

## SUPPLEMENTARY PROSPECTUS

# Castle Trust Direct plc

Incorporated with limited liability in England and Wales with registered number 9046984 and having its registered office at 10 Norwich Street, London EC4A 1BD.

## £1,500,000,000 CASTLE TRUST DIRECT PROGRAMME FOR THE ISSUANCE OF NOTES

### SUPPLEMENTARY PROSPECTUS

This Supplementary Prospectus constitutes a supplementary prospectus in accordance with section 87G of the Financial Services and Markets Act 2000, as amended (“**FSMA**”). This Supplementary Prospectus has been approved by the FCA, which is the United Kingdom competent authority for the purposes of the Prospectus Directive, as a supplementary prospectus issued in compliance with the Prospectus Directive.

This Supplementary Prospectus is supplemental to and must be read in conjunction with the base prospectus published by Castle Trust Direct plc (the “**Issuer**”) on 13 June 2017 (the “**Base Prospectus**”) and a supplementary prospectus published on 11 July 2017 (the “**July 2017 Supplementary Prospectus**”). You should read the whole of this Supplementary Prospectus, the Base Prospectus and the July 2017 Supplementary Prospectus.

**An investment in Notes issued pursuant to the programme under which the Issuer may issue loan notes up to a nominal value of £1,500,000,000 as described in the Base Prospectus (the “Programme”) involves certain risks. For a discussion of these, please see the Risk Factors set out in Part II of the Base Prospectus.**

The date of this Supplementary Prospectus is 26 January 2018.

The Issuer accepts responsibility for the information contained in this Supplementary Prospectus and declares that, to the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Castle Trust Capital plc (“**Castle Trust**”) accepts responsibility for the information contained in this Supplementary Prospectus relating to Castle Trust and declares that, to the best of the knowledge and belief of Castle Trust (having taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus relating to Castle Trust is in accordance with the facts and contains no omission likely to affect its import.

In accordance with section 87Q(4)-(6) FSMA, prospective investors who, prior to the publication of this Supplementary Prospectus, have agreed to buy or subscribe for Notes pursuant to the Programme, have the right to withdraw their commitments. Such right shall expire at the end of the second working day after the date of this Supplementary Prospectus.

The distribution of this Supplementary Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, JTC Trustees (UK) Limited as the Trustee, Castle Trust and Castle Trust Capital Management Limited (“**CTCM**”) do not represent that this Supplementary Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, Castle Trust or CTCM which is intended to permit a public offering of any Notes or distribution of this Supplementary Prospectus in a jurisdiction where action for that purpose is required.

Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Supplementary Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Supplementary Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Supplementary Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Supplementary Prospectus and the offer or sale of Notes in the United States and the

European Economic Area (including the United Kingdom) (see Part X Section 1 of the Base Prospectus, "Subscription and Sale").

Neither this Supplementary Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, Castle Trust or CTCM to any person to subscribe for or to purchase any Notes to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

### **Supplementary Information**

The purpose of this Supplementary Prospectus is to draw prospective and current investors' attention to the publication on 22 January 2018 by both Castle Trust and the Issuer of each of their full-year audited financial statements for the financial year ended 30 September 2017 together with the directors' report and auditors' report (Castle Trust's audit report being dated 19 January 2018 and the Issuer's audit report being dated 19 January 2018) in respect of each (the "**Annual Reports**").

The Annual Reports are new information which may be significant for the purposes of making an informed assessment of the kind mentioned in section 87A(2) FSMA. The Annual Reports attached hereto are incorporated by reference to the Base Prospectus and should be considered in addition to the information included in the Base Prospectus. The Annual Reports have been announced through a Regulatory Information Service and can be viewed at the below address:

[http://www.rns-pdf.londonstockexchange.com/rns/5745C\\_1-2018-1-22.pdf](http://www.rns-pdf.londonstockexchange.com/rns/5745C_1-2018-1-22.pdf)

The Annual Reports can also be found on Castle Trust's website at <https://www.castletrust.co.uk/documents-investments>. The website [www.castletrust.co.uk](http://www.castletrust.co.uk) is not incorporated by reference into this Supplementary Prospectus and no part of the website [www.castletrust.co.uk](http://www.castletrust.co.uk) forms part of this Supplementary Prospectus.

Save as disclosed in this Supplementary Prospectus and the July 2017 Supplementary Prospectus, no significant new factor, material mistake or inaccuracy or significant change relating to information included in the Base Prospectus has arisen since publication of the Base Prospectus on 13 June 2017.

