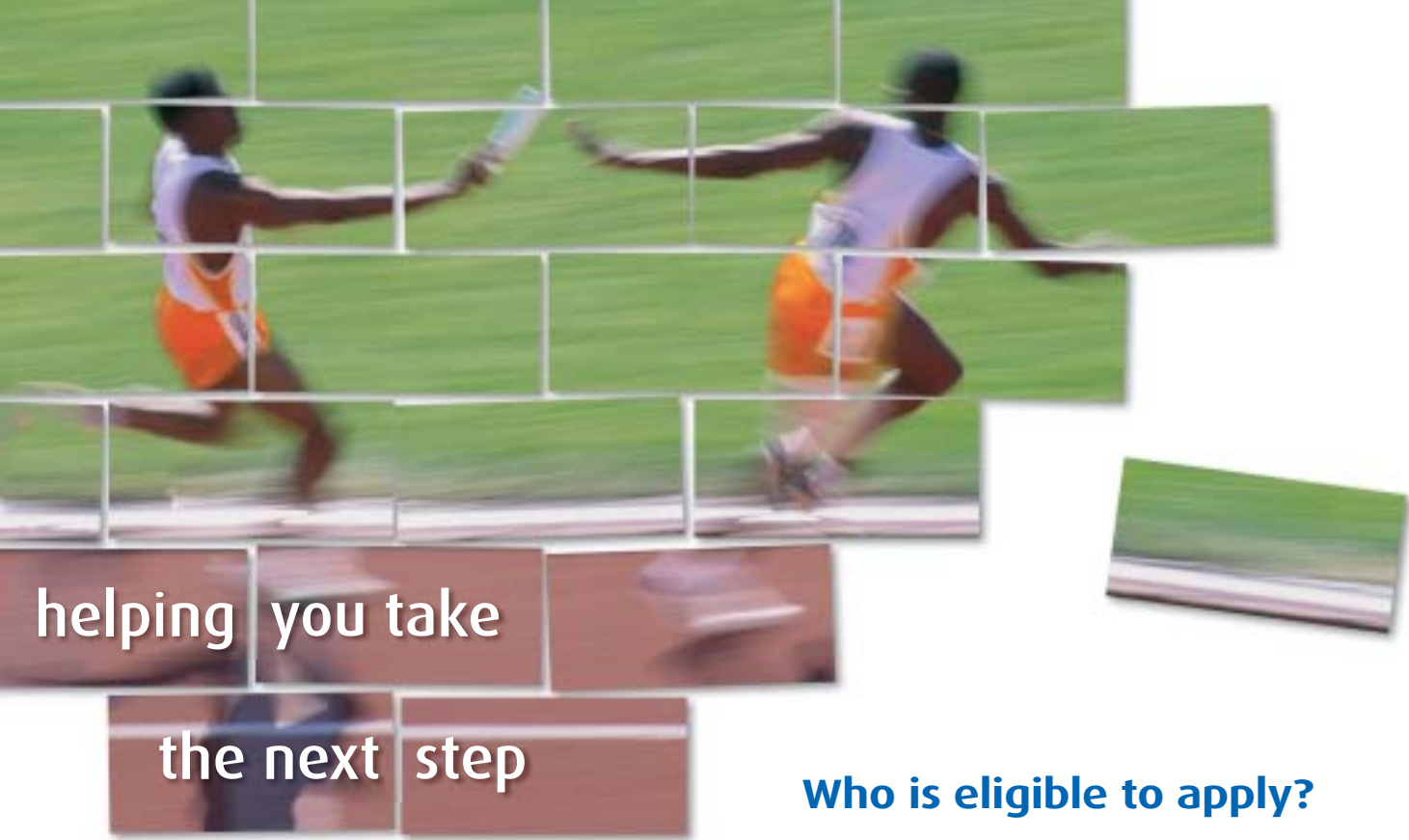


South East Community Loan Fund





helping you take

the next step

The South East Community Loan Fund is a new initiative developed by the South East England Development Agency (SEEDA) to address access to loan funding for social enterprises throughout the region and small to medium sized companies located in deprived areas.

Established in May 2004, with an initial capital endowment from SEEDA, the Fund is the first regional Community Development Finance Institution for the South East.

What is a Community Development Finance Institution?

