

Stepping Up

Becoming Investor Ready Preparation for an Equity Capital Raising For Small To Medium Size Enterprises New South Wales

- Are you looking at raising equity capital to expand your business?
- Do you need assistance to prepare for an equity capital raising program?
- Deadline extended to Monday, 14 September 2009

\$900 (+GST) grant to assist your company prepare to raise Equity Capital



Stepping Up
Department of State and Regional Development



ALCHEMYTM
INNOVATION DEVELOPMENT
Turning Potential into Profit

How Does the Program Work?

Purpose

The purpose of the program is to assist NSW-based companies prepare the materials required to raise equity-capital via a listing on the Australian Small-Scale Offerings Board (ASSOB). The success of these types of equity capital raisings is highly dependent on the structure and attractiveness of the offer. The Department of State and Regional Development (DSRD) is financing the program with a matching grant subsidy of \$900 (+GST) per company which will enable successful applicants to receive 10 hours one-on-one mentoring with an ASSOB member, plus an additional 10 hours workshop training that focus on key materials required for pursuing an equity capital raising for Small-Medium Enterprises (SME's) in an Australian context. Cost to the company is \$900 (+GST). The outcome of the program will be a draft business plan with financial projections, business milestones and strategy in place for identifying and recruiting a quality board of directors – the elements required to submit a capital raising application with ASSOB (www.assob.com.au).

Structure

The program is divided into two parts:

1. Mentor program – 10 hours per applicant:

- Development of a basic business plan which covers information required for a capital raising offer document. This involves reviewing the business model, identification of business milestones and developing a marketing plan.
- 3 – 5 year financial projections preparation.
- Identification of an exit strategy
- Criteria for identifying and selecting board of directors
- Identification of grants and other resources available to the company.

2. Workshops:

Two workshops of 5 hours will be conducted – one at the beginning of the program, one at the completion. Topics covered:

Workshop 1: Becoming Investor Ready

- Elements required for an equity capital raising in Australia
- Introduction to the Australian Small Scale Offerings Board
- Developing a plain English business plan
- Business plan elements: market, commercialisation, business model, SWOT, risks
- Preparation of financial projections based on EBITs and utilising industry comparisons
- Templates will be provided.

Workshop 2: Becoming Investor Ready

- ASSOB approach – examples of typical mistakes with capital raising
- Regulatory environment
- Key factors to a successful capital raising
- Review plan's content. Address issues raised.
- Review milestones and financial projections
- Discuss debt versus equity and discount ratios to make offer attractive to investors.
- Establishing 90 day action plan.



How Does the Program Work?

Benefits to Companies

1. Client companies will receive information, tools and mentoring support to prepare to apply to the Australian Small Scale Offerings Board to pursue an equity capital raising.
2. Client companies will receive a subsidy from the Department of State and Regional Development valued at \$900 (+GST).
3. The cost of templates and documentation are included in these fees.
4. Client companies will prepare documentation for an Equity Capital Raising in a manner that is compliant with the Corporations Act 2001.

Companies that should apply

- Potentially high-growth companies that could one-day graduate to a listing on a stock exchange or attract a trade sale exit.
- Companies that require between \$200,000 and \$5M in equity capital to implement their growth, special project or expansion plans.
- Companies that do not have a business plan or have an incomplete business plan, or those wishing to update their plan with a view to executing a capital raising.
- Companies must have the ability to meet the cost of a \$900 (+GST) upfront fee. The additional \$900 (+GST) of the program cost will be funded by the Department of State and Regional Development.
- Companies based in NSW, which have been operating for at least two (2) years with a sales turnover of between \$200,000 and \$10 million per annum and employ at least one staff member in addition to the owner.

What to do next

1. Complete an application form, and make note of terms and conditions.
2. You may be required to attend an interview, prior to an acceptance decision being made.
3. Program begins **Friday, 2 October 2009**. Your company will need to commit a minimum of 5 hours per week towards preparing the documentation requirements and must attend the 2 workshops.

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Participant Application Form

COMPANY DETAILS

Applicant's Name: _____

Company: _____

Title: _____

Position: _____

Principal Address: _____

Post Code: _____

Mailing Address (If Different): _____

Post Code: _____

CONTACT DETAILS

Office: _____

Mobile: _____

Fax: _____

After Hours: _____

Email: _____

Website: _____

Type of Business

Sole Trader Partnership Pty Ltd

ABN: _____

Industry Type: _____

Business Description: _____

Month/Year Established: _____

Annual Turnover: _____

Number of Employees in addition to owner(s) _____

Please attach

Business Plan Driver's License (copy)

CV (including affiliations and professional networks)

How much Equity Capital are you looking to raise?

\$ _____

List Company Advisers: _____

Accountant: _____

Lawyer: _____

Conditions of Application

- All Participants must complete the participant application form.
- Payment
 - Full payment - \$900 (+GST) - of First part to be made within 7 days of being accepted on the program
 - Payment can be made by:
 - Cheque,
 - Advising Credit Card details, or
 - Electronic Transfer.
- Participants will be formally advised of acceptance to the program and asked to make full payment within 7 days of acceptance. If payment is not received by the due date, your acceptance will be deemed to have lapsed and will be offered to the next eligible applicant on the stand-by list.
- Eligible participants may be asked to attend a face-to-face or phone interview before the program.
- Participants are required to attend all interviews, workshops, mentoring meetings, and graduation ceremony, which may be held at Department of State and Regional Development offices.
- We reserve the right to alter any arrangements for workshops and related events within the scope of the program parameters.
- Business documentation (company plans, marketing materials) must be submitted with the application, along with CV and a copy of the applicant's driver's license.
- The cost of an equity capital raising through the Australian Small Scale Offerings Board is not covered in this program.

Cancellation Policy

- A full refund will be made if your application is rejected or the program is cancelled.
- Alchemy Innovation reserves the right to refund under special circumstances. No refund will be made for a simple change of mind or anytime after the program commences or 7 working days before program commencement.
- If you cannot attend any workshop or session, you can nominate another key person from your organisation to replace you.

Privacy Policy

All information you provide to Alchemy Innovation Development Pty Ltd is considered highly confidential and will not be disclosed to any other individual or organisation other than the Department of State and Regional Development as required.

Declaration:

I confirm that I have read the conditions for participating in the Stepping Up program. I understand that, if accepted into the Stepping Up program, I will be required to participate in all feedback and evaluation activities as requested.

Signature: _____

Date: / / 2009

Print Name: _____

**PLEASE FAX OR MAIL BY C.O.B
MONDAY, 14 SEPTEMBER 2009**

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