Scottish Enterprise and Catalonia Trade & Investment

Collaborative Research & Development Call

Guidelines for Scottish Applicants

Formal Application Deadline: 10 October 2019
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1 Purpose of this document

The purpose of this document is to provide guidance to Scottish companies applying for collaborative R&D grant funding as part of a consortium that includes a partner, or partners, from Catalonia. It is expected that, whilst the guidance given to Catalan companies may be similar, there will be regional differences.

2 Key Dates

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Webinar 1† - About this call for project proposals</td>
<td>28 May 2019</td>
</tr>
<tr>
<td>Call Opens</td>
<td>31 May 2019</td>
</tr>
<tr>
<td>Webinar 2† - Application form, proposal documents and Q&amp;A</td>
<td>TBC</td>
</tr>
<tr>
<td>Call Closes (Application Deadline)</td>
<td>10 October 2019</td>
</tr>
<tr>
<td>SE/ACCIÓ joint appraisal and moderation</td>
<td>10 December 2019</td>
</tr>
<tr>
<td>Applicants notified</td>
<td>16 December 2019</td>
</tr>
<tr>
<td>Projects start</td>
<td>from 1 January 2020</td>
</tr>
</tbody>
</table>

† see [www.enterprise-europe-scotland.com/catalonia](http://www.enterprise-europe-scotland.com/catalonia) for links to upcoming webinar registration processes.

3 Introduction

Scotland is an entrepreneurial nation – a CAN DO place for new ideas, innovation and business growth. We have a proud tradition of sharing and internationalising our knowledge. We also have an inquisitive nature to learn from others. The industrial and societal challenges of Scotland are mirrored in other regions of the world. Regions working together and collaborating internationally is therefore vital.

Working with Catalonia Trade and Investment Agency (ACCIÓ), Scottish Enterprise (SE) is investing c£1m in an international innovation partnership to stimulate collaborative research and development projects involving companies from both regions. The aim is to encourage R&D investments and international collaborations that lead to new products, processes or services aligned to market opportunities, including, but not restricted to:

- Manufacturing 4.0
- Mobility
- Health Care

Information regarding these themes in relation to Scotland and Catalonia can be found in Annex A.

4 Why Catalonia?

- 1.47% of its GDP dedicated to R&D.
- 9,282 innovative companies, representing 22.2% of the Spanish total.
- With 0.1% of the world’s population, accounts for 1.05% of worldwide scientific production, 2.7% of the total European Horizon 2020 programme and 3.7% of EU-28 scientific production.
- Over 1,300 start-ups in Catalonia.
- Catalan industry’s top sectors are food and drink, chemicals, automotive, energy, metallurgy and pharma.
- Cutting-edge multinationals performing R&D in Catalonia include HP, Amazon, Facebook, Nestlé, Bayer, Nissan, Roche and BASF.

5 Eligibility

5.1 Project

5.1.1 Scope

This is an open call, but we particularly encourage collaborative projects that are connected to one or more of the following three themes:

**Theme 1: Innovations linked to the trialling, testing, and prototyping of Manufacturing 4.0 products, processes or services.**

- **Scope – R&D Activities linked to:**
  - Automation of production, assembly and inspection processes
  - Sustainability in manufacturing processes
  - Optimised communications with internal and external stakeholders
  - Reduction of the "time to market"
  - Skills and capabilities for future factory
  - Higher flexibility and personalisation in products
  - Improved decision making efficiency
  - Detection of hidden patterns in business processes
  - Optimization of weight or reduction of materials in parts or components
  - Harmonized sharing of large volumes of information

**Theme 2: Innovations linked to the trialling, testing, prototyping of Mobility products, services or processes**

- **Shared Mobility**
- **Connected & Autonomous Vehicle**
- **Clean vehicles & Environment**

**Scope R&D Activities linked to:**

- shared mobility solving last-mile in peri-urban and rural areas
- multimodal information, trip planning and integrated ticketing
- data analytics for better transport planning and operation
- introduction of connected car services and autonomous vehicles
- introduction of clean vehicle technologies and reducing environmental impact of transportation
### Theme 3: Innovations linked to the trialling, testing, prototyping of Health Care products, processes or services

<table>
<thead>
<tr>
<th>Prediction</th>
<th>Prevention</th>
<th>Personalisation</th>
<th>Participatory</th>
<th>Platform technologies</th>
<th>Products and services</th>
</tr>
</thead>
</table>

#### R&D Activities linked to

- Early detection and diagnosis of disease
- Personalised treatment
- Patient-centric care
- Improved clinical decision making & efficiency
- Scalable and interoperable digital health solutions
- Management of chronic illness and long-term conditions
- Support independence in old-age and an increase to disability free life expectancy (DFLE).

**Annex A** provides a summary of the significance of each of the call themes and highlights relevant research reports/documents that you may wish to review and refer to in your application.

Your collaborative R&D project should fall within at least one of the following state aid definitions:

- **Industrial Research** – means the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new, or bringing about significant improvement to, products, processes or services. It comprises the creation of component parts of complex systems and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces.

- **Experimental Development** – means acquiring, combining, shaping and using existing technological, scientific, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may include for example activities aimed at prototyping, demonstrating, piloting, testing and validation of new products, processes or services in environments representative of real-life operating conditions.

- **Process Innovation** – means the implementation of a new or significantly improved production or delivery method. This comprises significant changes in production techniques, equipment, digital processes and software.


Detailed guidance regarding your collaborative R&D project proposal can be found at the back of the Application Form in **Annex B** but, in summary, it should demonstrate:

- an innovative idea that should lead to new products, processes, services or productivity improvements
- a deliverable project plan
- a team, business arrangement or working structure with the necessary skills and experience to run and complete the project successfully and on time
- an awareness of all the main risks the project will face with realistic management, mitigation and impact minimisation plans for each
- sound, practical financial plans and timelines
- good value for money which is a consideration for SE and ACCIÓ in funding decisions
- a clear, evidence-based plan to deliver positive business, commercial and/or productivity impacts as soon as possible after project completion
- potential to benefit the Scottish and Catalan economies
- the benefits of participants from the two regions working together and how this adds value within the project
5.1.2 Scale
We expect the Scottish element of joint projects to have total eligible costs between £150,000 and £350,000. This value excludes costs incurred by Catalan partners. The total maximum grant available to Scottish applicants will be approximately £200,000.

