Ely Trust
REACHING OUT
GROWING STRONG IN UNITY

ELY BAUXITE MINE BENEFICIARIES CORPORATION PTY LTD

(the Trust)

BUSINESS DEVELOPMENT FUND

Grant Procedure

Ely Bauxite Mine Beneficiaries Corporation Pty Ltd
PO Box 424
Smithfield QLD 4878

ACN 079 917 392
(e) elygrants@elytrust.com.au

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The Ely Bauxite Mine Beneficiaries Trust has set funds aside to assist Trust Beneficiaries establish and develop sustainable business opportunities that will provide ongoing benefits and opportunities to the beneficiaries and residents of the Western Cape area.

Assistance may be provided for developing business plans, feasibility studies and business proposals, business development, business start-up costs and business acquisitions.

PROCEDURE

This procedure is to be used in conjunction with the Application Form when applying for funding by way of grant for business development purposes from the Trust.

WHO CAN APPLY?

Beneficiaries (Trust Beneficiaries) of the Ely Bauxite Mine Aboriginal Beneficiaries Trust (Trust) of which the Ely Bauxite Mine Beneficiaries Corporation Pty Ltd is the trustee (Trustee).

WHAT WILL BE FUNDED?

Business Development

The Business Development Fund is established for the purpose of assisting members of the Aboriginal Community who are beneficiaries of the Ely Trust to establish and develop business opportunities that will provide ongoing benefits and opportunities to the Aboriginal Community. Grants from the Business Development Fund are limited to projects and business for sustainable development and not for the individual consumption of the Trust Beneficiaries.

Ongoing benefits can include:

- Enhancing the competitiveness of local business and the region;
- Diversification of the regional economy;
- Creation of job(s);
- Improving a combination of social, economic, environmental and cultural conditions;
- Improvements in training or career development for community members;

Broadly the Business Development Fund grant procedure is established to cover:

- Business plan development

  The Trust may fund business plans (prepared by registered consultants) relating to opportunities which provide ongoing benefits.

- Business capital injections

  Micro capital injection

  The Trust may fund smaller capital purchases, without requiring the need for a formal business plan. Funding is available for up to $10,000.00 and can include any physical items to be purchased. All vehicles, including motorcycles, all terrain vehicles and similar are specifically excluded from this purchase.

Large capital injection

The Trust may fund large capital injections where ongoing benefits have been identified and detailed business plan(s) have been prepared.

WHAT WILL NOT BE FUNDED FROM THE BUSINESS DEVELOPMENT FUND?

Activities that are solely 'personal' in nature.

WHEN CAN YOU APPLY?

You can submit an Expression of Interest (EOI) / Application form at any time. This form must be completed in order to have your application considered by the Board of Directors of the Trustee.

Please note:

- Not all applications submitted will receive funding;
- EOI applications will be provided to the Trusts advisors – Business Foundations Ltd for assessment;
- The approval of funding is at the discretion of the Trust and subject to the terms of the Trust, the Ely Bauxite Mining Project Agreement;
- The approved Business Development Fund policy and any other guidelines or protocols developed by the Trust from time to time (including these procedures) are to be adhered to; and
- The Trust decision making is final.

Applications for grants out of the Business Development Fund must be lodged at least twenty-one (21) days before a meeting of the Board.

HOW DO I APPLY?

You can apply by completing and returning the Application form and checklist, which is included at the back of this booklet. Your application form should be filled out fully. Applications should be addressed to:

The Ely Bauxite Mine Beneficiaries Corporation Pty Ltd
PO Box 424
Smithfield QLD 4878

If the application is not fully completed, with all checklist items ticked, it may not be able to be considered and you may be asked for further information, which will cause delays.

In ALL cases – BDF applications to the Trust are referred to
Business Foundations Ltd in accordance with the Trust's Procedure.

WHAT HAPPENS AFTER I APPLY?

