



Date

Dear XXX,

Industrial Energy Efficiency Accelerator

1. The Secretary of State for Business, Energy and Industrial Strategy (BEIS), acting as part of the Crown, offers [Company Name] (“**You**”/“**Your**”) a grant subject to Your agreement to, and compliance with, the terms and conditions set out or referred to in this letter and its Annexes.
2. This offer is made pursuant to Your successful application in the [IEEA]. A copy of Your application is attached to, and forms part of, this letter.
3. The grant is offered under section 5 of the Science and Technology Act 1965.

Amount of grant

4. The maximum amount of grant offered is up to [GRANT TOTAL].

Purpose of grant

5. The grant is offered to You to contribute to certain costs (see paragraphs 7 to 9) (“**Eligible Costs**”) where those costs are reasonably incurred by You in undertaking [PROJECT NAME] (“the Project”).
6. A description of the Project is set out in Part 1 of **Annex 1** to this letter.

Eligible Costs

7. Subject to paragraphs 8 and 9, the Eligible Costs are the costs specified in Part 2 of **Annex 1**.
8. The Eligible Costs are limited, in all cases, to costs which:
 - a) are incurred between [DATE] and [DATE] (inclusive); and
 - b) are eligible costs within the scope of Article 25 (Aid for research and development projects) of GBER (see the state aid section of this letter).
9. Under no circumstances may the grant be claimed or used for the purposes prohibited by Part 3 of **Annex 1** or to cover costs incurred for those purposes (and any such costs do not constitute Eligible Costs for the purpose of this letter).

Milestones and availability of grant



OFFICIAL

10. The grant will be paid on a milestone and reimbursement basis, to reimburse Eligible Costs incurred during the relevant milestone (up to the grant limit for that milestone). The milestones are set out in Schedule 1 to **Annex 2**.
11. The grant will be paid provided that You:
 - a) reasonably and properly incur any Eligible Costs within the period to which the relevant instalment applies; and
 - b) ensure that the Secretary of State receives a grant claim in full compliance with paragraph 15 below by the deadline for that instalment.
12. In particular, please note that funding for the milestone claims (as detailed in Schedule 1 to Annex 2) is only available in the financial year (ending on 31 March) during which those claims occur, unless otherwise agreed by the Secretary of State. This is because funding allocated for one year is not available to the Secretary of State for subsequent financial years. In consequence, it is a fundamental condition of this grant that You comply with all requirements of this letter on or by the deadlines specified. In particular, the Secretary of State may not be in a position to make payments in respect of a particular milestone for costs incurred after the end of the relevant financial year.
13. Please note that 10% of the grant will be retained by the Secretary of State, pending satisfactory completion and submission of the final report for the project (see Annexes 2 and 3) and the Secretary of State being satisfied that the project has been successfully completed.
14. We will endeavour to pay the grant within 30 days of the Secretary of State being satisfied that You have complied with all relevant requirements of this letter.

Grant claims

15. Your grant claims must include the following information and evidence:
 - (1) evidence (contracts, invoices, receipts, timesheets or other such reasonable evidence) demonstrating that You have incurred the relevant Eligible Costs;
 - (2) the technical deliverable(s) required for that instalment, so as to demonstrate that You have made satisfactory progress on the Project;
 - (3) any other information or evidence required under Schedule 1 to Annex 2

Assurance

16. Your grant claim must also include the following assurance:
 - (1) In the case of grant instalments of less than £100,000 (one hundred thousand pounds), Your grant claim must be accompanied by a statement, in the terms specified in Annex 2, signed by one of Your directors (or if you are not a company, an officer of equivalent status).



OFFICIAL

- (2) In the case of grant instalments of £100,000 (one hundred thousand pounds) or more but less than £200,000 (two hundred thousand pounds), Your Claim must be accompanied by a limited assurance report from an independent reporting accountant in the form in Schedule 2 to Annex 2.
 - (3) In the case of grant instalments of £200,000 (two hundred thousand pounds) or more, Your Claim must be accompanied by a reasonable assurance report from an independent reporting accountant in the form in Schedule 3 to Annex 2.
17. In addition to the requirements in paragraph 16, in order for the Secretary of State to pay the grant retained under paragraph 13, the final report for the project must be accompanied by a reasonable assurance report. The reasonable assurance report for the final report for the project must comply with the same requirements as the reasonable assurance report submitted in respect of grant claims for more than £200,000, except that the statutory auditor must complete that report in respect of your compliance with the terms and conditions of the grant over the entire project and in respect of the entire grant and its use.
 18. Where an assurance report is required under paragraphs 16 and 17, You must engage the relevant accountant on the terms in Schedule 4 to Annex 2. The documentation in Schedules 2 to 4 is based on templates in Technical Release AAF 01/10 (Framework Document for accountants' reports on grant claims) of the Institute of Chartered Accountants in England and Wales (ICAEW). You must not materially modify those terms and conditions without Our prior consent.
 19. Where an assurance report is required under paragraphs 16 and 17, You are responsible for paying the accountant's fees and must not use the Grant to do so.

Conditions

20. You must:
 - a) comply with the conditions in **Annex 3**, in addition to all other requirements set out or referred to in this letter and its Annexes; and
 - b) continue to do so (where relevant) after payment of the grant.

State aid

21. The Secretary of State considers that the grant constitutes a state aid under Article 107 of the Treaty on the Functioning of the European Union. State aid rules ensure that the governments of EU Member States do not unfairly subsidise their own industry or particular parts of it. The European Commission has established a narrow range of exemptions in which it considers state aid to be lawful.
22. In this case, the Secretary of State awards the grant as aid for fundamental research in accordance with Article 25 (aid for research and development projects) of the EU State Aid General Block Exemption Regulation ("**GBER**")¹.

¹ Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.06.14, p.1).



OFFICIAL

23. The grant may only be used in respect of eligible costs permitted under Article 25(3) of GBER, where these are incurred in a part of the Project constituting fundamental research as defined in Article 2(84) of GBER. The amount of public funding (including the grant) that You may receive for the Project must not exceed:
- a) in accordance with Article 4(1)(i)(iii) of GBER, €15m (fifteen million Euros) in total; and
 - b) in accordance with Article 25(5)(a), an aid intensity being 100% of Your total Eligible Costs incurred on the project.
 - c) in accordance with Article 25(5)(a), an aid intensity being 100% of Your Consortium partner's total Eligible Costs incurred on the project.
24. For the purpose of paragraph 23, public funding includes any funding from, or attributable to, any public authority or EU institution. Please inform the Secretary of State in writing, and as soon as possible, if these circumstances cease to apply or You have grounds to consider that they are likely to do so. You must also provide the Secretary of State with any evidence requested to satisfy the Secretary of State that You have complied with the aid intensity requirements and that You have sufficient match funding in place.
25. The grant is also awarded subject to the following understandings and conditions:
- a) You must comply with all applicable European Union rules on State Aid and ensure that all requirements for the application of GBER are met;
 - b) You are not entitled to the grant or any payment of it if You are, or become, subject to a recovery order following a previous Commission decision declaring any aid illegal and incompatible with the internal market²;
 - c) You confirm that You are not a company in difficulty as defined in Article 2.18 of GBER and You commit to informing the Secretary of State as soon as reasonably practicable of any change in this status; the Secretary of State reserves the right to terminate the grant if Your status changes;
 - d) the Secretary of State confirms that, prior to the commencement of the Project, You submitted an application which confirmed the undertaking's name and size, description of the Project (including its start and end dates), location of the Project, list of Project costs and type of aid and amount of public funding required;
 - e) You have informed the Secretary of State of any other public funding applied for or awarded against the Eligible Costs; it is on this basis that the Secretary of State has ensured that the total public funding for the Project is within the amounts permitted by GBER;
 - f) the Secretary of State is responsible for informing EU Commission of aid awards, including summary notification of the aid to the Commission via the