If your collaborative R&D project’s total eligible costs for Scottish partners fall outside the above values, you must provide justification by email to enquiries@scotent.co.uk at least 10 working days before the application deadline. We will review this and reply within 5 working days of receipt of your email.

5.1.3 Timing and Duration
Your project can start from 1 January 2020 and should be completed within 12 to 30 months from the agreed project start date.

If your project’s start date or duration fall outside of the above, you must provide justification by email to enquiries@scotent.co.uk at least 10 working days before the application deadline. We will review this and reply within 5 working days of receipt of your email.

Details of Eligible Costs and costs that are Not Eligible can be found in the guidance at the back of the Application Form in Annex B.

Notes:
• As these projects will be international collaborative R&D projects there are likely to be costs associated with consortium coordination and management (and potentially regional coordination and management if there is more than one partner in either or both regions). Therefore, lead regional partners can also include reasonable costs associated with relevant coordination and management activities.
• No individual organisation, or individual partner region, can bear more than 70% of the total eligible costs for the entire collaborative R&D project.
• Subcontracting between partners is not permitted.

5.2 Consortium
To be eligible to apply to this call the consortium must contain one or more Scottish companies and one or more Catalan companies. Organisations from outside the operational regions of SE and ACCIÓ can participate in the project consortium provided they arrange and confirm their own funding.

All partners in a collaborative R&D consortium must be separate legal and non-linked entities. This is to ensure that projects encourage genuine international collaboration, not internal company research. Where companies are linked, they shall be considered a single entity.

5.2.1 Scottish Applicants
To be an eligible Scottish applicant, you must:
• be a Scottish site of a ‘for profit’ business of any size; and,
• carry out the majority of your funded R&D work within this Scottish site.

The eligibility criteria for Catalan partners will be similar.

5.3 State Aid
• Any awards made will be state aid under articles 25 & 29 of the EU General Block Exemption Regulation https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN.
• It is the responsibility of applicants to make sure that their organisation is eligible to receive state aid.

6 Scale of Support
The scale of support will be dependent upon the type of collaborative R&D project (i.e. Industrial Research, Experimental Development or Process Innovation) and the size of the applicant company.

Scottish companies could have their eligible project costs supported at the following rates:
• in the range 60-70% if you are a micro or small business
in the range 50-60% if you are a medium-sized business
in the range 40-50% if you are a large business

7 Partner Search/Matchmaking

The Enterprise Europe Network team within SE has over 20 years’ experience of partner matching within the wider Enterprise Europe Network; a network connecting more than 600-member organisations (including ACCIÓ) throughout the EU and beyond. SE’s Enterprise Europe Network team will support Scottish companies to identify, connect to and build collaborations with Catalan partners. Assistance with partner search and consortium building can be requested by emailing enquiries@scotent.co.uk.

Webinars will be scheduled to provide more information about the call and how SE and ACCIÓ can help find and match companies:

• Webinar 1: 28 May 2019 About this Call for Project Proposals
• Webinar 2: date TBC Details on application forms and proposal documents plus Q&A

Please visit www.enterprise-europe-scotland.com/catalonia for links to upcoming webinar registration processes.

8 How to apply

The call documents, for Scottish companies, for the SE/ACCIÓ R&D Call are as follows:

• Collaborative Research & Development Call – Guidelines for Scottish Applicants (this document)
• Application Form (sample shown in Annex B)

The applicant company that will lead the Scottish side of the project consortium should submit an application form, along with the required supplementary information documents (see guidance at the back of the Application Form in Annex B) to SE at enquiries@scotent.co.uk.

Note: Signing and submitting an application to SE means the applicant company that will lead the Scottish side of the project consortium is confirming that they have the agreement of all applicants in the project consortium (i.e. including Catalan applicants) to do so.

Applications may be subject to independent due diligence to inform the level of grant contribution. There will be opportunities for Scottish companies to engage with SE to answer any queries about funding applications. The application deadline is 10 October 2019 although we encourage draft proposals to be made ahead of the deadline as this will give SE the opportunity to give early feedback and, possibly, invite revisions to your application and supplementary information documents.

All relevant documents and templates can be downloaded from www.enterprise-europe-scotland.com/catalonia.

9 Assessment

9.1 Scope check

Applications that meet the eligibility criteria of the competition will be sent for full assessment. SE and/or ACCIÓ reserve the right to declare applications out of scope.

9.2 Assessment

Once eligibility checks have been completed, applications will be assessed in Scotland and Catalonia. Proposals will be evaluated against three criteria: a) ‘Scientific or Technological Excellence’, b) ‘Impact’ and c) ‘Quality and Efficiency of Implementation’.

What SE is looking for

9.2.1 Scientific or Technological Excellence criteria

• Scientific/technological quality:
  clarity and pertinence of the objectives; credibility of the proposed approach/technology including trans-disciplinary considerations where relevant; soundness of the concept;
• Ambition and innovation content:
  how ambitious, novel and innovative is the proposed work/technology.
9.2.2 Impact
- The expected ability of the project to overcome relevant barriers and challenges while enhancing innovation capacity and integration of new knowledge;
- Future market deployment potential of the proposed innovation within global markets;
- Sustainability, added value, other economic, environmental and social impacts.

9.2.3 Quality and Efficiency of the Implementation
- Coherence and effectiveness of the work plan: including appropriateness of the allocation of tasks and resources, realistic project timeline and budget, financial and operational capacity to deliver the project, and balance between partners;
- Consortium strength and quality: relevant experience/expertise of the consortium members, soundness, complementarity and competence diversity of the partners, including the value of conducting a trans-national project;
- Appropriateness and strength of the project management structures and governance procedures, including risk and innovation management.

