

# Completing an application

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## Part 1 - Your details

### **Question 1.1**

You must make sure that your business is registered with the Rural Payments and Inspections Division (RPID) before you apply for grant. There is a new business registration system, which can be accessed through the Rural Payments and Services website.

[Business registration](#)

If you need any assistance in using the new online system, you can get in touch with your local area office and book an appointment to learn more about Rural Payments and Services.

[Help getting online](#)

### **Question 1.2**

If you wish an alternative person within the business to be the responsible person (i.e. main contact) for your application queries please provide their details and ensure that you have completed the PF05 (details at Q1.1 above).

### **Question 1.3**

If an advisory firm has assisted in the preparation/completion of your application please provide their details. Also confirm whether you wish them to be the responsible person (i.e. first point of contact) for your application.

## Part 2 - Current business information

### **Question 2.1 – Sector**

You are required to provide information on the main agricultural sector which your business supports; this is primarily based on the main agricultural inputs such as cereal, milk, poultry, fruit and vegetables, meat etc.

Examples:

- cheese products mainly support the dairy sector
- whisky and beer products mainly support the cereal sector
- abattoirs and meat processors mainly support the meat sectors (you must indicate whether the main sector is beef, pork or poultry)

If your business supports an alternative meat product, such as venison, this should be detailed as "other".

### **Question 2.2 – Business or enterprise size**

The size of your business affects the maximum rate of public funding that you are entitled to. Business or enterprise size, as defined by the European Union, is available on the [European Commission website](#).

The different business or enterprise sizes are defined by turnover in euros, balance sheet and number of employees. If you need to, you can convert your turnover and balance sheet information to euros by using the conversion tool on the [European Commission website](#).

### **Question 2.3 - Turnover and employment details of business applying for funding**

You should provide details of the business financial year end (date) and details of your current turnover and assets.

Your application requires to be supported by the finalised or audited accounts for the last three years, taking into account the following (unless your business is a start-up business):

- where the business financial year has ended more than six months before the application submission, three years audited accounts are required which must include the most recent financial year
- where the financial year has ended less than six months from the application submission date, three years audited accounts must be submitted (which may not include the most recent year ending)

Unaudited accounts and/or management accounts should be submitted where the most recent year audited accounts are not available to help demonstrate the business's current financial position

Where the business does not require to prepare audited accounts a financial statement prepared by an accountant should be submitted for the same duration indicated above.

You should also provide details of the current employment figures, detailing full time, part time and seasonal employees (unless your business is a start-up business).

Conversion to full-time equivalent (FTE) should be carried out as follows:

- full-time job (FT) = 30 hours or more per week
- part-time job (PT) = 15 hours or more per week
- two part-time jobs of 15 hours or more per week = one FTE
- seasonal jobs = equivalent to 0.25 FTE

### **Question 2.4 – Holding or parent company**

Where your business is part of a larger group (i.e. has a parent or holding company) you should provide details of the parent or holding company's financial year end, turnover, employees and the most recent finalised/audited accounts.

### **Question 2.5 - Other public funding previously awarded/received**

Where you have previously been awarded funding from any public body details should be provided, including:

- who the funding was from
- when it was awarded
- amount of award
- a brief description of what that funding was towards

You must also indicate whether the funding was awarded under de minimis

De minimis aid is used to describe small amounts of state aid that do not require European Commission approval.

The European Commission considers that public funding which complies with the de minimis regulation has a negligible impact on trade and competition.

The total de minimis aid which can be given to a single recipient is €200,000 over a three-year fiscal period.

This ceiling includes all public assistance given as de minimis funding over the previous three fiscal years – grants, loans, subsidised contracts and so on.

Not all funding under €200,000 ceiling is counted as de minimis. If you are unsure, please contact the awarding body who will be able to confirm.

Funding awarded from this scheme between 2007–2013 was not awarded under the de minimis rules. However some awards under the 2014–2020 programme, in limited circumstances, may be.

You will be informed if an award is made under de minimis. However, if you are unsure, please contact us and we will be able to confirm.

### **Question 2.6 - Equal opportunities**

You should provide details on what you have done to consider equal opportunities within your business. The [Scottish Government website](#) has more information on equalities.

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## **Part 3 - Details of proposed project**

### **Question 3.1 Business plan**

A business plan may help support your application, although it is not mandatory. You may have prepared one for other purposes and we would suggest you include it in your application, with appropriate references.

### **Question 3.2 – Summary of business**

You should provide details of your current business and include some background information. This could include, for example, your history, structure and market sector information, business aims and objectives for growth and development.

### **Question 3.3 – Address of project site including postcode**

If relocating your business to a new site or if the site for the proposed project is different from the main location of your business, then you should provide details of the new site's location and address.

### **Question 3.4 – New project**

You should provide details of your proposed project, which includes details of the work you propose and why it is required. If the project involves replacement or refurbishment of existing facilities, include details of why this is necessary.

