

01 June 2018

## **Belong Limited raises £50 million through Retail Charity Bond**

The Belong Limited Retail Charity Bond has raised £50 million and closed early due to high demand from investors.

The Bond, which was offered by Retail Charity Bonds PLC, was launched on 23 May 2018 and closed early at 10.00 on 31 May 2018. The proceeds will be used to further Belong's charitable objectives as well as to develop additional Belong villages. It offered an interest rate of 4.5% a year for a term of eight years. Within eight days the offer was oversubscribed and orders from investors had to be reduced or turned away. Belong will borrow £35 million initially when the bonds are issued on 20 June 2018, but a further £15 million of 'retained bonds' will be created which can be sold and the extra money loaned to Belong at a later date.

The Bond is the eighth and one of the largest to be issued through Allia's Retail Charity Bonds platform since it was launched in 2014, taking the total raised through the platform to date to £192.5 million.

Belong is a charitable care provider that creates village communities enabling older people to live the lives they choose and, in particular, to enable people living with dementia to retain choice and independence over as many areas of their lives as possible. It was established in 1991 with the aim of providing a range of charitable care and support services to older people. Since then its role has evolved and today it is an award-winning provider of high quality, person-centred care, accommodation and ancillary services to older people.

In 2007, Belong opened its first village in Macclesfield, following years of research and development geared towards achieving the best outcomes for the rapidly growing number of people in the UK living with dementia, which is set to rise to over 1 million by 2025 and 2 million by 2051, according to Alzheimer's Society statistics. The Belong villages provide 24-hour dementia and nursing care in bespoke households, as well as apartments for independent living, within a community village setting. Belong's model provides for a full spectrum of care, from respite care to end of life care, enabling the Charity to continue to support older people as their needs change.

Belong currently operates seven villages, with the seventh having been opened in Newcastle-under-Lyme on 9 April 2018, providing a home for over 530 residents in the North West of England. Two more sites in Chester and Birkdale have been acquired, with planning permissions already secured, and development is expected to start on these in 2018.

The lead manager for the bond issue was Peel Hunt LLP.

### **Tracey Stakes, CEO of Belong, commented:**

"Belong villages offer a pioneering approach to later-life care that's led by an individual's needs rather than an institutions' restrictions. As the number of people in the UK living with dementia continues to increase, so too does the demand for innovative solutions to where they can live and be cared for in a safe community environment. We're therefore delighted to see such strong support for Belong's business model, with the success of the bond enabling us to welcome a greater number of older people into more of our villages."

### **Phil Caroe, Director of Social Finance for Allia said:**

“The success of this latest Retail Charity Bond – one of our largest issues to date - is a powerful endorsement from the market of the quality of Belong’s business and demonstrates the continuing strength of demand for ethical investment opportunities. Allia’s Retail Charity Bonds platform has again proven an effective means of raising funds, connecting charitable borrowers to mainstream investors and creating access to an attractive source of unsecured loan finance.”

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**About Belong**

The Belong villages provide dementia and nursing care, as well as Apartments for independent living, within a community village setting. They provide a full spectrum of care, from respite care to end of life care, enabling the Charity to support older people as their needs change.

Each Belong village offers:

- (a) “Households” for residents who need 24-hour support (the “Households”): typically, Household residents are frail, older people aged 85 or older and around two thirds of Household customers have a diagnosis of dementia.
- (b) Independent living Apartments (the “Apartments”): typically, Apartment residents are in their early 80s and move to a Belong village to be part of a more vibrant community at a time when they or their partner may need more support.
- (c) Domiciliary care services and specialist day care for those needing care and support in their own home known as “Belong at Home”: the Charity has a registered home care service to provide support in the wider community and this has often proved a feeder route for people experiencing support from the Charity prior to moving into a Belong village.
- (d) Specialist day care, known as “Experience Days”: this service is open to people living in the wider community, enabling them to enjoy a day taking advantage of Belong village facilities and activities in a supported and facilitated way, often in order to give carers a break.
- (e) Exercise services: available both to residents and members of the public that have been referred to the Charity or are connected to the Charity in some way, each Belong village gym is equipped with state-of-the-art equipment and technology and the Charity’s fitness instructors are trained to develop specialist, personalised programmes which have been independently evaluated and found to improve mobility, balance, stamina and strength according to people’s needs.

- (f) Purpose-built buildings and grounds for access to communal living.
- (g) A programme of events and activities which are attended by people from the wider community as well as Belong village residents.

Taken together, the Charity's services offer a continuum of care and mean that it is able to support people as their needs change, offering a 'home for life'.

#### **About Retail Charity Bonds and Allia**

Retail Charity Bonds is a platform that issues retail eligible bonds for UK charities. It was created by Allia, a social investment specialist that has been creating bonds for social benefit since its launch in 1999.

The Issuer, Retail Charity Bonds PLC, is a public limited company; it was established as a special purpose issuing vehicle but is not itself a charity. It is governed by an independent and experienced board of directors from the financial and charity sectors who are acting on a pro-bono basis. The administration of the Issuer and the origination of charitable borrowers is carried out by Allia Impact Finance Ltd, a subsidiary of Allia Ltd.

For more information please see [www.retailcharitybonds.co.uk](http://www.retailcharitybonds.co.uk)

#### **About Peel Hunt**

Peel Hunt is an independent corporate broking/advisory house that has highly rated, sector-aligned Research, Sales and Corporate teams, with a current retained corporate client list of over 125 listed companies and a trading platform that makes markets in c.3,500 equity and fixed income products.

Peel Hunt ranked 1st in the 2017 Thomson Reuters Extel Survey of UK Small & Mid Cap Brokerage Firms with UK institutions, Wealth Managers and Continental European Institutions, being named top research house in its category, after achieving more first or second ranked sector teams than any other broker.

Peel Hunt's Debt Capital Markets is part of a collaboration with debt advisory, risk and hedging specialists JC Rathbone Associates.

For more information please see <http://www.peelhunt.com>