10 Notification, Award, Contract
SE will notify the lead Scottish company of the outcome of the application, by the date stated in the Key Dates (see Section 1), using the email address provided in the application form.

Where a collaborative R&D project application is unsuccessful – say, for example, where the other funding agency, ACCIÓ, decides not to fund the Catalan partners in the consortium – the lead Scottish company will receive feedback and, if applicable, will be advised of the potential for alternative ways to fund the project from SE or other Scottish/UK sources.

Where a collaborative R&D project application is successful, SE will proceed to agree a ‘joint and several grant contract’ with the applicants.

11 Implementation of Selected Projects

11.1 Contractual Phase
A Scottish company participating in a project recommended for funding will be part of a contract/funding agreement with SE.

11.2 Start of Projects
Consortium members need to consider the different times to contract and funding involved and agree on a common date for the start of the international project. Scottish partners are expected to start projects from 1 January 2020 onwards.

11.3 Consortium Agreement
Your project proposal (one of the supplementary documents that needs to be part of your application) must set out the roles of all partners in the consortium. During appraisal of your application SE may request to see a ‘Heads of Terms’ or draft consortium agreement. A consortium agreement, signed by all partners, must be submitted to SE ahead of the first instalment of grant being claimed. This consortium agreement should underpin the partners’ collaboration, their rights and obligations towards one another (including the handling of a default of contract) as well as how the Intellectual Property Rights will be managed. The consortium agreement should also cover the funding contributions made by each collaborating partner. An illustrative consortium agreement is available at: https://www.smarteureka.com/mediafiles/2/1517508620-20180201-project-consortium-agreement-en-en.doc

11.4 Payment of Grant
Each regional lead partner in a project consortium will receive funding from its relevant funding organisation. Payments will be made in accordance with the contract or grant agreement and organisational procedures. It should be noted that, in Scotland, grant payments will be made to the lead Scottish company who will then be responsible for allocating relevant amounts to other Scottish partners in the consortium.
11.5 Ownership of Intellectual Property Rights
Results and new Intellectual Property (IP) resulting from funded projects will be owned by the beneficiaries, according to national/regional rules on IP. If several beneficiaries jointly carry out work to create IP they should agree among themselves, through the consortium agreement, the arrangements for ownership and use of IP.

11.6 Reporting Requirements
Beneficiaries will be required to report to their respective funding organisation according to their grant agreement.

11.7 Changes to Active Projects
Any anticipated, significant changes to an on-going project must be reported immediately to SE and ACCIÓ, who will jointly decide on any significant change affecting the whole project.

11.8 Data Sharing/Protection
Any personal data provided in the application will be processed by Scottish Enterprise in accordance with Data Protection Laws and held in accordance with Scottish Enterprise’s privacy notice, which can be found at https://www.scottish-enterprise.com/help/privacy-notice. Individuals can also use this link to find information on their rights in respect of the personal data we hold.

The information provided in the application may be shared and used by Scottish Enterprise, Catalonia Trade & Investment, The Scottish Government, The Government of Catalonia, Highlands and Islands Enterprise and other associated bodies such as local delivery organisations, consultants and agents collectively referred to as ‘the Agencies’, to assess its suitability for support. If the application is successful, the Agencies will use the information provided in the application form for administration and management purposes, including carrying out appropriate checks and audits. Some information may also be passed to auditors, the European Commission or its agents for administrative purposes.

The transfer of personal data between the Applicant and SE is on a Controller to Controller basis. SE and the applicant shall each comply with their respective obligations under all Data Protection Law. The Applicant will be responsible for ensuring that all collaborative partners (if applicable) ensure that relevant staff are provided with appropriate privacy notices informing them that their employment information may be shared with SE and other third parties.

Where the Applicant discloses personal data to SE in relation to this application, such disclosure must be fair, transparent and lawful and not contravene Data Protection Law.

Applicants should note the requirement of providing personal data to evidence staff costs and meet the eligibility criteria for a claim.
Annex A: Regions and Themes – Further Information

Please visit www.enterprise-europe-scotland.com/catalonia to find slide sets that give more information about Scotland and Catalonia in terms of economy, innovation and the importance of the three themes.

Below are links to Scotland/UK reports and other information that may help provide context for your proposal.

Manufacturing 4.0 – Useful Links

- **EU Digital Transformation Monitor**
  This Monitor highlights the evolution of digital transformation in Europe. It provides a monitoring mechanism to examine trends in digital transformation.

- **Made Smarter Review**
  The Made Smarter Review found that the positive impact of faster innovation and adoption of Industrial Digital Technologies could be as much as £455 billion for UK manufacturing over the next decade, increasing manufacturing sector growth between 1.5 and 3 percent per annum.
  https://www.gov.uk/government/publications/made-smarter-review

- **A Manufacturing Future for Scotland**
  This Action Plan is based on a Scottish Government commitment to raising productivity through increased investment and innovation and a long-term partnership between government, industry, our Enterprise Agencies and other key stakeholders.

Mobility – Useful Links

- **Future of Mobility**
  This report brings together evidence to inform the UK’s response to a range of challenges and opportunities. To be successful, industry, science and policy-makers will need to work together, along with citizens. Through the Industrial Strategy and more broadly, we should grasp the commercial opportunities to fully exploit our potential, creating a transport system that is ready for the future.

- **Mobility as a Service**
  This Report is intended to increase public awareness of what MaaS is, to show policy makers why it could be important and is worth investing time and effort to understand, and to clarify the Department for Transport’s (DfT’s) role in shaping its development in the UK.
  https://publications.parliament.uk/pa/cm201719/cmselect/cmtrans/590/590.pdf
  https://maas-scotland.com

Health Care – Useful Links

- **Life Sciences Strategy for Scotland 2025 Vision: Accelerating Growth, Driving Innovation**
  This document presents the refreshed strategy to build on Scotland’s successes, to take advantage of the opportunities presented in the rapidly changing environment and to grow the Life Sciences sector in Scotland to £8bn by 2025.