### **Question 3.5 – Need for funding**

Funds are limited and we must therefore make sure that support is directed only to those projects that require it to proceed. UK and European Union legislation require that the “incentive principle” (or “additionality”) is met in all cases. In support of your application, you must provide an investment appraisal or financial statement prepared by your finance director or accountant setting-out why the grant is necessary.

If appropriate, this should be considered and endorsed at board level. It will be insufficient to simply to state that support is required to allow the investment to take place. You must provide supporting information to back this up.

### **Question 3.6 – Employment**

You should provide details of the number of existing jobs maintained and new jobs created as a result of this project. You also have the opportunity to provide any other information you feel supports your application regarding employment/recruitment such as consideration of youth employment, living wage etc.

### **Question 3.7, 3.8 and 3.9 – Inputs, existing outputs and additional new outputs as a result of the project**

Details of the total annual figures for all of the raw inputs (ingredients) and outputs (products) are required. Inputs should be expressed in metric amounts (kilograms / tonnes or litres) and also by monetary value (sterling).

Combined inputs, which include both solids and liquids, will be converted by us to a standard unit. In assessing whether a project meets the required 90 per cent Annex I input eligibility criterion the assessment will be based on either weight or monetary value – whichever is the more beneficial to you.

For example, if funding is sought for a new factory, the total annual raw inputs are required. Where funding is sought for specific items of equipment, only the raw inputs for the products using the new equipment will be required.

The information you provide may be monitored for the duration of the grant control period if your application is successful.

To be eligible for funding, your Annex I raw inputs (ingredients) must be at least 90 per cent, by value (£) or volume (metric values – kg, litres etc.), of the total ingredients relevant to the project costs.

If they account for less than 90 per cent of the total, then the project will be ineligible for funding.

More information on what ingredients are covered by Annex I can be found below in the technical guidance and [here \(link\)](#).

If you are having difficulty identifying what is and is not eligible, you can submit a pre-application pro-forma by email, detailing the inputs and outputs, in advance of a full application.

You should send the pre-application to: [FoodProcessingGrant\\_Enquiries@gov.scot](mailto:FoodProcessingGrant_Enquiries@gov.scot)

### [Application forms](#)

#### **Question 3.10 – Current and existing markets**

You should provide details of your current markets that exist for the products relevant to your application, and provide details of your five largest customers over the last two years and their percentage of your business's overall financial sales.

You should also provide any details which may support your application in relation to:

- local or short supply chains – characterised by short distance or few intermediaries between producers and customers
- co-operation or collaboration with suppliers, markets or consumers
- provenance – quality, authenticity and Scottish-ness
- sustainability – more efficient use of water and other natural resources, more recycled materials and less landfill, reduced transport footprint, greater energy efficiency and reduced emissions
- accessibility – ability to reach and serve your target market
- healthier food and drink products

#### **Question 3.11 – New products and new markets**

You should provide details of any new markets you have identified for your products or any new products which are intended for existing or new markets.

Supporting information for this may range from the results of feasibility studies to letters of intent and contracts with new or established customers and copy invoices.

This project-specific information, and information on the market in general for the products in question, will be used to establish the existence of a normal, viable market outlet.

#### **Question 3.12 Innovation – products, branding and/or processing techniques**

If your project involves innovation, such as innovative processing techniques, branding or products, you should provide details including any supporting information or research you have carried out.

#### **Question 3.13 – Environment/climate**

You should provide details regarding consideration of environmental and climate impacts in relation to the proposed project.

For example:

- minimising waste products (food and packaging)
- sustainable sourcing of inputs
- increased efficiency (for example, power and water)

You may wish to refer to Scottish Government [policies on environment and climate](#).

#### **Question 3.14 – Health**

You should provide any information in relation to how the project may contribute to a healthy balanced diet, in line with other Scottish Government policies on health, including the Scottish Dietary Goals.

This question gives you the opportunity to provide details (including dates, targets and actions) of what you have already introduced or propose to introduce as a result of this project in relation to:

- reducing calories/portion sizes
- fats
- sugars
- salt
- providing colour-coded front of pack nutrition labelling

Further information relating to food and health, Supporting Healthy Choices and Scottish Dietary Goals etc can be found on the [Scottish Government website](#).

Alcohol-related projects will be subject to the specific conditions of grant relating to:

- minimum unit price
- the Portman Group's code of practice
- the UK's Responsibility Deal

Further information is available in the conditions of grant section.

[Conditions of grant](#)

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## Part 4 - Outcomes, timescales and finances

### **Question 4.1 – Proposed objectives/outcomes**

You should provide details of the proposed objectives and outcomes as a result of the project.

These objectives and outcomes should reflect details provided in the application for example:

1. jobs created and safeguarded (question 3.6)
2. additional sales – (question 3.8)
3. projected increased turnover (question 4.4)
4. health-related targets (question 3.13)
5. other objectives/outcomes proposed which need to be evidenced as part of your application

These objectives must be measureable, so you should include quantity and timing – these should be no longer than three years following completion of the project.

