



Prospectus



Foundation
East

Your opportunity
to invest in
Foundation East
www.foundationeast.org

Welcome to Foundation East

Foundation East is a community finance company that operates across Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk. It provides business loans to small and micro businesses and engages in property and land transactions that work to provide assets for the benefit of local communities.

Both individuals and companies who are resident in the United Kingdom and who support our objects can become members.

Becoming a member

Any individual over 16 and resident in the UK, or any company whose registered office is in the UK, can apply to become a member of Foundation East. Members have a direct say in how we work and we welcome hands-on involvement from them. Foundation East is a democratic company. Directors are elected from the membership on a one-member one-vote basis at the Annual General Meeting.

Members buy shares in Foundation East, each share costs £1 and the minimum investment is £100 for individuals (and sole traders) and £250 for companies. Maximum investment is £20,000. Members agree to be bound by the Rules of Foundation East, a copy of which is available on the website www.foundationeast.org

Legal Information

This prospectus is issued by Foundation East Limited, registered number 29722R, an Industrial and Provident Society registered on 2nd April 2004 under the Industrial and

Provident Societies Act 1965 to 2004, whose registered office is at Saxon House, 7 Hillside Business Park, Kempson Way, Bury St. Edmunds, Suffolk, IP32 7EA.

Foundation East Limited is a society for the benefit of the community and is recognised by HM Revenue and Customs as an exempt charity with reference number XR74988. It controls a not-for-profit company limited by guarantee no. 4969336.

Foundation East was previously called Suffolk Regeneration Trust.

Shareholdings

The minimum shareholding is £100 for individual members and £250 for corporate members. The maximum shareholding is £20,000. There is no limit on the investment of other Industrial and Provident Societies. There is no limit on the number of members Foundation East may have and no limit on the number of shares which may be issued.

If you would like to become a member of Foundation East, simply complete the application form at the end of this leaflet or download it from our website www.foundationeast.org
See what a difference you can make.



Classes of Shares

There are two classes of shares: ordinary withdrawable shares of £1 each, and CITR ordinary shares of £1 each. These shares rank equally, and the only difference between them is in the rules relating to withdrawing your investment and the Community Investment Tax Relief (CITR) available for CITR shares.

Foundation East is an accredited Community Development Finance Institution (CDFI). This means that your investment will qualify for Community Investment Tax Relief (CITR) of up to 25% (5% per year over 5 years) if you invest in the CITR ordinary shares.

Shares in Foundation East are not transferable except on death or bankruptcy.

Withdrawal of Investment - ordinary shares

The notice period for withdrawals has been set at three months and is subject to the more detailed terms and conditions set out in Foundation East's Rules. In the case of joint investment, all concerned must agree to a withdrawal. The Directors have the right to change the notice period for withdrawal, or suspend withdrawals, either indefinitely or for a fixed period but they do not presently intend to do so other than in exceptional circumstances. Shares will be repaid at the original price, save where the auditors of Foundation East certify

there are more liabilities than assets, in which case the Directors have the right to reduce the amount payable on each share when withdrawn. In the event of Foundation East ceasing to trade, shareholders are paid up to a maximum of £1 for every £1 share, once all creditors have been paid.

Withdrawal of Investment - CITR ordinary shares

CITR shares cannot be withdrawn within 5 years of the date of issue. After the 5 year period, the rules relating to the withdrawal of ordinary shares (see above) will apply.

Voting

Voting is on a one-member, one-vote basis regardless of the size of shareholding. Where shares are held jointly the first named person has priority. Investor members will be kept informed of Foundation East's work through the Annual General Meeting, through involvement on loan panels and other strategic committees and are welcome in the office during working hours, by appointment, to discuss any aspects of our work.

Interest Payments

Provision is made in the Rules for paying interest on share capital. Any such interest will be paid in the form of shares in Foundation East. The Directors do not expect to pay interest in the foreseeable future.

Risk

The nature of the work of Foundation East is such that it takes risks in lending to bring social benefit. There is a risk that bad debts will exceed provisions made by Foundation East. There is also the risk that Foundation East will not maintain its current record of raising grants and other funding to cover costs which are not covered by interest and income.

The Directors will seek to protect against these risks by implementing prudent management policies.

This is a social investment, not a financial investment. Investors should regard any investment as made primarily to assist the furtherance of Foundation East's objectives. It is not suitable for those who require a guaranteed income or ready access to capital.

The value of your shares will not increase. The value of your shares may fall.

The Directors have taken all reasonable care to ensure that any member (as well as their professional advisors) can have access at all reasonable times to all the information they may reasonably require, and reasonably expect to find, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of Foundation East and of the rights attaching to this investment.