- **The Digital Health & Care Institute (DHI)**
  The DHI is part of the Scottish Funding Council’s Innovation Centre Programme, which is designed to support transformational collaboration between universities and businesses. Its vision is that innovation in digital health and care will help the Scottish population to live longer and healthier lives, while creating new jobs for the economy.
  http://dhi-scotland.com/
Annex B: Formal Application

The following pages show a sample application with guidance where, to minimise the overall file size of this document, most of the brand images have been removed.

Please email enquiries@scotent.co.uk to request a formal Application Form for this call.
APPLICATION

Scottish Enterprise / Catalonia Trade & Investment

Collaborative R&D Call 2019
To be kept confidential

You must fill in all sections of this application form.
If you are a registered company, an Executive Director must sign it.
If you are a partnership, a partner with authority to sign on behalf of all partners must sign it.

Please note: Before filling in this application form, we suggest that you contact us to discuss your project. This generally leads to a quicker turnaround of your application.

Do not start your project or commit to spending before you have received an offer of grant from Scottish Enterprise.

After you have accepted the grant offer, we may publish details of your project in regular reports on state aid, including your company name and details, the amount of the grant, the region your company is based in, and a brief description of the project.
If your grant is for more than €500,000, we may also need to make information about the grant available to the public on an EU Competition website.

Please type your answers or write in black ink using BLOCK CAPITALS. If there are boxes, please put a cross in the correct box.

Read the guidance notes carefully before you fill in the form.
• **Section 1: Lead Applicant Details**

1 Your business name (or your name and trading name if an individual)

2 Your business address and postcode (address for correspondence)

   Address

   Postcode

3 **Who should we contact to discuss your application?**

   Contact name
   Phone
   Email
   Position in organisation

4 **When did you start trading?** (If your business is not yet trading, give a proposed start date.)

5 **If you are a registered company, what is your company registration number and when were you registered?**

   Registration number
   Date registered

6 **Is your company a member of a group?**

   Yes ☐
   No ☐

   If yes, give the name, address and postcode of the holding company, its company registration number and the country in which the company was incorporated in.

   Holding company name
   Address

   Registration number
   Postcode
   Country incorporated in

7 **Please give the total number of employees (full-time equivalent) in your business and the group (if your company is part of a group) and tell us where they are employed.**

   In your business
   In your group

   Where they are employed
   Where they are employed
8 If your business is a registered company, please list the shareholders and the number and type of shares held by each of them. If your business is not yet formed, give details for the proposed shareholdings. If there are, or will be, more than six shareholders, give details for the other shareholders on a separate sheet attached to this form.

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Number of shares</th>
<th>Type</th>
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Please list all partners or company directors (including yourself if appropriate).

If your business is not yet formed, list the proposed partners or directors.

<table>
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<th>Name</th>
<th>Positions</th>
<th>Date of appointment</th>
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9 Please provide details of all businesses which any executive director has had an interest in, or control over, in the last five years. (If none, please write ‘None’ in the box below.)

<table>
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<th>Name</th>
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Continue on a separate sheet if necessary and attach to this form.
Section 2: Supporting Applicant 1 - Details

1. Your business name (or your name and trading name if an individual)

2. Your business address and postcode (address for correspondence)
   Address
   Postcode

3. Who should we contact to discuss your application?
   Contact name
   Phone
   Email
   Position in organisation

4. When did you start trading? (If your business is not yet trading, give a proposed start date.)

5. If you are a registered company, what is your company registration number and when were you registered?
   Registration number
   Date registered

6. Is your company a member of a group?
   Yes  ☐  No  ☐
   If yes, give the name, address and postcode of the holding company, its company registration number and the country in which the company was incorporated in.
   Holding company name
   Address
   Postcode
   Registration number
   Country incorporated in

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<th>Position</th>
</tr>
</thead>
</table>

Continue on a separate sheet if necessary and attach to this form
• Section 2: Supporting Applicant 2 - Details

1 Your business name (or your name and trading name if an individual)

2 Your business address and postcode (address for correspondence)

Address

Postcode

3 Who should we contact to discuss your application?

Contact name
Phone
Email
Position in organisation

4 When did you start trading? (If your business is not yet trading, give a proposed start date.)

5 If you are a registered company, what is your company registration number and when were you registered?

Registration number
Date registered

6 Is your company a member of a group?

Yes ☐ No ☐

If yes, give the name, address and postcode of the holding company, its company registration number and the country in which the company was incorporated in.

Holding company name
Address

Postcode
Registration number
Country incorporated in

7 Please give the total number of employees (full-time equivalent) in your business and the group (if your company is part of a group) and tell us where they are employed.

In your business
In your group

Where they are employed
Where they are employed
8 If your business is a registered company, please list the shareholders and the number and type of shares held by each of them. If your business is not yet formed, give details for the proposed shareholdings. If there are, or will be, more than six shareholders, give details for the other shareholders on a separate sheet attached to this form.

Shareholder | Number of shares | Type

Please list all partners or company directors (including yourself if appropriate).

If your business is not yet formed, list the proposed partners or directors.

Name | Positions | Date of appointment

9 Please provide details below of all businesses which any executive director has had an interest in, or control over, in the last five years. (If none, please write ‘None’ in the box below.)

Name | Company | Position

Continue on a separate sheet if necessary and attach to this form.
Section 2: Supporting Applicant 3 - Details

1 Your business name (or your name and trading name if an individual)

2 Your business address and postcode (address for correspondence)

Address

Postcode

3 Who should we contact to discuss your application?

Contact name
Phone
Email
Position in organisation

4 When did you start trading? (If your business is not yet trading, give a proposed start date.)

5 If you are a registered company, what is your company registration number and when were you registered?

Registration number
Date registered

6 Is your company a member of a group?

Yes ☐  No ☐

If yes, give the name, address and postcode of the holding company, its company registration number and the country in which the company was incorporated in.

