



Information Memorandum
The Whitechapel Property Fund Limited

Information Memorandum

The Whitechapel Property Fund Limited

*(a company incorporated and registered
in Guernsey under the Companies (Guernsey) Laws
1994 to 1996 with registered number: 46285)
whose registered office is at 1 Le Marchant Street,
St. Peter Port, Guernsey GY1 4HP as Issuer*

**Issuance of up to £5,400,000
10% Junior Unsecured Loan Notes**

Introduction to the Official List of the Channel Islands Stock Exchange of 10% Junior Unsecured Loan Notes (the “Notes”).

This Information Memorandum includes particulars given in compliance with the Listing Rules of the Channel Islands Stock Exchange for the purpose of giving information with regard to the issue, and forms the Listing Document for the purpose of the application for listing of the Notes.

Information concerning Rocquefort Properties Limited has been supplied by the directors of that Company. The Issuer accepts no responsibility for the accuracy of that information. Save as aforesaid the Issuer accepts responsibility for the information contained in this Information Memorandum and to the best of the knowledge and belief of the Issuer (*which has taken all reasonable care to ensure that such is the case*) the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made to The Channel Islands Stock Exchange, LBG for the listing of and permission to deal in the Notes on the Official List of the Channel Islands Stock Exchange. Dealings in the Notes are expected to commence on Thursday, 1st March 2007. No application has been made for the Notes to be listed on any other stock exchange.

Neither the admission of the Notes to the Official List nor the approval of this Information Memorandum pursuant to the listing requirements of the Channel Islands Stock Exchange shall constitute a warranty or representation by the Channel Islands Stock Exchange as to the competence of the service providers to, or any other party connected with, the Company, the adequacy of information contained in these Listing Particulars or the suitability of the issue for investment purposes.

The attention of potential investors is drawn to the section of this Information Memorandum headed “Risk Factors Relating to the Notes” on page 6 of this Information Memorandum.

Ozannes Securities Limited is acting for the Issuer and for no one else in connection with the issue of the Notes and will not be responsible to anyone other than the Issuer.

Sponsor to the Listing

Ozannes Securities Limited
1 Le Marchant Street
St. Peter Port
Guernsey, GY1 4HP

The Whitechapel Property Fund Limited (*the “Issuer”*), having made all reasonable enquiries, confirms that the statements contained in this Information Memorandum relating to the Issuer, and the Notes to be issued by it are, in every material respect, true and accurate and not misleading and that, to the best of the knowledge and belief of such Issuer, there are no other facts the omission of which would, in the context of the issue of the Notes, make any statement in this Information Memorandum misleading in any material respect and that all reasonable enquiries have been made to ascertain such facts and to verify the accuracy of all such statements. Information concerning Rocquefort Properties Limited has been supplied by the directors of the Company, neither the Issuer nor any of its directors accept responsibility for the accuracy of that information.



No person has been authorised to give any information or to make any representation regarding the Issuer, or the Notes other than as contained in or extracted from or incorporated by reference in this Information Memorandum, or in any public information or as approved in writing for such purposes by the Issuer and, if given or made, any such representation or information should not be relied upon as having been authorised by any Issuer.

Neither the delivery of this Information Memorandum nor the offering, sale or delivery of any Notes shall, in any circumstances, create any implication that there has been no change in the affairs of the Issuer, since the date hereof or the date upon which this document has been most recently amended or supplemented.

This Information Memorandum may be used in connection with the listing of not more than £5,400,000 in aggregate principal amount of Notes outstanding at any time (*or the equivalent in any other currency at the date of the agreement for the issue of such Notes*).

This Information Memorandum has not been approved by an authorised person in accordance with section 21(2)(b) of the Financial Services and Markets Act 2000. Accordingly, it is directed only at persons falling within Article 19(5) of The Financial Services Act 2000 (*Financial Promotion*) Order 2005 or to persons to whom this communication may otherwise lawfully be made (*such persons being referred to as “relevant persons”*). This communication must not be acted on by persons who are not relevant persons. Any investment or investment activity to which this Information Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Each Recipient represents and warrants that he or it is a relevant person and agrees to inform himself or itself about and observe all applicable legal requirements in the UK and/or in the jurisdiction(s) in which he or it is situated. Any Recipient who is not a relevant person should return this document to the Issuer and should not act upon it.

