

SOSE ASSISTANCE GUIDANCE NOTES

Note	Definition or explanation of why we need this information
1. Organisation start date	We are looking for the date your organisation was established. If you are a company this is normally the date of incorporation. Alternatively, it could be the date you registered with HMRC, when you opened a business bank account or began trading – you should use the earliest of these where more than one applies.
2. Financial year end	This is the financial year or “period of accounts” date that applies to your organisation within the UK e.g. 5 April, 31 December etc. This lets SOSE know when your financial statements should run to for due diligence purposes.
3. Sector	Subsidy control guidelines place restrictions on public assistance to certain sectors. If your organisation is active in any of the sectors listed in 1.2, finance from SOSE and any other public co-funders is subject to different limits. The project activity described in 2.1 is also relevant to this assessment.
4. Main activity	What are the main services, products or activities the organisation engages in?
5. Group status	<p>SOSE needs to know if you are a completely independent organisation with no shared ownership or control, or if you are part of a group, under common ownership or common control, including as a subsidiary or as a related organisation.</p> <p>This helps us to understand the extent of your wider resources and is relevant for scoping due diligence and subsidy considerations. Minimal Financial Assistance and De minimis aid take into account the total received as a group. See note 6.</p>
6. SME or large enterprise status	<p>State Subsidy guidelines classifies organisations as small, medium or large enterprises and prioritises aid to small and medium enterprises (“SMEs”), as they do not have the same access to internal resources and expertise that large enterprises do. Some aid measures are restricted by varying the maximum percentage level (aid intensity) while other measures exclude large enterprises.</p> <p>SOSE needs to know the size of your organisation and the additional resources at your disposal through any partner or linked organisations to ensure we do not exceed the aid intensities your organisation is eligible for. It is important that you declare all these connections both within the UK and overseas. Please tell us:</p> <ul style="list-style-type: none"> ▪ If you are part of a group i.e. another organisation owns 25% or more of your organisation or has control through voting rights or a contractual relationship that provides a dominant influence; ▪ or if your organisation owns or controls 25% or more of another organisation; ▪ If you are included in the consolidated accounts of another, or have subsidiaries included in your own consolidated accounts, you are part of a group; ▪ If 25% or more of your capital is owned or controlled by one or more public bodies (except universities), you are automatically considered to be a large organisation.

	<p>It is often helpful to provide a group structure diagram with links and shareholding or control percentages included.</p> <p><u>Are you a SME or a large organisation?</u> Any organisation which has a headcount/annual turnover/balance sheet total greater than those that apply to 'Medium sized' organisations is considered a large organisation:</p> <table border="1" data-bbox="435 416 1388 582"> <thead> <tr> <th>Organisation category</th> <th>Headcount: annual full-time equivalents</th> <th>Annual turnover</th> <th>Annual Balance sheet total</th> </tr> </thead> <tbody> <tr> <td>Medium-sized</td> <td><250</td> <td>≤ £36 million</td> <td>≤ £18 million</td> </tr> <tr> <td>Small</td> <td><50</td> <td>≤ £10.2 million</td> <td>≤ £5.1 million</td> </tr> </tbody> </table> <p>For the definition of a SME, you should refer to Section 382 and Section 465 of the Companies Act 2006.</p> <p>N.B. If you have any doubts, you should consult with your own professional advisers (solicitor or accountant) for advice.</p>	Organisation category	Headcount: annual full-time equivalents	Annual turnover	Annual Balance sheet total	Medium-sized	<250	≤ £36 million	≤ £18 million	Small	<50	≤ £10.2 million	≤ £5.1 million
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7. Solvency	SOSE is required to ensure that its assistance has a good prospect of providing an economic return for the area and therefore assess the viability of applicants and the proposed project. Please read this question carefully before answering. If you answer "yes" we will investigate the circumstances fully with you.												
8. Location	Be as specific as you can be about where the project will take place i.e. the town or village if it will have a fixed location. Alternatively, give the county or region if it will have a wider reach.												
9. Postcode	Include the postcode for capital projects or those with a single fixed location.]												
10. Project start & completion	Tell us your target dates or best estimate of when the project will start and be completed. We understand that these may be subject to delay or change. In most cases, we require the written application in advance of the project start date. The "start of works" means the earlier of either the start of construction works or the first legally binding commitment to purchase equipment or any other commitment that makes the investment irreversible. Buying land, preparatory works such as obtaining consents or conducting feasibility studies are not considered "start of works".												
11. Project costs	You should provide us with your best indication of the main cost elements and the estimated costs. We will require you to submit quotations to verify the estimates and we understand that during discussions and appraisal of your application these costs may change. Please break down the cost types as accurately as you can to help SOSE to assess the eligibility of and intervention limits attached to elements within, and the overall project.												
12. Private funding	We need to know the make-up of the project funding package (confirmed finance and funds applied for). Private funding can include your own contribution, bank loan, other private investment or lending, or charitable trusts.												
13. Public funding	It is important that you tell us when you are applying for funding from other public sources towards the same project costs so that SOSE can make sure that the combined public assistance does not breach any state subsidy intervention limits that might apply. Public funding includes UK funds, local authority, Scottish or UK Government, publicly funded bodies such as VisitScotland or NatureScot and lottery funding as it is strategically controlled by Government.												