Holding company name
Address

Registration number
Postcode
Country incorporated in

7 Please give the total number of employees (full-time equivalent) in your business and the group (if your company is part of a group) and tell us where they are employed.

In your business
In your group

Where they are employed
Where they are employed
8 If your business is a registered company, please list the shareholders and the number and type of shares held by each of them. If your business is not yet formed, give details for the proposed shareholdings. If there are, or will be, more than six shareholders, give details for the other shareholders on a separate sheet attached to this form.

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Please list all partners or company directors (including yourself if appropriate).

If your business is not yet formed, list the proposed partners or directors.

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9 Please provide details below of all businesses which any executive director has had an interest in, or control over, in the last five years. (If none, please write ‘None’ in the box below.)

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<tr>
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</table>

Continue on a separate sheet if necessary and attach to this form.
• Section 2: Supporting Applicant 4 - Details

1 Your business name (or your name and trading name if an individual)

2 Your business address and postcode (address for correspondence)

   Address

   Postcode

3 Who should we contact to discuss your application?
   Contact name
   Phone
   Email
   Position in organisation

4 When did you start trading? (If your business is not yet trading, give a proposed start date.)

5 If you are a registered company, what is your company registration number and when were you registered?
   Registration number
   Date registered

6 Is your company a member of a group?
   Yes ☐ No ☐
   If yes, give the name, address and postcode of the holding company, its company registration number and the country in which the company was incorporated in.
   Holding company name
   Address

   Postcode
   Registration number
   Country incorporated in

7 Please give the total number of employees (full-time equivalent) in your business and the group (if your company is part of a group) and tell us where they are employed.
   In your business
   In your group

   Where they are employed
   Where they are employed
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Continue on a separate sheet if necessary and attach to this form
• Section 2: Supporting Applicant 5 - Details

1 Your business name (or your name and trading name if an individual)

2 Your business address and postcode (address for correspondence)

Address

Postcode

3 Who should we contact to discuss your application?
Contact name
Phone
Email
Position in organisation

4 When did you start trading? (If your business is not yet trading, give a proposed start date.)

5 If you are a registered company, what is your company registration number and when were you registered?
Registration number
Date registered

6 Is your company a member of a group?
   Yes ☐  No ☐
If yes, give the name, address and postcode of the holding company, its company registration number and the country in which the company was incorporated in.

Holding company name
Address

Registration number
Postcode
Country incorporated in

7 Please give the total number of employees (full-time equivalent) in your business and the group (if your company is part of a group) and tell us where they are employed.

In your business

Where they are employed

In your group

Where they are employed
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Section 3: Project details – lead applicant only

Please give a brief title of the project. (Up to 20 words)

Please give a description of the project. (50 to 100 words)

Section 4: Funding the project

Have you or your business ever applied for, or been connected with an application for, financial support from Scottish Enterprise or another public body?

Note: public bodies must let businesses know that the support they are receiving is ‘de minimis aid’. If you have not been told that the help you have received, or applied for, is de minimis aid, it is safe to assume that it is not.

Yes ☐ No ☐

If yes, please give details on a separate sheet attached to this form (for example, your company name at the time of the application, the year the application was made, what the scheme was, the outcome of the application and so on). In particular, please include information on all de minimis aid you or your business has received in the past three years and indicate the amount of aid received.

Has any executive director ever been prosecuted for fraud or disqualified from becoming a director?

Yes ☐ No ☐

If yes, please give details on a separate sheet attached to this form, but do not include it in your project proposal. This does not necessarily affect your chances of getting a Scottish Enterprise grant.

Has any executive director ever been an owner, shareholder, director or senior executive of any business which went through any insolvency proceedings or stopped trading for any other reason?

Yes ☐ No ☐

If yes, please give details on a separate sheet attached to this form, but do not include it in your project proposal. This does not necessarily affect your chances of getting a Scottish Enterprise grant.
• Checklist

Please ensure that you have included the following mandatory documents.

If you fail to supply any of the mandatory items we need, your application may be rejected.

Mandatory Application Documents

A detailed project proposal

Filled-in cost estimate (Excel workbook)

Integrated profit and loss, balance sheet and cash flow projections for two years, or for three years if project is for more than two years. (We provide a template, but your own format is acceptable as long as the projections are quarterly)

If your business is established and needs to have its accounts audited: send your last two years’ audited accounts. (If these are more than three months old, you must also provide up-to-date management accounts)

OR

If your business is established and does not have to have its accounts audited: send your last two years’ annual accounts. (If these are more than three months old, you must also provide up-to-date management accounts)

OR

If your business was recently set up and you do not have any audited, annual or endorsed accounts: send your unaudited or management accounts for the previous three months, if appropriate.

OR

If your business is part of a group: send the same types of accounts as the parent and holding companies.

Cost estimates, P&L balance sheet, cash flow projections, and applicable accounts must be submitted by both the lead applicant and all applicants detailed in section 2.
• Declaration

Please read this carefully before signing

By signing this application, you are giving ‘the agencies’ (Scottish Enterprise, Catalonia Trade & Investment, The Scottish Government, The Government of Catalonia, Highlands and Islands Enterprise and other associated organisations such as local delivery organisations, consultants and agents) permission to use the information you have provided in this application, including personal information, to assess your suitability for support. If your application is successful, the agencies will use the information in this application form for management purposes, including carrying out appropriate checks, audits and marketing. Some information may also be passed to auditors, the European Commission or its agents.

The information you provide in this application form will be kept confidential, except where any law or regulation that applies states that we need to release it (for example, under the Freedom of Information (Scotland) Act 2002 or any code relating to providing access to information held by public bodies).

If your application is successful, we will publish information from sections 3 to 5, section 13 and sections 18 to 20 of this form, both in hard copy and on the internet, to make potential applicants, investors, the general public and other interested parties aware of the types of projects and businesses receiving Scottish Enterprise grants.

If your application is unsuccessful, we would generally pass your name and address (but not details of your project proposal) to other departments within Scottish Enterprise and Highlands and Islands Enterprise.

This is so that Scottish Enterprise and Highlands and Islands Enterprise can consider whether there are any suitable alternatives to Scottish Enterprise funding, or whether they can help you in any other way.

If you do not receive support from the European Structural and Investment Funds (ESIF), the information you provide will not be given to any other organisation for any purpose other than detecting or preventing fraud. To detect or prevent fraud, information may be given to:

• subcontractors employed by Scottish Enterprise for the purpose of preventing and detecting fraud;
• other Scottish Enterprise departments (and their subcontractors) responsible for providing grant support in Wales and Northern Ireland;
• Highlands and Islands Enterprise, Invest Northern Ireland, local authorities and their subcontractors;
• The Department for Work and Pensions;
• HM Revenue & Customs; and
• law enforcement agencies.

If you receive support from the European Structural and Investment Funds, we will give information about you and the grant (including the evidence you have provided) to auditors, the European Commission or its agents. Scottish Enterprise’s representative for the purposes of the Data Protection Act is at:

Corporate Office, Scottish Enterprise, Atrium Court, 50 Waterloo Street, Glasgow, G2 6HQ.

Phone 0141 228 2636

If you give information which you know is untrue or misleading, you may be committing an offence which could lead to you being prosecuted.
By signing below, you are agreeing that the following statement is true. I declare that as far as I know and believe, the information on this form, and any other information given to support this application, is correct. I authorise you to make any enquiries you consider necessary (including checks with credit-reference agencies) for my application, as long as the information will not be used for any purpose other than assessing the grant. I agree that all or part of this application may be copied or stored, and copies made available to internal and external assessors. I understand that any copies made for assessment purposes will be destroyed after the assessment is over. I agree that if this application is successful, the information given in sections 3 to 5, section 13 and sections 18 to 20 can be published in hard copy and on the internet.

Signature

Name (BLOCK CAPITALS)

Date (DD/MM/YY)

Position in company

Please note this must be someone authorised to sign on behalf of the company.

Where to send your application
Send this application and the other documents to:
Scottish Enterprise,
Innovation and Enterprise Services Directorate,
Atrium Court,
50 Waterloo Street, Glasgow,
G2 6HQ.
Guidance notes

• Your project proposal

What should the project proposal include?

The proposal should be consistent with the requirements of these guidance notes. It should distinguish clearly between information and figures relating to the Scottish Enterprise project and those relating to the rest of the business. Details of the rest of the business should be given in the business plan.

The proposal should be written in clear terms so that the Programme Executive responsible for assessing it can understand it. You must also provide enough technical detail to allow an expert to assess the project. Provide drawings, flow diagrams and so on if they would improve clarity.

The proposal should be on A4 paper, with the pages numbered.

Please follow the format and headings below. We will only proceed with proposals which use the headings below and which provide all the necessary information.

• Section 1 | The project

1.1 Overview
Give an overall description of the project, why it is desirable and what you hope to achieve.

1.2 Objectives
Objectives should contain realistic targets and an indication of when they are expected to be achieved (the milestones). You should state:
• what measurable technical objectives you expect to meet by the end of the project; and
• what measurable commercial objectives you expect to meet after the project is completed.

1.3 Technological innovation
To assess the technological innovation associated with the project, you should provide a clear technical description of the product or process that you intend to develop. This should be drafted in terms of what you believe will be its main technical and innovative features. Describe, in technical detail, what you consider inventive and makes your project different from existing products or processes. Include diagrams where appropriate. You should also explain why the project is a significant technological step forward for the industry or sector. We recognise that the level of innovation will differ from industry to industry, but to help us assess this, please state whether the results of your project will produce something which is new in international terms, in UK terms, or for your own sector.

1.4 Technical challenges
You will have considered the technical uncertainties and problems associated with the feasibility study or creating a pre-production prototype. Scottish Enterprise supports projects that have significant technical challenges and problems. In order to assess the nature and extent of these challenges and problems, you must provide a detailed description of all the research and development activities involved in the project, including:
• each of the major technical problems to be solved;
• the technical approaches you will adopt in solving these challenges;
• an assessment of the chances of the project being technically successful; and
• whether the risk associated with each challenge is high, medium or low.

1.5 Project timetable
You must include a bar chart (or Gantt chart) to show the planned progress against all of the technical milestones of the project. These should highlight the major work packages and relate to the technical challenges above.

1.6 Business background and project management
Give an outline description of your own and your business’s background and experience. Describe any relationships which your business, or any partners or directors in your business, has with a parent company or other companies.

In particular, describe:
• your or your business’s experience in the areas related to the proposed project;
• the relevant qualifications and experience of the senior staff involved in the project (include CVs as annexes); and

• how the project will be managed.

Include details of who will manage the project and describe the roles of employees and any partners, consultants or subcontractors who will be involved in the project.

As SMEs are not usually in a position to carry out more than one significant research and development project at the same time, if you are currently doing another project you must mention this and demonstrate that you have enough resources (staff and funding) to run two projects at the same time.

For projects involving staff who are employed by you and another business or organisation at the same time, such as an educational institution, you need to demonstrate that staff will be available for the necessary tasks.

1.7 Wider impact

Describe the wider impact, if any, that your project might have in fields such as health and safety, detecting and preventing crime, public good, quality of life and the environment.

You can express this in terms of efficient use of resources, clean technologies or carbon footprint (for example, the environmental effects arising directly as a result of the activities being funded, such as energy use (electricity, gas, transport fuels, other fossil fuels) and travel as a direct result of the project).

You should consider the longer-term effects, referring to any increase or reduction in carbon arising from generating electricity or heat (often arising from increased production or improved efficiency) as well as providing an assessment of the likely wider impact of the project’s use of materials and the waste produced.

