

COVID-19: Update on expansion of business supports from LEO/MFI, EI and SBCI



Summary of key EI, LEO and SBCI Supports



Key supports available

Additional funding to help businesses cope with the liquidity challenges posed by the Covid-19 restrictions:



Local Enterprise Office Supports: ~~Business Continuity Voucher~~; Trading Online Voucher



Microfinance Ireland Covid-19 Business Loan (€20m available) via LEO



Enterprise Ireland Business Financial Planning Grant



Enterprise Ireland Lean Business Continuity Voucher



~~Enterprise Ireland Online Retail Scheme~~



Enterprise Ireland Sustaining Enterprise Fund (€180m) ; Rescue & Restructuring Scheme (€200m)



SBCI Working Capital Loan (€450m available)



SBCI Future Growth Finance Loan (€200m available)



SBCI Credit Guarantee Scheme



ISIF Pandemic Stabilisation and Recovery Fund (€2bn)



LEO Supports and Access Portal



Overview – Refer for detail: <https://www.localenterprise.ie/Response>

LEO provides supports for new and established businesses typically meet the relevant eligibility criteria (such as employing 10 or fewer people with the potential for growth and job creation) specific to each of the following:

Key Supports Summarised in the following slides



Business Continuity Voucher (expired 15th May) – Succeeded by the Covid-19 Restart Grant (from May 22nd)



COVID-19 Business Loan via MicroFinance Ireland



Trading Online Voucher Scheme

Additional supports available via LEO include:

- ✓ Mentoring
- ✓ Online Training and Webinars
- ✓ LEAN for Micro
- ✓ Other Financial Supports
- ✓ Business Priming Grants**
- ✓ Business Expansion Grants**
- ✓ Feasibility Study Grants**

Business Continuity Voucher (“BCV”) now only available via Intertrade Ireland



Overview – Refer for detail:

Features

- The voucher was worth up to €2,500 in third party consultancy costs and can be used by companies and sole traders to develop short-term and long-term strategies to respond to the Covid-19 pandemic.

Note: *The Business Continuity Voucher is no longer available via the Local Enterprise Offices. Alternative suitable for clients of Enterprise Ireland, IDA Ireland

BCV from both LEO and Udaras expired – Still available via InterTrade Ireland

Uses cases

- ✓ Designed for businesses across every sector that employ up to 50 people.
- ✓ To help companies make informed decisions about what immediate measures and remedial actions should be taken, to protect staff and sales.

Available to

- ✓ Support businesses
 - ✓ Develop business continuity plan
 - ✓ Assess current financial needs in the short term to medium term
 - ✓ Reduce variable costs, overheads and expenses
 - ✓ Review and explore supply chain financing options
 - ✓ Implement remote working processes or procedures
 - ✓ Leverage HR expertise ; ICT expertise
 - ✓ Prepare a business case for application to emergency financial interventions available through Banks, SBCI and Microfinance Ireland

EXPIRED

Covid-19 Restart Grant



Features

- New €250m Restart Grant, providing direct grant aid of up to €10,000 to micro and small businesses.
- Apply (Until 31 August) via Local Enterprise Office (or County Council website) and level of funding is directly linked to the amount of your rates demand in respect of calendar year 2019 only, subject to a minimum of €2,000* and a maximum of €10,000.

* Applies to those not rate assessed in 2019 and minimum grant available if business had arrears or non-payment of rates in 2019

Uses cases

- ✓ Designed for businesses across every sector to re-open, re-employ, keep business operational, pay ongoing fixed costs or put in place measures to ensure employee and customer safety.

An Eligible** business is one which has

- ✓ a turnover of less than €5m and have 50 or less employees.
- ✓ suffered a projected 25%+ loss in revenue from 1 April 2020 to 30 June 2020.
- ✓ committed to remaining open or to reopen if it was closed and must also declare the intention to retain employees that are benefitting from the Temporary Wage Subsidy Scheme (TWSS).

The following businesses are **not Eligible**

- ✗ Multiple chain stores, i.e. a business that is a non-financially independent branch of a group of chain stores which is owned and managed by a single entity, are not eligible.
- ✗ Non-commercial organisations such as community and sporting premises (including charity shops and community and sporting premises with a bar).
- ✗ Businesses not operating from commercially rateable premises (tradesmen, service providers, etc).
- ✗ Premises that were vacant prior to the Covid-19 emergency are not eligible for the grant.

** *Businesses should retain supporting documentation as spot-checks may be carried out to verify a declaration to this effect.*



LEO Trading Online Voucher



Overview – Refer for detail: <https://www.localenterprise.ie/Response>

Features

- Second voucher now available under the Government's National Digital Strategy.
- The expanded Trading Online Voucher Scheme promotes more online trade to boost sales and reach new markets.
- €2,500 available with co-funding **now 90%** from the original 50%

Uses cases

- ✓ Funding can be used towards adding payment facilities or booking systems to your website or developing new apps for your customers.
- ✓ The voucher can also be used towards subscriptions to low cost online retail platform solutions to help companies quickly establish a retailing presence online.

Available to

- ✓ Businesses with the following profile:
 - ✓ Limited or no e-commerce presence
 - ✓ 10 or less employees;
 - ✓ Turnover less than €2m;
 - ✓ Applicant business must be trading for at least 6 Months;
 - ✓ Business must be located in the area covered by the LEO to whom they make their application i.e. LEOs cannot accept applications from businesses located outside their jurisdiction.

Microfinance Ireland Covid-19 Loan.



Overview (Lower rate if applying via LEO)

Loan Features

- Loans from €5,000 – €50,000.
- Terms up to 3 years.
- No repayments and no interest for first 6 months.
- Interest rate 5.5% (4.5% for applications via Local Enterprise Offices)
- Fixed repayments with no penalty for early repayment.

Uses cases

- ✓ The loan is designed to support businesses who have been impacted negatively by Covid-19 in Ireland

Available to

- ✓ Businesses meeting the following criteria:
 - ✓ The business is a “microenterprise” i.e. a business with less than 10 full time employees, annual turnover of up to €2m, and net assets of less than €2m;
 - ✓ The business is not in a position to avail of finance from Banks and other commercial lending providers; and
 - ✓ 15% of actual or projected turnover or profit is negatively impacted by COVID-19.

Application process

- Application via the Microfinance Ireland website or a Local Enterprise Office.
- Required documents include
 - Covid-19 Business Plan and cash flow forecast;
 - Last 6 months bank statements;
 - Credit reports.



EI Supports Summary

Overview



Key Supports Summarised in the following slides



Enterprise Ireland Business Financial Planning Grant



Enterprise Ireland Lean Business Continuity Voucher



Enterprise Ireland Online Retail Scheme



Enterprise Ireland Sustaining Enterprise Fund (€180m)



Enterprise Ireland Rescue & Restructuring Fund (€200m)

In addition to the existing Innovation, Market Diversification and Competitiveness supports available, other Covid19 Enterprise Ireland supports include:

- ✓ Strategic Consultancy Grant
- ✓ Covid-19 Act On Supports
- ✓ Key Manager Grant
- ✓ Business Process Improvement Grant
- ✓ Rapid Response Research & Innovation Funding

EI Business Financial Planning Grant



Overview

Features

- Strategic intervention for companies to work with third party consultants to prepare a detailed financial and business plan with forecasts and assumptions.
- Grant up to €5,000 (ex. VAT) to cover related consultant expenses (max. €900 per day).

Uses cases

- ✓ Engage an external financial advisor to:
 - ✓ Understand immediate liquidity issues;
 - ✓ Create 3 year financial plan to secure external finance; and
 - ✓ Develop framework to manage the finances of the business and mitigate the effects of the current crisis.
- ✗ Expenditure incurred prior to the date of receipt of application in Enterprise Ireland.
- ✗ General consultant expenses.
- ✗ Sales related expenses, trade fair participation costs.
- ✗ Any internal costs of the company (e.g. salaries & overheads).

Available to

- ✓ All Enterprise Ireland and IDA clients as well as other businesses that operate in manufacturing or internationally traded services that employ 10 or more full time employees:
 - ✓ Business must have been viable as at 31 December 2019
 - ✓ Materially impacted by the Covid-19 outbreak



EI Business Financial Planning Grant

Output report



Enterprise Ireland require the following submissions at the conclusion of the assignment. We are advising eligible clients to start preparing available information and avail of this grant:

- Completed **Output Report** including responses to a number of qualitative questions about the business;
- Completed **Financial Data Sheet** (“FDS”) which summarises the company’s recent trading and projected cash flow;
- **3-Year company financial plan** which underpins the projected figures in the FDS;
- A **cash flow statement** covering the previous 12 months;
- A **weekly cash flow projection** to cover the initial 3 months of the business plan;
- Last **3 years audited financial statements**;
- Personnel organisational charts;
- **Latest management pack** (monthly P&L, Balance Sheet and cash flow statement) – less than 3 months old;
- The projected **sales pipeline** including indication of status of orders;
- Details of existing **borrowing commitments**.
- Current **Trade Debtors** and **Trade Creditors** listings
- A **declaration of viability** pre Covid-19 i.e. as at 31 December 2019;
- Evidence the business has been negatively impacted by Covid-19 (>15% decrease in revenue or profits);
- Group structure and capitalisation table.