### **Updates to summary of Base Prospectus**

Certain amendments to the summary of the Base Prospectus are appropriate following the publication of the Annual Reports. Elements B.12, B.23 and B.24 of the summary of the Base Prospectus are updated as follows:

<b>B.12 Selected key financial information on Castle Trust; no material adverse change statement and no significant change statement</b>	The table below sets out summary key information extracted from the audited consolidated financial statements of Castle Trust for the period 1 October 2016 to 30 September 2017:	
	<b>30 September 2017</b>	
	<b>Audited</b>	
	<b>£'000</b>	
	<b>Assets</b>	
	Cash and cash equivalents	127,324
	Loans and advances to credit institutions	15,800
	Trade and other receivables	4,669
	Loans to customers	
	At amortised cost	444,568
	Designated at fair value through profit or loss	76,394
	Fair value hedge asset	570
	Derivative financial instruments	
	House price option	12,153
	Derivatives held for risk management	324
	Prepayments	341
	Deferred tax asset	5,869
	Property and equipment	477
	Intangible assets	11,763
	<b>Total assets</b>	<b>700,252</b>
<b>Liabilities</b>		
Trade and other payables	7,195	
Provisions for liabilities	421	
Derivatives held for risk management	1,177	
Amounts due to customers for Fortress Bonds	605,007	
Financial liabilities at fair value through profit or loss	27,614	
<b>Total liabilities</b>	<b>641,414</b>	
<b>Equity</b>		
Share capital	9,526	
Share premium	72,971	
Retained earnings	(23,713)	
<b>Issued capital and reserves attributable to owners of the parent</b>	<b>58,784</b>	
Non-controlling interests	54	
<b>Total equity</b>	<b>58,838</b>	
<b>Total equity and liabilities</b>	<b>700,252</b>	

		<p>There has been no material adverse change in the prospects of Castle Trust since 30 September 2017. There has been no significant change in the financial or trading position of Castle Trust since 30 September 2017 apart from the change disclosed in the January 2018 Supplementary Prospectus.</p> <p>As at 30 September 2017, Castle Trust Treasury Limited has made borrowings under the Borrower Loan Agreement in relation to subscriptions of £600,120,000 for Fortress Bonds.</p>																														
<b>B.23</b>	<b>Historical key financial information regarding the Issuer</b>	<p>The table below sets out summary key information extracted from the audited financial statements of the Issuer for the period 1 October 2016 to 30 September 2017:</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;"><b>30 September 2017 Audited £'000</b></th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>Assets</b></td> </tr> <tr> <td>Loans and advances to group companies</td> <td style="text-align: right;">600,120</td> </tr> <tr> <td>Amounts due from group companies</td> <td style="text-align: right;">1,749</td> </tr> <tr> <td><b>Total assets</b></td> <td style="text-align: right;"><b>601,869</b></td> </tr> <tr> <td colspan="2"><b>Liabilities</b></td> </tr> <tr> <td>Amounts due to customers</td> <td style="text-align: right;">600,120</td> </tr> <tr> <td>Amounts due to group companies</td> <td style="text-align: right;">1,249</td> </tr> <tr> <td><b>Total liabilities</b></td> <td style="text-align: right;"><b>601,369</b></td> </tr> <tr> <td colspan="2"><b>Equity</b></td> </tr> <tr> <td>Called up share capital</td> <td style="text-align: right;">50</td> </tr> <tr> <td>Share premium</td> <td style="text-align: right;">450</td> </tr> <tr> <td>Retained earnings</td> <td style="text-align: right;">-</td> </tr> <tr> <td><b>Total equity</b></td> <td style="text-align: right;"><b>500</b></td> </tr> <tr> <td><b>Total equity and liabilities</b></td> <td style="text-align: right;"><b>601,869</b></td> </tr> </tbody> </table> <p>As at the date of this document, there has been no significant change to the financial position of the Issuer during the period covered by the financial information above or since 30 September 2017.</p>		<b>30 September 2017 Audited £'000</b>	<b>Assets</b>		Loans and advances to group companies	600,120	Amounts due from group companies	1,749	<b>Total assets</b>	<b>601,869</b>	<b>Liabilities</b>		Amounts due to customers	600,120	Amounts due to group companies	1,249	<b>Total liabilities</b>	<b>601,369</b>	<b>Equity</b>		Called up share capital	50	Share premium	450	Retained earnings	-	<b>Total equity</b>	<b>500</b>	<b>Total equity and liabilities</b>	<b>601,869</b>
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<b>B.24</b>	<b>Material adverse changes</b>	<p>As of the date of this document there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements for the period 1 October 2016 to 30 September 2017.</p>																														

#### Documents available for inspection

Copies of the Base Prospectus, the July 2017 Supplementary Prospectus, this Supplementary Prospectus and the Annual Reports may be inspected free of charge at the offices of Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT.