in the Loan T&Cs, in certain circumstances and in its absolute discretion, Crowdstacker (acting as agent on behalf of the Lenders) may agree with the Borrower to restructure the Loan and amend the Loan Contract so as to increase the term by one year, with

a corresponding increase in the interest rate to 1.5 times the Interest Rate unless otherwise specified in the Key Commercial Terms under the "Loan Variation Term" section.

8.2. For the avoidance of doubt, no such restructuring can take place without the written agreement of the Borrower. The Borrower acknowledges and agrees that Crowdstacker may require additional and/or restated security documentation to be executed by the Borrower (and any third party or guarantor as the case may be), or independent advice to be taken by the Borrower, each as a precondition to any restructuring.

9. TERMINATION EVENT OF DEFAULT

9.1. The Borrower agrees that Crowdstacker may, on the Lender's behalf terminate the Loan and all Comparable Loans on behalf of all lenders and demand repayment of the full Loan Amount owed by the Borrower under the Loan and each Comparable Loan if:

9.1.1. the Borrower or any guarantor misses, fails to pay or only partially pays any amount that is due under the Loan Contract;

9.1.2. the Borrower has provided false information (including without limitation the purpose for which the Loan has been requested) in a way which affects the decision to allow the Borrower to register as a member of Crowdstacker, the decision to list details of the Loan on the Website, or the information that is provided to lenders in contemplation of their lending to the Borrower;

9.1.3. the Borrower has breached the terms of this Loan Contract and/or any other Loan contract that it is a party to (including those relating to a different Loan on Crowdstacker) and, in respect of other Loan contracts only, either notice has been given to the Borrower ending that Loan contract or Crowdstacker has reasonable grounds to believe that as a result:

9.1.3.1. the Borrower will also breach the terms of this Loan Contract; or

9.1.3.2. any of the other events of termination stated in this clause will occur;

9.1.4. the Borrower has breached the terms of any Security Document or any Security Trust Deed that it is a party to or any future security which the Borrower has provided to the Security Trustee or for the benefit of the Lender;

9.1.5. the Borrower's membership of Crowdstacker is terminated for any reason under the Borrower T&Cs;

9.1.6. a petition is presented which is not discharged within 10 business days, or an order made or an effective resolution passed for the winding up or dissolution or for the appointment of a liquidator of the Borrower;

9.1.7. the Borrower ceases to pay its debts or is unable to pay its debts as they fall due or is deemed by legislation, contractually or by a competent court unable or admits its inability to do so or makes a general assignment for the benefit of or a composition with its creditors;

9.1.8. the Borrower ceases to carry on its business or a substantial part of its business;

9.1.9. notice is given of an intention to appoint an administrator, a petition is filed or a competent court makes an order for the appointment of an administrator in relation to the Borrower;

9.1.10. an encumbrancer takes possession or steps are taken for the appointment of an administrator or receiver or administrative receiver or manager or supervisor or sequestrator over the whole or any substantial part of the undertaking or assets of the Borrower;

9.1.11. any person who has provided a guarantee for the Loan or any Comparable Loans breaches the terms of any guarantee or other Crowdstacker document that it is a party to, or disputes or threatens to dispute the enforceability of that guarantee or other document, or suffers or is likely to suffer a material adverse change to their financial position, or Crowdstacker has any reason to believe that a guarantee or security document has become unenforceable, and in any case, a replacement guarantee or security document has not been provided to Crowdstacker's reasonable satisfaction within 14 days of a request from Crowdstacker;

9.1.12. the Borrower (or if any person who has provided a guarantee for the Loan dies, becomes of unsound mind, becomes bankrupt or makes a voluntary arrangement with anyone that they owe money to;

9.1.13. where the Borrower is a partnership, the composition of the partnership materially, in the reasonable opinion of Crowdstacker, changes following the date of any Loan Contract or any partner dies, becomes of unsound mind, becomes bankrupt or makes a voluntary arrangement with anyone that they owe money to; or

9.1.14. if a claim by HM Revenue & Customs (or any other governmental department of agency or other public body) is, or is reasonably likely to be adversely decided against the Borrower and the Borrower does not meet any payment obligation relating to that claim within the required period.

10. SECURITY & ENFORCEMENT

10.1. Where indicated in the Key Commercial Terms, the Security shall be held for the benefit of the Lender and all lenders of Comparable Loans by the Security Trustee on the terms of the Security Trust Deed.

10.2. If an event of default has occurred under any Security Document the Security Trustee is entitled to enforce the Security on the terms of the Security Trust Deed.

