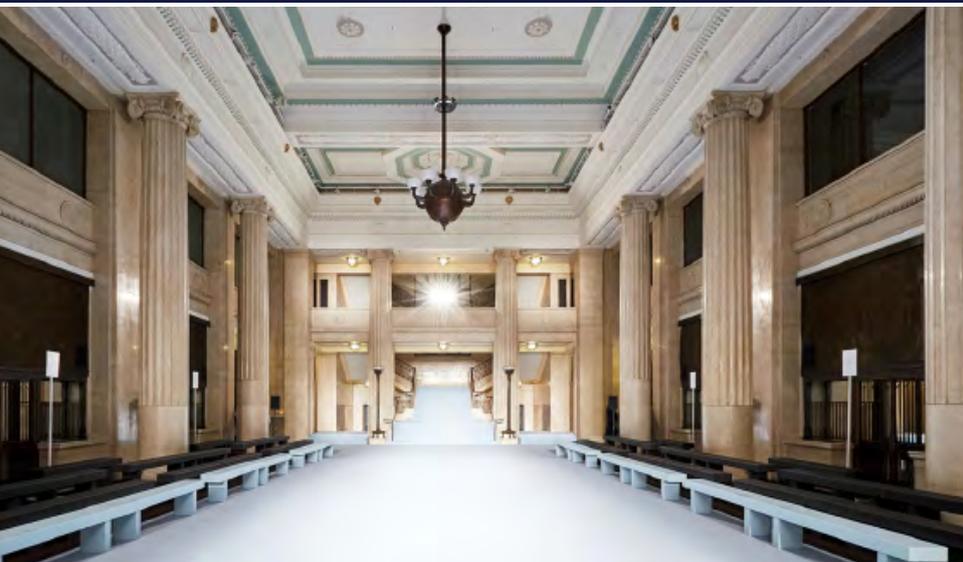


# The Imbiba Leisure EIS Fund

Information Memorandum



Promoter and Fund Manager

 **ENTERPRISE**  
INVESTMENT PARTNERS  
Authorised and Regulated by the Financial Conduct Authority



## IMPORTANT NOTICE

This information memorandum ("Information Memorandum") constitutes a financial promotion pursuant to section 21 of the Financial Services and Markets Act 2000 ("FSMA") issued by Enterprise Investment Partners LLP ("EIP") of 1-6 Speedy Place, Cromer Street, London WC1H 8BS. EIP is authorised and regulated by the Financial Conduct Authority ("FCA") (FRN: 604439).

This Information Memorandum is issued solely for the purpose of seeking applications to the Imbiba Leisure EIS Fund ("the Fund"). Prospective Investors should not regard this Information Memorandum as constituting advice relating to financial, legal, taxation or investment matters. All potential Investors should seek specialist independent tax and financial advice from a Financial Intermediary authorised under FSMA before subscribing to the Fund.

The Fund is an unapproved EIS fund which will comprise of shares in a selection of EIS Companies. EIP will be responsible for the discretionary management of the Fund. Each Investor, for legal and tax purposes, will be the beneficial owner of a specific number of shares in each Investee Company. All shares and cash will be managed on a collective basis in accordance with the investment objectives and restrictions set out in Schedule 1 of the Investor Agreement. It is the responsibility of the Investor and their Financial Intermediary, where appropriate, to ensure that this opportunity is a suitable investment in light of the contents of this Information Memorandum and their individual circumstances.

The Fund is an Alternative Investment Fund ("AIF") for the purposes of the Alternative Investment Fund Managers Directive (2011/61/EU) ("AIFMD"). It is not a collective investment scheme within the meaning of section 235 of FSMA nor a Non-mainstream Pooled Investment by virtue of it being a fund complying with the meaning of Article 2 of the Schedule to the Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001 and, pursuant to clause 15.2 of the Investor Agreement, Investors are entitled only to the withdrawal rights prescribed by the clause.

The promotion is only suitable for and should only be distributed to individuals who are classified as being at least one of:

- (a) a professional client;
- (b) an existing client of an authorised firm that will confirm whether this investment is suitable for them, as per COBS 4.7.8(2)R;
- (c) certified as a high net worth investor within the meaning of COBS 4.7.9(1)R;
- (d) certified as a sophisticated investor within the meaning of COBS 4.7.9(2)R;
- (e) self-certified as a sophisticated investor within the meaning of COBS 4.7.9(3)R;
- (f) certified as a restricted investor within the meaning of COBS 4.7.10R.

Investors in the Fund will make Investments together and their Investments will be managed by EIP on a common basis. The Fund will, therefore, constitute a collective investment undertaking within the meaning of the Market in Financial Instruments Directive ("MiFID") and, by virtue of the exemption for collective investment undertakings in Article 2.1(h) of MiFID, the Fund falls outside the remit of MiFID.

Applications may only be made, and will only be accepted, subject to the terms and conditions of this Information Memorandum. EIP has taken all reasonable care to ensure that all the facts stated in this Information Memorandum are true and accurate in all material respects and that there are no other material facts, or opinions which have been omitted which would make any part of this Information Memorandum materially misleading.

All information and illustrations in this document are stated as at the date of this document. All statements of opinion or belief contained in this Information Memorandum and all views expressed and statements made represent EIP's own assessment and interpretation of information available to them as at the date of this Information Memorandum. No representation is made or assurance given as to the accuracy, completeness, achievability or reasonableness of any views, statements, illustrations or forecasts or that the objectives of the Fund will be achieved. Prospective Investors are strongly advised to conduct their own due diligence including, without limitation, the legal and tax consequences of them of investing in the Fund and must determine for themselves what reliance (if any) they should place on such statements, views or forecasts. No responsibility or liability (whether direct, indirect, consequential loss or other) is accepted by EIP, its subsidiaries or associates or any of their members, officers, employees or agents in respect thereof. This does not limit any liability EIP may have to Investors under the regulatory system. Prospective Investors' attention is drawn to the section entitled Risk Factors on pages 20 to 22. The information contained in this Information Memorandum makes reference to the current laws concerning EIS relief, IHT relief, capital gains tax deferral/cancellation and business investment relief. The levels and bases of these reliefs may be subject to change and are not guaranteed. The tax reliefs referred to in this Information Memorandum are those available as at the date of the IM and their value depends on individual circumstances.

**The Fund will invest in small unquoted companies. Such companies, by their nature, pose a greater investment risk than larger companies. There is no market in unquoted companies' shares which means that the Investments within the Fund will not be readily realisable. Even after five years, the realisation of such Investments in Investee Companies may take a considerable amount of time. Investors should therefore consider an Investment into the Fund to be a long term investment.**

This Information Memorandum does not constitute, and should not be considered as, an offer to buy or sell or solicitation of an offer to buy or sell any security or share. It does not constitute a public offering in the United Kingdom. In addition, this Information Memorandum does not constitute an offer or solicitation in any jurisdiction in which such an offer or solicitation is not authorised or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation. It is the responsibility of each recipient (including those located outside the United Kingdom) to satisfy himself or herself as to full compliance with all Applicable Laws and regulations of any relevant territory in connection with any application to participate in the Fund, including obtaining any requisite governmental or other consent and observing any other formality presented in such territory.

**Past performance is not necessarily a guide to future performance and Investors should be aware that share values and income from them may go down as well as up and Investors may not get back the amount subscribed. Changes in legislation in respect of EIS in general, and qualifying investments and qualifying trades in particular, may affect the ability of the Fund to meet its objectives and/or reduce the level of returns which would otherwise have been achievable.**

Applications may only be made and will only be accepted subject to the terms and conditions set out in the associated Investor Agreement.

Date of Information Memorandum - 23 September 2015

## Greetings from The Imbiba Partnership

As a specialist bar and restaurant investor established in 1998, we have been recognised for our successful 'buy, build and exit' strategy, focusing on new bar and restaurant concepts in Central London.

One of our successful exits was Drake & Morgan in 2013, which provided EIS investors with 5.7x cash invested, resulting in Imbiba being awarded Best EIS Investment Exit at the Enterprise Investment Scheme Association (EISA) Annual Awards 2014. The team is now set to apply its proven strategy to the Imbiba Leisure EIS Fund. We believe if we specialise in a sector and area we know well we are reducing the element of risk.

We have partnered with Enterprise over the last 3 years to provide investors with multiple exciting investment opportunities. The Fund, with a target exit of 5 years, provides investors with an opportunity to invest in businesses with unique trading strategies in the Central London area. Leveraging our experience, knowledge and connections in the leisure and hospitality sector, we expect to make up to 5 actual investments.

For potential investors, we hope to partner with you on our new ventures.



A handwritten signature in black ink, appearing to read 'John Connell'.

John Connell  
Founder- The Imbiba Partnership

## A warm welcome from Enterprise Investment Partners

We pride ourselves on working with highly experienced management teams, whilst providing quality and value for our investors. With a focus on transparency, we work to transform exceptional concepts into successful and fast growing businesses.

Founded in 2010, Enterprise's team has grown and has over 20 years of leisure sector experience, having raised in excess of £85 million for leisure and hospitality operators.

We started working with The Imbiba Partnership in 2012 and they have continually exceeded our high standards. To date we have raised over £20 million for their projects.

We are excited about our latest EIS investment opportunity in conjunction with Imbiba, the Imbiba Leisure EIS Fund. Investing with the Imbiba team means our investors are likely to benefit from a diversified portfolio of leisure investments and the Imbiba Partners' exceptional experience:

### EIS Sector Leading Returns

Imbiba have realised an average IRR of 35% for investors from a total of 10 exits over 17 years, giving them the leading track record in the EIS Sector.

### EIS Sector Leading Hurdle Rate

The Performance Incentive will only be payable once an Investor has received proceeds of at least £1.50 per £1 invested in total in the Fund, which we believe to be the highest performance target for an EIS Fund focusing on the Leisure sector.

### Significant Co-Investment

Enterprise and Imbiba will invest up to £200,000 per Investee Company, further demonstrating our commitment.

We look forward to sharing our offering with you.

A handwritten signature in black ink, appearing to read 'Martin Sherwood'.

Martin Sherwood



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# Part 1- The Fund

## KEY BENEFITS

### Exceptional Industry Experience

Imbiba have worked in the leisure sector for the last 17 years and have established a reputation in the market as one of the outstanding innovators of new bar/restaurant concepts in Central London. Enterprise has a deep knowledge of the leisure and hospitality sector and its team has over 20 years of leisure market experience, having raised in excess of £85 million for operators in the sector.

### Industry Leading Track Record

Imbiba's expertise and understanding of the leisure and hospitality sector has consistently delivered significant value to shareholders. Over the past 17 years they have achieved an average IRR of 35% from 10 exits.

### Industry Leading Hurdle Rate

With a hurdle rate of 1.5x the initial investment, the Leisure EIS Fund aligns the interests of Managers and Investors, ensuring that all parties are incentivised to grow the businesses.

### Significant Co-Investment

Both Imbiba and Enterprise will be investing alongside investors, for a total of up to £200,000 per Investee Company, further demonstrating the alignment of interests between all parties.

## KEY RISKS

### Capital

There are no guarantees that target returns will be achieved and the value of Investments in the Fund may go up as well as down. Investors' capital is at risk and they may not get back the amount invested.

### Liquidity

Potential Investors should not consider investing if they might require access to their funds in the short to medium term.

### Taxation

Tax benefits and allowances depend on personal circumstances and can be subject to changes in legislation. EIS tax reliefs are dependent on Investee Companies maintaining their EIS qualifying status.

### Past Performance

Past performance is not always a reliable indicator of future performance.

### Trade Risk

The EIS companies will be subject to all risks associated with operating licensed premises.

**Investors' capital is at risk. Above are the key risks involved with an investment through the Imbiba Leisure EIS Fund. Please see pages 20 to 22 for a full list of risk factors.**

## OFFER DETAILS

TARGET TIMETABLE AND DETAILS	2015/16
First Close	18 December 2015
Closing Date	31 March 2016 <sup>1</sup>
Minimum Investment	£10,000
Maximum Fund Size	£20,000,000
Minimum Fund Size	£3,000,000
Share Allotments	Monthly
Exit Target	5 years

<sup>1</sup> The closing date for Applications, unless fully subscribed earlier or extended at the discretion of the Manager, is 31 March 2016 or 17 March 2016 in respect of Investors that do not indicate on their Application Form that they wish to waive their 14 day cancellation period.

TARGET RETURN (net of tax benefits)	EXIT
2.5 x Investment (32% IRR)	5 Years

CHARGES	
Initial Charge	2.5%
Annual Management Fee	1.0%
Imbiba Advisor Fees	Capped at £60,000 per Investee Company per annum.
Intermediaries	Initial Adviser Charge will be facilitated by the Manager.
CO-INVESTMENT AND PERFORMANCE INCENTIVE	
Imbiba and Manager Co-investment	Up to £200,000 in total per Investee Company.
Performance Incentive	Founder shares will be issued to Imbiba and the Manager, and will rank pari passu with Investors' Shares until hurdle of 1.5 x Investors' Investment has been returned in the Fund.

## IMBIBA – ADVISER TO THE MANAGER

Imbiba is a modern investment business and a specialist investor in bars and restaurants in Central London with a track record that shows a consistent ability to deliver significant shareholder value.

*“ It is our aim to maintain an impressive partnership with a high performing group of businesses. The reputation and consistent reliability of Imbiba has helped it to become one of the best ‘new venture partners’ in the market for over a decade. We hope that our approach to business and our results speak for themselves. We are immensely proud of our Investee Companies and investor partners.*

— John Connell, Founding Partner, Imbiba ”

### JOHN CONNELL - PARTNER



A serial leisure entrepreneur, John founded The Imbiba Partnership as a specialist investor, focused on the bar/restaurant sector and utilising the advantages offered by the Enterprise Investment Scheme. John has been developing bar and restaurant companies for many years and has an excellent understanding of the property sector in London, where he has lived and operated for some 35 years. His knowledge of the sector and reputation has enabled John to recruit high quality managing directors for Imbiba investees.

Furthermore John believes that all Imbiba businesses must have a competitive advantage that must be sustained through constant innovation. Consistent with this, John insists that all managing directors travel extensively throughout the world to better understand the hospitality industry, which he believes has been an important element in the success of Imbiba.

### SIMON WHEELER - PARTNER



Simon is a Chartered Accountant with over 25 years' experience in finance. He joined Imbiba in 1998 to develop the financial reporting and controls in the partnership's first project, Smith & Jones.

Simon believes that a company's culture is its strongest asset and that management teams are best empowered with a suite of well thought through, but not excessive, checks and balances. He works closely with the projects' management teams to ensure that historical experience is used to help guide and enhance the future prospects of a project. He works hard to avoid excessive control that can damage self-empowerment and its resultant negative impact on motivation and culture.

### FRASER BRADSHAW - PARTNER



Fraser Bradshaw has over 25 years' experience in commercial management and strategic marketing, working within client companies and communications agencies. He provides strategic guidance and brand management expertise to the Imbiba business portfolio.

He is the founder and CEO of creative agency *saintricks*, based in London and Bristol. The agency provides strategic consultancy, creates digital content and produces integrated marketing campaigns for clients in the UK, Asia Pacific and US markets. He has worked extensively in the leisure and hospitality market as an owner/operator. He advises Imbiba businesses, along with global brands including Coca Cola Enterprises, Red Bull, Greene King and Fullers.

### BRIAN PHILLIPS - PARTNER



Brian, a qualified Chartered Accountant, founded his own family office in 2014.

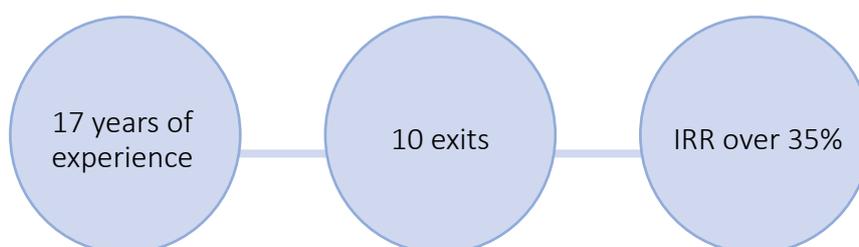
Over the years, he has invested in and participated at board level in a variety of companies spanning a range of sectors. He has made a range of successful leisure sector investments including Tragus (Cafe Rouge and Bella Italia), which he chaired prior to its sale to Blackstone in December 2006. He led investments in Rileys, Vue Cinemas and The Club Company. He has successfully applied the principles of buy and build to a number of other companies, including IMO Car Wash and Integrated Dental Holdings. Brian has invested in many of Imbiba's projects through his own practice.

## TRACK RECORD

Over the last 17 years, Imbiba has created, nurtured and built a series of EIS startup businesses in the bar and bar/restaurant sector. It has then exited the majority of its investments in a timely manner in order to crystallise value for its shareholders.