² This does not apply to aid schemes making good the damage caused by certain natural disasters



OFFICIAL

electronic notification system and publication of details of the aid as required from 1 July 2016;

- g) in the case of an award of aid in excess of €500,000, You consent to the publication of the following information: name of the Beneficiary, beneficiary's identifier, type of enterprise (SME/large) at the time of granting, region in which the beneficiary is located, at NUTS level 2, sector of activity at NACE group level, aid element, expressed as full amount in national currency, aid instrument, date of granting, objective of aid, granting authority, reference of the aid measure; for schemes under Articles 16 and 21 of GBER, name of the entrusted entity, and the names of the selected financial intermediaries;
- h) You are responsible individually, and jointly with the Secretary of State, for maintaining detailed records with the information and supporting documentation necessary to establish that all the conditions set out in this grant offer letter and the GBER are fulfilled;
- i) such records shall be maintained for 10 years following the granting of the aid and shall be made available to the Commission within a period of 20 working days if requested;
- j) the Secretary of State may (without qualifying the generality of the Secretary of State's monitoring rights under this letter) monitor Your compliance with the requirements of paragraphs h) and i) and for the avoidance of doubt any failure to comply with those requirements (where applicable) shall be deemed a breach of the terms of this letter.

Reduction, withdrawal and repayment

- 26. In accordance with paragraphs 27 to 33, the Secretary of State has the right to:
 - a) withdraw or reduce the grant, where the grant, or any part of it, has not been paid and/or
 - b) require You to repay all, or any proportion of, the grant, together with interest (calculated in accordance with paragraph 32, where the grant, or any part of it, has been paid (including in cases where You have already spent the grant money)).
- 27. The Secretary of State will exercise those rights where the Secretary of State:
 - a) is required to cease grant funding or to recover all, or any proportion, of the grant by virtue of a decision of a court or of the European Commission; or
 - b) has reasonable grounds to consider that the payment of the grant, or Your use of it, contravenes any requirement of law, in particular (but without limitation) European Union law relating to state aid.
- 28. The Secretary of State may also exercise those rights on the grounds in **Annex 4**, where the Secretary of State considers it reasonable to do so.
- 29. The Secretary of State will, prior to exercising those rights, notify You of the grounds concerned and (except in a case falling within paragraph 27 a)), as far



OFFICIAL

as possible, consider Your representations (provided that You make them within any reasonable deadline required by the Secretary of State).

30. Please inform us urgently, in writing, if You have any concerns that any of the grounds in paragraph 27 or Annex 4 apply in Your case. If they arise after You have received a grant payment, You must not make any use of the grant until the Secretary of State has authorised continued use of the grant in writing.
31. A decision to require You to repay the grant will be communicated by letter, and You must make that repayment within 30 days of the date of that letter or within any later reasonable deadline agreed by the Secretary of State in writing.
32. Interest will be calculated:
 - a) from the date of the grant payment, in accordance with the retail prices index over the relevant period (that index being taken as 0% for any period during which the index is negative); or
 - b) in accordance with any requirement of law; in the case of European Union law relating to state aid, the interest rate payable will be at least 100 basis points above the reference rate³ in force on the date of payment.
33. Any failure by the Secretary of State to exercise his rights under paragraph 26, or any delay in doing so, shall not constitute a waiver of those rights unless the Secretary of State confirms that waiver in writing. Furthermore, any such waiver shall not be taken as a precedent for any other, or subsequent, circumstances.

Suspension

34. The Secretary of State may suspend payment of the grant where:
 - a) one of the grounds in paragraph 27 b) or Annex 4 arises, pending consideration of the circumstances and the making of a decision; or
 - b) the Secretary of State has reasonable cause for concern that one of those grounds may have arisen, or that one of those grounds (or the grounds in paragraph 27 a)) is likely to arise.
35. In the case of any suspension, unless the Secretary of State confirms a contrary agreement in writing:
 - a) You must continue to comply with the requirements of this letter including any deadlines occurring during the period of suspension; but
 - b) You must not make any further use of the grant until the Secretary of State has authorised continued use of the grant in writing.

Requirements relating to the partners in the Consortium

³ The reference rate will be calculated in accordance with the Communication from the Commission on the revision of the method for setting the reference and discount rates (OJ C 14, 19.01.2008, p.6).



Department for
Business, Energy
& Industrial Strategy

OFFICIAL

36. In Your application, You confirm that the project is being undertaken by a consortium of which You are the lead member and the other members are:

a) **Consortium partner:** [Consortium Partners Name]
Your responsibility for the consortium

37. You must ensure that the consortium as a whole complies with the requirements of this letter and its Annexes. You are fully responsible for:

- a) ensuring that all other consortium members comply with those requirements; and
- b) their acts or omissions, where they do not.

38. The requirements in paragraphs 40 to 42 below do not in any way qualify or limit Your responsibility, or the Secretary of State's right to reclaim the grant and interest from You.

39. No person may join or leave the consortium without prior authorisation in writing by the Secretary of State.

Requirement to enter into a collaboration agreement

40. The grant is conditional on all consortium members entering into a legally binding agreement ("collaboration agreement") under which each member of the consortium:

- a) confirms that they have read this letter and its Annexes;
- b) agrees to comply with all relevant requirements of this letter and its Annexes, and to use all reasonable endeavours to ensure that the consortium does so; and
- c) without limiting the generality of its agreement in sub-paragraph b) above, agrees to the conditions set out in paragraphs 41 to 42 below,

(the collaboration agreement may also include other reasonable requirements between its parties, as may be negotiated between them).

Rights of the Secretary of State against consortium members

41. Consortium members must agree that the Secretary of State may (under the Contracts (Rights of Third Parties) Act 1999):

- a) require them to provide the Secretary of State with information and evidence as to their compliance with the requirements of the grant, and to allow the Secretary of State and his agents to inspect their premises for that purpose;
- b) make that information available to other public authorities, including the European Commission; and
- c) require them to repay the grant and interest to the Secretary of State on the Secretary of State's reasonable demand, in cases where the Secretary of State has reasonable cause to consider that:



OFFICIAL

- i. the grounds in paragraphs 26 to 33 of, and Annex 4 to, this letter arise (without limitation, in case of misuse or EU law relating to state aid); and
- ii. those grounds arise by virtue of the fault of the relevant member,

and consortium members shall agree that the Secretary of State may continue to exercise those rights at any time after the termination or expiry of the collaboration agreement, and after the relevant consortium member has left the consortium.