Your objectives and outcomes will be checked and considered against information provided elsewhere in your application for consistency.

The National Project Assessment Committee (NPAC) will take these into consideration when making decisions and recommendations. The achievement of these will be a condition of the grant award, if successful.

Subsequent failure to achieve the stated outcomes may result in all or some of the grant having to be repaid.

If your application is successful, we may also use the approved objectives or outcomes to monitor projects following completion. If objectives/outcomes aren't achieved this will be considered and may result in recovery of grant funding in part or in its entirety.

### **Question 4.2 – Estimated start and completion dates**

You should provide the estimated start and completion date.

These dates should be as realistic as possible and you should ensure they take into consideration:

1. outstanding permissions – such as planning permission/building warrant
2. assessment period – expected to be around three months (work cannot commence, with the exception of preliminary costs, before a grant award letter has been issued and returned)#

**Question 4.3 – Milestones**

You should provide target milestones for the progression of your projects, such as site clearance through to completion/commissioning.

**Question 4.4 – Whole business forecast or projections for three years following completion**

Your application should be supported by:

1. detailed profit and loss
2. cash flow projections
3. balance sheet projection

These projections can be separate documents or may be part of a business plan which you have submitted in support of the application.

**Question 4.5 - Statutory/General consents**

You should provide details of statutory and other general consents (for example, planning permission, building warrant, SEPA consents) which you have obtained

These should be supported by a copy of the relevant permissions or consents.

These are not necessary at the time of application, however may strengthen your application when considering your ability to deliver the project to the projected timescales, detailed above at 4.2.

If they haven't been received by the time your application has been submitted you may wish to provide details of the dates when application for consents are anticipated to be submitted/approved.

In some circumstance, if your project is successful, funding may not be released until evidence of relevant consents has been submitted.

Evidence may be required from the relevant authorities where you have indicated permission or consent is not required. We will contact you to request this where required.

**Question 4.6 - Project costs and quote tracker**

Your application must be supported by three comparable quotes for all items of expense to be covered by the grant.

Quotes may require to be more formalised and broken down to detail each element. For example, stating "building works, £200,000" is not acceptable.

This should be broken down as far as possible to individual components and specification of the building and equipment should also be provided, where appropriate, to ensure quotes are comparable.

Where insufficient information is provided or quotes or information is missing and the value for money assessment cannot be undertaken your application will be returned and you will need to re-submit.

Depending on the timing, if the submission deadline has passed you may have to wait until the next funding round for you application to be fully considered.

In certain, limited, circumstances, applications may be considered without the requisite number of quotations.

For example;

- invitation to tender or quote not accepted by three companies – evidence required
- less than three suppliers available (for example where only two companies worldwide make the equipment required)

If you encounter difficulty meeting this requirement, you should provide justification in the comments column of this section. If the justification is not accepted by the technical experts undertaking the assessment, you will be notified. In these circumstances, your application may still proceed.

Any costs where the justification provided hasn't been accepted, however, will be ineligible and removed from any successful grant award.

If quotations supporting the application are in euros (or other currencies), you should convert them to sterling, ensuring the correct exchange rate has been used, which is based on the date of the quotation. You can use the [conversion tool on the European Commission website](#) to do this.

There are specific conditions attached to the purchase of secondhand equipment, please go to Conditions of Grant (below) for more details.

If your preferred supplier or quote is not the least expensive, you must provide a full justification which will be considered by the technical experts undertaking the value for money assessment. If the explanation isn't accepted, the cost will be restricted to the value of the lowest quotation.

#### **Question 4.7 – Project funding package**

Your application must be supported with written evidence of how the project is to be funded.

This evidence should include confirmation of the amount of funding and any terms and conditions relating to any financial assistance for:

- overdrafts
- loans
- other grants
- other public sector support
- other sources of funding

Both Scottish Enterprise and Highlands and Islands Enterprise offer support to the food and drink sectors.

You may wish to discuss your project with them to see what assistance might be available. We work closely with both bodies and it is not uncommon for the total public sector funding support to a business to include support from this scheme, Scottish Enterprise and Highlands and Islands Enterprise.

Contact details for both bodies can be found on [Rural Payments and Services](#) .

#### **Question 4.8 – Claim dates**

When completing this question, please take into account the potential award date which will be approximately three months from the application submission closing date (not from the date you submitted your application).

If successful, any award will be based on the dates and amounts you give us. If these dates need to change, you will require to submit a variation request.

Further details can be found in the variations section.

#### [Variations](#)

#### **Question 4.9 – Further information**

You may use this question to give any further information which you feel may assist your application

## **Part 5 - Declaration**

This section must be completed by all applicants.

By doing this, it confirms that:

- you have read and understood the guidance for this grant scheme
- you are authorised to sign the application form
- you will undertake to meet all obligations for planning permission and any other certificates or consents

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