14. Requested SOSE funding	Please specify the amount of assistance you are seeking from SOSE. It should be the minimum necessary to make the project happen. We also require you to state whether you are looking for a grant, loan, equity or guarantee.
15. Total funding	It sounds obvious but the total funding from all public and private sources should add up to the total project costs with no shortfall or excess.
16. Subsidy Intensity	The Subsidy Intensity is the Subsidy as a percentage of the total Project Costs. A Subsidy that represents only a small proportion of the total Project Cost is less likely to have a significant effect on competition.
17. Subsidy and State Aid	Under the Subsidy Control Act 2022, a “subsidy” is financial assistance or an in kind contribution by a public authority that confers an economic advantage on one or more organisation. Similarly, “State Aid” is an EU law term that refers to forms of public assistance, given to beneficiaries on a discretionary basis, which has the potential to distort competition and affect trade between Member States of the European Union (EU). SOSE needs to understand what, if any, Subsidy, State Aid or award declared as non-aid your organisation has previously been awarded.
18. Recovery Order	A Recovery Order is a legal document or instruction that requires the repayment of a Subsidy pr State Aid from an organisation. If any part of your organisation has been asked to repay a Subsidy that the Competition Appeal Tribunal decided was an illegal Subsidy and repayment of all or some of the Subsidy is outstanding; or State Aid that the EC decided was illegal aid and repayment of all or some of the aid is outstanding, you must declare it to SOSE.
19. Rescue or recovery Subsidy or aid	Awards of rescue and/or restructuring Subsidy or State Aid are extremely rare. If any part of your organisation has received such Subsidy or State Aid and has not yet repaid the loan or terminated the restructuring plan, you must declare it to SOSE. For further guidance, see Chapter 8 of the Statutory Guidance on the United Kingdom Subsidy Control Regime published by the Department for Business, Energy & Industrial Strategy (BEIS).
20. Relocation	<p>Relocation means that an organisation that has been carrying on activities in one area of the UK ceases to carry on those activities after receiving a Subsidy and moves to another area of the UK. Relocation Subsidies are generally prohibited. You must declare whether you have relocated or intend to relocate. The prohibition does not apply to subsidies that are given to reduce social or economic disadvantage, but there are specific rules and conditions that need to be satisfied.</p> <p>Please answer this question to inform SOSE’s project assessment. If you answer “No” SOSE will examine the options with you.</p>
21. Minimal Financial Assistance and De Minimis	<p>The Subsidy Control requirements do not apply to Minimal Financial Assistance (MFA) which is the total amount received by a group of organisations or a single organisation in the current fiscal year and the previous two fiscal years. You must declare any subsidies received during the previous two fiscal years and the current fiscal year. The MFA limit is £315,000 over that period.</p> <p>De Minimis is a European Commission term for a form of public assistance (State Aid) with maximum thresholds over a 3-year fiscal period that the EC consider can be given to a recipient with negligible impact on trade and competition. You need only declare De Minimis aid that was granted by UK public bodies (examples at note 13) for your organisation’s activities within the UK. The Standard De Minimis limit is €200,000 over 3 years. There are also specific limits for Road Freight Transport (€100,000), Fisheries & Aquaculture (€30,000) and Agriculture/ Forestry/ Horticulture (€20,000).</p>