Indemnity to be contained in the collaboration agreement

42. The collaboration agreement shall also include an agreement by consortium members to indemnify You (and keep You indemnified):
 - a) against Your liability under paragraphs 26 to 33; and
 - b) in respect of Your indemnity under paragraph 28 of Annex 3.

Publicity

43. The Secretary of State will publish information relating to the grant, on the gov.uk website, and in any other way the Secretary of State considers appropriate.
44. The Secretary of State will, prior to publication, consider any representations that You may make about information You consider to be commercially sensitive.

Dissemination

45. We have agreed with the Carbon Trust that it will publish selected findings and insights arising from the Projects supported by the Industrial Energy Efficiency Accelerator. In addition to the Monitoring Report You will provide the Carbon Trust on an ongoing basis with outputs, data, information and reports in respect of the Project in such format as may reasonably be required by the Carbon Trust. This information should also include Project costs and high level process changes required to effect the technology deployment from the Project. You agree to co-operate with the Carbon Trust in obtaining independent verification of any such data as required.
46. You will provide the Carbon Trust both during the Project and on completion of the Project with information concerning the carbon savings, energy savings, achieved or anticipated to be saved as a result of Our assistance and support. Additionally, you agree to support the Carbon Trust in the development of case studies to support replication of project findings.
47. Any Intellectual Property created during or arising out of the Project will belong to and be vested in You. However, You agree to provide the Carbon Trust with access to Intellectual Property created during or arising out of the project in order to demonstrate and communicate the innovative steps for the purpose of publication of methods to adapt or improve processes and achieve energy or cost savings. Where stated as such, the Carbon Trust will treat information received from You as confidential.



Information sharing

48. The Secretary of State may share information relevant to the grant with other public authorities (including the European Commission) and their representatives as well as with the contractors and agents of the Secretary of State. The Secretary of State will, prior to sharing, consider any representations that You may make about information You consider to be commercially sensitive. As a minimum, the Secretary of State shall mark and keep as confidential the information noted as confidential in Schedule 1 to Annex 2.

Freedom of Information

49. The Secretary of State may be obliged to disclose information relating to the grant under the Freedom of Information Act 2000, the Environmental Information Regulations 2004 or under any other requirement of law.
50. You must assist, and cooperate with, the Secretary of State, as reasonably requested, to enable the Secretary of State to comply with those requirements.

Day-to-day contact

51. In communicating with the Secretary of State, Your day-to-day contact within the Department of Business, Energy and Industrial Strategy is: **[BEIS Contact]**

Notices and communications

52. Where You are required to provide information or evidence, by or in accordance with this letter (including in the case of grant claims), You must:
- a) do so in writing;
 - b) use one of the methods of communication in the table below; and
 - c) comply with the relevant requirements of that table.
53. It is Your responsibility to ensure that You provide the Secretary of State with all the information or evidence required by the relevant deadline. Unless we are able to confirm earlier receipt, Your communication will be deemed to have been received in accordance with the time indicated in the table below. If You leave insufficient time to meet a deadline, please be aware that You do so at Your own risk. You are strongly advised to retain evidence that the communication has been sent.

<i>Method of communication</i>	<i>Requirements</i>	<i>Deemed time of receipt</i>
E-mail <i>Our preferred method of communication unless otherwise requested</i>	You must use the following e-mail address: [BEIS Contact]	Four hours after the time of sending (counting 9am to 5pm of working days)
Hand delivery	You must hand deliver the information to BEIS's reception at the address at the head of this letter	On signature of a delivery receipt



OFFICIAL

First class recorded postal delivery	You must use the address at the head of this letter	9am of the second working day following the date of posting
--------------------------------------	---	---

Deadlines

54. The deadlines required to be met by this letter expire at 5pm on the day specified, or, where that day is a weekend or public holiday, 5pm of the next working day.
55. The periods of 30 days referred to in this letter:
- a) begin on the day after the relevant date or occurrence; and
 - b) end at 5pm on the 30th day (or at 5pm of the next working day).

DRAFT



Entire agreement

56. If this offer is accepted, this letter and its Annexes, and any document referred to, will form the entire agreement relating to the grant and will supersede previous correspondence and understandings. However, this does not exclude the liability of either party in respect of any previous Fraud or fraudulent misrepresentation.

Variation

57. No variation of the terms and conditions set out or referred to in this letter will be effective unless it is agreed in writing and signed by both parties. This does not prevent the Secretary of State making reasonable changes in relation to the administrative arrangements in this letter (such as departmental contact details).

Third party rights

58. If this offer is accepted, the agreement will not confer any rights or benefits on third parties for the purpose of the Contracts (Rights of Third Parties) Act 1999.

Assignment etc

59. You may not assign or otherwise transfer to any other person the benefit of the grant or any other benefit arising by virtue of this letter without the prior agreement in writing of the Secretary of State.

Relationship with the Secretary of State

60. Nothing in this letter creates a relationship of employment, agency, partnership or joint venture between the parties. Accordingly, You must not hold Yourself out as having any such relationship with the Secretary of State.

Further funding

61. The Secretary of State is under no obligation to provide You with any further funding in respect of the Project or for any other purpose.

Law and jurisdiction

62. If this offer is accepted, the resulting agreement will be governed by English law and is subject to the exclusive jurisdiction of the courts of England and Wales.

Severance

63. If any court or competent authority finds any provision of this letter or its Annexes to be invalid, illegal or unenforceable, that provision will be severed from the letter and the rest of the letter and its Annexes will continue in full force and effect without that provision.

References

64. In this letter and its Annexes:



OFFICIAL

- a) references to legislation, including EU legislation and any documents issued by the EU institutions, are to that legislation as amended or re-enacted from time to time (including any amendment or re-enactment having taken place before the date of this letter); and
- b) references to the requirements or terms and conditions of this letter shall be taken as including any requirements set out in the Annexes.

Duration of offer

65. This offer remains open until 5pm on 29 September 2017, at which point it expires. If You wish to accept this offer, You must ensure that we receive Your formal acceptance, in full compliance with the acceptance requirements below, on or by that time.

Acceptance

66. If You wish to accept this offer, You must indicate Your agreement to the terms and conditions in this letter by ensuring that the duplicate copy of this letter is executed, by the signature of two Directors or one Director and a Company Secretary in the execution clause indicated below.

Yours sincerely

[BEIS Senior Signoff]

Acceptance by a Company as a contract by formal execution Agreement

We confirm, for and on behalf of the **[Lead Company]**, the agreement of **[Lead Company]** to the terms and conditions in this letter and its Annexes.