EI Lean Business Continuity Voucher



Overview

Features

- Strategic intervention for third party consultants for training or advisory services support related to the continued operation of their businesses during the current pandemic.
- Grant up to €2,500 (ex. VAT) to cover related consultant expenses (max. €900 per day).
- One per company to a maximum of 3 for distinct operations
- Many businesses seeking to combine this voucher with the Business Financial Planning Grant

Uses cases

- ✓ Engage from approved providers (from EI's approved directory list) to focus on Operations of the company in terms of:
 - ✓ Crisis response where appropriate,
 - ✓ Sustaining Operations including process re-engineering (Lean, etc),
 - ✓ Planning for resilience post crisis.
- ✓ Short term delivery at a maximum of 6 weeks and anticipated to be delivered online

Available to

- ✓ All Enterprise Ireland and Údarás.
- ✗ Existing IDA & Local Enterprise Ireland clients (as well as companies employing up to 50 people) may qualify for alternative supports

You apply via the [Enterprise Ireland Online Application System](#)

Eligible costs**

- Reduced cash flow management
- Risk assessments for continuity
- Management of people through a crisis
- Management of sub contractors & suppliers
- Preparing for ramp up post crisis
- Crisis management
- Coaching / mentor support for leaders / staff
- Aiding in preparation for external assessment

** General consultancy such as market research or project implementation are deemed ineligible costs

<https://www.enterprise-ireland.com/en/Productivity/Lean-Business-Offer/Lean-Business-Continuity-Voucher.html>



DBEI - EI Covid19 Online Retail Scheme



Overview

<https://www.enterprise-ireland.com/en/funding-supports/online-retail/online-retail-scheme/online-retail-scheme.html>

Features

- Develop Irish retailers' online capability in order to sustain the sector through the current crisis
- Encourage the sector to develop a more competitive online offer, that will enable an increase in their customer base and enhance resilience
- Initial Fund size of €2m
- Competitive process

Funding

- ✓ 80% grant up to a maximum €50k spend (€40k grant)
- ✓ Includes salary costs of project champion, fees of service provider to develop a digital strategy & enhance the company's online presence and back-end systems

Eligibility

- ✓ Irish-owned retailers employing > 10 full-time equivalent employees on 29/2/20
- ✓ Must have an existing online presence (website or social media)
- ✓ Must have a retail outlet and derive the majority of revenue from the retail outlet(s)
- ✓ Projects should show ambition to export in future
- ✓ Minimum expenditure of €12,500 (€10,000 grant) (50% can include salary costs)
- ✗ Excludes: franchisees, hotels, restaurants, pubs, primary agricultural producers, gambling

EXPIRED

DBEI - EI Covid 19 Online Retail Scheme



Application

Enterprise Ireland have included very detailed guidance on this scheme on their website. We are advising all eligible retailers to review this in detail and begin preparing the information needed to avail of this grant:

Submission

- Original deadline of Wednesday 20th May (extended to 27th) for submissions
- Well thought out plan
- Demonstrate the need for funding
- Impact of the project on your business
- Internal resources – project champion
- Latest set of statutory accounts (not > 2 years old)

Evaluation

- Quality of the proposal and the potential impact on the business – **40%**
- Impact of proposed changes on the competitive position and viability of the company – **40%**
- Ambition to internationalise the business – **10%**
- Company's financial track record – **10%**

EXPIRED

EI Sustaining Enterprise Fund



Overview

Features

- Up to €800k per enterprise.
- Annual administration fee of 4%.
- The funding to be repaid as follows:
 - 3-year grace period
 - Repayment by the end of year 5, on successful achievement of the project objective.

Fund overview

- Enterprise Ireland has a new fund to provide manufacturing and internationally traded services companies with capital to help stabilise and rebuild their businesses
- Businesses qualifying under this EU-supported scheme will be offered a repayable advance of up to €800,000.

Available to

- ✓ Micro, SMEs, and Small MidCap enterprises that:
 - ✓ Have been impacted by a 15% or greater reduction in actual or projected turnover or profit, and/or a have significant increase in costs as a result of the Covid-19 outbreak;
 - ✓ Have fewer than 500 employees, but more than 10.
 - ✓ Operating in the manufacturing and internationally traded services sectors;
 - ✓ Company must have applied for and have been unable to raise sufficient funding from other sources;
 - ✓ Is a viable business.