Since 1998 Imbiba has achieved an average compound IRR, for all projects that have been realised and written-off, in excess of 35% per annum. All returns exclude any benefit of EIS Relief, which would increase the overall IRR. These realised investments have generated £38 million of cash on a cost of £14 million.

In developing its previous businesses, Imbiba has demonstrated market knowledge that it believes has been second to none and has allowed it to successfully source the management, sites and funds necessary to build attractive and profitable operations.



### Imbiba's Realised Exits

Highlighted exits are those in London

PROJECT	LOCATION	NO. SITES	LENGTH (YEARS)	EXIT	ENTRY EQUITY (£m)	EXIT EQUITY (£m)	IRR	MONEY MULTIPLE
Smith & Jones	London & SE	9	3	2000	0.9	2.0	38%	2.2
Rosewood 1	Midlands/North	10	2	2002	0.6	1.3	81%	2.3
Thomas & Carter	London	9	2	2002	1.3	3.0	56%	2.3
Rosewood 2	Midlands/North	14	2	2004	1.3	3.2	58%	2.4
Lewis & Clarke	London	6	5	2006	2.5	9.2	41%	3.7
Newport 1	Midlands	10	3	2007	1.1	1.6	17%	1.4
Cedar 1	Midlands/North	4	2	2007	0.7	1.0	24%	1.4
Newport 2	Midlands	8	6	2013	1.6	0.0	0%	0.0
Drake & Morgan	London	5	5	2013	3.0	17.0	50%	5.7
Cedar 2	Midlands/North	7	8	2015	1.0	0.0	0%	0.0

## THE LONDON STORY

The Imbiba Partners have been working in London for 35 years and their extensive experience is evidenced by their superlative track record. One of the keys to their success has been their ability to marry the right concept to the right property and location.

For the purposes of site acquisition, Imbiba has divided London into 58 'Villages'. Each Village has its own distinctive personality and atmosphere which the operating concept must acknowledge. For example, Camden is edgy and alternative whilst Chelsea is traditional, the City is for those doing business while the West End is for those who 'dress down'.

Understanding the market coupled with an ability to adapt to changes has resulted in Imbiba's successful track record in London.



## LONDON EXITS

### Drake & Morgan - 2008

Drake & Morgan was launched in September 2008 with the goal of building a group of large-format contemporary bar/restaurants in iconic buildings in the City of London and Canary Wharf with a strong focus on design.

The strategy was born out by Drake & Morgan winning the Emerging Concept category at the Retailer of the Year Awards 2011, the Best Standalone Bar for The Drift at the Restaurant & Bar Design Awards 2012 and three-star champion status (the highest possible) for all its sites from the Sustainable Restaurant Association.

The sale of The Drake & Morgan brand in April 2013 to Bowmark Capital provided EIS Investors with a return of 5.7x their initial investment, equivalent to an IRR of 50%, excluding the benefit of EIS tax relief. As a result, Imbiba were the winners of the Best EIS Exit Award at the prestigious annual EIS Association Awards held at the House of Lords in February 2014.



### Thomas & Carter - 2002

Thomas & Carter was founded in 2000 with a focus on the London market. Imbiba used a process of careful site selection, imaginative design and facility improvement to take existing sites and develop them to the stage where they were trading at multiples of their earlier performance. The nine bars were sold to Massive Pub Company in 2002 for a 58% uplift on cost.



### 2006 - Lewis & Clark

Lewis & Clark was founded in 2002 in order to create and develop a portfolio of authentic city bars. The company successfully developed 6 sites in new build locations in the City of London. The sites were extremely well-received and traded very profitably, aided by high levels of operational efficiency. The six bars were sold to Balls Brothers in 2006 for a 145% return on investment.



### 2000 - Smith & Jones

Smith & Jones was founded in 1997 and was designed as a contemporary bar/restaurant group. The Company took old bars which has been neglected for many years and introduced improved service standards, innovative marketing and thoughtful design to elevate their performance. The nine bars were sold in 2000 for an average 50% uplift on cost and ultimately acquired by the Barracuda Group who subsequently expanded the brand and concept to over 150 locations.

## EXAMPLE INVESTMENTS

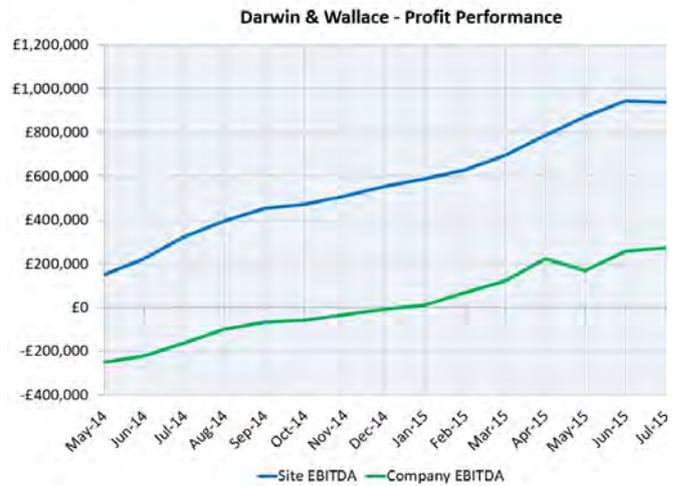
Enterprise has raised over £20 million since it started working with the Imbiba team in 2012 and listed below are examples of previous investments it has made. Please note that new subscriptions are unlikely to be invested in these companies.

### Darwin & Wallace

Darwin & Wallace is developing contemporary bar/restaurants, predominantly in affluent London 'villages' such as Chiswick, Chelsea, Clapham, Kensington and Knightsbridge.

The first site, 'No 11 Pimlico Road', is a neighbourhood bar/restaurant in South West London, which has been transformed with a stylish interior redesign and the introduction of a high quality and relevant fresh food offering. 'No 32 The Old Town' is located in Clapham and has traded very strongly from the outset.

A new site in Richmond is under extensive renovation while contracts have been exchanged on a site in Chiswick. The two sites are expected to open in the fourth quarter of 2015.



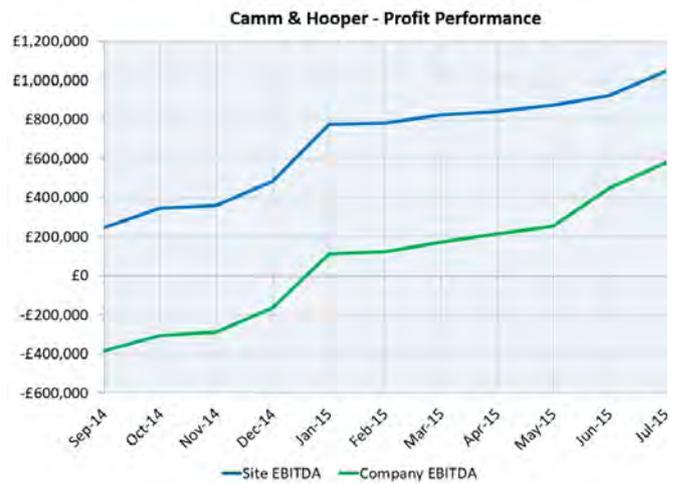
### Camm & Hooper

Camm & Hooper is a new company created to revolutionise event spaces in iconic London buildings. The target market includes the new buildings currently under development throughout the City of London. Camm & Hooper focuses on innovation and quality, delivering an exceptional product at all levels.

The first opening, 'Tanner & Co', on Bermondsey Street, is a former leather warehouse which has been an occasional restaurant and event space for the past 12 years in the heart of what is considered to be a 'foodie haven'. Camm & Hooper has created a new 7 day operation fronted by offering all day eating, drinking and dedicated event space in an innovative unique venue.

In addition, Camm & Hooper also operates the 'Banking Hall' on Cornhill which offers a world-class event space supported by an excellent team that can offer a full spectrum service including drinks and catering.

The venue can accommodate up to 800 guests and has already hosted a number of high profile events including the Financial Times' Summer Party. A new site near Liverpool is being renovated and a further two sites are under negotiation.



## FUTURE OPPORTUNITIES

### Exceptional Individuals and Leisure Concepts

The Imbiba Partners are engaging with an expanding pool of exceptional talent within the hospitality industry. As awareness of the Imbiba name and culture becomes more widespread, Imbiba is increasingly being approached by experienced operators. Typically they have strong commercial backgrounds in a mainstream environment, with depth across a number of disciplines. They have been nurturing ideas in their spare time and have the enthusiasm and drive to deliver these within the Imbiba cultural framework. One of the reasons for a Fund approach rather than a project-by-project approach is to enable these opportunities to be secured and implemented rapidly.

The Imbiba team are currently considering the following opportunities for the Fund with the potential accommodate investment in excess of £12 million. The opportunities below represent existing trading EIS companies or new EIS companies with EIS Advance Assurance.



#### Wright & Bell

Wright & Bell has raised £5m of EIS equity and will require additional investment during the next 12 months and possibly further along into the project. An element of this additional funding will be provided by the Fund. Wright & Bell will provide all day bar and restaurant venues in Central London, focusing on the bar element and featuring locally crafted artisanal drinks. The first site, South Place near Finsbury Square in the City, has been secured and following refurbishment is expected to open in December 2015. The company is in advanced negotiations on a further site.

#### Ruth & Robinson

Ruth & Robinson was created to deliver an all-day Brooklyn-inspired bar and restaurant concept into smaller footprint sites in London. The first site opened in February 2015. Performance of the site has been behind expectations and a new Managing Director and senior industry appointment was made in August 2015. The new Managing Director is already working with Imbiba to develop the strategic options for the first site and to produce a new business plan for Ruth & Robinson with Imbiba. She has taken operational control for the site in its current format and the directors believe that the planned changes together with a number of attractive sites the Company is negotiating on will help bring the company's performance back into line with expectations.

#### Sellers & Foale

Imbiba continue to have a dialogue with the management team in this social media-driven bar and events business. It has 3 sites in London and one site outside of London. Imbiba believes it is an exceptional business and will continue to seek an investment opportunity.



## INVESTMENT STRATEGY

The Fund intends to create, nurture and build businesses in the bar/restaurant sector with a focus on London. The Manager believes that the resilient and growing market present in the UK's capital city combined with Imbiba's proven track record in establishing, operating and exiting investments will deliver strong returns for Investors.

While a wide range of possible opportunities will be considered, a number of key factors have been identified that the Fund will prioritise throughout the entire investment process.



### Exceptional Properties

Imbiba and the Manager consider that well-located sites are essential. Although superlative design and service can mitigate the operational impact of a poor location, Imbiba has spent many years developing relationships with property agents, landlords and other property professionals, and will only be targeting premier locations.

- Sites are likely to be leasehold with a minimum of 15 years remaining on the leases.
- Freeholds and leases longer than 25 years are not readily available in Central London at suitable prices. However, the Manager will consider them should opportunities arise.

### Food/Beverages

Imbiba believes that high quality food and drink are central to the overall offer. Food will be freshly prepared to order and, where possible, open kitchens will provide authenticity, convey speed and generate some theatre. Price points will be varied to ensure that the target market can eat within their respective budgets. The use of innovative formats will further enhance the customer experience and developments such as skinny menus should help to meet the changing needs of consumers.

Wine will be central to the overall offering and the beer range will be sourced to provide coverage of the latest trends. The demand for cocktails continues and Investee Companies will offer cocktail menus that change with the seasons.

### Management Incentives and Alignment of Interests

The lynchpin of a successful leisure business is the quality and consistency of customer service. This can only be delivered with motivated people. Staff will be incentivised through the effective use of the service charge together with targeted bonuses for achieving key targets in any one year. Investee Companies will aim to promote from within as each business expands, and will strive to develop key people to their full potential.

Each Investee Company will offer share option schemes under which its employees will be able to acquire shares in the Company at prices to be determined by the Directors, the Manager and Imbiba, subject to achievement of performance criteria. The Manager and Imbiba will not be entitled to participate in any such scheme. It should be noted that share options will only be exercised if there is growth in the value of the equity of the business.

### Capital Growth

The Fund and its Investee Companies will seek to achieve capital growth through one or more of the following factors:

- Improved trading and profitability;
- Refurbishment and development;
- The creation of a scalable business model;
- Improving operations and controls.

### Financial Strategy, Bank Borrowings and Controls

To maximise returns for Investors, the Manager and Imbiba will utilise bank debt where appropriate to finance Investee Companies' operations. This will be done on a conservative basis and any long term gearing will be around 30% to 50% of the relevant Investee Company's capital expenditure, and is unlikely to exceed at any time 50% of any Investee Company's projected total capital expenditure. Where appropriate, debt will be on a fixed interest rate basis so that the Investee Companies do not suffer from any adverse changes in short-term borrowing costs. Imbiba has extensive knowledge of what it regards as the necessary financial controls required to achieve high operating profits.

Representatives of the Manager and Imbiba will sit on the Boards of the Investee Companies and receive monthly management accounts and will authorise all acquisitions and capital expenditure.

### Investee Company Executive Boards

The boards of each Investee Company will comprise of a managing director, finance director, two representatives from Imbiba, and one from the Manager. The board of each Investee Company will be supported by the wider Imbiba team and a dedicated operational management team, reporting to the executive board members to ensure that high standards of operational and commercial management of each Investee Company are applied.

### Exit Route

Imbiba have a “buy, build and exit” philosophy and therefore focus on the exit from the outset. Imbiba work very hard on selecting and positioning their Investee Companies in line with emerging and growing trends within the leisure and hospitality market that they believe will be attractive to larger trade buyers or private equity investors. Imbiba aims to build a new business concept to the point where it is proven at between 5-8 sites and then sell it on to trade and private equity buyers to roll out further. The proposed term of the Fund is five years.

### Target Return

The Manager is targeting a 2.5x return to Investors on their investment in the Fund, being an expected income tax and CGT free IRR of 32% (inclusive of tax benefits). This assumes Exits from the Fund’s underlying Investee Companies after five years from the closing date of the Fund, subject to a trade buyer or

private equity buyer being identified. The target returns include EIS Income Tax Relief at 30%, all Initial and Annual charges and fees, and any Performance Incentives on an Exit, but excluding any potential benefits from IHT relief or CGT Relief.

**The above target return is set out for illustrative purposes only and no forecast or projection is implied or should be inferred.**

### Performance Incentive Fee

The Manager and Imbiba Partners will subscribe to Founder Shares in the Investee Companies which will rank pari passu with Ordinary Shares. The Founder Shares will be subject to a Hurdle of 150% on an Exit, so until the Fund’s Investors have received no less than 150% of their investment in the Investee Company a proportion of the Founder Shares will convert into worthless deferred shares, that proportion being determined by reference to the shortfall. **The Manager and Imbiba’s Performance Incentive will only be payable once an Investor has received proceeds (capital and dividends) of at least £1.50 per £1 invested in total in the Fund.**

### Imbiba and Manager Investment in Fund

In addition, the Manager and Imbiba Partners will invest in Ordinary Shares on the same terms as the Fund and its Investors. **In total it is expected that the Manager will invest up to £50,000 in each Investee Company split between Founder Shares and Ordinary Shares. The partners of Imbiba will invest up to £150,000 in each Investee Company split between Founder Shares and Ordinary Shares.**



## DEAL FLOW AND INVESTMENT PROCESS

Over the last 17 years Imbiba has established a network of contacts and intermediaries who provide high quality, and to some extent proprietary, leisure deals. These opportunities tend to come from entrepreneurs, corporate finance and private equity advisors, accountants and leisure property agents who Imbiba works with on a regular basis across their existing investments.

Imbiba actively promotes itself via professional connections and general networking to senior employees working within leisure corporates and early stage entrepreneurs or businesses. This is done with a view to partnering to grow new concepts or to expand existing leisure businesses.

### STEP 1

The Manager and Imbiba expect to see 15-25 investment opportunities (including internal ideas) annually and aim to make up to 5 investments per year.

### STEP 2

Following the receipt of a business plan or proposal, the Manager and Imbiba will conduct a review of the fundamentals of the opportunity to ensure it meets the Fund's investment criteria. The evaluation will include commercial and operational considerations, existing market and competition, management, financials and exit routes.

### STEP 3

Assuming the criteria are met, the Manager and Imbiba will approve the deal and typically appoint accountants to carry out financial due diligence and lawyers to prepare investment documentation and undertake a legal review.

### STEP 4

During the post-approval phase, further commercial and management due diligence will also be carried out. Subject to no irresolvable issues surfacing, a deal will typically complete within 3 to 6 months of the first meeting with management or entrepreneur.

### STEP 5

Advance assurance will be requested from HMRC to confirm that each investment is EIS qualifying before the investment is completed.

### STEP 6

A final decision to invest will be made by an investment committee comprising of at least 2 members of the Manager and 3 members of Imbiba.

## Conflict Management

The Manager and Imbiba have recognised the potential for conflicts arising from the operation and management of the Fund. Some of the members of both the Manager and Imbiba are currently Directors of existing companies, Camm & Hooper, Darwin & Wallace, Ruth & Robinson, and Wright & Bell ('the Existing Companies'). It is possible, therefore, that the interests of the Manager and Imbiba, and the duties they owe to the Companies will potentially conflict. The following policies will be maintained to resolve these conflicts:

1. The Existing Companies will be given first refusal to suitable units for their respective business plans prior to them being recommended to the Manager by Imbiba.
2. The Investee Companies of the Fund will not acquire or dispose of interests in trading units from or to the Existing Companies unless it is at an arms' length price, has EIS clearance and is in the clear interests of both sets of shareholders.

The Manager and Imbiba are confident that there are plenty of suitable site opportunities to ensure that the Investee Companies of the Fund will be able to build attractive and profitable businesses. Furthermore, the strategy that the Manager and Imbiba has for the Fund is to build up to 5 unique leisure trading concepts, that will operate from different sized units, so that crossover on sites between Investee Companies should be limited.

## Investment Monitoring

While the Manager and Imbiba will closely monitor and review the activities and performance of its Investee Companies, it will entrust the majority of operational decisions to the respective management teams. The Manager and Imbiba will take non-executive positions on the Board to offer their guidance and expertise.

Given the importance of exits to Investors, the Manager and Imbiba will ensure that potential exit strategies are always discussed with Investee Companies prior to investment. Once invested, the board of the Investee Company, including members of the Manager and Imbiba, will regularly review and update the exit strategy as appropriate.

Key factors in determining the timing and nature of an exit are strategic forces in the leisure sector, the Investee Company's earnings growth and senior management alignment. Imbiba works very hard on aligning all the management from senior executives to the site management team using Key Performance Indicators (KPIs) to drive sales and earnings in order to maximise shareholder returns on exit.

The execution of an exit is typically challenging and time consuming. In Imbiba's experience, it is critical that the management is not too distracted from day-to-day operations during the exit process. Consequently, Imbiba believes that its track record, expertise and hands-on involvement in each exit process are critical and important to the prospects of the Fund.

## THE LONDON LEISURE & HOSPITALITY MARKET

The Imbiba Leisure Fund will capitalise on the London restaurant and bar sector, an area of investment that Imbiba has spectacularly succeeded in previously. What makes London so appealing is that it contains a young, affluent and diverse working population, in addition to a growing number of high spending tourists each year. These attributes combine to make London's restaurant and bar sector one of most attractive investment opportunities in the UK.



### The London Market

London enjoys a strong combination of demographic trends which have combined to help make its restaurant and bar sector one of the most successful and dynamic in the UK. Indeed Harden's 2015 Restaurant Guide suggests that the London market is 'in overdrive, with record rates of growth'. It cites some 148 restaurants opening in 2014 and a 14 year low of only 47 units closing. Harden's adds that the ratio of opening to closing restaurants, currently at 3.1x, has been beaten only once in the guide's history.

Favourable trends include a population that tends to be young, professional and well-paid as well as a strong tourism industry that brings high-spending visitors from the rest of the UK and overseas. The combination has seen consumer demand continue to grow and, according to Zagat's 2014 survey of London's restaurants, a typical restaurant-goer in the city enjoyed a record 3.7 meals out a week, a dramatic rise from 2.2 meals in 2012.

Increased demand across London has meant that according to CGA Peach, London has been the location of 19% of all new openings for licensed premises across major UK cities between 2003 and 2013. It says 'the London economy remains the main driver of growth in the eating and drinking out market'. Thanks to London's position as centre for the financial, media and IT industries, average incomes for the city remain above national averages. In the first quarter of 2015 the average gross weekly earnings of full time employees in London was £685, 19.3% higher than the UK national average.

London also remains an attractive destination for younger consumers and is over-represented in terms of young, working-

age professionals. Some 35.6% of London's population is aged 21-41 compared with around 30.1% of the population of other major conurbations and 26.5% of the population as a whole. In its "Taste of the Nation" report, accountants Deloitte perhaps unsurprisingly reported that "Generation Y" (aged between 18-34) was the most active age group in the market in terms of its social life with members going out 51% more than the population average and 71% more than the next most active group of "Generation X" (aged between 35 and 54).

Data from the Office for National Statistics also shows that London benefits from its status as one of the most popular tourist destinations in the world, with an increase in the number of visits by overseas residents for the fourth consecutive year in 2014.

More than half of all tourists to the UK visited London with the ONS stating that London enjoyed 17.4m overseas visitors in 2014, up 3.5% on 2013. Visitors spent some £11.8bn in 2014 and London's tourism sector is expected to grow to £59 billion by 2025.

Capturing the opportunity presented by the residents and visitors of London will be challenging for the undifferentiated as contemporary consumers want to discover new tastes, new concepts and new experiences.

Imbiba has an excellent track record for perceiving and anticipating consumer trends and believes that it will be able to meet these demands while satisfying the new key consumer metrics of trust, differentiation, personality and exclusivity.

## THE MANAGER – ENTERPRISE INVESTMENT PARTNERS

Enterprise Investment Partners LLP is a specialist smallcap investment boutique established five years ago, whose activities include corporate finance, fund management and the design and promotion of tax-efficient investment products. Enterprise has considerable experience of EIS and has specific expertise in the leisure, media, commercial property and renewable energy sectors.

Enterprise has raised over £20 million since it started working with the Imbiba team in 2012. Separately the team have over 20 years of leisure sector experience and have raised in excess of £80 million for leisure and hospitality operators. The three principals together have raised over £200m under the EIS, VCT, and other tax efficient structures over the last 5 years.

### CHRISTIAN ELMES - PARTNER



Over the last ten years, Christian has been responsible for developing a number of tax efficient products, particularly Enterprise Investment Schemes. Due to his financial and tax background and commercial experience Christian is able to lead on tax efficient product development from inception through to completion.

Christian trained at PwC and qualified as a chartered accountant, before moving to Morgan Stanley working in the Investment Banking Division. He joined Teather & Greenwood Investment Management as Director of Finance and moved with the Tax Efficient Solutions team to Smith & Williamson in 2004, becoming Deputy head of the department. He left to join Enterprise at the start of 2011.

Christian is a non-executive board member of Wright & Bell Ltd, Ruth & Robinson Ltd, Camm & Hooper Ltd and Darwin & Wallace Ltd.

### MARTIN SHERWOOD - PARTNER



Martin has many years' experience of small company fundraising and in particular the tax-efficient investment market, specialising in the Hospitality & Leisure Sectors. Martin is currently chairman of the four British Country Inns companies and of Halcyon Hotels and Resorts plc which he helped launch 20 years ago. He was founder and head of Tax Efficient Solutions, first at Teather & Greenwood (1997-2004) and subsequently at Smith & Williamson (2004-2010).

Martin has been closely involved in both Venture Capital Trusts and Enterprise Investment Schemes since their inception, and is a founder director of the EIS Association, the official trade body of the EIS industry.

Martin works very closely with a wide range of Hospitality & Leisure entrepreneurs and has a significant network of investors and professional contacts as well as being a serial investor in his own right.

### MATT LENZIE - PARTNER



Matt's career started out in a number of large financial institutions including corporate banks and other lenders. Matt entered the tax efficient market in 2010 and has worked on a number of fund raising mandates for Venture Capital Trusts, EIS Schemes and other tax efficient investment structures. He has assisted in raising in excess of £300m into leisure, media, renewable, and property based investment opportunities.

Matt maintains close relationships with a wide range of investors, entrepreneurs, corporates and other professional services providers.

## ADMINISTRATION AND OPERATION OF THE FUND

The minimum investment for an individual Investor in the Fund is £10,000. There is no maximum investment that may be made by an individual Investor although the maximum amount on which an Investor can obtain EIS tax relief is limited to £1,000,000 for any tax year, including carry back claims. Each spouse has their own limit and they are not aggregated. This limit applies to all EIS investments made within a given tax year. This limit does not apply to capital gains tax deferral or IHT relief which is unlimited.

The Fund will seek to raise up to a Maximum of £20 million in 2015/16. Investors will be investing alongside Imbiba and their Subscription may be invested in one or more Investee Companies depending on when they invest during the tax year, the amount of Subscriptions at the disposal of the Fund, and the existing opportunities available to the Fund. **Investors should note they may only be invested in one Investee Company.**

The Minimum aggregate Subscriptions required from Investors for the Fund to proceed is £3,000,000. Both the Minimum and Maximum Fund Size may be altered at the discretion of the Manager, subject to the availability of attractive investment opportunities.

### Timing of Exit

In order to retain EIS tax reliefs, Investors must hold Shares for at least the Three Year Period. Although the proposed life of the Fund is 5 years, realisation of the Fund's Investments may take longer than this. Consequently, an Investor should not invest if they require access to their capital before the summer of 2021 at the earliest.

In the event of a request to exit early, the Manager will cooperate with an Investor wishing to sell their shares but Investors should be aware that there is no market for such shares and they are not readily realisable. Even in the event that a buyer can be found by the Investor, the Investor may have to accept a significant discount on their Shares in order to realise their investment early. Note that Shares must be held for a minimum of three years to retain the initial income tax relief.

It is the Manager's intention to start to exit Investee Companies from the summer of 2021. It is anticipated this will be through a sale or flotation of each of the Investee Companies, or alternatively through share buybacks funded by selling trading units and/or raising new equity or debt. Investors should note that the Exits of Investee Companies may be delayed and none of the Exit options above may be available to the Manager.

### Withdrawals

Partial withdrawals from the Fund are not permitted. However, Investors may terminate their Investor Agreement and make an early withdrawal from the Fund by transferring their shareholdings in the Investee Companies into their own names. In the event Shares are sold to a third party before the end of the Three Year Period, Investors will have to repay the initial income tax relief (if it has been claimed). Any deferred gains will be crystallised on a disposal of Shares, potentially resulting in a further tax liability.

The Manager will have a lien on all assets being withdrawn by an Investor and shall be entitled to dispose of some or all of the assets and apply the proceeds in discharging an Investor's liability to the Manager in respect of damages or accrued but unpaid fees. The balance of any sale proceeds and control of any remaining investments will then be passed to the Investor.

### Client Account

A client account with trust status and in the name of the Receiving Agent will hold all Investors' Subscriptions prior to investment and all proceeds from realisation of the Investments before being distributed to the Investors. No interest will be payable to Investors on this account. All documents of title will be held by the Nominee and will be registered in the name of the Nominee.

### Allocations

The Manager will maintain accounts for each Investee Company, which will be open to inspection by each Investor, showing the amount contributed by that Investor and the amounts invested or to be invested on that Investor's behalf.

The number of shares in each Investee Company allocated to a particular Investor shall, where possible, be calculated by reference to the proportion which the Investor's Subscription bears to the total Subscriptions by all Investors in the Fund at the time the investment is made. However, this may not always be possible where investments are made from funds received from early Investors. It is intended that monies received from each Investor will be invested on a pro-rata basis to his or her Subscription through the Fund, as investment opportunities arise. Variations to this standard procedure will occur to avoid issuing fractions of shares, or if an Investor is subject to professional rules preventing him or her making an investment in a particular EIS Company.

### Timing of Investment

The Manager intends to invest subscriptions in the 2015/16 tax year, in accordance with the preference indicated by Investors in their Application Forms (there is, however, no guarantee that this will be achieved).

Should an Investor die before their Subscription is fully invested, all uninvested sums subscribed by them will be repaid by the Manager upon receipt of notice from the Investor's personal representatives.

### Investment in selected Investee Companies

When the Investment Committee has selected a suitable Investee Company and appropriate terms and conditions have been negotiated, it will subscribe for new Ordinary Shares in the Investee Company on behalf of Investors.

Share certificates will be issued in the name of the Nominee for each Investor. Any dividends received by the Manager or the Nominees from Investee Companies will be forwarded directly to Investors, subject to a retention to cover any accrued but unpaid fees or expenses. The Manager does not, however, anticipate any dividends being paid by the EIS Companies.

### Investee Company Monitoring and Reporting

Each Investee Company will be required to provide a regular board pack including financial management accounts to the Directors. The Manager will have the right to appoint a non-executive Director to the board of each Investee Company in order to ensure such information is provided in a suitable form and on a timely basis.

Until an Exit is achieved, the Manager will seek to ensure that Investee Companies comply with the EIS Rules and are appraised of the consequences should the relief be withdrawn. Tax relief may be withdrawn in certain circumstances and the Manager does not accept any liability for any loss or damage suffered by any Investor or other person in consequence of such relief being withdrawn or reduced. In this regard, Investors are strongly advised to read the risk factors set out in this document on pages 20 to 22. Each Investor will receive from the Manager a report detailing each new Investment made on their behalf as and when Investments are made.

### Investor Communication

Each Investor will receive from the Manager a report detailing each new Investment made on their behalf as and when investments are made.

The Manager will also send each Investor quarterly reports containing details of all Investments made by the Fund, together with a commentary on the progress of each of those Investments.

Following the receipt of HMRC clearance for each Investee Company, Investors will be provided with an EIS 3 form, which may be used to claim tax reliefs, subject to each Investor's personal circumstances.

### The Custodian and Nominee

By completing the Application Form contained in this Information Memorandum prospective Investors will, subject to right of cancellation, be deemed to have irrevocably agreed to the Manager appointing a Custodian to exercise the powers, and to carry out duties, on behalf of the Investors in accordance with the provision of the Investor Agreement.

### Qualifying Criteria for EIS Companies

In order to qualify under EIS, at the time of issue of the shares by each EIS Company, that company must comply with the following criteria in order to qualify under the EIS:

- Not be listed on a recognised stock exchange;
- No arrangements must be in place to become listed;
- It must not be a subsidiary of, or controlled by, another company;
- No arrangements must be in place for the EIS Company to become a subsidiary or controlled by another company; and
- It must have a permanent establishment in the UK and exist to carry on a new EIS trade for growth and profit.

EIS Companies are limited as to size with the maximum number of full time equivalent employees in the EIS Company at the time of fund raising being restricted to a maximum of 249 and a pre-investment limit of £15 million on the EIS Company's gross assets.

The qualifying business activity for which the money is raised by the share subscription must be a trade carried on by the EIS Company or its subsidiaries and the trade must be conducted on a commercial basis and with a view to the realisation of growth and profit.

The maximum fund raising per EIS Company is restricted to £5,000,000 per year and the monies raised by the issue must be utilised for the qualifying trade within two years of the share issue.

## STRUCTURE AND TAX STATUS

The Fund will comprise of Shares in a selection of EIS Qualifying Companies. For legal and tax purposes, each Investor will be the beneficial owner of a specific number of Shares in each Investee Company. All Shares and cash within the Fund will be managed together on behalf of all Investors and in accordance with the Investor Agreement. The Fund is not an unregulated collective investment scheme.

The Fund is an Alternative Investment Fund (AIF) and, under the required FCA Rules, the Manager will be the AIFM and will treat each Investor as its client for regulatory purposes. The Fund will be managed by Enterprise Investment Partners LLP, currently a Small Authorised AIFM, who will exercise their discretion in selecting and allocating investments in accordance with the Investor Agreement. The Manager will arrange for the provision of administration services in relation to the Fund by a suitable authorised person, as required. Woodside Corporate Services Limited, which is authorised and regulated by the FCA (FRN: 467652) will be appointed by the Manager (on behalf of itself and each of the Investors) to provide safe custody and administration services in connection with the Fund. A copy of the Custodian Agreement will be provided to Investors on receipt of their Application Form via hard copy, email, or web format.

The Fund has not been approved by HMRC under section 251 of ITA 2007 and therefore Investors may only claim EIS income tax relief in the year in which each underlying investment is made, or the previous tax year if carried back, rather than in the tax year in which an approved fund closes.

Once an EIS Company has been trading for four months and clearance has been obtained from HMRC, EIS 3 forms will be distributed to Investors by the Manager, each setting out that Investor's entitlement to any EIS tax relief.

The Manager intends to make a number of Investments over the 2015/16 tax year, which in aggregate should amount to £20 million. Investors will be investing alongside Imbiba and their Subscription may be invested in one or more Investee Companies depending on when they invest during the tax year, the amount of Subscriptions at the disposal of the Fund, and the existing opportunities available to the Fund. **Investors should note that they may only be invested in one Investee Company.**

The Minimum Subscription is £10,000, which is paid up on application to invest in the Fund. Capital is returned to Investors as realisations from Investee Companies are made.

All Fund, Manager and Imbiba fees and charges will be levied against Investee Companies and Investors should therefore benefit from EIS relief on the full amount invested in the Fund.