The distribution of this Information Memorandum and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer to inform themselves about and to observe any such restrictions. In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (*as amended*) and may include Notes in registered form which are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. This Information Memorandum may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This Information Memorandum does not constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer that any recipient of this Information Memorandum should subscribe for or purchase any Notes. Each recipient shall be taken to have made its own investigation and appraisal of the financial condition of the Issuer.

In this Information Memorandum, all references to “£”, “Pounds Sterling” and “GBP” are to the lawful currency of the United Kingdom.

Investment Adviser

Formation Group PLC
9-13 Manchester Road
Wilmslow
Cheshire SK9 1BQ

Sponsor to the Listing on the Channel Islands Stock Exchange

Ozannes Securities Limited
1 Le Marchant Street
St. Peter Port
Guernsey GY1 4HP

Guernsey Legal Adviser

Ozannes Advocates and Notaries Public
1 Le Marchant Street
St. Peter Port
Guernsey GY1 4HP

Auditors

Deloitte & Touche LLP Chartered Accountants
Regency Court
Gategny Esplanade
St. Peter Port
Guernsey GY1 3HW

Risk Factors Relating to the Notes

The purchase of Notes may involve substantial risks and be suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Prior to making an investment decision, prospective investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information set forth in this Information Memorandum. Prospective purchasers should make such enquiries as they deem necessary without relying on the Issuer.

No secondary market is expected to develop in respect of the Notes and, in the unlikely event that a secondary market does develop, there can be no assurance that it will provide the holders of Notes with liquidity of investment or that it will continue for the life of the Notes. Accordingly, the purchase of Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in the Notes and the financial and other risks associated with an investment in the Notes. Investors must be prepared to hold the Notes for an indefinite period of time or until final redemption or maturity of the Notes.

The Issuer may be obliged to deduct tax from payments of interest made upon the maturity of the Notes or upon their earlier repayment depending upon the circumstances of the beneficial owner of the Notes.

Payment of interest and the repayment of the principal amount of the Notes is not guaranteed and is unsecured.

Out of the total proceeds of the Note issue an introducer fee of £500,000 will be paid to Formation Group PLC and £400,000 will be retained by the Issuer to cover its start up and ongoing costs. The balance of the proceeds (£4.5 million) will be lent by the Issuer to Rocquefort Properties Limited ("Rocquefort") out of which £500,000 will be paid by Rocquefort by way of fee to The Impala Discretionary Settlement, the principal shareholder of Rocquefort.

The Issuer is a newly established special purpose company whose sole activity is the issuance of the Notes and the loan of the net proceeds to Rocquefort.

The ability of the Issuer to pay interest on the Notes and to repay the principal amount of the Notes is wholly dependent upon the Issuer receiving payment or repayment (*as the case may be*) from Rocquefort.

The ability of Rocquefort to pay interest on the loan from the Issuer and to repay the principal amount of the loan will be dependent upon the success of the redevelopment by Rocquefort of 52, 54-58 Commercial Road, London E1 and the generation of profits from the development and the sale of 98 residential units in the price range of £290,000 to £500,000.

The loan by the Issuer to Rocquefort is unsecured and repayment will be subordinated to the payment of interest and repayment of principal by Rocquefort to its principal bankers. The assets of Rocquefort are charged to its principal bankers. Formation Group PLC and the shareholders of Rocquefort have entered into a deed of undertaking and subordination whereby they have severally undertaken (*to the extent of their available assets at the time*) to loan to the Issuer sufficient funds to make good any shortfall in the funds available to Rocquefort to discharge its obligations to the Issuer. Formation Group PLC and the shareholders of Rocquefort have agreed that all monies owed or owing by Rocquefort to themselves will be subordinated to the payment of the interest and repayment of the principal amount of the Notes.

The funding for the redevelopment by Rocquefort of 52, 54-58 Commercial Road, London E1 is being financed by the proposed loans of £4.5 million from the Issuer and a loan facility of £28.75 million from Dunbar Bank Plc. The total funding required to complete the development is projected to be £40.3 million, some £7.6 million greater than the funding secured. It is anticipated that the additional funding will be available from Dunbar Bank Plc when the current loan facility expires on 5th March 2008. It should be noted that Dunbar Bank Plc has given no commitment to provide that additional funding or to continue the existing facility. The development is not due for completion until January 2009. There can be no certainty that there will be sufficient funding to complete the development or on terms that will enable Rocquefort to generate sufficient cash to meet the interest and repayment obligations due to the Issuer. If the development is not completed, there can be no assurance that the value of the site, as partially developed, will be sufficient to enable Rocquefort to discharge its liabilities to Dunbar Bank Plc and to the Issuer.