Community Development Finance Institutions (CDFIs) are a financial tool for social, economic and physical renewal in under-invested communities. They lend and invest in deprived areas and under-served markets that cannot access mainstream finance. They are sustainable, independent organisations that provide financial services with two aims: to generate social and financial returns. (CDFA 2004).

Who is eligible to apply?

You are eligible to apply for a loan from the CDFI if you are located in the South East of England (Milton Keynes, Oxfordshire, Buckinghamshire, Berkshire, Hampshire, The Isle of Wight, Surrey, East and West Sussex or Kent) and fulfil the following criteria:

Either,

You are a registered charity, 'not for personal profit' organisation, a company limited by guarantee or the trading arm of a charity.

Or,

You are a small to medium sized company making an economic or social impact in a disadvantaged community.

Or,

You are a social or community enterprise contributing to the regeneration of your community.

And,

You are unable to access sufficient finance from commercial sources of funding.

How much can you borrow?

Successful applicants to the Loan Fund can access between £10,000 and £100,000.

What can you borrow for?

Loans will be given for:

- Capital equipment
- Property purchase or refurbishment
- Bridging finance
- Working capital and cash flow support

As the aim of a CDFI is to invest in under-served and high risk markets, our Fund Managers offer ongoing business planning and development support to each loan recipient.

In order to offer you the best quality business development advice, the management of the Fund is overseen by two specialist organisations. The Local Investment Fund will draw on its national experience to provide development and technical support to social and community enterprises. Alternatively, Finance South East will draw on its expertise in supporting small to medium sized companies throughout the South East to ensure that traditional companies working in deprived communities get the most effective assistance. In order for the Fund to grow and offer a long-term source of community finance, we need your venture to succeed. We invest time in each organisation to ensure that you have access to the technical advice you need to ensure the growth and long-term sustainability of your business.

What are the terms?

- For social and community enterprises, finance through the Loan Fund is charged at an average of 3-4% above bank base rate.
- An arrangement fee of 1.5-2% is payable at the outset.
- There are no annual fees for borrowing from the Fund.
- The Fund exists to support enterprise so capital holiday periods can be provided and repayment programmes will be tailored to the expected cash flow of the organisation.
- Repayment may be up to a maximum of 10 years.
- Security will be taken where it is available.



a partner

you can rely on

For companies working in deprived communities

Some of the above terms may vary. Further information can be obtained by contacting the Loan Fund Manager at Finance South East on: 01344 751 612.

Tax relief information for potential investors

Private and organisational investments can be made into the Fund. The South East Community Loan Fund is Community Investment Tax Relief (CITR) accredited.

The Community Investment Tax Relief Scheme has been established to encourage private investment in CDFIs working in under invested markets.

The tax incentive is a form of tax relief, which reduces the investors income tax or corporation tax liability. The relief is worth up to 25% of the money invested, spread over five years.

To obtain maximum tax relief under the scheme investors must hold the investment for at least five years. However, there is scope for investors to receive some return on investment over the course of those five years without sacrificing all of the relief that the scheme provides.

The CITR Scheme is jointly run by the Inland Revenue and the Small Business Service of the Department for Trade and Industry. For more information on CITR, go to the Inland Revenue website:

www.inlandrevenue.gov.uk/specialist/citr-scheme

How to apply

To confirm your eligibility, make an application or find out more about investing in the Fund, please contact:

The Local Investment Fund
123 Minories, London EC3N 1NT

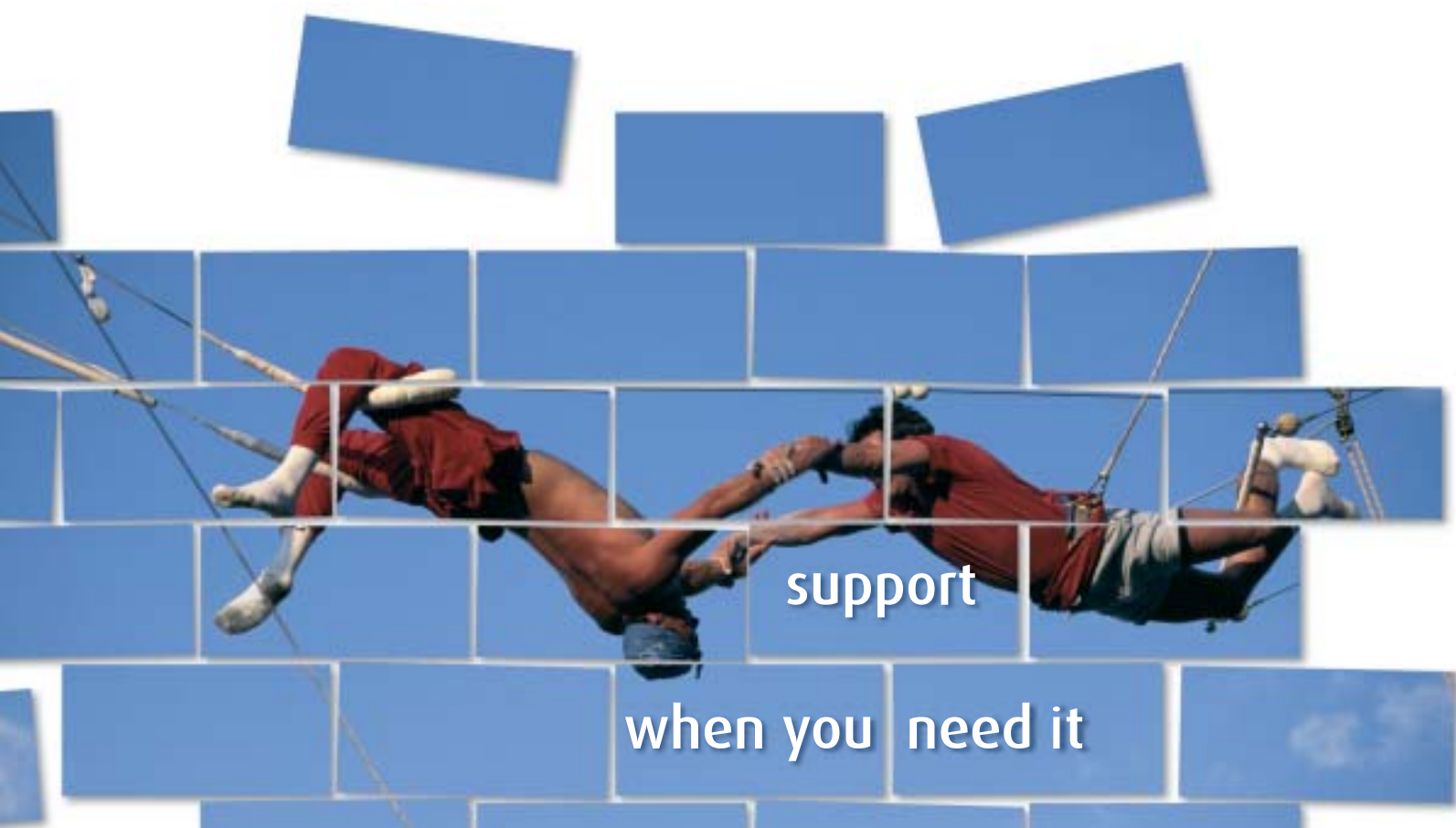
Telephone: 020 7680 1028

Fax: 020 7488 9231

Email: information@lif.rg.uk

Website: www.lif.org.uk

A detailed business plan will be needed.



support

when you need it

Key Partner Information

South East England Development Agency

The South East England Development Agency (SEEDA) is the Government funded agency responsible for the economic and social development of the South East of England - the driving force of the UK's economy. Our aim is to create a prosperous, dynamic and inspirational region by helping businesses compete more effectively, training a highly skilled workforce, supporting and enabling our communities while safeguarding our natural resources and cherishing our rich cultural heritage.



Local Investment Fund

The Local Investment Fund (LIF) is a registered charity (number 1042514) and was set up in 1995 by the then DETR (now Office for the Deputy Prime Minister), Business in the Community and the private sector, led by NatWest with the aim of overcoming the funding gap often experienced by social enterprise.



LIF provides loan finance to not for personal profit organisations and social enterprises coupled with technical business advice and assistance.

Finance South East

Finance South East (FSE) is a not for profit finance organisation. FSE was formed in 2002 with support from SEEDA and the region's Business Link organisations. FSE's key objective is to advise on the most appropriate financial support for growth orientated businesses in the South East. FSE is experienced in providing loan finance to small to medium sized companies across the region.