11. WAIVER

11.1. A waiver of any right under the Loan Contract and Loan T&Cs is only effective if it is in writing and it applies only to the party to whom the waiver is addressed and to the circumstances for which it is given or is set out in the Key Commercial Terms.

11.2. Unless specifically provided otherwise, rights arising under the Loan Contract and the Loan T&Cs are cumulative and do not exclude rights provided by law.

11.3. Any waiver by either party of a breach of any provision of the Loan Contract or the Loan T&Cs shall not be considered to be a waiver of any other or later breach of the same, of any other provision.

12. SEVERABILITY

12.1. Notwithstanding that the whole or any part of any provision of the Loan Contract or the Loan T&Cs may prove to be illegal or unenforceable, the other provisions of the Loan Contract or the Loan T&Cs and the remainder of the provision in question shall continue in full force and effect. In relation to any illegal or unenforceable part of the Loan Contract or the Loan T&Cs, the parties hereto agree to amend such part in such manner as may be requested from time to time by any of the parties hereto provided that such proposed amendment is legal and enforceable and to the maximum extent possible carries out the original intent of the parties in relation to that part.

13. REPRESENTATIONS

13.1. The Borrower confirms that, in entering into this Loan Contract, it has not relied on any representation made by or on behalf of Crowdstacker or any of the lenders or on any written statement, advice, opinion or information given to the Borrower in good faith by or on behalf of Crowdstacker or any of the lenders; and has been and will continue to be solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this Loan Contract.

14. RESTRICTIONS

14.1. In entering into this Loan Contract, the Borrower agrees that it will not borrow any monies from its directors, officers, members, partners, shareholders or any other third party that ranks in priority of recovery to the Loan. In the event that the Borrower does enter into any such loan, the rights to payment of that Loan will be subordinated behind the Loan, except to the extent otherwise required by insolvency law.

14.2. In entering into this Loan Contract, the Borrower agrees that it will not enter into any other new borrowing arrangement (or any arrangement having the effect of a borrowing) with any third party where the total amount of external finance raised from third parties would as a result exceed 30% of the total amount lent to the Borrower through the Crowdstacker Platform without the prior written consent of Crowdstacker. Such consent shall not be unreasonably withheld. This clause shall not restrict the Borrower from entering into asset-specific financing or invoice purchasing arrangements.

15. LIMITED LIABILITY PARTNERSHIPS

15.1. In the event that the Borrower is a partnership, by entering into the Loan Contract the Borrower makes the following declaration:

"I confirm that I am authorised by the partnership to enter into this agreement for and on behalf of the partnership and that I am authorised by the partnership upon entering into this agreement to bind the partnership to the terms of this agreement."

16. THIRD PARTIES

16.1. The Borrower and Lender agree that, while Crowdstacker is not a party to the Loan Contract, Crowdstacker may take the benefit of and specifically enforce each express term of the Loan Contract and any term implied under it pursuant to the Contracts (Rights of Third Parties) Act 1999 on behalf of the Lender.

16.2. The records kept by Crowdstacker shall be conclusive of the facts and matters they purport to record except where there is an obvious error.

17. NOTICE

17.1. Any notice or other communication to be given under the Loan Contract or the Loan T&Cs must be in writing and will be served by delivering it personally or by email and for the attention of the relevant party mentioned below (or as otherwise notified by that party). Any notice will be deemed to have been received:

17.1.1. if delivered personally, at the time of delivery;