None of the Issuer, the Sponsor or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (*if different*), or for compliance by the prospective purchaser with any law, regulation or regulatory policy applicable to it.

Attention is also drawn to the disclosure of certain interests in the section of this Information Memorandum headed "Miscellaneous Interests" on page 10 of this Information Memorandum.

The Issuer

Registration Details:

The Issuer was registered in Guernsey on 25th January 2007 as a special purpose company with an authorised share capital of £1,000 divided into one thousand shares of £1 each.

Issued Share Capital:

Two shares of £1 each have been issued and are held by First Ovalap Limited and Second Ovalap Limited as nominees for Legis Trust Limited as Trustee of The Whitechapel Charitable Trust.

Registered Office:

1 Le Marchant Street
St. Peter Port
Guernsey GY1 4HP

Directors:

David Charles Housley Whitworth
(Managing Director of Legis Group Limited)

Stephen John Dickinson
(Director of Legis Group Limited)

both of 1 Le Marchant Street
St. Peter Port
Guernsey GY1 4HP

Mark Page
(Finance Director of Formation Group PLC)

Ian Battersby
(Director of Wealth Management, Formation Group PLC)

both of 9-13 Manchester Road
Wilmslow
Cheshire SK9 1BQ

Auditors:

Deloitte & Touche LLP
Regency Court
Gategny Esplanade
St. Peter Port
Guernsey GY1 3HW

Administrator and Registrar:

Legis Corporate Services Limited
1 Le Marchant Street
St. Peter Port
Guernsey GY1 4HP

(Telephone + 44 1481 726034)

Memorandum and Articles of Association:

Copies of the Issuer's Memorandum and Articles of Association are available for inspection at the Issuer's registered office.

Accounts:

The Issuer is newly incorporated. No accounts have yet been produced. The first audited accounts will be for the period from the date of registration of the Issuer up to and including 31st March 2008.

Guernsey Tax Consideration:

Subject as stated below, holders of Notes who are not resident for tax purposes in Guernsey, Alderney or Herm will not be liable to Guernsey income tax on the interest earned on the Notes or upon the repayment of the principal amount of the Notes. By virtue of The Foreign Tax (*Retention Arrangements*) (*Guernsey and Alderney*) Ordinance 2005, the Issuer will be obliged to deduct a Retention Tax (*currently at the rate of 15 per cent. but increasing to 20% in 2008 and 35% in 2011*) from interest payments made to a beneficial owner of Notes who is an individual resident in a member state of the European Union unless such beneficial owner has authorised the Issuer to disclose details of such beneficial owner to the Administrator of Income Tax in Guernsey for disclosure to the competent authority of the Country of Residence of that beneficial owner.

Information Concerning Rocquefort Properties Limited

Registration Details:

Rocquefort was registered in Guernsey on 10th July 2006 as a general commercial company with an authorised share capital of £10,000 divided into 10,000 shares of £1 each.

Issued Share Capital:

Two shares of £1 each have been issued and are registered in the names of Balchan Nominees Limited and Balchan Secretaries Limited as nominees for The Impala Discretionary Settlement (*a private discretionary trust of which Balchan Management Limited is the Trustee and of which David Anthony Kennedy and his immediate family are the Beneficiaries*) respectively.

Registered Office:

Old Bank Chambers
Grande Rue
St. Martin's
Guernsey GY2 3WZ

Company Secretary:

Balchan Secretaries Limited
Old Bank Chambers
Grande Rue
St. Martin's
Guernsey GY2 3WZ

Directors:

Balchan Directors Limited
Old Bank Chambers
Grande Rue
St. Martin's
Guernsey GY2 3WZ

Auditors:

Rocquefort has no appointed auditors and has elected for unaudited status in accordance with The Companies (*Exemption from Audit*) Ordinance, 1994.

Trading History:

Rocquefort commenced business on 25th September 2006 when it acquired the freehold of 52, 54-58 Commercial Road, London E1 for redevelopment. The cost of the acquisition was £12,100,000. As at 12th January 2007, Rocquefort had a term loan of £28,750,000 of which, as at 2nd February 2007, £9,747,553.01 has been drawn down from Dunbar Bank Plc and other indebtedness amounting to £721,770.85.

Accounts:

No accounts have been produced.