Where an Investor has agreed to pay a Financial Intermediary (including any "execution only" broker) an Adviser Charge in respect of a Subscription to the Fund, such payment will be facilitated. Any such charges will be deducted directly from Subscriptions which will, therefore, reduce the amount of tax reliefs an Investor can claim on their Subscription. The value of the Adviser Charge is a matter for the Investor and their Financial Intermediary.

All fees and charges stated in the Information Memorandum are net of any VAT which will be added if applicable. Further details of Fund administration fees and charges are set out in the Investor Agreement on page 29.

## Part II - Risk Factors

Investors should be aware that investing in unquoted companies is high risk and, consequently, an investment in the Fund may not be suitable for all Investors. If an Investor is unsure then they should not subscribe for this Fund. In any event, it is recommended that an Investor seek specialist independent tax and financial advice prior to subscribing.

Set out below are what the Manager believes to be the key risks associated with participating in the Fund. Additional risks and uncertainties, not presently known to the Manager, or which the Manager currently deems immaterial, may also have an adverse effect on the Fund and on its investments.

### FUND RISKS

1. **Target Returns and No Guarantee of Return.** Any stated target returns are for illustrative purposes only and no forecast (guaranteed or otherwise) is implied or should be inferred. Investors may not get back the full amount subscribed. Investments within the Fund may fall as well as rise in value, and some investments may even lose all of their value.

2. **Investment Concentration.** The Manager's objective is to raise £20 million (subject to increase at the Manager's discretion) for the Fund and invest it in four or more of investments identified by Imbiba. However, if the Manager raises less than £20 million, an Investor's Subscription may be concentrated in as few as one Investee Company thereby increasing the risk profile of the Fund and substantially impacting on the amount returned to Investors.

3. **Exit and Liquidity.** The Fund will invest in small unquoted companies. Such companies, by their nature, pose a greater investment risk than other companies. There is no market in the Investee Companies' shares, which means that the Investments within the Fund will not be readily realisable. The realisation of

such Investee Companies may take longer than the proposed fund term of five years and may not happen at all. Investors should consider an investment in to the Fund to be a long term investment.

4. **Cessation of Manager.** The Manager reserves the right to cease to manage the Fund in certain circumstances as set out in the Investor Agreement, in which event it will try to transfer the Investments to another fund manager or terminate the Fund in an expeditious way. If it does so, there is a possibility that the tax advantages may be lost.

5. **Minimum Fund Raising.** If the Minimum Fund Size is not reached by the Closing Date, the Fund will not proceed (subject to the discretion of the Manager) and Investors' monies will be returned without interest.

6. **Legal and Regulatory.** There may be changes to the legal framework and regulatory status surrounding the Fund which may adversely affect the Fund and/or its Investors.

### INVESTEE COMPANY RISKS

1. **Investment Return.** Investors should be aware that investment returns are dependent upon the performance of individual Investee Companies, the income they generate and whether they perform in accordance with their initial business plans. Outside factors such as the economic climate, market conditions and a change in regulatory environment may all adversely impact on a company's performance.

2. **Debt Finance.** To maximise returns for Investors, the Manager and Imbiba will utilise bank debt where appropriate to finance Investee Companies' operations. This will be done on a conservative basis and any long term gearing will be around 30% to 50% of the relevant Investee Company's capital expenditure, and is unlikely to exceed at any time 50% of any Company's projected total capital expenditure.

The level of debt will significantly increase risk. The potential debt of each Investee Company is likely to be secured against property and assets held by the Investee Company the value of which may fluctuate. Whilst the Investee Companies may

enter into appropriate interest rate hedging arrangements, a rise in interest rates is likely to adversely affect an Investee Company's profitability. In addition, although the Manager does not intend that an Investee Company's debt should ever exceed 50% of capital expenditure in developing its sites, this cannot be guaranteed and an Investee Company may be more exposed than anticipated to servicing such debt, if any.

It is not guaranteed that the Investee Companies will be able to secure the desired levels of debt given the current banking environment. If this happens, the businesses may need to raise more equity, use alternative debt instruments or acquire fewer sites.

3. **Valuation.** Investing in smaller, unquoted companies is, by its nature, high risk. Information regarding the value or the risks that these companies face may not always be available. In addition, there is no guarantee that the valuation of shares will fully reflect their underlying net asset value, or that the shares can be sold at that valuation.

## MANAGER RISKS

1. **Deal Flow.** Investors should be aware that there is a risk that the Manager may be unable to find a sufficient number of investment opportunities to meet the Fund's investment criteria. It may, therefore, be the case that the Fund is not fully invested. The level of returns from investments may be less than expected if there is such a delay insofar as all or part of the Fund is held in cash or near cash investments for longer than expected, or if the returns obtained on investments are less than planned, or if investments cannot be realised at the expected time and values. There can be no guarantee that suitable investment opportunities will be identified in order to meet the Fund's objectives. Furthermore an insufficient number of investments may lead to Investors' Subscriptions not being invested in the 2015/16 tax year and therefore EIS tax relief being deferred to later tax years or not materialising altogether.

## LEISURE SECTOR RISKS

1. **Opening New Sites.** Opening a new bar, restaurant and/or event site is inherently risky. Sites can take varying levels of time to reach maturity. The assumptions in the business models allow sites steady growth over 12 months to hit maturity but in fact growth can be considerably more variable than this and can take less time or longer to hit maturity. Maturity can be above or below the acquisition case for that site. It is also possible for sites to be loss-making. There are many factors that cause a site to lose money and it is possible in certain circumstances to address these and improve performance. If a site makes a loss and the performance cannot be turned around, it is possible that the site will need to be sold at a loss or written-down in value.

2. **Sales.** Sales can go up or go down and can be considerably different to the levels anticipated in a business plan. Sales will vary from week to week and it can take a long time for a reliable trend to emerge. The impact of the seasons on a site can take at least 12 months to determine.

3. **Site Profitability.** As well as sales, site profitability is impacted by costs including labour. Many factors can impact costs including food and drink inflation, changes to utility costs, marketing spend, maintenance expenditure and rent & rates reviews. As a result, site profitability could be different to the levels projected in the business plans.

4. **Competition.** The leisure industry is a highly competitive environment. A competitor can open near to one of the sites at any point in the project and impact upon the profitability of a site. Furthermore, the on-trade faces competition from the off-trade, such as supermarkets and off-licences as well as other entities operating in the sector that may have greater resources than the Investee Companies.

2. **Past Performance.** The past performance of investments made by Imbiba must not be regarded as an indication of future performance and there is no guarantee that the Fund's financial targets will be achieved. The value of investments and the income derived from them may go down as well as up and Investors may not get back the full amount invested.

3. **The Team.** The performance of the Fund will depend in part upon the skill and expertise of the members of Imbiba, the Manager, and the Directors and senior management team of the Investee Companies. The departure of any of these individuals could have a significant effect on the performance of the Fund and its Investee Companies.

5. **Legislation.** Government changes to rules and regulations may put additional cost burdens onto the business or create a competitive disadvantage for it. For example, government initiatives to deal with issues such as binge drinking which, although Imbiba and the Manager believe not to be directly relevant to its operations, could have a negative impact on wet sales.

6. **Site Acquisition.** The London property market is highly competitive. It is possible that the Investee Companies will acquire a different number of sites to the number envisaged in the business plan. It is also possible that the premiums paid and the capital expenditure required to fit the sites out will be materially different to the levels built into the business plans.

7. **Property Aspects.** There is the risk that leases that are subject to the Landlord and Tenant Act could revert to the landlord of any property if that landlord decides to use the site for its own use or is able to redevelop the site. The Manager will seek legal advice on a case by case basis and use commercial judgement to assess the likelihood of this occurring.

8. **Licensing.** The success of the Investee Companies will be dependent upon them being able to secure and retain alcohol, food and entertainment licences and planning permission (if applicable) for the trading premises they own and remain within the terms of these licences and permissions.

## TAX RISKS

### Investor

1. Rates of tax, tax benefits and allowances described in this Information Memorandum are based on current legislation and HMRC practice. These may change from time to time, are not guaranteed and depend on the individual's circumstances.

2. The Fund has been designed with UK resident taxpayers in mind. It may not be advantageous for persons not resident or ordinarily resident in the UK to invest in the Fund.

3. Income tax relief available to Investors is subject to Investors making the proper filing of returns with HMRC within the required timeframe and reliefs may be lost if the necessary steps are not taken.

4. There are circumstances in which an Investor could cease to qualify for the taxation advantages offered by the EIS. For example, if an Investor receives value from the Fund or one of the Investee Companies during the period beginning one year before the Shares in the Investee Companies are issued and ending on the conclusion of the Three Year Period. Payment of a normal dividend would not typically be regarded as a receipt of value.

### Investee Company

1. Whilst it is the intention of the Manager to invest in companies that qualify for EIS tax relief, the Manager cannot guarantee that all Investments will qualify and, if they do so initially, that their status will be maintained. A failure to meet the qualifying criteria could result in adverse tax consequences for Investors.

2. Although advance assurance will be sought from HMRC that the Investee Companies are expected to be EIS Qualifying Companies and their activities should qualify under the EIS prior to making an Investment, there is no guarantee that the formal EIS claims will be agreed or that such agreement will not be subsequently withdrawn. In those circumstances, Subscription monies will not be returned to Investors. If an Investee Company fails to obtain EIS Qualifying Company status, or if it is subsequently withdrawn, EIS income tax relief and capital gains tax deferral relief would not be available to Investors or could be withdrawn.

3. Following an investment in an EIS Qualifying Company, the continued availability of EIS reliefs to the Investor relating to any individual investment depends on compliance with the requirements of the EIS legislation by both the Investor and Investee Company.

4. The dates on which initial income tax relief, capital gains tax deferral relief and inheritance tax relief relating to investment in EIS Qualifying Companies are available will vary depending on the date on which the Fund makes qualifying investments.

5. The Manager intends to invest Subscriptions to the Fund as directed by the Investor in their Application Form in Investee Companies in the 2015/16 tax year. As already noted above in "Manager Risks", under point 1 "Deal Flow", there can be no guarantee that suitable investment opportunities will be identified by the Manager, which may lead to Investors' Subscriptions not being invested in the 2015/16 tax year and therefore EIS tax relief being deferred to later tax years or not at all.

Also, If a UK individual wishes to take advantage of the capital gains tax deferral relief, shares must be issued within one year before and three years after the date of the disposal which gives rise to the gain or the date upon which a previously deferred gain crystallises. Capital gains tax deferral relief will not, therefore, be available for individuals with gains to shelter that fall outside of this period.

6. Where an Investor or an EIS Qualifying Company ceases to maintain EIS status in relation to any individual Investment, this could result in Investors being required to repay the income tax relief received on the Investment and interest on the same, a liability to tax on capital gains on a disposal of the Investment and any deferred capital gain crystallising.

7. Following the admission of an Investee Company to the main market of the London Stock Exchange, (but not to trading on AIM) or certain overseas stock markets, Business Property Relief for inheritance tax purposes will cease.

8. A sale of Shares in the Investee Companies within the Three Year Period will result in some or all of the 30% income tax relief available upon Subscription for those Shares becoming repayable to HMRC and any capital gains on such Shares and any deferred gain being subject to CGT. It is possible for Investors to lose their EIS relief and/or capital gains tax deferral relief and/or Business Property Relief by taking or not taking certain steps. Investors are advised to take appropriate independent professional advice on the tax aspects of their investment.

9. The levels and bases of reliefs from taxation may change or such reliefs may be withdrawn. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of Investors.



## Part III - Taxation

The summary below gives a brief outline of the Tax Advantages. It does not set out all of the rules that must be met and is intended only as a general guide. This summary should not be construed as constituting advice which Investors should obtain from their own professional tax or Financial Intermediary before investing in the Fund. The taxation levels, bases and reliefs described in the Information Memorandum are based on an understanding of existing laws and current HMRC practice, but this may be subject to change in the future and may adversely affect the performance of the Fund and the return to the Investor.

### CLAIMING EIS

The Investor will obtain EIS Relief in the tax year in which individual Investments in EIS Qualifying Companies are made by the Manager on behalf of the Investor.

When the Manager, on behalf of the Investor, makes an investment in a Company and that Company has been trading for four months, the Manager, on behalf of each Company, will send Investors a Form EIS 3 (see below) for that Company.

### TAX ADVANTAGES

The Tax Advantages for Investors making EIS investments through the Fund include the following:

#### Income Tax Relief

Individuals can obtain EIS Relief at up to 30% on amounts of up to £1,000,000 for the 2015/2016 tax year, or such amount which reduces their income tax liability to nil (if smaller), in any tax year the Manager subscribes on their behalf for eligible shares in EIS Qualifying Companies through the Fund.

EIS Relief is given for the tax year in which the Manager, on behalf of the Investor, makes an investment in an EIS Qualifying Company. If the Investor has an income tax liability in the preceding year they can claim relief against that liability through Carry Back Relief; any carry back to the 2014/2015 tax year will attract EIS Relief at 30% on amounts up to £1,000,000.

The certificate stating and confirming the EIS Relief obtainable by an Investor is on Form EIS 3 issued by the EIS Qualifying Company following an investment by an Investor. An Investor cannot obtain EIS Relief without Form EIS 3. The latest date on which an Investor can claim EIS Relief is five years after 31 January, following the tax year to which the claim relates.

EIS Relief will be withdrawn if an Investment is not held for three years from the date of Investment (or from the date of commencement of the EIS Qualifying Company's trade if later), or if the Investor is connected with any EIS Qualifying Company in which an Investment is made either within two years before or three years after the date of Investment in the EIS Qualifying Company.

Husbands and wives (and civil partners) can each make investments up to £1,000,000 in any tax year provided this would not take their total shareholdings, with those of any associated parties, in any one company to over 30% if they wish to claim EIS income tax relief.

The EIS Relief is currently given at the rate of 30% and is given against (but cannot exceed) the individual's income tax liability for the tax year the Investment is made into an Investee Company.

EXAMPLE - Income Tax Relief		£
Initial Investment		50,000
Less EIS Relief at 30%		(15,000)
<b>Net cost of Investment</b>		<b>35,000</b>

#### Exemption from Capital Gains Tax

No Capital Gains Tax (CGT) is payable on capital gains realised on the disposal of the Investments provided that the shares are held for at least three years from the date of Investment (or from the date of commencement of the EIS Qualifying Company's trade if later) and are Investments in respect of which EIS Relief has been obtained and not withdrawn.

EXAMPLE - Capital Gains Tax Exemption		£
Realised value of Investment after 3 years		80,000
Less Initial Investment		(50,000)
<b>Tax free gain</b>		<b>30,000</b>

#### Capital Gains Deferral

Individuals can defer CGT on an unlimited amount of chargeable gains by making an Investment of an amount equivalent to the chargeable gain. The Investment must be made in the period beginning twelve months before and ending three years after the date of the disposal giving rise to the capital gains to be deferred.

Investors should note that the Capital Gains Deferral is only a deferral of the original liability to CGT (unless there is a further Capital Gains Deferral).

The gain is deferred until there is a chargeable event, such as a disposal of shares. If practicable in the context of a deal to sell the Investee Companies, the Directors will consult with Investors and will endeavour to structure any transfer which could be deemed a disposal in a tax-efficient way, although it is possible that there would be a "clawback" of any deferral relief claimed by an Investor in connection with such shares.

EXAMPLE - Capital Gains Tax Deferral		£
Gain (subject to 28% CGT) to be deferred		
Initial Investment		50,000
EIS Relief at 30%		(15,000)
CGT Deferral (28% on £50,000)		(14,000)
<b>Net cost of Investment</b>		<b>21,000</b>

## Loss Relief

Any capital losses realised in respect of an Investment made in the Investee Companies (net of EIS Relief attributable to the Investment) qualify for loss relief so that the capital loss can be set against capital gains of that tax year or a later tax year or against income of that tax year or income of the preceding tax year.

Below is an example of where the EIS investment is worthless and an Investor claims loss relief against income subject to income tax at 45%.

EXAMPLE - Loss Relief		£
Initial Investment		50,000
EIS Relief at 30%		(15,000)
<b>Net Investment for loss purposes</b>		<b>35,000</b>
Loss Relief (at 45% on £35,000)		(15,750)
<b>Net loss on Investment post EIS and Loss Relief</b>		<b>19,250</b>

## Inheritance Tax Relief

The Investments made by the Fund in the Investee Companies should in most cases qualify for 100% relief from IHT in the event of the death of an Investor as long as the Investment has been held for two years from the date of Investment and is held at the time of death.

EXAMPLE - Inheritance Tax Relief		£
Initial Investment		50,000
EIS Relief at 30%		(15,000)
CGT Deferral (at 28% on £50,000)		(14,000)
IHT Relief (at 40%)		(20,000)
<b>Net cost of Investment</b>		<b>1,000</b>

## TRUSTEES

Trustees of a trust, where, in certain conditions, the beneficiaries are individuals, will usually qualify for unlimited Capital Gains Deferral, Loss Relief (limited to capital gains) and IHT Relief. However, it must be remembered that neither EIS Income Tax Relief nor exemption from CGT on disposal is available to trustees.

### Business Investment Relief for UK resident non-UK domiciliary individuals

Business Investment Relief Scheme (BIR) was introduced in the Finance Act of 2012 whereby non-domiciled UK residents can use untaxed overseas income or gains to invest in the UK in qualifying investments without making a taxable remittance. This offers non-domiciled residents, who have foreign income or gains that would be taxable on the remittance basis if brought to the UK, a major opportunity to make commercial investments into qualifying companies in the UK.

Amounts remitted to the UK must be invested within 45 days of being brought to the UK. If the investment is aborted after funds have been brought to the UK, then no UK tax charge will arise providing the funds are taken overseas within 45 days of the day that they originally came to the UK.

On disposal of a qualifying investment the investor has 45 days from the disposal date to take overseas the proceeds as they represent the original funds invested or to make another qualifying investment. Special rules apply where the investment is part sold or proceeds are below cost. If proceeds are below cost the whole of the proceeds have to go offshore within 45 days. EIS Qualifying Companies in which the Fund invests should in most cases be eligible companies for BIR. Please note that it is also a requirement of BIR that the investor (and certain other persons connected to the investor) will not receive any non-arm's length benefit from the investment.

This condition of BIR is, therefore, in the control of the Investor and not Enterprise. BIR only applies to amounts invested in shares in EIS Qualifying Companies i.e. any amounts paid to cover Adviser Charges will not qualify for BIR and are likely to be regarded as remitted to the UK as paid from an offshore bank account.

## PARTIES TO THE OFFER

### Promoter and Fund Manager

Enterprise Investment Partners LLP  
1-6 Speedy Place  
Cromer Street, London  
WC1H 8BS

### Leisure Sector Adviser to the Manager

The Imbiba Partnership  
33 Temple Chambers  
Temple Avenue, London  
EC4Y 0HP

### Solicitors to the Investee Companies

Michelmores LLP  
48 Chancery Lane, London  
WC2A 1JF

### Tax Advisers

Wellers Accountants  
1 Vincent Square, London  
SW1P 2PN

### Administrator, Receiving Agent, Custodian and Nominee

Woodside Corporate Services Limited  
4th Floor, 50 Mark Lane, London  
EC3R 7QR

## Definitions

“45 Day Period”	as applicable, the period of 45 days: (a) from the date of the non-domiciled or individuals who are resident and domiciled in the UK but not ordinarily resident foreign income and/or gains are brought to the UK and during which Qualifying Investments must be made with such funds for BIR to apply; or (b) on realisation of investments, from the date of receipt by the Investor of the disposal proceeds or liquidation distributions, and during which the BIR Remittance must either be reinvested or taken offshore to prevent a remittance tax liability arising
“Act” or “FSMA”	Financial Services and Markets Act 2000
“Administrator”, “Custodian” or “Nominee”	Woodside Corporate Services Limited or any such other person as Enterprise may appoint from time to time to provide safe custody and administrative services in respect of the Fund. Woodside Corporate Services Limited is authorised and regulated by the Financial Conduct Authority FRN: 467652
“Adviser Charge”	a fee for advice paid or payable by an Investor to a Financial Intermediary
“AIF”	Alternative Investment Fund
“AIFM”	Alternative Investment Fund Manager
“AIFMD”	the Alternative Investment Fund Managers Directive
“AIM”	Alternative Investment Market operated by London Stock Exchange plc
“Annual Management Fee”	an annual fee payable to the Manager and levied on the Investee Companies
“Applicable Laws”	all relevant UK laws, regulations and rules, including those of the FCA
“Application Form”	an application form to participate in the Fund completed by a prospective Investor in the form provided by the Manager
“Articles”	the articles of association of each of the Investee Companies
“Associate”	any holding or subsidiary company of any body corporate, or any subsidiary of any such company or any director of it that has entered into a contractual agreement with the Manager
“Business Investment Relief” or “BIR”	business investment relief as set out in sections 809A to 809VO of the Income Tax Act 2007 and available in certain prescribed circumstances to non-domiciled or individuals who are resident and domiciled in the UK but not ordinarily resident, who have claimed the remittance basis of taxation which were introduced by the Finance Act 2012
“Business Property Relief”	relief from IHT pursuant to sections 103-114 Inheritance Tax Act 1984
“Camm & Hooper” or “C&H”	Camm & Hooper Limited
“Capital Gains Deferral” or “CGT Deferral Relief”	deferral of CGT (as set out in section 150C and Schedule 5B of the Taxation of Chargeable Gains Act 1992)
“Carry Back Relief”	relief against income tax for the full amount of an investment in an EIS Qualifying Company up to £1,000,000 multiplied by 30% (for the tax year 2014/2015) and set against an individual’s income tax liability for the tax year preceding that in which EIS investments are made, save to the extent EIS Relief has already been claimed for the preceding year
“CGT”	capital gains tax
“Closing Date”	the final day on which Subscriptions may be received by the Receiving Agent, which shall be the earlier of achieving the Maximum Subscription or 31 March 2016, unless extended at the discretion of the Manager, or earlier.
“COBS”	the FCA’s Conduct of Business sourcebook
“Custodian Agreements”	the custodian agreements between the Administrator, the Investors of the Fund and Enterprise from time to time and initially in the form provided by Enterprise to Investors (and each a “Custodian Agreement”)

“Darwin & Wallace” or “D&W”	Darwin & Wallace Limited
“Director” or “Directors”	Director or directors of Investee Companies
“EBITDA”	in respect of any site operated by a Company, earnings before interest, tax, depreciation and amortisation from that site as certified by the auditors of the relevant Company
“EIS Qualifying Companies”	a company that meets the EIS requirements regarding EIS Relief and Capital Gains Deferral (and each an “EIS Qualifying Company”)
“EIS Relief”	relief from income tax under EIS
“EIS Shares”	shares in an EIS Qualifying Company which qualify for EIS Relief
“EIS”	the Enterprise Investment Scheme as set out in the Income Tax Act 2007 and sections 150A-C and schedule 5B of the Taxation of Chargeable Gains Act 1992
“Enterprise”, “EIP” or “the Manager”	Enterprise Investment Partners LLP, a limited liability partnership registered in England and Wales under registered number OC357090 and whose registered office is at Hyde Park House, 5 Manfred Road, London SW15 2RS. Enterprise Investment Partners LLP is authorised and regulated by the Financial Conduct Authority FRN: 604439
“Enterprise Value”	the value of the Ordinary Shares to be paid by a third party purchaser plus any debt incurred by the Company less cash and any cash equivalent held by the Company
“Existing Companies”	Darwin & Wallace Ltd, Camm & Hooper Ltd, Ruth & Robinson Ltd, and Wright & Bell Limited.
“Exit”	a listing, offer for the entire share capital of a Company, winding up or other capital distribution
“FCA Rules”	the rules contained in the FCA’s Handbook of Rules and Guidance
“FCA”	Financial Conduct Authority
“Financial Intermediary”	a person authorised under FSMA to advise on investments such as an independent financial adviser, wealth manager or FCA authorised intermediary who is advising an Investor and signs the Application Form
“Financial Promotion Order”	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
“First Close”	The initial closing date on which Subscriptions may be received by the Receiving Agent.
“Force Majeure Event”	an unforeseeable and unavoidable event that prevents the Manager or an Associate from fulfilling contractual obligations to either the Fund or Investors
“Founder Shares”	shares in the Investee Companies issued to individuals of the Manager and Imbiba, which are intended to qualify for the Tax Advantages
“Fund”	The Imbiba Leisure EIS Fund, which comprises the aggregate of all the Investor Agreements
“HMRC”	HM Revenue & Customs
“High Net Worth Company”	has the meaning given in paragraph 49 of the Financial Promotion Order 2005
“High Net Worth Individual”	an individual certified as a high net worth individual pursuant to paragraph 49 of the Financial Promotion Order 2005
“Hurdle”	1.5 X or 150% of Investors Subscription
“IHT”	inheritance tax
“Imbiba Funds”	Imbiba London Bar & Restaurant EIS Fund, Imbiba London Bar & Restaurant EIS Fund 2, and Imbiba London Bar & Restaurant EIS Fund 3, Ruth & Robinson (“Imbiba 4”) and Imbiba Leisure EIS Fund (2014/15).
“Imbiba”	The Imbiba Partnership

“Imbiba Partners”	John Connell, Simon Wheeler, Fraser Bradshaw or Brian Phillips
“Information Memorandum”	this document dated 14 September 2015
“Initial Charge” or “Initial Fee”	an initial fee payable to the Manager and levied on the Investee Companies
“Investee Company”, “Investee Companies”, “Company” or “Companies”	companies in which the Fund invests (and each an “Investee Company”)
“Investment Committee”	a committee consisting of at least two Managing Partners of the Manager and at least three Imbiba Partners
“Investment”	an investment made through the Fund (together “Investments”)
“Investor”	a person who completes an Application Form which is accepted by the Manager and so enters into an Investor Agreement (and each an “Investor”)
“Investor Agreements”	the Investor Agreements between the Investors of the Fund and Enterprise in the terms set out in the Appendix of this Information Memorandum (and each an “Investor Agreement”)
“IPEVCA Guidelines”	the International Private Equity and Venture Capital Association Valuation Guidelines for the time being
“IRR”	Internal rate of return
“Managing Partner”	Christian Elmes, Martin Sherwood and Matthew Lenzie
“Maximum Fund Size”	the aggregate maximum subscription of £20 million into the Fund by Investors which may be increased at the Manager’s discretion
“Minimum Fund Size”	the aggregate minimum subscription of £3 million into the Fund by Investors, which may be decreased at the Manager’s discretion
“Minimum Investment”	minimum investment by an Investor into the Fund of £10,000
“Offshore Custodian”	such person or persons as the Fund may appoint to provide, and which the Fund has agreed terms for, safe custody, custodial and nominee services in respect of the Companies for services outside the UK which, at the date of this Information Memorandum, is Woodside Corporate Services Limited
“Ordinary Shares” or “Shares”	the Shares in the various Investee Companies subscribed for by the Fund on behalf of Investors
“Portfolio”	the Shares in Investee Companies held by the Nominee on behalf an individual Investor
“Readily Realisable Investment”	a government or public security denominated in the currency of the country of its issuer or any other security which is: admitted to an Exchange in an EEA State, regularly traded on or under the rules of such; or regularly traded on or under the rules of a recognised investment exchange or (except in relation to unsolicited real time financial promotions) designated investment exchange, or a newly issued security which can reasonably be expected to fall within the above categories when it begins to be traded. Note that this term does not include AIM or ICAP traded investments, nor does it include unlisted securities
“Ruth & Robinson” or “R&R”	Ruth & Robinson Limited
“Services”	the services provided under Clause 4 of the Investor Agreement
“Subscription”	a cash Subscription to the Fund by way of an Application Form pursuant to clause 2 of the Investor Agreement
“Tax Advantages”	the various tax advantages including EIS Relief and CGT Deferral Relief, arising from Subscriptions for shares in EIS Qualifying Companies through the Fund

# Investor Agreement

This Investor Agreement sets out the terms and conditions for the Imbiba Leisure EIS Fund under which Enterprise Investment Partners LLP, as Manager, provides its discretionary investment management services to you, as an Investor in the Fund.

## 1. Definitions, construction and interpretation

1.1 This Investor Agreement employs the same defined terms as are found in the Definitions section of the Information Memorandum (the "Information Memorandum").

1.2 Words and expressions defined in the Financial Conduct Authority Rules which are not otherwise defined in this Investor Agreement shall, unless the context otherwise requires, have the same meaning in this Investor Agreement.

1.3 Any reference to a statute, statutory instrument or to rules or regulations in this Investor Agreement shall be references to such statute, statutory instrument or rules or regulations as from time to time amended, re-enacted or replaced and to any codification, consolidation, re-enactment or substitution thereof as from time to time in force.

1.4 In this Investor Agreement, unless the context otherwise requires, references to the singular only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter and vice versa; words importing persons shall include bodies corporate, unincorporated associations and partnerships.

1.5 Unless otherwise indicated in this Investor Agreement, references to clauses and Schedules shall be to clauses and Schedules in this Investor Agreement.

1.6 Headings to clauses and Schedules are for convenience only and shall not affect the interpretation of this Investor Agreement.

## 2. Participating in the Fund

2.1 This Investor Agreement comes into force on the date that the Manager accepts the Investor's Application Form and shall supersede, replace and operate to the entire exclusion of any previous or other terms and conditions.

2.2 This Investor Agreement enables the Investor to participate in the Fund. The Fund will be a complying fund within the meaning of Article 2 of the Schedule to the Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001 ("the 2001 Order").

2.3 The Investor hereby appoints the Manager, on the terms set out in this Investor Agreement, to manage his cash and investments within the Fund and collectively with those of other Investors. The Manager agrees to accept its appointment and obligations on the terms set out in this Investor Agreement.

2.4 The Investor confirms that he is not seeking advice from the Manager on the merits of any investment in respect of the Fund.

2.5 The Investor agrees that the Manager and its Associates may hold information about them and their affairs in order to verify their identity and financial standing or otherwise in the performance of this Investor Agreement (among other things the Manager, its Associates and agents may consult a credit or mutual reference agency, which may retain a record of the enquiry).

2.6 Anti-money laundering regulations aim to prevent criminal property being used or disguised as legitimate wealth. The Custodian and Administrator has a duty to comply with any applicable anti-money laundering provisions including the

Proceeds of Crime Act 2002, the Money Laundering Regulations 2007 and the FCA Rules. The Custodian and Administrator must, therefore, verify the Investor's identity and report suspicious transactions to the appropriate enforcement agencies. If the Investor does not provide the identity verification information when requested by the Custodian and Administrator, the Custodian and Administrator may be unable to accept any instructions from the Investor or to comply with its obligations under this Investor Agreement in whole or in part.

2.7 Following acceptance of an Application Form, the Custodian and Administrator will write to the Investor confirming acceptance and enclosing a form of cancellation notice. Each Investor may exercise a right to cancel the Investor Agreement by notification to the Manager within 14 calendar days of receipt by the Investor of the form of the cancellation notice sent to the address given in clause 19.1 below.

2.8 If the Investor exercises their cancellation rights, the Manager shall arrange for the refund of any monies paid by the Investor, less any charges the Manager has already incurred for any Services undertaken pursuant to the terms of this Investor Agreement or paid out in respect of agreed Adviser Charges.

2.9 The Manager will endeavour to arrange the return of any monies pursuant under this clause 2.9 as soon as possible (but in any event not more than 28 calendar days following the cancellation). The Investor will not be entitled to any interest on such monies. The Administrator is obliged to hold the Investor's Subscription monies until they have satisfactorily completed their money laundering checks.

2.10 The right to cancel set out in clause 2.8 is without prejudice to the right under clause 15.2 below to terminate this Investor Agreement, which is a separate right.

## 3. Regulatory

3.1 The Manager is authorised and regulated by the Financial Conduct Authority. The Investor is classified as a retail client for the purposes of the FCA Rules. The Investor has the right to request a different client categorisation. However, if the Investor does so and if the Manager agrees to such categorisation, the Investor will lose protections afforded to retail clients by certain FCA Rules. The Manager and Administrator participate in the Financial Services Compensation Scheme (FSCS), established under the Financial Services and Markets Act 2000, which provides compensation to eligible investors in the event that either the Manager or the Custodian and Administrator are unable to meet their liabilities or obligations to the Investor.

3.2 The Fund will comprise of shares in a selection of unquoted Companies which are collectively managed on behalf of all Investors in accordance with the investment objectives and restrictions set out in Schedule I of this Investor Agreement. The Manager will be responsible for the discretionary management of all cash and shares within the Fund but each Investor, for legal and tax purposes, will be the beneficial owner of a specific number of Shares in each Investee Company.

3.3 The Manager will comply with the FCA's conduct of business rule 11.2, which requires the Manager to take all reasonable steps to obtain, when making investments, the best possible result for the Investor taking into account the execution factors: price, costs, speed, likelihood of execution and settlement, size, nature and any other consideration relevant to making an Investment. In doing this, the Manager will take into account the following criteria for determining the relative importance of these execution factors: the categorisation of the client, the characteristics of the rules of the EIS and the characteristics of the normal commercial practice of the counterparties with

which, and the markets in which, the Investee Companies will do business. In particular, the provision by counterparties of guarantees of minimum contractual levels of return may be more important than price in obtaining the best possible execution result in the context of achieving the investment objective of the Fund.