Stage	Step	Who is responsible
1	Expression of Interest	The Board will assess your application including Beneficiary status, prior to providing your application to Business Foundations Ltd (Business Foundations).
2	Initial meeting with the Business Foundations advisor	Business Foundations advisor and beneficiary.
3	Enterprise Suitability Assessment	Business Foundations advisor and beneficiary.
4	Pathway decision (A, B or C)	Business Foundations advisor (recommendation); Board (final decision on funding).
	A) Proceed to application	
	B) Viable idea – additional work on capacity required	
	C) Viability not able to be determined by either party	
5	Business plan development, where required	Business Foundations advisor or alternative consultant (approval by Ely Board required) chosen by beneficiary.
6	Formal application	Beneficiary.
7	Board assessment and decision	Board of Directors.
8	Funding agreement and payment	Trust and beneficiary.
9	Ongoing support and reporting	Beneficiary, supported by the Business Foundations advisor.

WHAT ARE THE ASSESSMENT CRITERIA OF THE TRUST?

Assessments will be made against:

1. Whether ongoing benefits are being delivered – that is, meeting Business Development Fund policy requirements;
2. Are ongoing benefits delivered to the Western and Northern Cape area;
3. The completeness of the Application Form;
4. Whether the application is for a business purpose; and
5. For large capital injections the completeness of the business plan.

HOW WILL APPLICATIONS BE ASSESSED?

Decisions on all applications will be made by the Board of Directors of the Trustee at a scheduled meeting of the Board. The decisions of the Board of Directors are final.

- Advice may be provided to the Board of Directors by other persons or bodies that the Board of Directors decide are appropriate regarding the application before them.
- All applicants will be advised of the assessment outcome in writing. Unsuccessful applicants will be offered the opportunity to seek feedback on their applications and may reapply at any time.
- Generally, an application will not be considered if it is incomplete. The Board of Directors may require further information. Consideration of the application will resume once the requested information is provided.
- Your application may be approved on conditions the Board of Directors decide are appropriate in the circumstances.
- If your application is approved, you will be required to enter into a funding agreement with the Trust before funding is provided.

GRANT ACQUITTAL PROCESS

In accepting a grant, the applicant is agreeing to acquit the expenditure of those funds in accordance with the Trust's adopted acquittal process provided for in the “Grant Funding Agreement”.

THE TRUST PROCEDURE FOR PAYMENT OF GOODS AND SERVICES

If approved, applicants acknowledge that as part of the grant process:

a) All payments to suppliers of goods and services are to comply with completing the Trust's "New Supplier Set-up Form".
b) Any payment for goods and services is to be received by close of business Monday to be included in the payment run for that week subject to the invoice meeting the Trust internal processes.
c) Grant funds may be paid directly to the consultants or supplier of goods or services in accordance with the approved budget; or
d) Grant funds may be paid directly to the account operated by the applicant (depending on Board approval);
e) the Grantee may be required to provide the Trust with 'updates' on progress and failure to provide updates in the required format may result in a 'freezing' of funds until such time as the 'update' is provided.

FUNDING SEGMENTS

The funding that will be provided falls into the following segments:

Business plan development

For eligible beneficiaries, a grant may be provided of up to $20,000.00 for the payment of Consultants, Business Advisors, Financiers, Accountants, Engineers, or other professional fees for the development of business plans, feasibility studies or supporting documents for a business plan including cash flows, financials and marketing projections.

It is at the Trust's discretion on the size of the grant for business plan development. Any co-payment option provided by the beneficiary, for example, the beneficiary (or another party) co-funding the business plan development will be looked upon favourably.

Any request for a business plan <u>must</u> include the following to be considered conforming:

In order to receive a grant for business plan development, the applicant must be able to demonstrate either:

- Relevant experience;
- Technical skills – e.g. certificate;
- Management skills e.g. business structure, quality systems, previous work;
- Financial capacity (project viability / resources); and or an
- Understanding of pricing of goods and services

In order to be eligible for an external consultant to deliver a business plan, the applicant must complete the Enterprise Suitability Assessment with Business Foundations

Applications must include the terms of reference and quotations from selected consultants with a full overview of the purpose and outcomes sought from the project and work to be undertaken. The application is to address any business mentoring (or request for funding of such) and a timeframe to complete the business plan.