• Section 2 | Intellectual assets

2.1 Background intellectual property You must provide evidence that you are entitled to use the intellectual property involved in your project (for example, a copy of a patent in your name, a licensing agreement or details of your own patent search). If you have applied for a patent, enclose a copy of the application. Otherwise, you must provide us with detailed technical and innovative information relating to the project to help the Intellectual Property assessor search for any previous work in the field. We will keep the information you provide confidential, and this is not a ‘public disclosure’ (so your patent filing date is protected).

2.2 Foreground intellectual property You should state how you intend to protect any intellectual property created as a result of the project. You should note that any intellectual property (for example, patents and copyright) created must be owned by the business that receives the Scottish Enterprise grant.

• Section 3a | Exploitation – product/service innovation

3a.1 The market

• Is the market emerging (new), niche (specialised), growing, saturated (supply is higher than demand) or in decline?

• How much demand is there for your product or service?

• What is the potential income for the industry and the growth rate, and how was this determined?

Provide details of your proposed route to marketing your product or service.

3a.2 The customer

• Who are your target customers?

• Can a list of potential customers be generated? If so, are individual names known and are they willing to pay for the product or service?

• Is there any evidence of customers thinking the idea is valid? If so, please provide independent references.

3a.3 Value proposition

• What is the compelling value you are offering your customers? That is, what is the product’s or service’s unique selling point?

• Who is your competition, what do they offer and how do they compete (for example, price, service, features, benefits, availability and so on)?
3a.4 Business model
Explain the procedure from your product or service being ordered to it being delivered.

Provide details of your pricing strategy. Is it profitable with good profit margins? (Unit price – cost of goods sold = gross profit)

3a.5 Product/service development
Explain what needs to be done to get the technology into a product and take it to market. State who will do this and what it will cost.

Comment on the following areas as appropriate.

- Design
- Prototyping
- Testing
- Regulations.

3a.6 Marketing and sales
Describe your sales and marketing strategy and your sales process. Explain what access you have to sales and marketing expertise.

3a.7 Timescales and investment
What is the estimated time until the first sales?
What level of investment (working capital) is needed for product development, marketing and operational costs?

3a.8 Exit strategy
What are your probable ‘exit scenarios’ which may result in the project being abandoned or coming to an end (for example, a management buy-out or company sale).

- Section 3b | Exploitation – process innovation

3b.1 Process innovation outputs and outcomes
Outputs: describe how your process innovation will lead to:

- a reduction in cost of a product or service you provide to customers?
  and/or
- an improvement in quality of a product or service you provide to customers?

Outcomes:

- how will you reinvest resources saved?
  and/or
- how will market share, sales and/or profitability increase as result?

3b.2 Marketing and sales
If your new or improved process will improve the quality of a product or service you provide to customers, describe your sales and marketing strategy and your sales process. Explain what access you have to sales and marketing expertise.

3b.3 Process development and implementation
Explain what needs to be done to implement the new or improved process. Comment on the following areas as appropriate.

- Design
- Trialling
- Testing
- Regulations.

3b.4 Timescales and investment
What is the estimated time until the first run of the new or improved process?
What level of investment (working capital) is needed to introduce the new or improved process?

3b.5 Exit strategy
What are your probable ‘exit scenarios’ which may result in the project being abandoned or coming to an end (for example, a management buy-out or company sale)?

- Section 4 | Need for support and project costs

4.1 The need for Scottish Enterprise support
You must demonstrate that you need a grant to proceed with the project. Explain why you need financial help and how it would affect the project. For example, you might otherwise not carry out the project at all, or you might have to do it on a much smaller scale (you should say how much smaller), or over a longer period (say how much longer). This should demonstrate what Scottish Enterprise support would make happen that would not have happened otherwise.

Explain your business criteria for deciding how to use your own funds, indicating competing claims on your resources from other projects. If appropriate,
give details of your business’s spending on research and development over the past two years. State whether the project has been approved by the company board and the priority attached to the project.

Describe how you will fund the project. List the private or public sources of financial help you have applied for in connection with the project (for example, development agencies, banks, business angels, venture capital companies and corporate ventures), and describe the outcome. Statements of financial support for the Scottish Enterprise project must be backed by written evidence (for example, a copy of a loan agreement or overdraft agreement).

Any predictions of the support you will get (including any support predicted in your cash flow projections) must be proved before we can offer a grant.

If your application is successful and you are receiving funds from any other public-sector source for the same project, or any of the costs associated with the project, the amount of grant offered will be reduced pound-for-pound unless the public-sector support is being provided on a commercial basis. Similarly, loans which are provided at less than commercial rates may reduce the amount of grant we offer.

4.2 Project costs
Include a description of what is included under each subheading in your estimates of the project costs. All costs should be before VAT unless your business is not registered for VAT. The following list is a guide to which costs are eligible, but you should also list any others which you feel should be considered and provide a detailed breakdown of all the project costs to show spending on a quarterly basis. Funding is not available to cover miscellaneous costs and contributions in kind. All costs included in the estimate must actually be your responsibility and be paid for by you. Please note that any money spent on the project before the agreed project start date will not be eligible for funding.

Salary costs — state your rates of staff costs and estimate the pay to staff working on the project and the amount of time each person is likely to spend working on the project. Include the names of staff members if you know this. Salaries must be reasonable for the expertise needed. Your estimate should indicate the actual salaries each person will be paid, but please note that the eligible staff costs a grant will be paid on are limited to no more than an annual full-time equivalent salary of £60,000 per person. To receive support for salary costs, we will need full payroll information (for example, payslips, timesheets, BACs runs, bank statements and details of National Insurance contributions you have paid) and evidence of you paying the salary costs. Salary costs should not:

- include any posts that have been specially created and are currently being part-funded with support from the Regional Selective Assistance (RSA) job creation scheme, or from other publicly funded incentives; or
- relate to staff who are based out with the EU Member States.

Overheads — reasonable overheads are covered by the grant, but unusually high costs need to be justified. Include pension costs. Salary overheads should be capped, based on an annual full-time equivalent salary of £60,000 per person. For example, if an employee earns an annual full-time equivalent salary of £70,000 a year, eligible pension contributions and National Insurance contributions will be based on the £60,000 salary limit. Provide a breakdown of the overhead figure to show how it is made up. Overheads can include the following.