Signature of Director:

Printed Name:

Confirmation of position:

Date:

Signature of Director or Company Secretary:

Printed Name:

Confirmation of position:

Date:



OFFICIAL

Annex 1

The Project and the Eligible Costs

Part 1
The Project

[Project Description]

Part 2
The Eligible Costs

1. Subject to Part 3 below, the Eligible Costs are limited, in all cases, to costs which:
 - a) are incurred between 1 August 2017 and 31 August 2020 (inclusive);
 - b) constitute capital costs; and
 - c) are eligible costs, as defined under Article 25(3) of the EU Block Exemption Regulation, and are used for the purpose of fundamental research, as defined under Article 2(84) of the Block Exemption. Article 25(3) of the Block Exemption defines eligible costs as the following:
 - i. personnel costs: researchers, technicians and other supporting staff to the extent employed on the project;
 - ii. costs of instruments and equipment to the extent and for the period used for the project. Where such instruments and equipment are not used for their full life for the project, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible.
 - iii. costs for of buildings and land, to the extent and for the duration period used for the project. With regard to buildings, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible. For land, costs of commercial transfer or actually incurred capital costs are eligible.
 - iv. costs of contractual research, knowledge and patents bought or licensed from outside sources at arm's length conditions, as well as costs of consultancy and equivalent services used exclusively for the project;
 - v. additional overheads and other operating expenses, including costs of materials, supplies and similar products, incurred directly as a result of the project.

Part 3
Prohibited use of grant

2. Use to support activity intended to influence or attempt to influence Parliament, Government or political parties, or use in attempting to influence the awarding or renewal



OFFICIAL

of contracts and grants, or use in attempting to influence legislative or regulatory action, or any other use of a political nature.

3. Use of an exclusively religious nature.
4. Use in respect of costs reimbursed or to be reimbursed by funding from other public authorities or from the private sector.
5. Use in connection with the receipt of contributions in kind (a contribution in goods or services as opposed to money).
6. Use to cover interest payments (including service charge payments for finance leases).
7. Use for the giving of gifts to individuals, other than promotional items with a value no more than £10 a year to any one individual.
8. Use for entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations).
9. Use to pay statutory fines, criminal fines or penalties.
10. Use to pay for Eligible Costs incurred before the date You accept the grant offer, or before any earlier date specified for the use of the grant in this letter.
11. Use in respect of VAT that You are able to reclaim from HM Revenue and Customs.



OFFICIAL

Annex 2

Grant payments

Grant claims and instalments

1. You must submit the information and evidence required in **Schedule 1** to this Annex, and ensure that it is received on or by the relevant deadline specified.
2. You must use the claim form provided by BEIS when you wish to claim an instalment of the Grant.

*Terms of the director's declaration
(To accompany grant claims of less than £100,000)*

3. I confirm that I have considered the information and evidence provided in support of this grant claim, and the terms and conditions of the grant, and that:
 - a) the information and evidence is complete, true and accurate; and
 - b) we have complied with the terms and conditions of the grant.

Signed:

Printed name:

Position:

Date:

*Limited assurance report
(To accompany grant claims equal to or more than £100,000 but less than £200,000)*

4. Where a limited assurance report is required under paragraph 16, this must be provided in the form in **Schedule 2** to this Annex.

*Reasonable assurance report
(To accompany grant claims equal to or more than £200,000 and to accompany the final report for the project, in order for the Secretary of State to pay the grant retained under paragraph 13)*

5. Where a reasonable assurance report is required under paragraph 16, this must be provided in the form in **Schedule 3** to this Annex.
6. The reasonable assurance report for the final report for the project must comply with the same requirements as the reasonable assurance report submitted in respect of grant claims for more than £200,000, except that the statutory auditor must complete that report in respect of your compliance with the terms and conditions of the grant over the entire project and in respect of the entire grant and its use.

Letter of engagement

7. Where an assurance report is required under paragraphs 16 and 17, You must engage the relevant accountant on the terms in Schedule 4 to this Annex.



OFFICIAL

Annex 2: Schedule 1

Payment instalments: information and evidence required

Milestone number	Milestone name	Deadline	Grant allocated (GBP)	Technical deliverable – detailed description	Evidence to be provided in support	How evidence will be verified (e.g. BEIS review of document; site visit)
-------------------------	-----------------------	-----------------	------------------------------	---	---	---

DRAFT



OFFICIAL

Annex 2: Schedule 2

Limited assurance report

To: Directors and the Secretary of State for Business, Energy and Industrial Strategy (“BEIS”)

This report is produced in accordance with the terms of our engagement letter dated [XX] for the purpose of reporting to [the directors of client] (“the company”) and BEIS in connection with the grant claim for the monies receivable from BEIS under its grant agreement dated X in respect of [project name] [for the period ended [date]] and in accordance with the terms of our engagement letter dated [date] (attached).

Our report is prepared solely for the confidential use of [insert name of grant recipient] and BEIS, and solely for the purpose of facilitating the grant claim. This report is released to [insert name of grant recipient] BEIS on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent except where there is a statutory requirement of disclosure. Without assuming or accepting any responsibility or liability in respect of this report to any party other than [insert name of grant recipient] and BEIS, we acknowledge that [insert name of grant recipient] and BEIS (or one of them) may be required to disclose this report to parties demonstrating a statutory right to see it, to enable such parties to exercise statutory rights of access to this report.

This report is designed to meet the agreed requirements of [insert name of grant recipient] and BEIS and particular features of our engagement determined by their needs at the time. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against [name of accountant] for any purpose or in any context. Any party other than [insert name of grant recipient] and BEIS which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, [name of accountant] will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person’s reliance on representations in this report.

As directors of the company, you are responsible for ensuring that the company maintains accounting records which disclose with reasonable accuracy, at any time, the financial position of the company, and in respect of grant claims, as the company’s directors (the ‘directors’) you are responsible for compiling claims in accordance with grant agreement, ensuring that only eligible items are included in each grant claim and for ensuring that all terms of such grant agreements have been complied with or varied in writing with the provider. It is also the directors’ responsibility to extract relevant financial information from the company’s accounting records, to make the calculations specified in the grant agreement, and to provide relevant financial information to BEIS.

Our approach

We conducted our engagement in accordance with the procedures set out in our engagement letter dated [date]]. We performed a limited assurance engagement as defined in that letter.

For the purpose of the engagement we have been provided by the directors with a schedule showing the company’s eligible expenditure (attached) (“the schedule”) and the grant agreement. The directors of the company remain solely responsible for the schedule.



OFFICIAL

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on the schedule.

[Inherent limitations]

[The following two paragraphs only to be used only where the accountants are the auditors of the grant recipient]

Our audit work on the financial statements of [grant recipient] is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as having any effect on our separate duties and responsibilities as [grant recipient]'s external auditors. Our audit report on the financial statements is made solely to [grant recipient]'s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to [grant recipient]'s members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than [grant recipient] and [grant recipient]'s members as a body, for our audit work, for our audit reports, or for the opinions we have formed.]

To the fullest extent permitted by law we do not and will not, by virtue of our reports/confirmations or otherwise, assume or accept any duty of care or liability under this engagement to the [grant recipient] or to [BEIS] or to any other party, whether in contract, negligence or otherwise in relation to our audits of [grant recipient]'s financial statements.]

Conclusion

[Based on our work described in this report, nothing has come to our attention that causes us to believe that the schedule has not been prepared in all material respects, and the expenditure has not been incurred, in accordance with the grant agreement.]

[Based on the procedures performed we have identified the following exceptions where the schedule has not been prepared in all material respects, and/or the expenditure has not been incurred, in accordance with the grant agreement].