Please note that there may be other risks involved in taking up an investment in Foundation East shares and some risks may be dependent upon your individual circumstances.

If you have a concern, we recommend that you consult your independent financial advisor.

A copy of the Rules of Foundation East together with its latest audited accounts can be obtained from our website www.foundationeast.org or can be sent to you upon email request info@foundationeast.org

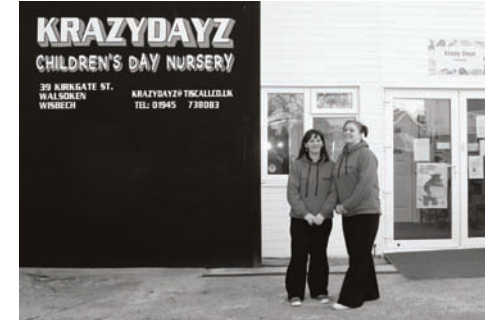
No Investment Protection

Foundation East Limited is not an authorised institution under the Banking Act 1987 and does not accept deposits. This means there is no share or deposit protection scheme for investors. Foundation East is an exempt person from the regulated activity of deposit taking by its issue of shares pursuant to paragraph 24 of the Schedule to Financial Services and Markets Act 2000 ("FSMA") (Exemption) Order 2001. The shares are not a specified investment for the purpose of section 22 of FSMA (what is a regulated activity) pursuant to paragraph 76 of FSMA (Regulated Activities) Order 2001. The issue of withdrawable shares, which are not transferable, exempts this prospectus from the requirements for an approved prospectus required by Section 85(1) of FSMA.

An investment in the withdrawable and non-transferable shares of an Industrial and Provident Society is not treated as a controlled investment for the purposes of section 21 of FSMA (the financial promotion prohibition) pursuant to paragraph 14(3) of Schedule 1 of the FSMA (Financial Promotion) Order 2005.

Foundation East has taken all reasonable care to ensure that every statement of fact or opinion included in this information document is true and not misleading. Foundation East believes (and has taken all reasonable care to ensure that such is the case) the information contained in this prospectus is in accordance with the facts and the document makes no omission likely to affect the meaning of such information.

Above, left to right
jobsfromblue, Bedfordshire
Hubbard's Pork Shop, Suffolk



Data Protection

By applying for shares you are giving consent for Foundation East to hold information in accordance with current data protection legislation. Foundation East will use your information for the maintenance of its members' register, and may send you information about Foundation East, its work and the work of those third parties who support its objects.

If you are in any doubt about the content of this prospectus, you should consult a person authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in advising on investments of the kind identified in this information document (e.g. an Independent Financial Adviser, Accountant or Solicitor).

Taxes

If you are not sure about how your tax position may be affected by your investment in Foundation East shares, please consult your independent financial advisor.

Right of Cancellation

You have the right to cancel this contract within 14 days of the date of our letter or e-mail of acknowledgement and acceptance. To cancel the contract, you must give notice of your wish to cancel to Foundation East in writing at: Saxon House, 7 Hillside Business Park, Kempson Way, Bury St. Edmunds, Suffolk, IP32 7EA,

by fax on number **0845 293 7752** or by e-mail at **info@foundationeast.org**. Your right to cancel will lapse if you do not give notice within this period.

Paper Copies

A paper copy of this prospectus and the application form is available on request.

Applicable Laws

This prospectus, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by and construed in accordance with the law of England and Wales.

Offer Limitations

This prospectus is only addressed to and directed at persons in the United Kingdom ("relevant persons"). Any person who is not a relevant person should not act or rely on this prospectus or any of its contents.

This prospectus is dated 1st May 2011 and, unless otherwise stated, the information in this prospectus has not been updated since that date.

Issued by Foundation East Limited.

Procedure for Application

Any individual aged 16 or over and any company may invest in Foundation East by applying to buy shares and thereby becoming a member of Foundation East. Applications should be for a minimum of £100 for individuals and sole traders and a minimum of £250 for companies.

Applications must be made using this application form. Your form should be accompanied by either a sterling cheque or banker's draft drawn on a bank or UK building society, made payable to Foundation East Limited or by BACS to 08-60-01 20211824. Payment can also be made by credit or debit card over the telephone - please ensure that you supply a telephone number if you wish to pay by card. Place your completed form in an envelope and send to our prepaid business response address Freepost RRAS-ZZJJ-BXUX, Foundation East, Saxon House, 7 Hillside Business Park, Kempson Way, Bury St Edmunds, Suffolk. IP32 7EA.