- Rent
- Rates
- Utilities
- Cleaning and repairs (must be related to the project and not part of regular maintenance)
- Insurance
- Technical manuals
- IT, network and server costs.

Materials used are those bought from third parties. If you will use stock you bought before the project start date, you must agree this with the Programme Executive during the application process. You must provide a transfer document, signed by the director, confirming the quantity of stock used by the project and the total cost of the materials used. You must also provide a copy of the original purchase invoice.
for the materials supplied as well as confirmation that the invoice has been paid. If waste or scrap material has a significant residual or resale value, your estimate of costs should reflect this.

Consultants and subcontractors – if a proportion of the project costs is allocated for the cost of consultants or subcontractors, or fees for trials and testing, you should explain why the work cannot be carried out more effectively and cheaply in-house and identify who will be carrying out the work. Consultancy and subcontracted work performed out with the European Economic Area is not eligible for Scottish Enterprise support. Confidentiality or non-disclosure agreements should be in place with all third parties working on the project. Any intellectual property resulting from that work must be owned by your business. Directors’ time claimed on a consultancy or subcontracted basis must not include any profit and the eligible costs the grant will be paid on are limited to no more than an annual full-time equivalent fee of £60,000.

Fees for trials and testing are eligible, but certification fees are not eligible.

Technical manuals – the cost of preparing technical manuals is eligible for support if they are necessary for the project. However, the cost of printing ‘user manuals’ is not eligible.

Intellectual property costs may include the costs associated with buying in or licensing the rights to use other people’s intellectual property (as long as they are not associated with your business) as well as the costs of protecting intellectual property arising from the project.

Market assessment – up to 15% of the grant can go towards the costs of limited market assessment (but not market research or survey costs) to make sure that your project will continue to meet the identified market need. Market assessment means visits or discussions about the proposed product or process with potential clients, end users and so on.

Training costs must be specific to the project. This includes training to enable staff to undertake specific tasks on the project, or training to familiarise staff with technology that has been licensed in specifically for the project.

Travel costs and expenses directly related to the project are eligible for support (for example, travel to monitor trials or for market-assessment visits).

Accountancy fees – you will need a report from an independent accountant for the final claim relating to a feasibility study as well as for the first and final claims relating to a research and development project.

Equipment costs – the cost of equipment is eligible only if it is needed for the project. Only equipment you get within the project period is eligible. List each item of equipment included in your project costs and indicate the cost, as well as whether you are buying it outright, leasing it or buying it on hire purchase.

Buying equipment outright – if you are buying the equipment outright, the eligible cost is the depreciation (reduction in value) from the time the equipment is bought to the end of the project. IT equipment should normally be depreciated over 36 months (1,095 days) and all other equipment over 48 months (1,460 days) on a straight-line basis. For example, if a computer bought for £1,500 on day 1 of the second quarter forms part of the eligible costs of a project lasting 12 months, the eligible cost would be the purchase price divided by 36 and multiplied by the number of months remaining in the year (£1,500 ÷ 36 x 9 = £375). Both the gross and residual values should be shown in the table of costs.

Software – if there is software involved in Scottish Enterprise projects, this should be depreciated as follows.

- For generic software (for example, Windows, Word, Excel, PowerPoint, CAD), this should be depreciated over three years.
- In projects using specialised software that will not have a value at the end of the project, this should be fully depreciated over the project period.

Leased equipment – if you are leasing the equipment, the eligible costs are the leasing costs due during the project period, not including any interest or service charges.

Hire purchase – the eligible costs are calculated by depreciating the hire-purchase payments due during the project period, not including any interest or service charges. IT equipment should normally
be depreciated over 36 months and for all other equipment over 48 months on a straight-line basis. When calculating eligible costs for hire-purchase equipment, use either of the hire-purchase costs due or the depreciation charge, whichever is less. For example, if a computer is to be bought for £1,500 (not including VAT) on hire purchase over 24 months, and your Scottish Enterprise project lasts 12 months, then the total hire-purchase costs due during the project period are £750. Assuming the item was bought on day one of the project, and the item depreciated over 12 months, the residual value of this item would be £500. As the hire-purchase costs are higher than depreciation, the eligible cost in this example would be £500.

- **Costs that are not eligible**

  **The following costs are not eligible.**
  - VAT (unless your business is not registered for VAT)
  - Contributions in-kind
  - Inflation and contingency allowances
  - Preparing your Scottish Enterprise application
  - Work carried out before the start of, and after the end of, the project
  - Posts funded by RSA or spending included in other publicly-funded projects
  - Salary costs above an annual full-time equivalent of £60,000 per person
  - Fees your directors charge, as consultants or subcontractors to the business, above an annual full-time equivalent fee of £60,000 per person
  - Salary and other related costs for staff based out with the European Economic Area
  - Interest charges
  - Debts you cannot recover
  - Buying land and buildings
  - Profit earned by a subsidiary or related business for providing materials, acting as subcontractors, providing consultancy services or carrying out trials or testing
  - Consultancy and subcontracted work performed out with the European Economic Area
  - Printing any operating, service and maintenance manuals
  - Licensing intellectual property from a subsidiary or related business
  - Marketing and sales
  - Market research and survey
  - Training costs related to selling or distributing the developed product or process
  - Accountancy costs that are not specific to the project
  - Equipment for manufacturing production
  - Equipment bought or leased before the project start date
  - Interest and service charges arising from hire purchase, leasing or credit arrangements
  - Dividends
  - Advertising and entertaining
  - Certification fee
We encourage and support everyone applying for grants to develop an approach to investing in young people (including considering a target for youth employment as a percentage of their workforce), innovation in the workplace, and fair and responsible business practices. If you would like to find out more about this, phone the appraisals team on 0845 607 8787.

Published by Scottish Enterprise.

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