[list exceptions]

Firm of Accountants
Office
Date





OFFICIAL

Annex 2: Schedule 3

Reasonable assurance report

To: Directors and the Secretary of State for Business, Energy and Industrial Strategy (“BEIS”)

This report is produced in accordance with the terms of our letter of engagement dated [XX] for the purpose of reporting to [the directors of client] (the ‘company’) and BEIS in connection with the grant claim for the monies receivable from BEIS under its grant agreement dated X in respect of [project name] [for the period ended [date]] and in accordance with the terms of our engagement letter dated [date] (attached).

Our report is prepared solely for the confidential use of [insert name of grant recipient] and BEIS, and solely for the purpose of facilitating the grant claim. This report is released to [insert name of grant recipient] BEIS on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent except where there is a statutory requirement of disclosure. Without assuming or accepting any responsibility or liability in respect of this report to any party other than [insert name of grant recipient] and BEIS, we acknowledge that [insert name of grant recipient] and BEIS (or one of them) may be required to disclose this report to parties demonstrating a statutory right to see it, to enable such parties to exercise statutory rights of access to this report.

This report is designed to meet the agreed requirements of [insert name of grant recipient] and BEIS and particular features of our engagement determined by their needs at the time. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against [name of accountant] for any purpose or in any context. Any party other than [insert name of grant recipient] and BEIS which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, [name of accountant] will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person’s reliance on representations in this report.

As directors of the company, you are responsible for ensuring that the company maintains accounting records which disclose with reasonable accuracy, at any time, the financial position of the company, and in respect of grant claims, as the company’s directors (the ‘directors’) you are responsible for compiling claims in accordance with grant offer letters, ensuring that only eligible items are included in each grant claim and for ensuring that all terms of such offer letters have been complied with or varied in writing with the provider. It is also the directors’ responsibility to extract relevant financial information from the company’s accounting records, to make the calculations specified in the grant offer letter, and to provide relevant financial information to BEIS.

Our approach

We conducted our engagement in accordance with ISAE 3000 (*Assurance engagements other than audits and reviews of historical financial information*). We performed a reasonable assurance engagement as defined in the framework. For the purpose of the engagement we have been provided by the directors with a schedule (attached to this report) (“the schedule”) showing the company’s eligible expenditure and the grant agreement. The directors of the company remain solely responsible for the schedule.



OFFICIAL

The objective of a reasonable assurance engagement is to perform such procedures as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a positive conclusion on the schedule.

[Inherent limitations]

[The following two paragraphs only to be used only where the accountants are the auditors of the grant recipient]

[Our audit work on the financial statements of [grant recipient] is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as having any effect on our separate duties and responsibilities as [grant recipient]'s external auditors. Our audit report on the financial statements is made solely to [grant recipient]'s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to [grant recipient]'s members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than [grant recipient] and [grant recipient]'s members as a body, for our audit work, for our audit reports, or for the opinions we have formed.]

To the fullest extent permitted by law we do not and will not, by virtue of our reports/confirmations or otherwise, assume or accept any duty of care or liability under this engagement to [grant recipient] or to [BEIS] or to any other party, whether in contract, negligence or otherwise in relation to our audits of [grant recipient]'s financial statements.]

Conclusion

In our opinion, [the schedule] has been prepared, in all material respects, and the expenditure has been incurred, in accordance with the grant agreement.

or

Except for [detail minor exceptions noted], in our opinion [the schedule] has been prepared, in all material aspects, and the expenditure has been incurred, in accordance with the grant agreement.

or

In our opinion [the schedule] has not been prepared, in all material respects, and the expenditure has been incurred, in accordance with the grant agreement.

[insert details of issues leading to qualification of opinion]

Firm of Accountants
Office
Date



Annex 2: Schedule 4

Reporting accountants: letter of engagement

Letter of engagement

The following are the pre-agreed terms of engagement on which the [grant recipient] engages accountants to perform [a limited assurance report] [a reasonable assurance report] in connection with the [name of [grant claim]].

The Secretary of State for Business, Energy and Industrial Strategy (“BEIS”) accepts that an agreement between the [grant recipient], its reporting accountants and BEIS on these terms is formed when the accountants sign and submit to BEIS a report as set out in clause 3 below.

NB: BEIS will not need to sign anything. By publishing this document BEIS confirms that these pre-agreed terms form its agreement with [grant recipient] and the reporting accountants. Once the accountants’ report is submitted to BEIS in accordance with these terms BEIS will accept that an agreement is formed. If the terms of the standardised engagement letter are to be revised, BEIS will need to confirm its acceptance of the new terms before an agreement is formed.

In these terms of engagement:

1. Introduction

The [grant recipient] is required to submit to BEIS reports as set out in clause 3 below that are also signed by an accountant to provide independent assurance. These terms of engagement set out the basis on which the accountant will sign the report.

2. The [grant recipient]’s responsibilities

- 2.1 The [grant recipient] is responsible for producing information, maintaining proper records complying with the terms of any legislation or regulatory requirements and BEIS’s terms and conditions of grant (“the grant conditions”) and providing relevant information to BEIS on a basis in accordance with the requirements of the grant conditions. The [grant recipient] is responsible for ensuring that the non-financial records can be reconciled to the financial records.
- 2.2 The management of the [grant recipient] will make available to the accountant all records, correspondence, information and explanations that the accountant considers necessary to enable the accountant to perform the accountant’s work.
- 2.3 The [grant recipient] and BEIS accept that the ability of the accountant to perform its work effectively depends upon the [grant recipient] providing full and free access to the financial and other records and the [grant recipient] shall procure that any such records held by a third party are made available to the accountant.
- 2.4 The accountant accepts that, whether or not the [grant recipient] meets its obligations, the accountant remains under an obligation to BEIS to perform its work with reasonable care. The failure by the [grant recipient] to meet its obligations may cause the accountant to qualify its report or be unable to provide a report.



OFFICIAL

3. Scope of the accountant's work

- 3.1 The [grant recipient] will provide the accountant with such information, explanations and documentation that the accountant considers necessary to carry out its responsibilities. The accountant will seek written representations from management in relation to matters for which independent corroboration is not available. The accountant will also seek confirmation that any significant matters of which the accountant should be aware have been brought to the accountant's attention.
- 3.2 The accountant will perform carry out a [limited][reasonable] level of assurance assignment and subject to any adverse findings will produce a report in the form set out in [Appendix X].
- 3.3 The accountant will not subject the information provided by the [grant recipient] to checking or verification except to the extent expressly stated. While the accountant will perform the accountant's work with reasonable skill and care, the accountant's work should not be relied upon to disclose all misstatements, fraud or errors that might exist.