3.4 It is the policy of the Manager to segregate an Investor's uninvested money from cash held for or on behalf of the Manager by the appointment of the Administrator to hold all Investor funds on behalf of the Manager.

3.5 If the Investor has a complaint regarding the Services they may raise the complaint with their Financial Intermediary or directly with the Manager by writing to the address given in clause 19.1 below and the Manager shall endeavour to resolve the complaint promptly and efficiently, and will reply to the Investor in writing. If the complaint is not resolved to the Investor's satisfaction then they may be entitled to refer it to the Financial Ombudsman Service. Please refer to clause 18.1 for further details on the Financial Ombudsman Service.

#### 4. Services

4.1 The Manager will manage the Fund on the terms set out in this Investor Agreement. The Manager will exercise all discretionary powers in relation to the selection of, or exercising rights relating to, Investments on the terms set out in this Investor Agreement, including, in particular the negotiation and execution of agreements and ancillary documentation relating to Investments. The Manager will also arrange for the provision of safe custody and administration services in relation to the Fund. The Manager may, at its discretion, provide safe custody and/or administration services itself or through an Associate if the correct regulatory permissions are in place.

4.2 Woodside Corporate Services Limited, a company authorised and regulated by the Financial Conduct Authority (FRN: 467652) is expected to be the first Administrator of the Fund and will provide safe custody and administration services. It is intended that Woodside Corporate Services Limited will enter into a Custodian Agreement with the Manager. The Manager will enter into such Custodian Agreements both itself and on behalf of each Investor, and the Investor warrants to the Manager on a continuing basis that the signing, delivery or performance of the Custodian Agreement and the giving of instructions to the Administrator under the Custodian Agreement does not and will not contravene or constitute a default under the following:

- (a) any Applicable Law by which the Investor or any of their cash and investments are bound or affected; or
- (b) any rights of any third parties in respect of the Investor.

4.3 The Investor hereby authorises the Manager or its agents to act on its behalf and in the name of the Investor (or its nominee) to negotiate, agree, execute and do all such acts, transactions, agreements and deeds as the Manager or its agents may deem necessary or desirable in connection with the Fund for the purposes of managing cash and investments on behalf of the Investor and generally fulfilling the objectives and purposes of the Fund (including facilitating the payment of agreed charges on behalf of Investors to their authorised Financial Intermediaries) and this authority shall be irrevocable and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetence, termination, bankruptcy, insolvency or dissolution of the Investor. This authority (subject to clause 7.6) will terminate upon the Investor ceasing to hold any cash or Investment in the Fund.

4.4 The Manager shall not, except as expressly provided in this Investor Agreement or unless otherwise authorised, have any authority to act on behalf of, or in respect of, the Investor or to

act as agent of the Investor.

#### 5. Investment objectives and restrictions

5.1 In managing the Fund, the Manager shall at all times have regard to and comply with:

- (a) the investment objectives and restrictions set out in Schedule 1 of this Investor Agreement; and
- (b) all Applicable Laws.

5.2 The Manager reserves the right to return uninvested funds if it concludes that they cannot be properly invested.

5.3 No monies shall be borrowed for the account of the Investor's Portfolio.

5.4 The Manager will seek to invest in one or more Investee Companies which are trading or preparing to trade.

5.5 The Manager will target Investments in one or more Investee Companies which they reasonably believe to qualify for the Enterprise Investment Scheme (EIS) at the time of Investment and likely to remain so. The Manager cannot guarantee that an Investment will qualify for EIS at all times thereafter. There is no minimum or maximum number of Investee Companies which the Manager may invest in.

#### 6. Terms applicable to dealing

6.1 In effecting transactions, the Manager will act in accordance with the FCA Rules.

6.2 Where relevant, it is agreed that all transactions will be effected in accordance with the rules and regulations of any relevant market, exchange or clearing house (and the Manager shall take all such steps as may be required or permitted by such rules and regulations and/or by good market practice) through which transactions are executed and to all Applicable Laws so that:

- (a) if there is any conflict between the provisions of this Investor Agreement and any such rules, customs or Applicable Laws, the latter shall prevail; and
- (b) action may be taken as thought fit in order to ensure compliance with any such rules, customs or Applicable Laws. The Investor should, however, be aware that the Fund will be invested in a range of unlisted securities and there is generally no relevant market or exchange and consequent rules and customs and there will be varying practices for different securities. Transactions in the shares of Investee Companies will be effected on the best commercial terms that can be secured.

6.3 Subject to the FCA Rules, transactions may be aggregated with those for other customers of the Manager and its members, directors, employees and Associates and their employees and, if so, any Investments made pursuant to such transactions will be allocated on a fair and reasonable basis in accordance with the FCA Rules and endeavours will be made to ensure that the aggregation will work to the advantage of each of the Investors, but an Investor should be aware that the effect of aggregation may work on some occasions to an Investor's disadvantage.

6.4 Subject to both the FCA Rules and the Manager's policy on the management of conflicts of interest, the Manager may make use of soft commission arrangements in respect of transactions undertaken for the Fund as may be disclosed to the Investor from time to time.

6.5 The Manager will act in good faith and with due diligence in its choice and use of counterparties but, subject to this obligation and to the FCA Rules, shall have no responsibility

for the performance by any counterparty of its obligations in respect of transactions effected under this Investor Agreement.

6.6 Save as detailed in clause 3.4, the Manager shall take reasonable steps to obtain the best possible result when making Investments. This duty of best execution is owed by the Manager only when the Manager has contractual or agency obligations to the Investor.

## 7. Custody, Nominee and administration arrangements

7.1 The initial custodian and nominee will be Woodside Corporate Services Limited (“Woodside”). Cash will be dealt with as provided in clause 7.7. Woodside or an appointed authorised firm will act as custodian of the cash and other assets comprised in the Fund from time to time, and to provide services including the settlement of transactions, collection of income and effecting of other administrative actions in relation to the cash and Investments.

7.2 Investments will be registered in the name of the Custodian’s Nominee Company. Investments will be beneficially owned by the Investor at all times but the Nominee Company shall have legal title to the Investments and shall hold any title documents (or other title to the Investments). The Investor:

(a) consents to their Investments being registered in the name of the Nominee (or any other nominee company selected by the Manager and as notified to the Investor) for the purpose of simplifying the share administration of the Fund;

(b) and only for purposes of administrative convenience, empowers and authorises the Manager to exercise any conversion, subscription, voting or other rights relating to Investments, subject always:

(i) to the Manager’s conflicts of interest policy (as described in clause 13); and

(ii) the Investor’s right to exercise his voting rights himself by giving written notice to the Manager stating such a preference;

(c) acknowledges and agrees that the Manager is not obliged to seek any instruction or direction directly from them to exercise any rights in respect of any Investment.

7.3 The Nominee will be instructed to hold any title documents or documents evidencing title to the Investments. Individual Investor entitlements are not identifiable by separate certificates or other physical documents of title or external electronic records. In the event of a default of the Nominee, those for whom it holds Investments may share in any shortfall pro rata. The Nominee will be instructed to hold the Investments pursuant to a trust under which the interests of customers are created or extinguished when acquisitions or disposals are effected in accordance with this Investor Agreement. Pursuant to section 250(1) of the Income Tax Act 2007, shares subscribed for, issued to, held by or disposed of for an individual by a Nominee Company are treated for the purposes of EIS as subscribed for, issued to, held by or disposed of by the individual Investor. The Nominee will be instructed to maintain at all times a record sufficient to show the beneficial interest of the Investor in the cash and Investments within their Portfolio.

7.4 Investments or title documents may not be lent to a third party and nor may there be any borrowing against the security of the Investments or such title documents.

7.5 An Investment may be realised in whole or in part, in order to discharge an obligation of the Investor under the Agreement, for example in relation to payment of fees, costs and expenses.

7.6 The Manager will arrange for the Investor to receive details of any Investee Company meetings and any other information

issued by the Investee Companies if the Investor at any time in writing requests such details and information (either specifically in relation to a particular Investment or generally in respect of all Investments). The Investor shall be entitled, as a matter of right, to require the Custodian to appoint the Investor as proxy for the Nominee Company to vote as the Investor may see fit at any meeting of shareholders in an Investee Company in which an Investment is held for an Investor. In the case of an Investor who is not validly appointed as the Nominee’s proxy for the purposes of a meeting of the shareholders of an Investee Company in which an Investment is held for that Investor, and upon the application of the Manager, the Nominee may (but is not obliged to) appoint the Manager as proxy for the Nominee Company to vote at that meeting.

7.7 The cash balance held for an Investor will be held in a cash settlement account and will be deposited with an authorised banking institution in a client money bank account, together with cash balances belonging to other Investors and the Manager shall appoint a suitably authorised party (initially Woodside Corporate Services Limited) to operate such account, save that, if and for so long as the Manager is itself a suitably authorised person, it may provide such services itself. Initially, Investors’ Subscriptions will be held in a client money bank account operated by Woodside Corporate Services Limited who will act as receiving agent in respect of Subscriptions. Cash balances will not be actively managed and will only attract the interest rates (if anything) applicable to cash settlement accounts.

7.8 The Manager may decide to cease to treat as money owed to an Investor any unclaimed cash of an Investor if the Manager has taken reasonable steps to contact the Investor and to return the money owed for a period of at least six years. In such circumstances, the Manager may retain such money for its own benefit.

7.9 The Manager will deal with the Administrator on behalf of Investors, and the Administrator will only deal with the Manager who will receive all notices, consent requests and other documents under the Custodian Agreements.

7.10 To the extent allowable under the FCA Rules the Custodian will be responsible for the safe-keeping of Investments and cash comprised in the Fund, including the settlement of transactions, the collection of income and the effecting of other administrative actions in relation to the Investments.

7.11 The proceeds from each Exit in respect of an Investee Company shall be paid in the first instance to the client bank account in the name of the Manager.

Subject to Clause 15, on an Exit of each Investment the Manager shall forthwith distribute all proceeds to the Investors on each Exit (after payment of the expenses and liabilities of the Fund).

Any amount to be distributed to the Investors pursuant to clause 15 shall be distributed pro rata to the Investors according to their beneficial shareholdings in the relevant Investee Company.

Any taxation which may become payable by a Party as a result of (a) the receipt of any distribution under this Agreement; or (b) an Exit; shall be the responsibility and liability of such Party. For the avoidance of doubt, where an Investment ceases to be an EIS qualifying investment then each Investor shall be liable to account to HMRC for their respective tax liability and neither the Manager nor the Custodian shall be liable to the Investors or HMRC for any sums due in respect thereof.

7.12 In the event of any failure, interruption or delay in the performance of the Manager’s or the Custodian’s obligations resulting from acts, events or circumstances not reasonably within its control (including but not limited to a Force Majeure Event, war, riot, civil commotion, terrorism or threat thereof,

acts or regulations of any governmental or supranational bodies or authorities and breakdown, failure or malfunction of any telecommunication or computer service or systems), neither the Manager nor the Custodian shall be liable or have any responsibility of any kind for any loss or damage thereby incurred or suffered by the Investor.

Neither the Manager nor the Custodian shall be liable for any defaults of any counterparty, agent, banker, nominee or other person or entity which holds money, investments or documents of title for the Fund, other than such party which is its Associate.

Neither the Manager nor the Custodian shall have any liability to the Investor, whether in contract, tort (including negligence), breach of statutory duty or otherwise, for any loss of profit, or for any indirect or inconsequential loss arising under or in connection with this Agreement.

Nothing in this Agreement will operate to exclude or restrict any Party's liability for death or personal injury caused by its negligence, or the negligence of its employees, or subcontractors or its fraud, willful default or fraudulent misrepresentation, or any liability which cannot be limited or excluded under the FCA Rules.

Neither the Manager nor the Custodian give any representations or warranty as to the performance of the Investee Companies. The Investor acknowledges that the Investee Companies are high risk investments, being non-readily realisable investments. There is a restricted market for such investments and it may therefore be difficult to sell the Investments or to obtain reliable information about their value. The Investor undertakes that he has himself considered the suitability of the investment in the Investee Companies carefully and has noted the risk warnings set out in the Information Memorandum about the Fund. Neither the Manager nor the Custodian shall be responsible or liable to the Investor for the economic performance of the Investments.

7.13 The Custodian will hold cash subscribed by the Investor in accordance with the Client Money Rules contained in CASS 7 of the FCA Rules. Such cash balance will be deposited with an authorised credit institution in a bank account (or accounts) opened and maintained in the name of the Manager. The Manager or the Custodian at the direction of the Manager may debit or credit the said account for all sums payable by or to the Investor (including dividends receivable in cash and fees and other amounts payable by the Investor). Any interest payable on credit balances in the said account will be retained by the Manager and any bank charges incurred in the said account will be met by the Manager.

## 8. Reports and information

8.1 The Manager shall provide the Investor with a report relating to the Fund, complying with the FCA Rules, every 3 months, in respect of, and within 45 calendar days of, the periods ending on 31 March, 30 June, 30 September and 31 December. Reports will include a measure of performance in the later stages of the Fund once valuations are available for the Investments. Investments will be valued in accordance with appropriate IPEVCA Guidelines from time to time prevailing.

8.2 Details of dividends which are received in respect of the Investments will be provided in respect of each tax year ending 5 April and appropriate statements sent to the Investor within sections 1105(1), (2) and (3) of the Corporation Taxes Act 2010.

8.3 Confirmation notes will be provided for each transaction effected on behalf of the Investor's Portfolio.

8.4 The Manager shall supply (or arrange for the Administrator to supply) such further information which is in its possession or under its control as the Investor may reasonably request as soon as reasonably practicable after receipt of such request.

8.5 Any statements, reports or information provided to the Investor will state the basis of any valuations of Investments provided.

8.6 The performance of the Investments held within the Portfolio will not be measured against any stock market or other index. Periodic statements will also show any interest credited to the Portfolio, fees charged or accrued and transactions effected within the period.

## 9. Fees and expenses

9.1 The Manager shall receive fees for its Services, and reimbursements of their costs and expenses, as set out in Schedule 2 to this Investor Agreement.

9.2 The Manager may make, or procure the making of, facilitation payments in respect of charges which the Investor has agreed with their authorised financial intermediary on their behalf as detailed in the Information Memorandum and the Application Form. The Manager has no obligation to facilitate or procure the facilitation of payment of charges. The Manager may structure the funding of such facilitation payments at its discretion for legal, tax and regulatory reasons from time to time.

9.3 The Manager shall be responsible for meeting all fees and expenses of the Administrator and the Nominee.

9.4 All costs and expenses are stated exclusive of VAT, if applicable.

## 10. Management and administration obligations

10.1 The Manager and Administrator shall:

10.1.1 devote such time and attention and have all necessary competent personnel and equipment as may be required to enable it to provide the Services to be performed by it properly and efficiently, and in compliance with the FCA Rules; and

10.1.2 use reasonable skill and care in the provision of the Services to be performed by it.

10.2 The Manager and Administrator shall act in good faith and shall use due diligence in delegating or sub-contracting the provision of any of the Services, including in the appointment of the Administrator and Nominee to provide custodian, administration and nominee services, and in reviewing the ongoing delegation or sub-contracting, provided that in relation to any Services delegated in accordance with clause 12.2:

10.2.1 the Manager and Administrator shall remain liable for all acts and omissions of any Associate as if they were of the Manager; and

10.2.2 save to the extent provided in the FCA Rules, the Manager shall not be liable for the acts and omission of any party that is not an Associate.

10.3 Except as disclosed in the Information Memorandum and as otherwise provided in this Agreement (for example on early termination), neither the Manager nor the Administrator shall take any action which may prejudice the tax position of the Investor insofar as it is aware of the relevant circumstances, and in particular which may prejudice obtaining EIS relief for the Investments, save where the Manager considers it to be in the best interests of the Investor.

## 11. Obligations of the Investor

11.1 The Investor's participation in the Fund, which is governed by this Investor Agreement is set up on the basis of the declaration and elections made by the Investor in his Application Form which includes the following statements by the Investor in

relation to his Subscription:

(a) that he agrees to notify the Manager if any Investment is in any EIS Qualifying Company with which the Investor is connected within the meaning of section 163 and sections 166 to 171 of the Income Tax Act 2007;

(b) that he agrees to notify the Manager if, within three years of the date of issue of Shares by an EIS Qualifying Company, the Investor becomes connected with the company or receives value from such company;

(c) that he agrees to notify the Manager if he lends to a third party or borrows against, any beneficial interest he may have in an Investment or creates any mortgage, charge, pledge, lien, right of set-off or any security interest, encumbrances, claims or whatsoever in respect of a third party;

(d) that he will provide the Manager with his tax district, tax reference number and National Insurance Number; and

11.2 The Investor confirms that the information stated in the Application Form is true and accurate as at the date of this Investor Agreement.