EI Sustaining Enterprise Fund – Small Enterprise



Overview

Features

- €50k repayable advance where Turnover is between €1.5m & €5m and;
- €25k repayable advance if Turnover less than €1.5m
- Annual administration fee of 4%.
- The funding to be repaid as follows:
 - 3-year grace period
 - Repayment by the end of year 5, on successful achievement of the project objective.

Fund overview

- Enterprise Ireland has extended its SEF for smaller manufacturing and internationally traded services companies with turnover less than €5m.
- Funds to be utilized to help implement a business continuity plan to help stabilise and rebuild their businesses.
- Online application via EI website and less onerous information requirements than the full SEF

Available to

- ✓ Micro, SMEs, and Small MidCap enterprises that:
 - ✓ Have been impacted by a 15% or greater reduction in actual or projected turnover or profit, and/or a have significant increase in costs as a result of the Covid-19 outbreak;
 - ✓ Have fewer than 500 employees, but more than 10.
 - ✓ Operating in the manufacturing and internationally traded services sectors;
 - ✓ Company must have engaged with their financial institution on their financing needs to sustain the business through the short and medium term;
 - ✓ Is a viable business.



EI Rescue & Restructuring Scheme



Overview

Features

€200m Scheme split into:

A) Temporary Restructuring Support (Debt based)

- Loans between €100k & €3m and a term of up to 18 months
- More than 3 years established in their sector

B) Restructuring Aid (Equity based)

- Available to restore viability during far-reaching restructuring plan
- Restructuring costs must be co-funded by SME's by between 25% (if <50 employees) & 40% (if <250 employees) support levels between €100k and €3m
- Must be in the 'common interest' & eligibility is case by case

Scheme overview

- A short term (18 month) Debt Fund and a co-funded Equity Fund (reasonable time period) which are designed to support businesses in difficulty and/or companies facing acute liquidity needs, in line with the relevant European Commission guidelines, to restructure their business.
- Funding is considered for SMEs which, have tried and failed to secure capital from the market, can achieve the 'common interest' objective and is eligible on a 'case by case' basis.
- Aid applicants must present a sound restructuring plan which seeks to protect employment and demonstrates realistic value creation in order to ensure their long-term viability.

Available to:

- ✓ Any Micro, SME business undertakings that are in financial difficulty except Coal, Steel and financial services.
- ✓ Only once in a ten year period.

Summary SBCI Supports



Key supports available

The Minister for Business, Heather Humphries, has announced the introduction of additional funding to help businesses cope with the liquidity challenges posed by the Covid-19 restrictions, including:



SBCI Working Capital Loan (€450m available)



SBCI Future Growth Finance Loan (€200m available)



SBCI Credit Guarantee Scheme



What's Next? What Else?



SBCI Working Capital Loan

Overview



Loan Features

- €25,000 to €1.5m per enterprise, for 1 – 3 years.
- Unsecured loans up to €500k.
- Max. interest rate of 4%.
- Optional interest-only repayments may be available at the start of the loans
- Loan amount and term is dependent on the loan purpose.

Loan uses cases

- ✓ Future working capital requirements.
- ✓ To fund innovation, change or adaptation of the business to mitigate the impact of Covid-19.
- ✗ Refinance of undertakings in financial difficulties.
- ✗ Refinance of existing debt (e.g. Terms Loans/Leases/Hire Purchase etc.).

Available to

- ✓ Micro, SMEs, and Small MidCap enterprises that:
 - ✓ Have fewer than 500 employees
 - ✓ Have a turnover of €50 million or less (or €43 million or less on their balance sheet)
 - ✓ Are independent and autonomous i.e. not part of a wider group of enterprises
 - ✓ Have less than 25% of their capital held by public bodies
 - ✓ Is established and operating in the Republic of Ireland
 - ✓ Is a viable business

SBCI Future Growth Loan

Overview



Loan Features

- €100,000 to €3m per applicant, for 8 – 10 years.
- Unsecured loans up to €500k.
- Initial interest rate of 4.5% for loans below €250k, 3.5% for loans above €250k (variable over the term)
- Optional interest-only repayments in certain circumstances

Loan uses cases

- ✓ Investment in Machinery or Equipment, Research and Development, Business Expansion, Premises Improvement, Process Innovation, People and/or Systems.
- ✗ Loans to undertakings in difficulty
- ✗ Finance of pure real estate development
- ✗ Finance of pure financial transactions
- ✗ Additional restrictions are listed at www.sbc.gov.ie.