4. Form of the accountant's report

- 4.1 The accountant's reports are prepared on the following bases:
- 4.1.1 the accountant's reports are prepared solely for the confidential use of the [grant recipient] and BEIS and solely for the purpose of submission to BEIS in connection with BEIS's requirements in connection with [name of grant]. They may not be relied upon by the [grant recipient] or BEIS for any other purpose;
- 4.1.2 without imposing on the accountant and without the accountant assuming (or being perceived as assuming) any duty or responsibility and without imposing or accepting any liability to anyone except the [grant recipient] and BEIS, BEIS may disclose the reports to the European Commission for state aid purposes, Parliament, the Comptroller and Auditor General (NAO) and others who demonstrate statutory rights of access to the report;
- 4.1.3 neither the [grant recipient], BEIS [or others] may rely on any oral or draft reports the accountant provides. The accountant accepts responsibility to the [grant recipient] and BEIS for the accountant's final signed reports only;
- 4.1.4 the report will be prepared solely for the confidential use of [grant recipient] and BEIS, and solely for the purpose of facilitating the grant claim. The report will be released to the [grant recipient] and BEIS on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without the accountant's prior written consent, except where there is a legal or statutory right of access. Without assuming or accepting any responsibility or liability in respect of the report to any party other than [grant recipient] and BEIS, we acknowledge that [grant recipient] and BEIS (or one of them) may be required to disclose this report to parties demonstrating a statutory right to see it, to enable such parties to exercise their statutory rights of access to this report;
- 4.1.5 to the fullest extent permitted by law, except for the [grant recipient] and BEIS, the firm of accountants, its partners and staff neither owe nor accept any duty to any person (including, without limitation, any person who may use or refer



OFFICIAL

to any of BEIS's publications) and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in the accountant's reports.

5. Liability provisions

- 5.1 The accountant will perform the engagement with reasonable skill and care and accepts responsibility to the [grant recipient] and to BEIS for losses, damages, costs or expenses ('losses') caused by its breach of contract, negligence or wilful default, subject to the following provisions:
- 5.1.1 The accountant will not be responsible or liable if such losses are due to the provision of false, misleading or incomplete information or documentation or due to the acts or omissions of any person other than the accountant, except where, on the basis of the enquiries normally undertaken by accountants within the scope set out in these terms of engagement, it would have been reasonable for the accountant to discover such defects.
 - 5.1.2 The accountant accepts liability without limit for the consequences of its own fraud and for any other liability which it is not permitted by law to limit or exclude.
 - 5.1.3 Subject to the previous paragraph (5.1.2), the total aggregate liability of the accountant whether in contract, tort (including negligence) or otherwise, to each of the [grant recipient] and BEIS, arising from or in connection with the work which is the subject of these terms (including any addition or variation to the work), shall not exceed the maximum value of the relevant grant instalment to which the grant claim relates (as set out in the grant agreement).
- 5.2 The [grant recipient] and BEIS agree that they will not bring any claims or proceedings against any individual partners, members, directors or employees of the accountant. This clause is intended to benefit such partners, members, directors and employees who may enforce this clause pursuant to the Contracts (Rights of Third Parties) Act 1999 ('the Act'). Notwithstanding any benefits or rights conferred by this agreement on any third party by virtue of the Act, the parties to this agreement may agree to vary or rescind this agreement without any third party's consent. Other than as expressly provided in these terms, the Act is excluded.
- 5.3 Any claims, whether in contract, negligence or otherwise, must be formally commenced within 4 years after the party bringing the claim becomes aware (or ought reasonably to have become aware) of the facts which give rise to the action and in any event no later than 6 years after relevant report was issued (or, if no report was issued, when the accountant accepted the engagement in writing). This expressly overrides any statutory provision which would otherwise apply.
- 5.4 This engagement is separate from and unrelated to any audit work of the accountant on the financial statements of the [grant recipient] for the purposes of any applicable statutory or regulatory or other auditing framework and nothing herein creates obligations or liabilities regarding the accountant's audit work, which would not otherwise exist.



6. Fees

The accountant's fees, together with VAT and out-of-pocket expenses, will be agreed with and billed to the [grant recipient]. BEIS is not liable to pay the accountant's fees.

7. Quality of service

The accountant will investigate all complaints. BEIS or the [grant recipient] have the right to take any complaint to the ICAEW. BEIS or the [grant recipient] may obtain an explanation of the mechanisms that operate in respect of a complaint to the ICAEW at www.icaew.co.uk/complaints or by writing to the ICAEW at the ICAEW Professional Standards Office, Metropolitan House, 321 Avebury Boulevard, Milton Keynes MK9 2FZ UK.

8. Providing services to other parties

The accountant will not be prevented or restricted by virtue of the accountant's relationship with the [grant recipient] and BEIS, including anything in these terms of engagement, from providing services to other clients. The accountant's standard internal procedures are designed to ensure that confidential information communicated to the accountant during the course of an assignment will be maintained confidentially.

9. Applicable law and jurisdiction

9.1 This agreement shall be governed by, and interpreted and construed in accordance with the law of England.

9.2 The [grant recipient], BEIS and the accountant irrevocably agree that the courts of England shall have exclusive jurisdiction to settle any dispute (including claims for set-off and counterclaims) which may arise on any basis in connection with the validity, effect, interpretation or performance of, or the legal relationship established by this agreement or otherwise arising in connection with this agreement.

10. Alteration to terms

All additions, amendments and variations to these terms of engagement shall be binding only if in writing and signed by the duly authorised representatives of the parties. These terms supersede any previous agreements and representations (unless based on fraud) between the parties in respect of the scope of the accountant's work and the accountant's report or the obligations of any of the parties relating thereto (whether oral or written) and represents the entire agreement and understanding between the parties. These terms do not affect any separate



OFFICIAL

Annex 3

Conditions

Use of the grant

1. You must not make any grant claim, and must not use any grant paid, otherwise than to cover the Eligible Costs.
2. Those costs must have been incurred reasonably and exclusively for the purpose of the Project (as described in Part 1 of **Annex 1**) and You must take all reasonable steps to minimise those costs.

Conduct of the Project

3. The Project must be substantially carried out by You or by the persons specified in Your application.

Changes to the Project

4. You must not make changes to the Project, without the prior agreement in writing of the Secretary of State.

Other conditions relating to the Project

- 5.

Other public funding

6. The grant is offered on the understanding that You are not receiving other funding in connection with the Project from, or attributable to, other public authorities or the EU institutions. You may not accept the offer of any such other funding without the prior agreement in writing of the Secretary of State (not to be unreasonably withheld).

Record keeping

7. You must keep the following records
 - a) the grant offer letter and adequate records to demonstrate that You have complied with all terms and conditions of this grant; and
 - b) records relating to funding given to third parties, including details of:
 - i. the identity of the third party concerned;
 - ii. the amounts they have been given;
 - iii. the purpose for which the money was spent;
 - iv. evidence that the contracts have been awarded fairly and transparently.
8. You must maintain those records for a period ending ten years after the 1st April following the final payment of the grant.

Reporting

9. You must provide the Secretary of State with a quarterly progress report and risk register covering the following periods:



OFFICIAL

- a) 1 January to 31 March
 - b) 1 April to 30 June
 - c) 1 July to 30 September
 - d) 1 October to 31 December
10. All quarterly reports are to be completed and delivered within 6 weeks of the end of the appropriate period throughout the duration of the project
11. Those reports must be in a format specified by the Secretary of State.
12. Additional reports are also be required to meet the requirements of and in the format specified by the European Commission and you are required to provide input to these, as detailed in paragraph 5 of this Annex.