11.3 The Investor must immediately inform the Manager in writing of any change of tax status, other material change in circumstance and any change in the information provided in the Application Form to which clause 11.1 above refers.

11.4 In addition, an Investor must provide the Manager with any information which it reasonably requests for the purposes of managing the Fund pursuant to the terms of this Investor Agreement.

## 12. Delegation and assignment

12.1 Without prejudice to any other terms and conditions of this Investor Agreement, the Manager may employ or otherwise appoint Associates, to perform any services to assist the Manager in performing its Services and may rely on advice from any agent or advisers or other such persons, without liability itself, provided that it will act in good faith and with due diligence in the selection, use and monitoring of such persons. The Manager will remain directly responsible to the Investor for all acts and omissions of an Associate as if they were that of the Manager.

12.2 The Manager may assign this Investor Agreement to any appropriately authorised and regulated person, such assignment being effective upon advance written notice of 28 calendar days being provided to the Investor. This Investor Agreement is personal to the Investor and may not be assigned by the Investor without prior written consent of the Manager. In the event of the Investor's death, the Manager will continue to deal with the Investor's personal representatives.

## 13. Potential conflicts of interest and disclosure

13.1 The Manager may provide similar services or any other services whatsoever to any customer and the Manager shall not, in any circumstance, be required to account to the Investors for any profits earned in connection therewith. So far as is deemed practicable by the Manager, the Manager will use all reasonable endeavours to ensure fair treatment as between the Investors and such customers in compliance with the FCA Rules. For the avoidance of doubt this clause excludes Associates.

13.2 The Manager is required by FCA Rules to establish, implement and maintain a conflicts of interest policy. A copy of this policy will be provided on request. The Manager's conflicts of interest policy sets out the types of actual or potential conflicts of interest which may affect the Fund Manager.

13.3 The Manager, Imbiba or any persons connected with the Manager and Imbiba, may hold investments within the Fund or

outside the Fund, in an Investee Company.

13.4 The Manager may, subject to FCA Rules and without prior reference to the Investors, effect transactions in which it has, directly or indirectly, a material interest or a relationship of any description with another party, which may involve a potential conflict with its duty to the Investors. The Manager shall not be liable to account to the Investors for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions. For example, such potential conflicting interests or duties may arise because:

(a) the Manager may receive remuneration or other benefits by reason of acting in corporate finance or similar transactions involving investments in Investee Companies;

(b) the Manager may take a direct equity stake in a Investee Company separate from the Fund at a price not below the issue price available to the Investor subject to subparagraph (c) below;

(c) the Manager's entitlement to the performance incentive described in Schedule 2 to this Investor Agreement may be obtained by Investments made on behalf of the Manager and its members, partners, employees, Associates and others with whom the Manager may share such entitlement. Those Investments may be subscribed for at a price below the issue price available to the Investor and may dilute the returns to the Investor but only to the extent of the value of the performance incentive and subject to the conditions described in Schedule 2;

(d) the Manager provides investment services for other customers;

(e) any of the Manager's members, employees or Associates is or may become a director of, holds an investment in, or is otherwise interested in the Investee Companies.

(f) the transaction is in securities issued by an Associate.

(g) the transaction is in relation to an Investment in respect of which the Manager or an Associate may benefit from a commission or fee payable otherwise than by the Investor and/or it or an Associate may also be remunerated by a professional entity party to any such transaction;

(h) the Manager deals on behalf of the Investors with an Associate;

(i) the Manager may act as agent for the Investors in relation to a transaction in which it is also acting as agent for the account of other customers and Associates;

(j) the Manager may, in exceptional circumstances, effect transactions as principal in respect of a transaction for the Investors;

(k) the Manager may have regard, in providing its service, to the relative performance of other investments under its management;

(l) the Manager may effect transactions involving placings and/or new issues with an Associate who may be acting as principal or receiving agent's commission. The Manager or an Associate may retain any agent's commission or discount or other benefit (including directors' fees) that accrues to them;

(m) the transaction is in the securities of a company for which the Manager or an Associate has underwritten, managed or arranged an issue within the period of 12 months before the date of the transaction; or

(n) the transaction is in shares in respect of which the

Manager, or a member, partner or employee of the Manager or an Associate or its employees, is contemporaneously trading or has traded on its own account or has either a long or short position.

#### 14. Liability of the Manager

14.1 The Manager will at all times act in good faith and with reasonable care and due diligence. Nothing in this clause 14 shall exclude any duty or liability owed by the Manager under the FCA Rules.

14.2 The Manager shall not be liable for any loss to the Investor arising from any investment decision made in accordance with the investment objectives and the investment restrictions set out in Schedule 1 to this Investor Agreement or for other action in accordance with this Investor Agreement, except to the extent that such loss is directly due to the negligence or wilful default or fraud of the Manager, its Associates or any of its or their partners, members, directors or employees.

14.3 The Manager shall not be liable for any defaults of any counterparty, agent, banker, administrator, custodian, nominee or other person or entity which holds money, investments or documents of title, other than where such party is an Associate.

14.4 In the event of any failure, interruption or delay in the performance of the Manager's, an Associate's or any of its agents', delegates' or subcontractors' obligations resulting from acts, events or circumstances not reasonably within its or their control (including but not limited to acts or regulations of any governmental or supranational bodies or authorities) or breakdown, failure or malfunction of any telecommunications or computer service or systems, the Investor acknowledges that neither the Manager nor its agents, delegates or subcontractors, as appropriate, shall be liable or have any responsibility of any kind for any loss or damage thereby incurred or suffered by the Investor.

14.5 The Manager gives no representations or warranty as to the performance of the Fund. Investments are high risk investments, being non-readily realisable investments. There is a restricted market for such Investments and it may therefore be difficult to sell the Investments or to obtain reliable information about their value. Investors should consider the suitability of the investment objectives and restrictions set out in Schedule 1 of this Investor Agreement carefully and note the risk warnings set out in the Information Memorandum. Nothing in this clause 14 shall exclude the liability of the Manager for its own negligence or fraud.

#### 15. Termination

15.1 The Fund has no automatic termination date but the Manager may set a date, of which it shall give not less than six months' written notice to the Investor, on which the Fund will terminate. The Manager will seek to sell Investments in the Investee Companies and to terminate the Fund in an orderly fashion but it cannot be guaranteed that Investments can be easily sold within a reasonable period and, even where they can be realised, that this can be done on an advantageous basis. On termination of the Fund, the Manager shall endeavour to procure that all Investments in Investee Companies allocated to the Investor within the Fund will be sold or transferred into the Investor's name or as the Investor may otherwise direct. Any proceeds realised from the sales of Investments in Investee Companies will be paid to the Investor.

15.2 An Investor is entitled to make withdrawals of his Shares at any time after the end of the period of five years beginning with the date on which the Investments in Investee Companies in question were acquired or, if earlier, as contemplated by Article 2 of the Schedules to the Financial Services and Markets Act

2000 (Collective Investment Schemes) Order 2001. An Investor is entitled to withdraw any cash allocated to him within the Fund at any time. The Manager will have a lien on all Investments being withdrawn or distributed from the Fund and shall be entitled to dispose of some or all of the same and apply the proceeds in discharging any liability (including for any accrual of the performance incentive) of the Investor to the Manager, Administrator and Imbiba. This Agreement shall terminate upon the completion of the withdrawal from the Fund of all cash and Investments which the Investor is entitled to receive under this clause 15.2. The balance of any sale proceeds and control of any remaining Investments will then be passed to an Investor. The Investor is not otherwise entitled to make withdrawals from the Fund save in the event that this Investor Agreement is terminated.

15.3 If:

(a) the Manager gives to the Investor not less than three months' written notice of its intention to terminate its role as Manager under this Investor Agreement; or

(b) the Manager ceases to be appropriately authorised by the FCA or such other equivalent regulatory body, or becomes insolvent;

the Manager shall endeavour to make arrangements to transfer the Investments in the Investee Companies to another investment manager, in which case that investment manager shall assume the role of the Manager under this Investor Agreement, failing which this Investor Agreement shall terminate forthwith and, subject to clause 16, the Investments held for the Investor shall be re-registered into the Investor's name or as the Investor may otherwise direct.

#### 16. Consequences of termination

16.1 On termination of this Investor Agreement pursuant to clause 15, the Manager will use reasonable endeavours to complete all transactions in progress at termination expeditiously on the basis set out in this Investor Agreement.

16.2 Termination will not affect accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payments save that the Investor will pay fees, expenses and costs properly incurred by the Manager, its Associates and delegates (including a fair amount determined by the Manager in compensation for accrued performance incentive not obtained by effecting transactions) up to and including the date of termination and payable under the terms of this Investor Agreement.

16.3 On termination, the Manager may retain and/or realise such Investments as may be required to settle transactions already initiated and to pay the Investor's outstanding liabilities, including fees, costs and expenses payable under clause 9 (including a fair amount determined by the Manager in compensation for accrued performance incentive not obtained by effecting transactions), the details of which are set out in Schedule 2 to this Investor Agreement.

16.4 Clauses 14 and 17 shall survive the termination of this Investor Agreement.

16.5 The Investor acknowledges that if EIS Qualifying Investments are sold, they may lose their EIS status and tax relief.

#### 17. Confidential information

17.1 Neither the Manager nor the Investor shall disclose to third parties or take into consideration for purposes unrelated to the Fund information either:

(a) the disclosure of which by it would be or might be a

breach of duty or confidence to any other person; or

(b) which comes to the notice of a partner or member of or an employee, officer or agent of the Manager or of any Associate but does not properly come to the actual notice of that party providing the services under this Investor Agreement.

17.2 The Manager will at all times keep confidential all information of the Investor acquired in consequence of the Services, except for information which:

(a) is in the public knowledge; or

(b) which they may be bound to disclose under compulsion of law; or

(c) is requested by regulatory agencies; or

(d) is given to their professional advisers where reasonably necessary for the performance of their professional services; or

(e) which is authorised to be disclosed by the relevant party;

and shall use reasonable endeavours to prevent any breach of this clause 17.2.

17.3 The Manager will procure that any agent or delegate, which is an Associate appointed by it will observe and comply with the provisions of clauses 17.1 and/or 17.2.

## 18. Complaints and compensation

18.1 The Manager has established procedures in accordance with the FCA Rules for consideration of complaints. Details of these procedures are available from it on request. Should an Investor have a complaint, he should contact the Manager. If the Manager cannot resolve the complaint to the satisfaction of the Investor, the Investor may be entitled to refer it to the Financial Ombudsman Service.

The Financial Ombudsman can be contacted at:

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Tel: 020 7964 1000

Fax: 020 7964 1001

18.2 The Manager and Administrator participate in the Financial Services Compensation Scheme (FSCS), established under the Financial Services and Markets Act 2000, which provides compensation to eligible Investors in the event of a firm being unable to meet its liabilities. Payments under the protected investment business scheme are currently limited to a maximum of the first £50,000 of the claim. Further information is available from the Manager or Administrator or the FSCS at [www.fscs.org.uk](http://www.fscs.org.uk).

## 19. Notices, instructions and communications

19.1 Notices of instructions to the Manager should be in writing and signed by the Investor, except as otherwise specifically indicated. Notices should be sent to Enterprise Investment Partners LLP, 1-6 Speedy Place, Cromer Street, London WC1H 8BS (or such other postal address notified to the Investor for this purpose).

19.2 The Manager, its Associates or any of its or their agents may rely and act on any instruction or communication which purports to have been given by persons authorised to give instructions by the Investor under the Application Form or subsequently notified by the Investor from time to time and, unless that relevant party receives written notice to the contrary, whether or not the authority of such person shall have been terminated.

19.3 All communications to the Investor shall be in English and

will be sent (whether postal or electronic) to the latest address notified by the Investor to the Manager and shall be deemed received by the Investor on the second day after posting or on the day after dispatch in the case of electronic communication. All communications by the Investor shall be made in writing or (save as otherwise provided) shall be made by telephone to the Manager, in which case conversations may be recorded for the avoidance of any subsequent doubt. Communications sent by the Investor will be deemed received only if actually received by the Manager. The Manager will not be liable for any delay or failure of delivery (for whatever reason) of any communication sent to the Investor.

## 20. Unsolicited real-time financial promotions

The Manager may communicate an unsolicited real-time financial promotion (i.e. interactive communications such as a telephone call or electronic mail promoting investments) to the Investor.

## 21. Amendments

21.1 The Manager may amend the terms and conditions in this Investor Agreement by giving the Investor not less than ten business days' written notice.

21.2 The Manager may also amend these terms by giving the Investor written notice with immediate effect if such is necessary in order to comply with HM Revenue & Customs requirements, in order to maintain the EIS relief or in order to comply with the FCA Rules or other statutory or regulatory requirements.

## 22. Data protection

All data which the Investor provides to the Manager and the Administrator is held by that party subject to the Data Protection Act 1998. The Investor agrees that the Manager and the Administrator may pass personal data to each other and to other parties insofar as is necessary in order for them to provide their Services as set out in this Investor Agreement and to the FCA and any regulatory authority which regulates them and in accordance with all other Applicable Laws.

## 23. Entire agreement

This Investor Agreement, together with the Application Form, comprises the entire agreement of the Manager with the Investor relating to the provision of the Services.

## 24. Rights of third parties

A person who is not a party to this Investor Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Investor Agreement, but this does not affect any right or remedy of such third party which exists or is available apart from that Act.

## 25. Severability

If any term, condition or provision of this Investor Agreement shall be held to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall not affect the validity, legality or enforceability of the remainder of this Investor Agreement.

## 26. Governing Law

This Investor Agreement and all matters relating thereto shall be governed by and construed in accordance with English Law and the parties submit to the exclusive jurisdiction of the English Courts.

# Schedule 1 - Investment Objectives and Restrictions

## 1. Investment Objectives

The investment objective of the Fund is to invest in a portfolio of EIS qualifying bar, restaurant, event, catering and hospitality companies, with strong growth and compelling exit prospects. Based on the experience of the Manager and Imbiba, the Fund will invest in the Leisure and Hospitality sectors.

## 2. Investment Focus

The Fund's investment focus will be on unquoted equity investments in opportunities in the United Kingdom but with a focus on Central London.

## 3. Investment Restrictions

In carrying out its duties hereunder in respect of the Fund, regard shall be paid, and all reasonable steps taken, by the Manager to comply with such policies or restrictions as are required in respect of EIS investments in order to attract the reliefs from taxation under EIS as may be prescribed by HMRC from time to time.

Whilst it is not the Manger's intention to do so, the Manager reserves the right to invest in suitable non qualifying EIS investments where necessary to protect existing Investments.

Investors should be aware that there is a restricted market for the Investments in Investee Companies and it may therefore be difficult to deal in the Investments or to obtain reliable information about their value.

# Schedule 2 – Fees, Costs and Expenses

## 1. Fees and expenses in respect of the Fund

No initial charge or Annual Management Fee will be levied on Investors. The Manager will charge Investee Companies the Initial Charge and Annual Management Fee thus Investors should therefore be able to obtain tax relief on the full amount of their Subscription.

All fees payable to the Manager, Administrator and Imbiba are disclosed below. Other than set out below, the Manager, Administrator and Imbiba will not charge any additional administrative, service, dealing or exit fees to the Fund or underlying Investee Companies in which it will invest.

## 2. Initial charges, Administration costs and Intermediary/ Execution-only Broker charges

### *Initial Charge*

The Manager will pay all costs of establishing the Fund, including all legal, receiving agent and taxation costs incurred in creating the Fund, the preparation and issue of this document and any other direct expenses wholly incurred in establishing the Fund. In return, the Manager will receive an Initial Charge of 2.5% (plus VAT, if applicable) of the amounts invested in each Investee Company through the Fund.

The Manager will seek to recover this Initial Charge from the Fund's Investee Companies, thus Investors should therefore be able to obtain tax relief on the full amount of their Subscription.

### *Custody and Administration Costs*

The Manager will pay the costs of the Custodian, Administrator and the Nominee for the provision of safe custody, nominee and various administration services from its Initial Charge and ongoing Annual Management Fees.

### *Intermediaries*

Following the introduction of the Retail Distribution Review (RDR), commission is not permitted to be paid to Financial Intermediaries who provide a personal recommendation to Investors in respect of the Fund.

Where an Investor has agreed to pay a Financial Intermediary (including an "execution-only" broker) an Initial Fee in respect of a Subscription to the Fund, such payment will be facilitated by the Manager where this is requested in the Application Form.

The Initial Fee can either be paid directly by the Investor to the Financial Intermediary or it can be facilitated by the Manager out of the Investor's Subscription. On-going fees will not be facilitated by the Manager. The Initial Fee will be deducted directly from Subscriptions which will, therefore, reduce the amount of tax reliefs an Investor can claim on their Subscription. By way of an example, if £100,000 were invested with a 2.5% initial fee payable to a Financial Intermediary, £97,500 would be invested into the Investee Companies and available income tax relief would be £29,250 (30% of £97,500).