Information Concerning 52, 54-58 Commercial Road, London E1

The properties comprising 52, 54-58 Commercial Road, London E1 were purchased by Rocquefort for £12,100,000 for redevelopment purposes.

The proposed redevelopment planning permission (*subject to a Section 106 Agreement*) has been granted for the demolition of the existing building to create a new mixed use complex. This will comprise a new three storey podium with an eastern 17-storey residential tower and a western residential tower providing 98 private flats. Two medium rise social housing blocks will form part of the development and the main part of the podium will include mixed retail, leisure, office and live/work units above basement car parking.

The total development area comprises approximately 165,765 square feet.

The redevelopment will be project managed by Columbia Design & Build Limited. Columbia Design & Build Limited is based at 414/422 Hackney Road, London E2 7SY and has been operating since 1997. The company specialises in Design & Build contracting projects predominantly on residential or mixed use schemes. The company has completed four projects in North and East London involving aggregate construction values of £67.5 million.

The development project is estimated to be completed by the end of January 2009. The affordable housing units have been designed to be built and sold first so that the proceeds can be used to minimise the debt funding required for the rest of the development.

The total projected cost of the development (*including the original site purchase*) is £41.7 million.

Information Concerning Funding of the Proposed Development

Disclosure relating to bank funding:

1. The funding for the redevelopment of Commercial Road is being financed by a loan of £4 million from the Issuer and a debt facility of £28.75 million from Dunbar Bank Plc. The total funding required to complete the development is projected to be £40.3 million, some £7.6 million greater than the funding secured. It is anticipated that the additional funding will be secured from Dunbar Bank Plc when the current facility expires on 5th March 2008. It should be noted that the bank is not obliged to provide the additional bank debt, but it is aware that the projected costs of completing the development are in excess of the debt facility that it has provided to Rocquefort.
2. The existing bank facility is repayable on demand and in any event is repayable on 5th March 2008, but may be renewed on terms to be agreed between Rocquefort and Dunbar Bank Plc. The development is not due for completion until January 2009.
3. There are no restrictions on Dunbar Bank Plc assigning its rights under the loan to another party.
4. The facility is secured with a first legal charge against the Property, a first floating charge over all of Rocquefort's assets and undertakings, a charge over any pre-sale/pre-let agreements and a guarantee from David Anthony Kennedy, the principal beneficiary of The Impala Discretionary Settlement, to a maximum of £2.875 million (*plus interest charges, costs and expenses*).

Details of Loans by Issuer to Rocquefort

Of the £5.4 million raised by the issue of Notes, £4.5 million will be lent by the Issuer to Rocquefort.

The money will be lent in amounts of £750,000 by a series of different loan agreements. Each loan agreement will have the same terms and conditions.

The loans will bear interest at the annual rate of 20.499 per cent. in years one and two reducing to 10 per cent. thereafter compounded and payable upon repayment of the loan.

The loans made to Rocquefort will be unsecured. Each of the loans will be repayable upon the fourth anniversary of the date of the relevant loan agreement or at the discretion of Rocquefort at any time after the second anniversary of the date of the relevant loan agreement.

Repayment of the principal amount of the loans and interest thereon is, however, subordinated to Rocquefort's repayment obligations to Dunbar Bank PLC.

Formation Group PLC and the ultimate shareholders of Rocquefort being Balchan Management Limited as Trustee of The Impala Discretionary Settlement have entered into an agreement with the Issuer whereby each of such parties has agreed:

- i. to make available to the Issuer sufficient funds to enable the Issuer to discharge its obligations to the Noteholders in the event and to the extent that Rocquefort does not have sufficient proceeds from the development to meet its obligations to the Issuer. Such agreement ("*the Shortfall*") is, however, subject to each of such parties having available sufficient assets to meet such obligation and that each of such parties' liability is capped at a maximum of 50 per cent. of the Shortfall; and
- ii. to subordinate all debts and liabilities due to such parties from Rocquefort until the loans from the Issuer have been repaid in full, together with all interest due thereon.

The loans confer no right to participate in the share capital of Rocquefort or in the profits of the development.

Further Payment from Rocquefort

The Issuer has entered into separate agreements with each of Formation Group PLC and Rocquefort whereby Rocquefort will pay to the Issuer, as consideration for having procured the involvement of private investors in providing funds which have duly been loaned by the Issuer to Rocquefort, a sum representing 40 per cent. of the residual profits (*if any*) derived by Rocquefort from the development of 52, 54-58 Commercial Road, London E1 and the Issuer will pay the equivalent amount to Formation Group PLC as further consideration having procured the involvement of those private investors.