Monitoring and Audit

13. You must:
- a) respond fully, truthfully and promptly to any enquiries that may be made about the Project, Your compliance with the requirements of this letter and its Annexes or Your use of the grant by–
 - i. the Secretary of State,
 - ii. the Comptroller and Auditor General,
 - iii. Parliament or any Parliamentary Committee,
 - iv. the European Commission, or
 - v. any other public authority which may be entitled by law to such information,("the Relevant Persons") including by the provision of any information or evidence at such times, and in such form, as they may reasonably specify;
 - b) allow the Relevant Persons, and their representatives, access to all relevant documents and records, and reasonable access for inspecting any relevant site; and
 - c) where requested, ensure that any information or evidence provided to the Relevant Persons, is audited by an identified and independent reporting accountant or otherwise confirmed or verified by a person of such other relevant expertise as may be required.

Procurement and other benefits to third parties

14. In so far as the Eligible Costs are to be incurred in the purchase of goods, works or services, You must:
- a) obtain the agreement in writing of the Secretary of State prior to entering into any contract or commencing any procurement where the value of the contract exceeds £100,000; and
 - b) advertise and award all contracts fairly and transparently; and



OFFICIAL

- c) unless the Secretary of State agrees otherwise in writing, pay the person from whom the goods, works or services are purchased within 30 days of receiving a valid invoice from that contractor.

Commercial use of the grant

15. You must not use the grant, or any asset (including intellectual property rights) attributable to the grant, or financed wholly or partly by it, to generate revenue or make a capital gain. If You do so, the grant to which You are entitled shall be reduced by the amount of that revenue or gain (as the case may be) and the balance repayable.
16. You must not sell, transfer to any other person or otherwise dispose of any asset (including intellectual property rights) attributable to, or financed wholly or partly by, the grant without the prior agreement in writing of the Secretary of State (and such prior written agreement shall not be unreasonably withheld or delayed).

Charges

17. You must not allow any person to take a charge over an asset financed wholly or partly by the grant.

Intellectual property

18. In undertaking the Project, You must not infringe the intellectual property rights of any third party.

Compliance with the law

19. In undertaking the Project, You must comply with all laws and regulatory requirements.
20. In particular (but without limitation), in undertaking the Project You must comply with:
- a) the Equality Act 2010;
 - b) the Bribery Act 2010;
 - c) applicable health and safety legislation; and
 - d) planning requirements, building regulations and other consents.

Your responsibility for employees, contractors, agents and partners

21. You must ensure that, in undertaking the Project, Your employees, contractors, agents and partners comply with the terms and conditions of the grant offer letter and its Annexes, and You agree that You will be responsible for any breach by them of those terms and conditions and that such a breach will be treated as a breach by You.

Warranties

22. In accepting the grant and any payment of it, You represent and warrant that:



OFFICIAL

- a) You have full capacity and authority to undertake the Project and to agree to the terms and conditions of the grant offer letter and its Annexes;
 - b) You have obtained any consents necessary to undertake the Project;
 - c) the information and evidence in Your application remains true, complete and accurate, and that Your circumstances have not materially changed since Your application; and
 - d) You comply with all terms and conditions of that letter and its Annexes, and are aware of the existence of no circumstances entitling the Secretary of State to reduce or withdraw the grant or to require You to repay it.
23. In accepting the grant and any payment of it, You represent and warrant that You know of the existence of no circumstances which might materially and adversely impact on Your ability to undertake the Project or comply with the terms and conditions of the grant offer letter and its Annexes including (without limitation):
- a) any contractual obligations;
 - b) any legal or administrative proceedings (such as any litigation or any wind-up or insolvency proceedings);
 - c) any circumstances which might give rise to such proceedings; or
 - d) any requirement of European Union law relating to state aid, including any outstanding recovery order following a previous Commission decision declaring a state aid illegal and incompatible with the common market.

Limitation of liability

24. The Secretary of State's liability to You is limited to payment of the grant (subject to Your compliance with the terms and conditions of the grant offer letter and its Annexes and to the Secretary of State's rights set out therein). You remain entirely responsible for Your risks and liabilities in undertaking the Project, and (to the fullest extent permitted by law) the Secretary of State shall have no liability for any consequence, direct or indirect, that may arise through Your undertaking of the Project or Your use of the grant.



OFFICIAL

Indemnity

25. You agree to indemnify the Secretary of State against all claims, demands, actions, proceedings, costs, charges, expenses, losses, damages or other liabilities arising from Your acts or omissions, or those of Your employees, contractors, sub-contractors, agents or partners, in undertaking the Project and in using the grant. Your aggregate liability to the Secretary of State resulting from negligent acts of omissions of yourselves, your employees or agents under or in connection with this grant shall not exceed £5,000,000 (Five Million Pounds Sterling). Nothing in this grant excludes or limits your liability for death or personal injury arising from its negligence, or for fraud, or for any other liability that, by law, cannot be excluded or limited.

DRAFT



OFFICIAL

Annex 4

Grounds for reduction, withdrawal and repayment

Eligibility

1. You are not, or You cease to be, eligible for, or entitled to, the grant.

Grounds relating to performance

Non-compliance with requirements

2. A material failure to comply with a term or condition of the grant offer letter and its Annexes, in particular, but without limitation, in cases where You fail to:
 - a) incur some or all of the Eligible Costs (or the Secretary of State has reasonable grounds to consider that those costs have not been properly incurred or that You have not paid for any relevant goods or services);
 - b) complete the Project within the required timescale;
 - c) comply with any deadline required to be met;
 - d) provide information or evidence required; or
 - e) comply with any of the conditions in **Annex 3**,

Jeopardy and unsatisfactory progress

3. The Secretary of State has reasonable grounds to consider that:
 - a) progress towards completion of the Project is unsatisfactory; or
 - b) the future of the Project is in jeopardy.

Unsatisfactory report

4. A report or opinion from a reporting accountant, or from any other expert, is unsatisfactory because it contains an adverse opinion, a qualified opinion or a disclaimer of opinion, to which You have not (in the reasonable opinion of the Secretary of State) responded to appropriately.

Overpayment

5. The Secretary of State overpays the grant, or any instalment due, in which case the overpayment will be repayable or deductible from any future instalment.

Recovery of sums due under other agreements etc

6. A sum is recoverable from, or repayable by, You under any other agreement or arrangement with the Secretary of State, or with another government department, in which case the grant may be reduced by that amount.



OFFICIAL

Material changes

Changes to Your Project

7. There is a change to the Project which the Secretary of State:

- a) reasonably considers to be material; and
- b) has not agreed with You in writing.

Changes to Your business

8. There has been a change to Your business, which the Secretary of State reasonably considers makes (or would have made) a material difference to:

- a) Your eligibility for the grant; or
- b) the conditions on which it is appropriate to award the grant.

Takeover

9. You are subject to a change of control (including a takeover, merger or de-merger) (control being interpreted in accordance with section 1124 of the Corporation Tax Act 2010) where the Secretary of State reasonably considers that the change makes (or would have made) a material difference to:

- c) Your eligibility for the; or
- d) the conditions on which it is appropriate to award the grant.