Acceptance of your application will be notified by a letter or e-mail of acknowledgement and acceptance. Share Certificates will be posted within 21 days of acknowledgement and acceptance.

The Directors reserve the right to reject any applicant in whole or in part, in which case the

application monies will be returned either by cheque through the post at the applicant's risk or by credit to your bank account, at the Director's discretion.

Important Notice on Money Laundering

It is a term of this offer that, to ensure compliance with the Money Laundering Regulations 2007 and such similar legislation, that Foundation East will require verification of identity from any applicant. We will contact you about this following receipt of your application.

If shares are bought on behalf of any third party (i.e. not the named member) verification of this person may also be required. If satisfactory evidence of identity is not provided this may result in delays and may even result in your application being rejected, in which event the money payable on application will be returned without interest to the account at the drawee bank to which such money was originally debited.

You should ideally make payment for your shares from your own account. If this is not practical and you use a building society cheque, third party cheque or banker's draft you must ask the building society or bank to write on the cheque the name and account number of the person from whose account payment is being made.

Above, left to right
Skeldale Flock, Cambridgeshire
Apparition Marketing, Suffolk
David Coe Goldsmith, Norfolk
Krazydays, Cambridgeshire

0845 293 7751 01284 757 777

www.foundationeast.org



Foundation East
Saxon House
7 Hillside Business Park
Kempson Way
Bury St Edmunds
IP32 7EA

T: 0845 293 7751
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Support puts young entrepreneurs centre stage

A company set up by three young people from East Anglia is going from strength to strength following a loan from Foundation East.

CEG Productions, supplies stage lighting, sound hire and staging for events and drama productions. It began in 2007 when three friends aged just 15, 16 and 17 decided to join forces as they took on more paid work in schools and colleges and demand for their services grew.

But then they hit a hurdle...

"In order to grow the business we needed to increase the amount of equipment we had," said Emrys Green, co-founder.

"Although this involved a relatively small amount, £1,500, because of our ages we had no credit history and so our bank manager's hands were tied when it came to giving us a loan. She suggested we contacted Foundation East, who consider applications from businesses with little credit history, and so we did that."

Foundation East approved a loan providing the capital injection CEG needed and things snowballed from there.

"For us things turned out far better than they would have done had we been able to secure the loan from our bank. Our business loans manager Valerie Jarrett, helped us formulate our business plan and would proactively call us to see how we were getting on. I always knew I could call her if I needed to".

Valerie Jarrett, has been delighted to see her faith in the company rewarded as they have gone from strength to strength.

"Although a realistic business plan and cashflow projections are prerequisites for a loan, business is about people," she explains.

"The team behind CEG were young but they have the drive and entrepreneurial spirit to make the company a success. It has been good to see how a small injection of cash has helped to propel the business forward."



Above right
CEG Productions Ltd, Suffolk

0845 293 7751 01284 757 777

www.foundationeast.org

Application for membership shares in Foundation East Limited

I wish to become a member of Foundation East, in accordance with the Rules and this information document. I have read, accepted and understand the terms and conditions set out in this offer and I am aware of the risks involved in investing in Foundation East. I confirm that I am investing on the basis of the information set out in this prospectus alone. **I apply for** (please circle):

£100	£250	£500	£1,000	£5,000	£10,000	£20,000	Other £
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of **ordinary shares** / of **CITR shares** (please delete as appropriate)

Title	First name	Surname
Name of company (if applicable)		
Address		
Postcode		
Registered company number, charity number or IPS number (if applicable)		
Telephone (must be included)	Email	

The shares will be held in the name of the first applicant.

I understand:

- that Foundation East will require evidence of identity from applicants for shares;
- that interest is not paid on any investment at the present time. If in due course interest is paid, it will not be paid in cash but added to my shareholding as new shares.
- that a withdrawal notice period of three months of longer may be applied. The Directors may wish to suspend withdrawals until sufficient cash is available;
- that shares may go down in value.

Payment: I enclose a cheque payable to Foundation East Limited / I will pay by BACS to account 20211824, sort code 08-60-01 / I will pay by credit/debit card* (please delete as appropriate)

*If you wish to pay by credit/debit card we will telephone you to take your payment details. Please note that there may be a small transaction charge for the use of certain cards. You will be advised if this applies to you before your payment is processed.

Data protection: I consent to you obtaining and retaining information in accordance with data protection law.

Signature	Date
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Please return the completed application including your preferred payment method to Foundation East Limited, FREEPOST RRAS-ZZJJ-BXUX, Saxon House, 7 Hillside Business Park, Kempson Way, Bury St Edmunds, Suffolk. IP32 7EA.