Miscellaneous Interests

David Anthony Kennedy and his immediate family, as the beneficiaries of The Impala Discretionary Settlement, are the ultimate beneficial owners of the issued share capital of Rocquefort.

David Anthony Kennedy is a discretionary beneficiary of a trust that indirectly owns the whole of the issued share capital of Columbia Design & Build Limited. David Anthony Kennedy is also a 24.39 per cent. shareholder in Formation Group PLC.

Formation Group PLC will receive from the Issuer a further sum (*subject to the Issuer receiving an equivalent sum from Rocquefort*) equivalent to 40% of the residual profits (*if any*) of Rocquefort derived from the development of 52, 54-58 Commercial Road, London E1 (*after paying the cost of the development and repaying all outstanding amounts due to Rocquefort's principal bankers and to the Issuer*).

Terms and Conditions of the Notes

The following is the text of the terms and conditions of the Notes, subject to completion and amendment, to which the Notes will be subject.

Authorisations

The present issue of Notes, the terms and conditions of which are set forth hereinafter, has been duly authorised by the Issuer pursuant to a resolution of its Board of Directors on 2nd February 2007.

Terms and Conditions

1. Definitions

Except where the context otherwise requires, the following expressions shall have the meanings set out hereunder:

Business Day:

A day (*excluding Saturdays*) on which banks are generally open in Guernsey and London for the transaction of normal banking business.

Exchange:

The Channel Islands Stock Exchange, LBG.

Final Redemption Amount:

Par value of the Notes and accrued annual compound interest to that date.

Interest Commencement Date:

The Issue Date.

Interest Compounding:

Interest will be compounded on the first anniversary and each subsequent anniversary of the Issue Date up to and including the Maturity Date.

Issue Date:

28th February 2007.

Issue Price:

Par value.

Issuer:

The Whitechapel Property Fund Limited.

Maturity Date:

The fourth anniversary of the Issue Date.

Rate of Interest:

10% per annum compounded payable on redemption of the Notes.

Settlement Date:

28th February 2007.

In this Information Memorandum, all references to "£", "Pounds Sterling" and "GBP" are to the lawful currency of the United Kingdom.

Neither the Note Instrument nor any of the Notes contains any negative pledge covenants by the Issuer or any Events of Default.

2. Form of the Notes, Subscription and Transfer

The Notes will be in registered form. No temporary notes will be issued. Each Noteholder shall be entitled to one certificate stating the nominal amount of the Notes held by him. Each certificate shall bear a denominating number and shall be executed under the seal (*or any securities' seal*) of the Company. A certificate signed by one Director and the Secretary or by two Directors and expressed to be executed by the Company shall have the same effect as if executed under the seal. The Company shall not be bound to register more than four persons as the joint holders of any Note. Joint holders of Notes will be entitled to only one Note in respect of their joint holding and the Note will be delivered to that one of the joint holders who is first-named in the Register in respect of the joint holding or to such other person as the joint holders may, in writing, direct. Delivery of a certificate to one of such persons shall be sufficient delivery to all. When a Noteholder has redeemed or transferred part only of his Notes, the old certificate shall be cancelled and a new certificate for the balance of such Notes issued without charge. Documents of title will be delivered within 14 days of the Settlement Date. Payment for the Issue Price must be made in cleared funds on or before the Settlement Date to the account specified by the Issuer.

The Issuer shall cause a register to be maintained at the registered office of the Issuer showing the amount of the Notes for the time being issued, the date of issue and the amount of the Notes for the time being outstanding, the names and addresses of the Noteholders, the nominal amounts held by them respectively and all transfers or changes of ownership of the Notes.

Minimum subscription for Loan Notes will be £50,000. The Notes will be issued in minimum denominations of £500. Notes may not be sub-divided into smaller denominations. Every holder of Notes will be entitled to transfer the Notes by an instrument in writing in the usual or common form or such other form as the Issuer may accept. No fee will be payable on the registration of a transfer of the Notes.

The Issuer will in its sole discretion refuse to register a transfer of a Note where the holding of the Note may result in a regulatory, pecuniary, legal or taxation disadvantage for the Issuer or the holders of the Notes as a whole.

www.formationgroupplc.com

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