Cessation of business, insolvency and wind up etc

Cessation of business

10. You cease or suspend the carrying on of Your business or a material part of it.

Insolvency and bankruptcy etc

11. You are a company (or other body corporate), and any of the following events occur:

- a) a proposal is made for a voluntary arrangement within Part I of the Insolvency Act 1986, an arrangement or reconstruction under Part 26 of the Companies Act 2006 or any other composition scheme or arrangement with, or assignment for the benefit of, the company's creditors;
- b) a shareholders' meeting is convened for the purpose of considering a resolution that the company is wound up or a resolution for its winding-up is passed (other than as part of, and exclusively for the purpose of, a bona fide reconstruction or amalgamation);
- c) a petition is presented for the winding up of the company (which is not dismissed within 14 days of its service) or an application is made for the appointment of a provisional liquidator or a creditors' meeting is convened pursuant to section 98 of the Insolvency Act 1986;



OFFICIAL

- d) a receiver, administrative receiver or similar officer is appointed over the whole or any part of Your business or assets;
- e) an application order is made either for the appointment of an administrator or for an administration order, an administrator is appointed, or notice of intention to appoint an administrator is given;
- f) You are or become unable to pay Your debts within the meaning of section 123 of the Insolvency Act 1986;
- g) being a company subject to the small companies regime under section 381 of the Companies Act 2006, a moratorium comes into force pursuant to Schedule A1 of the Insolvency Act 1986; or
- h) any other event occurs, in any jurisdiction to which You are subject, which is similar to those listed in sub-paragraphs a) to g).

Probity etc

Representations and warranties

12. The Secretary of State has reasonable grounds to consider that the information and evidence provided in Your application, in subsequent correspondence or under the grant offer letter (in particular any grant claim or other correspondence material to the payment of the grant), or any warranty or representation You have made, has not been:
- a) complete and accurate; or
 - b) supplied honestly and in good faith.

Misuse of the grant

13. The Secretary of State has reasonable grounds to consider that:
- a) You have misused the grant or any instalment of it; or
 - b) there is a serious risk that You will do so.

Corruption in Your business

14. The Secretary of State has reasonable grounds to consider that You have failed to comply with any anti-bribery or anti-corruption laws, including:
- a) the Bribery Act 2010; and
 - b) any anti-bribery or anti-corruption laws in another jurisdiction to which You are subject.

Criminal convictions and proceedings

15. Any of the grounds for mandatory or discretionary exclusion in regulation 57 of the Public Contracts Regulations 2015 arise, at any time, in relation to You or Your business.



Department for
Business, Energy
& Industrial Strategy

OFFICIAL

Annex 5

Statement of changes to the project proposal

DRAFT



Department for
Business, Energy
& Industrial Strategy

OFFICIAL

Annex 6

Project proposal from date of submission [DATE]

DRAFT



OFFICIAL

Annex 7

Project Grant Breakdown

IEEA Project Grant Breakdown

Project Title

Lead Organisation

Total Labour Costs

Total Overhead Costs

Total Material Costs

Total Capital Equipment Costs

Total Sub Contract Costs

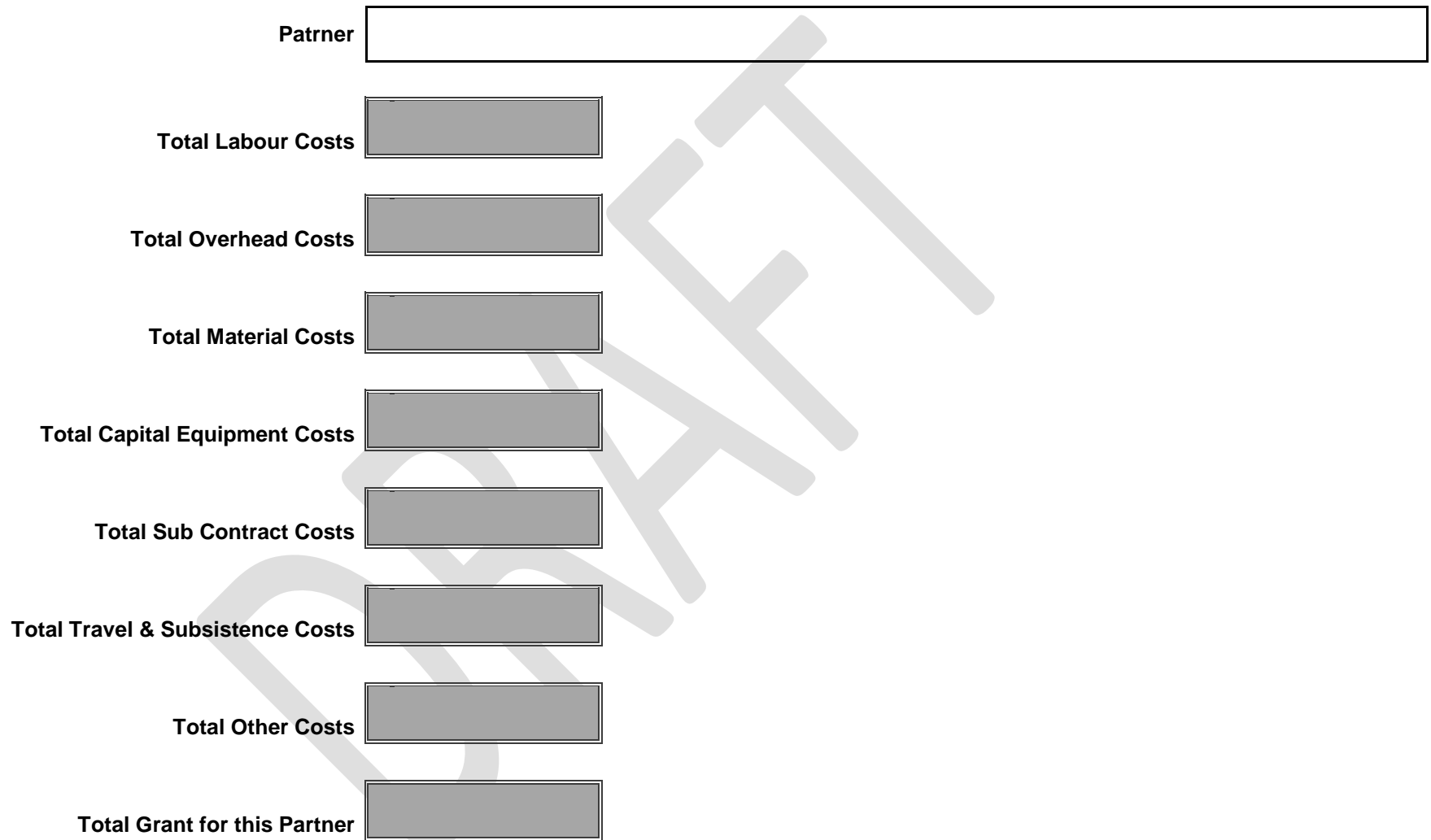
Total Travel & Subsistence Costs

Total Other Costs

Total Grant as per Section 4 of Offer Letter



OFFICIAL





OFFICIAL