Available to

- ✓ Micro, SMEs, and Small MidCap enterprises that:
 - ✓ Have fewer than 500 employees
 - ✓ Have a turnover of €50 million or less (or €43 million or less on their balance sheet)
 - ✓ Are independent and autonomous i.e. not part of a wider group of enterprises
 - ✓ Have less than 25% of their capital held by public bodies
 - ✓ Is established and operating in the Republic of Ireland
 - ✓ Is a viable business

SBCI Credit Guarantee Scheme (CGS)



Overview

Features

- Provides an 80% guarantee to participating banks (AIB, BOI and UB), mitigating credit risk or need for collateral.
- Available on facilities from €10,000 up to €1m.
- Terms of up to 7 years.
- Eligible loan types: Term Loans, Demand Loans and Performance Bonds.
- Optional interest-only repayments in first 3 – 6 months.

Uses cases

- ✓ The Credit Guarantee Scheme can be used by businesses to obtain loans to support changes they need to make to their business in response to Covid-19 who may be facing barriers to funding, including:
 - ✓ Inadequate collateral;
 - ✓ Novel business market, sector or technology which is perceived by finance providers as higher risk under current credit risk evaluation practices; or
 - ✓ Need for refinancing caused by the exit of an SMEs lender from the Irish market
- ✗ Business involved in primary production in agriculture, horticulture, fisheries.
- ✗ Refinancing of existing debts.
- ✗ Property-related activities.



SBCI Credit Guarantee Scheme (CGS)

Overview (continued)



Features

- Provides an 80% guarantee to participating banks (AIB, BOI and UB), mitigating credit risk or need for collateral.
- Available on facilities from €10,000 up to €1m.
- Terms of up to 7 years.
- Eligible loan types: Term Loans, Demand Loans and Performance Bonds.
- Optional interest-only repayments in first 3 – 6 months.

Available to

- ✓ SMEs meeting the following criteria:
 - ✓ Are involved in a commercial activity
 - ✓ Are a sole trader, partnership, franchise, co-operative or limited company
 - ✓ In the lender's opinion have a viable business proposal
 - ✓ Are able to repay the facility

Application process

- Speak with a participating bank about a loan covered by the CGS.
- The participating bank assesses the viability of the loan i.e. the business' ability to repay in line with its normal assessment criteria.
- The participating bank will make all decisions on lending.



Further Funding Supports via ISIF

Key supports available



On May 2nd, the Government agreed, at a special Cabinet meeting, a suite of measures to further support small, medium and larger business that are negatively impacted by Covid-19 and of particular interest from a funding perspective is ISIF:



Pandemic Stabilisation and Recovery Fund ('PSRF') within the Ireland Strategic Investment Fund (ISIF) (€2 billion)

ISIF Pandemic Stabilisation and Recovery Fund



Overview

Features

- Direct intervention to assist significant employers materially impacted by Covid19.
- ISIF have up to €2bn to invest on a commercial basis in medium and large enterprises, i.e. 250+ employees and/or >€50m*.
- Investments must generate a double impact i.e. commercial & economic impact
- Case by Case assessment and can be an investment across the capital stack

Uses cases

- ✓ Must be viable and proven business model, i.e. profitable/viable prior to the Impact of Covid19 and future long term viability.
- ✓ Capacity for long term time horizon as ISIF's focus is on near term economic stimulation and employment support.
- ✓ Flexibility (across types of investment, capital structure, instrument, risk levels etc.)
- ✓ Patient capital, non-controlling / minority investor
- ✓ Track record, investing across a wide range of sectors
- ✓ Ability to work with co-investors and co-investment encouraged / expected
- ✓ The business does not currently need to align with ISIF's existing Priority Themes of Regional Development, Housing, Indigenous Businesses, Climate Change, Brexit.

Exclusions

- ✗ Loans to undertakings in difficulty pre-Covid19

* may consider investing in enterprises below these levels if of scale

ISIF Pandemic Stabilisation and Recovery Fund

Guidance to Commence Engagement



ISIF have provided initial information guidance to commence engagement :

GENERAL:

- Standard **Company Information**;
- **Narrative on the Organisation** including products, markets, your USP, overview of the customer base, key competitors, etc.;
- **Geographic footprint** for your business and customers;
- Personnel organisational charts and Employee overview
- Corporate Overview and/or Business plan;

Covid19 IMPACT:

- Areas affected and how investment would be deployed

FINANCIAL:

- Group structure and capitalisation table.
- **Last three years headline financial summary table**;
- Customer base, sector exposure and customer concentration in finances;
- Recent Financial Accounts
- 12 month projected turnover;



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