## 3. Annual Management Fee

The Annual Management Fee payable to the Manager will be 1% of the amounts invested in each Investee Company through the Fund.

The Annual Management Fee will accrue from the date of the investment by the Fund in the Investee Companies and will be payable quarterly in arrears. VAT will be added where applicable.

## 4. Fees Payable to Imbiba

Imbiba in its capacity as the leisure sector adviser to the Manager and for appointing two Directors to each Investee Company will be paid fees capped at £60,000 per annum and per Investee Company. Where Imbiba appoints a Director who performs a role, instead of an external recruitment being made that Director will be remunerated at the prevailing market rate. Imbiba shall be entitled to charge each Investee Company a pro-rata proportion of expenses reasonably incurred and authorised by the Manager and Investee Company Board in respect of discharging its responsibilities.

Imbiba's fees will accrue from the date of the investment by the Fund in the Investee Companies and will be payable quarterly in arrears. VAT will be added where applicable.

## 5. Performance Incentive Fee

The Manager and Imbiba Partners will subscribe to Founder Shares in the Investee Companies which will rank pari passu with Ordinary Shares in the Companies. The Founder Shares will be subject to a hurdle rate of 150% ("Hurdle") on an Exit, so until the Fund's Investors have received no less than 150% of

their investment in the Investee Company a proportion of the Founder Shares will convert into worthless deferred shares, that proportion being determined by reference to the shortfall.

In addition, the Manager and Imbiba Partners will invest in Ordinary Shares on the same terms as the Fund and its Investors.

In total it is expected that the Manager will invest up to £50,000 in each Investee Company split between Founder Shares and Ordinary Shares. The Imbiba Partners will invest up to £150,000 in each Investee Company split between Founder Shares and Ordinary Shares.

The Manager and Imbiba's Performance Incentive Fees will only be payable once an Investor has received proceeds (capital and dividends) of at least £1.50 per £1 invested in the Fund.

## 6. Expenses

The Manager shall be entitled to charge each Investee Company a pro-rata proportion of expenses reasonably incurred by the Manager in respect of the administration of the Fund.



# The Imbiba Leisure EIS Fund

Application Form

Promoter and Fund Manager



# Application Form

This Application Form and these notes incorporate by reference the Information Memorandum. Unless otherwise stated, or as the context shall otherwise require, defined terms and expressions used in this Application Form have the meanings ascribed to them in the Information Memorandum.

## APPLICATION SECTIONS

The sections of this document are divided dependent on how you wish to invest (through a Financial Intermediary or direct):

- 1- Investor Details
- 2- Investment Specifics
- 3- Investing via Financial Intermediary
  - 3.1 Financial Intermediary Details
  - 3.2 Adviser Charge
  - 3.3 Investor Confirmation
  - 3.4 Financial Intermediary Confirmation
- 4- Investing Directly
  - 4.1 Investor Suitability Questionnaire
  - 4.2 Investment Objectives
  - 4.3 Identification Documents (Anti Money Laundering)
  - 4.4 Declaration
- 5- Application Checklist

## HOW TO COMPLETE THE APPLICATION FORM

### STEP 1

*Before completing this Application Form you should carefully review and ensure you understand the Information Memorandum and Investor Agreement. Remember that the investment opportunity may NOT be suitable for you, the information in the Information Memorandum does NOT constitute tax, legal or investment advice and you should seek your own independent advice from an independent Financial Intermediary authorised by the FCA.*

### STEP 2

Please complete the Application Form in block capitals in black/blue permanent ink and sign any changes you make. Do not erase any text or use correction fluid. Alternatively if you have received this document in electronic format you can complete this online (save for your signature).

### STEP 3

Arrange for your Financial Intermediary, authorised by the Financial Conduct Authority, to complete and sign an adviser anti money laundering ("AML") Certificate. If you do not have an authorised Financial Intermediary, please complete Section 4 of this application and include the required AML documents.

## WHAT HAPPENS AFTER WE RECEIVE YOUR APPLICATION?

- 1- You will receive confirmation your application has been received and your funds will be invested as set out in the Information Memorandum.
- 2- You will receive confirmation of the Investments that the Fund makes on your behalf including the amount invested, the number of shares you hold in each Investee Company and your share certificates.
- 3- EIS 3 certificates will be applied for as soon as your Investee Company(s) have traded for 4 months. Once received from HMRC, they will be posted to you promptly.
- 4- You will receive quarterly investor updates on the progress of the Fund and the Investee Companies.
- 5- You will receive bi-annual valuations of the Investee Companies that make up your portfolio.
- 6- You will receive an annual tax pack containing necessary information to assist you or your tax adviser with the completion of your tax return.

## SUBMITTING YOUR APPLICATION

Send the application pack comprising of the following items:

- 1- Application Form (completed and dated);
- 2- Adviser AML Certificate (Investing via Financial Intermediary) **OR** selected identification documents for AML (Investing Directly, Section 4.3);
- 3- Send your investment funds via;
  - 3.1 a cheque or banker's draft for the amount you wish to invest made payable to:

**WOODSIDE CORPORATE SERVICES LIMITED IMBIBA EIS CLIENT ACCOUNT, OR**

- 3.2 transfer of the amount you wish to invest to:

**WOODSIDE CORPORATE SERVICES LIMITED IMBIBA EIS CLIENT ACCOUNT**

Account Number: 17690639

Sort Code: 23-05-80

Reference: [Applicant Name]

Send your completed application package to the following address:

**Woodside Corporate Services Limited  
4<sup>th</sup> Floor, 50 Mark Lane  
London, EC3R 7QR.**

## SECTION 1- INVESTOR DETAILS

Before completing this Application Form, you should read the Investor Agreement and the Application Form notes.

Title					
Forename (s)					
Surname					
Nationality					
National Insurance No.					
Permanent Address					
Previous Address (if less than 3 years at current address)					
Post Code					
Contact Telephone					
Email					
Date of Birth					
Town/Country of Birth					
Tax District					
Are you a tax resident in any country other than the UK?	Country(s)	Tax ID/Reference Number(s)			
Information from Enterprise	Enterprise will send you communications in respect of your investment (including details of the Custodian Agreement) in electronic form to the email address provided. If you <b>do not</b> wish to receive this information electronically, please check the box.				
Please advise us how you heard about Enterprise.	Email	Press	IFA	Referral	Social Media
	Ad	Event	Colleague	Network	Other

## SECTION 2- INVESTMENT SPECIFICS

If investing via a Financial Intermediary, please read section 3.2 before proceeding.

I hereby apply to invest in The Imbiba Leisure EIS Fund the following amount, subject to the Minimum Investment of £10,000 and upwards in increments of £5,000:	
£	(figures)
	(words)
<b>I understand that my Investment may be invested in only one EIS Company, and could significantly increase the risk of my investment in the Fund.</b>	
Do you intend to claim EIS Relief if available?	Yes No
If yes, please indicate in which tax year you wish to use your EIS relief	2015/16 2014/15 (carry back)
Payment OR	I enclose payment by cheque or bankers draft made payable to <b>Woodside Corporate Services Limited Imbiba EIS Client Account.</b>  I have paid by Electronic Transfer <b>using the Applicant Name</b> as the payment reference.  <i>Account Name:</i> Woodside Corporate Services Limited Imbiba EIS Client Account <i>Account Number:</i> 17690639 <i>Sort Code:</i> 23-05-80 <i>Reference:</i> "Applicant name" as stated above
IF SENDING THIS APPLICATION AFTER 17 MARCH 2016	Please tick the box to acknowledge you are waiving your right to the 14 day cancellation period.

NOTE: By completing this Application Form prospective Investors will, inter alia, be deemed to have irrevocably agreed to Woodside Corporate Services Limited being appointed as Custodian to exercise the powers, and to carry out duties, on behalf of the Investors in accordance with the provisions of the Investor Agreement.

### Data Protection

You authorise the holding and processing of the information you have provided in this Application Form and authorise Woodside and Enterprise as data controllers for the purposes of the Data Protection Act 1998. Your information will be held and processed for the administration of this application, the administration of your Investment, for statistical analysis and for marketing purposes. You also authorise the transfer of information you provide in this Application Form (or subsequently). Your information and data will only be used for purposes ancillary to the administration of your application and Investment including, but not limited to, dealing with queries, fulfilment of regulatory obligations, statistical analysis and marketing. You also authorise the disclosure of your information to the Financial Intermediary (if applicable) acting on your behalf. You are entitled to request details of any of your personal data held upon payment of a fee and to require correction of any inaccuracies in your personal data.

### NEXT STEPS:

If you are **investing via a Financial Intermediary**, please proceed to section 3.

If you are **investing directly**, please proceed to section 4.

## SECTION 3- INVESTING VIA A FINANCIAL INTERMEDIARY

**IMPORTANT NOTICE: This section is for those investors being advised by a Financial Intermediary. If you are investing directly, please proceed to Section 4.**

### 3.1 Financial Intermediary Details

Adviser name	
Company	
Address	
Post Code	
Telephone	
Email	
FCA Registration Number	

### 3.2 Adviser Charge

If an Investor chooses to have their initial Adviser Charge paid from their Investment into the Fund then the investment amount, as laid out in Section 2, should be increased by the amount of the Adviser Charge.

EIS reliefs should be available in respect of the actual amount invested in the Fund but will not be available in respect of Adviser Charges.

The charging of VAT on an initial Adviser Charge is the sole responsibility of the Financial Intermediary. Should any charge facilitated by the Manager and/or the receiving agent not include the payment of any such VAT, the Investor will, at all times, remain solely responsible to make up such VAT deficit (if any) to the Financial Intermediary. The Adviser Charge will be paid to the individual/company indicated in the Adviser Certificate to be submitted in conjunction with this Application Form.

Adviser Charge	I elect for an Adviser Charge of £ _____
<b>OR</b>	_____ % of my Investment
Has the Subscription been increased to allow for the Adviser Charge?	Yes                  No

### Financial Intermediary's Bank Details

Please provide details of your Financial Intermediary's bank or building society account for payment of any initial Adviser Charge.

Account Name	
Bank/Building Society	
Account Number	
Sort Code	

### 3.3 Investor Confirmation

#### Investor Confirmation

I confirm the following:

- a) That I authorise the Manager or its agent to pay my Financial Intermediary the above Adviser Charge from my Investment.
- b) I have read and understood the Information Memorandum dated 23 September 2015 and in particular the Risk section on pages 20-22.
- c) I have read and agree to be bound by the Investor Agreement and the terms and conditions set out therein and in this Application Form.
- d) To the best of my knowledge and belief, the particulars I have given are true, complete and accurate.
- e) I authorise Enterprise and its agents to make enquiries deemed necessary to confirm the details in this Application Form.

Signature	
Date	

### 3.4 Financial Intermediary Confirmation

#### Adviser Confirmation

I confirm that I have assessed the suitability of this investment for the Investor and verified the identity of the Investor and enclosed the Adviser AML Certificate.

Signature	
Date	

Next steps: Please proceed to Section 5.

## SECTION 4 - INVESTING DIRECTLY

This section is for those investors who are investing directly and not through a Financial Intermediary. Enterprise Investment Partners LLP does not make personal recommendations or offer tax and investment advice. We strongly recommend you seek advice from an independent Financial Intermediary authorised under FSMA 2000, who specialises in investments of this type prior to investing.

In order for you (the 'Investor') to participate in the Fund, we must undertake an assessment of your expertise, experience and knowledge so as to give us reasonable assurance in light of the nature of investments in funds such as this Fund, that you are capable of making your own investment decisions and understanding the risks involved. The Investor & Anti Money Laundering (AML) certificate requests information to help us undertake this assessment. Additional information may be required. We will keep all information provided by the Investor confidential.

### 4.1 Investor Suitability Questionnaire

#### Employment and Financial Situation

Employment status	Employed	Self-employed	Retired	Unemployed
Please state your current profession, or if you are retired, your previous profession	(Include professional qualifications if relevant)			
Source of income (Earnings, investment income, etc.)				
Source of investment funds (Earnings, savings, inheritance, etc.)				
Annual Net Disposable Income	Less than £10,000	£10,000 to £50,000	£50,000 to £100,000	Over £100,000
Value of net assets (After deducting loans and main residence)	Less than £200,000	£200,000 to £500,000	£500,000 to £1,000,000	Over £1,000,000
I am a UK taxpayer and can make use of the tax features that this service provides, but I understand this depends on my personal tax circumstances and is subject to change.	Yes	No		

#### Benefits and Risk

Have you read and understood the risks associated with the Fund on pages 20-22?	Yes	No		
Are you confident that this Fund meets your investment needs, objectives, and risk profile?	Yes	No		
Are you able to invest for the medium to long term (3-5 years or more) and do not require income or access to capital invested during this period?	Yes	No		
Have you understood that unlisted companies are high risk investments and that the capital you invest may be lost in its entirety?	Yes	No		

## Investment Experience

I consider myself to be an experienced investor and I regularly make my own investment decisions.	Yes	No		
How many of the investments listed below have you made in the last 2 years?				
	0	1	2-4	5+
Private companies through a direct investment				
Private companies via a network or business angel syndicate				
Enterprise Investment Schemes (EIS) or Venture Capital Trusts (VCT)				
Private Equity funds and investments				
What is the total average annual investment you make into the types of investment listed above?	Less than £50k	£50k to £100k	£100k+	
In the NEXT 12 months, do you expect to invest more than 10% of your net assets in non-readily realisable securities, such as those investments listed above?	Yes	No		

## Other Details

Please provide any further information, such as details of your wider experience or background, which you think might be relevant to our assessment of you in relation to your investment in the Fund, particularly in EIS or similar funds.

## 4.2 Investment Objectives

Please review the investment objectives of the Fund, set out in Schedule 1 of the Investor Agreement as contained in the Information Memorandum dated 14 September 2015, and check the box to confirm that you are aware of and understand these objectives and that they are consistent with your own personal financial objectives in respect of your potential investment in the Fund.

By checking the box I accept this investment may expose me to a significant risk of losing all of the money or other property invested. I am aware that it is open to me to seek advice from an FCA authorised Financial Intermediary who specialises in advising on non-mainstream pooled investments.

Please indicate your primary objective for making this investment (select one option only):

My objective is to achieve capital growth in the long term and take advantage of the tax benefits. I am willing to accept substantial fluctuations in the capital value of the investments in order to achieve this.

My objective is to achieve a steady, modest return on my investment and take advantage of tax benefits. I accept that I have to put my capital at risk in order to do so.

I am only interested in taking advantage of the tax benefits of the product and the return from the investments is not important to me. I accept that I am putting my capital at risk to achieve the tax benefits.

## 4.3 Identification Documents (Anti-Money Laundering)

We are required under the Money Laundering Regulations 2007, to verify the identity of all Investors in the Fund and we therefore require copies of an identity document and a proof of address document.

I enclose originals / certified copies of the following ( <b>1 from each section</b> )	SECTION A			
	Passport	Driving Licence	Birth Certificate	
	SECTION B			
	Utility Bill	Tax Bill	Bank Statement (Online NOT accepted)	Other ID (Government-Issued)

#### 4.4 Declaration

By signing this form I HEREBY DECLARE THAT:

- a) I have read and understood the Information Memorandum dated 14 September 2015 and in particular the Risk section on pages 20-22.
- b) I have read and agree to be bound by the Investor Agreement and the terms and conditions set out therein and in this Application Form.
- c) To the best of my knowledge and belief, the particulars I have given are true, complete and accurate.
- d) I am applying on my own behalf.
- e) I authorise Enterprise and its agents to make enquiries deemed necessary to confirm the details in this Application Form.
- f) I believe that, given the answers I have provided here and the amount I wish to invest (among other surrounding factors), that this Fund is suitable for me, but confirm that I shall have no claim against Enterprise if it shall reach a conclusion by bona fide means that this Fund is not suitable for me.
- g) I confirm that I understand I should take independent advice as to the tax consequences of an Investment in the Fund, and that no representations regarding taxation and tax advantages in the Information Memorandum constitute advice to me as to my personal tax position arising from making such an Investment.

Print Name	
Signature	
Date	

## SECTION 5- APPLICATION CHECKLIST

Application Form completed and dated.

AML documents

Investing via Financial Intermediary: Adviser AML Certificate

OR

Investing directly: AML identification documents outlined in section 4.3

Subscribed for at least the Minimum Investment of £10,000 and upwards in increments of £5,000.

Investment funds sent by cheque or online transfer

If you have any questions about completing this application, contact Enterprise at 020 7843 0470 or email us at [celmes@enterprise-ip.com](mailto:celmes@enterprise-ip.com).



Enquiries and requests for further copies of this  
Information Memorandum should be referred to  
Enterprise Investment Partners LLP

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