Business plan requirements

Any completed business plan funded by the Trust must including the following elements:

Heading for Business Plan	**What the Trust is looking for:**
Sense of direction	Where do we want to be in 3-5 years time (vision)? How are we going to do get there?
Business Picture	What we can control: What are our **STRENGTHS**? What are our **WEAKNESSES**? What is around us: Are there any new **OPPORTUNITIES**? What are the **THREATS** to our business?
Strategy	How do we get to where we want to be? As a business do we want to Start-up or Grow? How do our **STRENGTHS** help us get there? Every-time we "do something" in the plan – an action plan is required – hours / resources / activity
Goal(s)	What needs to be achieved in the first 3 months? and What needs to be achieved in the second 3 months? For the business what sales need to be achieved? This needs to be realistic.

<u>Heading for Business Plan</u>	**<u>What the Trust is looking for:</u>**
Financial Plan	First year budget – annual plan Link of activity to revenue / expense Timeline is for 3 - 5 years, at least. Income - how are the sales calculated? Expenses - how are the expenses calculated? What is my profit / (loss)? Tax <u>Discounted cashflow (see timeline)</u> Long-term, capital – what are the purchases over $5,000 and in what year(s) is this capital required – identify in the cashflow. <u>Granular cashflow</u> Short-term, for new business – how much cash is needed for the first three months? <u>Other business activities</u> How will any profit be managed? Director drawdowns / director wage How will invoices (sales) be raised? How will invoices (expenses) be paid? Desirable – forecast balance sheet Desirable – are assets greater than liabilities?
Goal Achievement	What equipment (capital) is needed to reach the goal(s)? Do we need to purchase any materials? What are the skills needed to be successful? Who are the key people? What will they do?

Heading for Business Plan	**What the Trust is looking for:**
Evaluation	How will we know we have been successful? How often will we review achievement against the goal(s)? How will our financial plan be reviewed? How often will we report on progress back the Trust? – 6 monthly Requirement to keep accounting records

These elements are not considered exhaustive and are considered to be components of a business plan. For example, it is expected that a business plan will also address risk elements and potential mitigating strategies.

Business capital injection

Micro-business

For eligible beneficiaries, a grant may be provided of up to $10,000.00 without the provision of a detailed business plan. The applicant must be able to demonstrate either:

- Relevant experience;
- Technical skills – e.g. certificate;
- Management skills e.g. business structure, quality systems, previous work;
- Financial capacity (project viability / resources); and or an
- Understanding of pricing of goods and services

The assessment criteria and on-going benefits requirements defined in **"WHAT WILL BE FUNDED?"** must be met in order to achieve funding through this grant application process. It is at the Trust's discretion on the size of the grant (if any) is provided to the beneficiary for a micro-business.

Large Business

Funding for large business capital injections is not capped. Each large business capital injection application will be assessed on its merits against the ongoing benefits identified in "WHAT WILL BE FUNDED?" and the general strength of the application.

Capital injections for a large business must be clearly identified, including:

- Timing of capital injection, for example Month and Year; and
- Whether any other sources of funding are identified and are dependent on the capital injection – for example other funding sources including grants and loans from government and commercial lenders.

Insurance

Insurance tailored for the business is to be specifically addressed within the application. The standard level of public liability cover required is $20,000,000 for any single event. The Trust can provide access to an insurance broker if required and will fund public liability cover for the successful applicant.

Business plan requirements

Any completed business plan to the Trust requesting a business capital injection, must include the elements of a business plan identified in the section entitled "*Business plan development*". If these elements are not addressed the application will not be successful. These elements are not considered exhaustive and are considered to be components of a business plan. For example, it is expected that a business plan will also address risk elements and potential mitigating strategies.