

|S|F|A|
business
bytes

**FREE MANAGEMENT TRAINING EVENTS
FOR SMALL BUSINESSES**

www.sfa.ie/events

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“The What, Where and How of Grants, Loans, Tax Savings and Other Government Supports”

14th October 2015

SFA Vision

Ireland – the most vibrant small business community in the world – supporting entrepreneurship, valuing small business and rewarding risk takers

SFA Mission

The Small Firms Association is the trusted partner of small businesses in Ireland.

Its mission is to deliver business-focused advice and insights to member companies, influence government policy to the benefit of small businesses and connect its members in a thriving community.



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IRELAND - A Nation of Small Business

- 199,020 Businesses in Ireland

Of which:

- 49,195 are self-employed
- 143,266 are small (employing between 1-50 people)

Therefore:

- 97% of all businesses are small
- 84% are micro (employing less than 10 people)

- In total, 862,175 employed in small business (56% of the private sector workforce)
- 20,000 new businesses established annually

Supporting SMEs

SME Support Tool

<http://www.supportingsmes.ie>

Live Demo – Kora Healthcare (Aidan Ryan)

Who is out there to help?

- Local Enterprise Offices
- Enterprise Ireland
- Bord Bia, Failte Ireland, Leader, Intertrade, etc.
- Area-based Partnership Companies
- Community Enterprise Centres
- Institutes of Technology
- Skillnets, Solus, etc.

What do they offer?

- Grants
- Loans
- Enterprise Units
- Low-cost incubator units
- Advice mentoring
- Connections
- Training

...but, only if you meet
their criteria

EI v LEO

- Enterprise Ireland - greater than 10 employees, exporting

- Local Enterprise Office
 - First Stop Shop
 - Financial - 10 or less employees

LEOs – www.localenterprise.ie

- Grants – feasibility, priming, business expansion
- Investment – redeemable shares
- Microfinance Loans
- Trading Online Voucher Scheme
- Mentoring
- Management Training
- Advice

Government Policy Incentives

□ Starting Your Own Business

- Seed Capital Scheme
- Three Year Corporate Tax Exemption
- Back to Work Enterprise Allowance (Self-Employed)
- Short-Term Enterprise Allowance

Government Policy Incentives

□ Starting Your Own Business

▪ Seed Capital Scheme

- Claim back income tax paid in previous 6 years to invest equity in your own company (up to €100,000 in each of the 6 look back years)

Government Policy Incentives

□ Starting Your Own Business

▪ Corporate Tax Exemption

- Relief from corporation tax on trading income and certain gains of start-ups
- Full relief below €40K; Marginal relief €40K-€60K; Max €320K per year
- Relief on amount of Employers' PRSI paid

Government Policy Incentives

□ Starting Your Own Business

- Back to Work Enterprise Allowance (Self-Employed)
 - Signing on for over 12 months
 - Retain social welfare for 2 yrs (Yr 1: 100%; Yr 2: 75%)

Government Policy Incentives

□ Starting Your Own Business

▪ Short-Term Enterprise Allowance

- Lost Job and want to start own business
- Paid instead of Jobseeker's Benefit for max 1 year

Government Policy Incentives

□ Growing Your Business

- Employment & Investment Incentive
- Innovation Vouchers
- R&D Tax Credit
- Knowledge Development Box
- Accelerated Capital Allowance
- Foreign Earnings Deduction

Government Policy Incentives

□ Growing Your Business

▪ Employment & Investment Incentive

- Extended to 2020
- Total Max Investment = €15mn (max €5mn in 12 month period)
- Individual investor tax relief at 30% up to €150K
- Further 11% - increased jobs / R&D spend

Government Policy Incentives

□ Growing Your Business

▪ Innovation Vouchers

➤ €5000 to innovate

➤ Public Knowledge Providers

Government Policy Incentives

□ Growing Your Business

▪ R&D Tax Credit

- 25% tax credit
- Base Year requirement removed 2015
- Set against corporation tax liability / carried forward

Government Policy Incentives

□ Growing Your Business

▪ Knowledge Development Box

- Rate of 6.25% corporation tax
- Focus on R&D undertaken in Ireland
- Proceeds from sale of IP
- Income on licencing of IP or sale of products incorporating IP

Government Policy Incentives

□ Growing Your Business

▪ Accelerated Capital Allowance

- Write off 100% of purchase value of qualifying energy efficient equipment against their profit in the year of purchase

Government Policy Incentives

□ Growing Your Business

▪ Foreign Earnings Deduction

- BRICs, Africa, Asia, Middle-East
- 40 qualifying days, 3 days continuous
- Income tax deduction of “specified amount” or €35,000

Government Policy Incentives

- Succeed in Ireland – www.connectireland.com
 - Online referral network
 - Reward of €1,500 per sustainable job up to max of 100 jobs

SME Funding...

Access to Finance

- Mainstream Banks
- Central Bank SME Lending Code
- SBCI & ISIF
- Microfinance Ireland
- Credit Review Office
- Credit Loan Guarantee Scheme
- Alternative Forms of Finance – invoice discounting, asset finance, crowd-funding platforms
- Business Angels, Equity & VC Funds
- Prompt Payment Portal – www.promptpayment.ie

Access to Finance

□ ISIF – 3 SME Funds

- Carlyle Cardinal Ireland SME Equity Fund - €350mn
 - Investing in healthy businesses seeking to grow, including overleveraged balance sheets
- Better Capital Ireland SME Turnaround Fund - €100mn
 - Almost insolvent – potential for restructuring
 - 40% buy out; 60% finance turnaround
- BlueBay Ireland SME Credit Fund - €450mn
 - Loans from €5mn-45mn (average €15mn)
 - Also refinance existing loans where lenders not willing to provide new lines of credit

Access to Finance

□ Credit Guarantee Scheme

- Govt 75% guarantee to lender – BOI, AIB, UB
- Borrower pays 2% premium
- Extended to refinancing loans from exiting banks and extended length from max 3 to 7 years in 2015
- Security / Niche markets

Enterprise Space

- **Community Enterprise Centres**
 - Enterprise units (going rate)
 - Incubator units (below going rate)
 - Advice, information and contacts
 - www.meeca.ie
- **Institutes of Technology**
 - Incubation units
 - Tech, HPSU
 - Specific training programmes (M50 Platform)

Training & Mentoring

- Local Enterprise Offices
- Enterprise Ireland
- Area-based Partnership Companies
- Community Enterprise Centres
- Skillnets, Solus
- Representative bodies: SFA, Ibec, etc.

Advice

- www.sfa.ie
- www.smallbusinesscan.com
- www.smallbusinessadvice.ie
- www.businessregulation.ie
- www.besmart.ie
- www.employmentrights.ie
- www.odce.ie

Free Promotional Opportunities

- Awards Programmes, e.g. www.sfa.ie/awards , Ireland's Best Young Entrepreneur
- Corporate SME offers, e.g. free Ads, videos, etc.
- Media Profiling
- Network, network, and more networking....

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