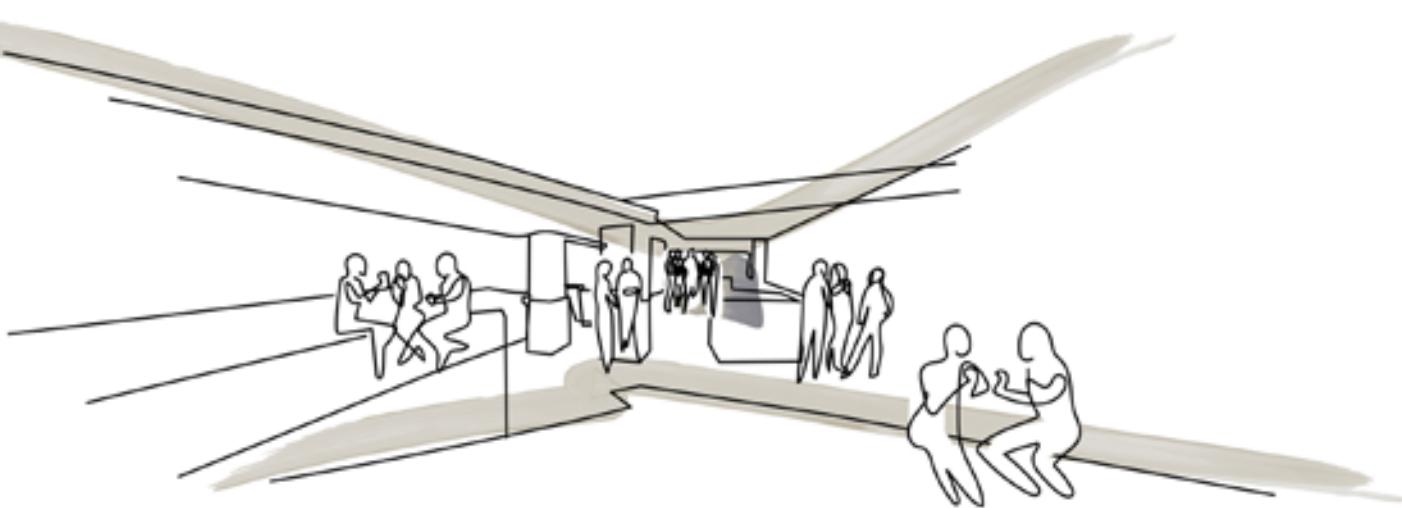
17.1.2. in the case of email, at the time of transmission.

17.2. The addresses of the parties for the purposes of Loan Contract or the Loan T&Cs are as set out in the Key Commercial Terms, or such other address as may be notified in writing from time to time by the relevant party to the other party.

18. GOVERNING LAW & JURISDICTION

18.1. The Loan Contract and the Loan T&Cs and any disputes or claims arising out of or in connection with them or their subject matter or formation (including non-contractual disputes or claims) are governed by, and construed in accordance with, the law of England.

18.2. The Lender and the Borrower irrevocably agree that the courts of England have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with the Loan Contract and the Loan T&Cs or their subject matter or formation (including non-contractual disputes or claims)



AUTHENTIC ALEHOUSES

RISK WARNINGS

The Crowdstacker platform matches businesses looking to borrow with investors looking to lend. Although lending to businesses can be rewarding, it may involve a number of risks. If you choose to lend through Crowdstacker, you need to be aware of four important considerations:

1. LOSS OF CAPITAL

All investment in businesses involves an element of risk. Past performance of any company, including those with good cash flow and a healthy balance sheet, may not be a good guide to their successful performance in the future. Lending to businesses can lead to a loss of your capital as a lender if they default. You should not lend more money than you can afford to lose.

2. ILLIQUIDITY

Any lending you carry out through Crowdstacker could be highly illiquid (inability to sell assets quickly or without substantial loss in value). Crowdstacker will endeavour to make available a facility on its platform that gives Lenders the ability to sell their Loans to other members of the Crowdstacker community. However, there is no certainty or guarantee that Lenders will find willing buyers for the Loans at a price that Lenders will find acceptable, and Lenders may suffer a loss on disposal of their Loans. If you are over the age of 60 at the time of lending you should consider the effect this illiquidity could have on your lifestyle.

3. DIVERSIFICATION

Lending to businesses should be done as part of a diversified portfolio. This means that you should invest small amounts in multiple asset classes as opposed to a large amount in one or a few. You should also invest only a small proportion of your investable capital in this asset class, with the majority of your investable capital invested in safer, more liquid assets. You are able to further diversify by lending to multiple businesses on the Crowdstacker platform as opposed to just one.

4. TAX

You are responsible for the administering of your own tax affairs, which may include capital gains and/or income tax. We do not provide tax advice and you should seek this independently before lending if you are unsure of your position. It is your responsibility to ensure that your tax return is correct and is filed by the deadline and any tax owing is paid on time. If you are unsure how this investment will affect your tax status you must seek professional advice before you lend.

**PLEASE NOTE THAT LENDING
THROUGH CROWDSTACKER
IS NOT COVERED BY THE
FINANCIAL SERVICES
COMPENSATION SCHEME.**

CONTACT US FOR FURTHER INFORMATION
INFO@CROWDSTACKER.COM
OR CALL US 0207 118 7570
WWW.CROWDSTACKER.COM

**YOUR CAPITAL IS AT RISK
IF YOU LEND TO BUSINESSES**

CROWDSTACKER.COM/AUTHENTIC-ALEHOUSES

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