	<p>If you have been awarded MFA or De Minimis aid before 31st December 2020, please let SOSE know the value of this award.</p>
<p>22. Measure 2.3 Support for the Start-Up of New Small Enterprises</p>	<p>A Subsidy awarded under Measure 2.3 Support for the Start-Up of New Small Enterprises carries a cumulative threshold with a limit of £600,000 for grants and various limits for loans and guarantees, up to £3,000,000, depending on the loan or guarantee duration.</p> <p>Aid awarded under the GBER Article 22 (Start-up aid for small enterprises or small innovative enterprises) carries a cumulative threshold similar to De Minimis but with a higher limit of €600,000 or €1.2M for grants depending on whether your organisation is a small and innovative enterprise for GBER purposes, and loan funding of up to €3m to €6m depending on the loan duration and, again whether your organisation is a small and innovative enterprise.</p> <p>If your organisation has received Measure 2.3 Support for the Start-Up of New Small Enterprises or Article 22 aid, anywhere in the UK or EU in the last 5 years you must declare it to SOSE.</p>
<p>23. Measure 3.7 Innovation Support for SMEs</p>	<p>A Subsidy awarded under Measure 3.7 Innovation Support for SMEs carries a cumulative threshold with a limit of €200,000 for innovation advisory and support services.</p> <p>Aid awarded under the GBER Article 28 (Innovation aid for SMEs) carries the same cumulative threshold similar to De Minimis of €200,000 but the GBER requires Article 28 aid to be cumulated over the 3 calendar years preceding the date of your application. This threshold relates specifically to assistance in the form of innovation advice or support services.</p> <p>If your organisation has received Measure 3.7 Innovation Support for SMEs or Article 28 aid that mentions this cumulation, anywhere in the UK or EU in the last 3 years you must declare it to SOSE.</p>
<p>24. Authorised signatory</p>	<p>It is the Applicant's responsibility to be clear about authorisation and the number of signatories required to sign the application form, according to the organisation's Articles, Constitution or governance procedures. Generally, the following apply:</p> <ul style="list-style-type: none"> ▪ Limited Company – A director of the company; or the company secretary; or an authorised person, as listed on Companies House ▪ Company Limited by Guarantee – A director of the company; or the company secretary; or an authorised person, as listed on Companies House ▪ Sole Trader – the applicant ▪ Partnership – all partners are required to sign ▪ Unincorporated associations – two office bearers authorised to sign ▪ Limited liability partnership – a member (partner) of the company <p>If you require to have more than one signature on the form, there is space to sign alongside.</p>
<p>25. Submission of the form</p>	<p>Please complete and print the form. Personally sign and date it in ink and send a PDF/JPEG of the whole document excluding Guidance Notes to support@sose.scot for attention of contact name provided in the covering letter.</p>
<p>26. Tax Haven</p>	<p>A "tax haven" means a jurisdiction included in the revised EU list of non-cooperative jurisdictions for tax purposes. As set out in Annex I to the Council of the European Union's conclusions of February 2022 on the revised EU list of non-cooperative jurisdictions for tax purposes (2022/C 103/01), or any successor list of jurisdictions endorsed for the same purposes by the Council. At the date of application, the tax</p>

	<p>havens are as follows: American Samoa, Guam, Seychelles, Anguilla, Palau, Trinidad and Tobago, Barbados, Panama, US Virgin Islands, Fiji, Samoa, Vanuatu.</p> <p>A person is “based” in a tax haven if the person is incorporated or otherwise established under the law of a tax haven.</p> <p>A “subsidiary” is to be read in accordance with section 1159 of the Companies Act 2006, as follows:</p> <p>A company is a “subsidiary” of another company, its “holding company”, if that other company:</p> <ul style="list-style-type: none"> (a) holds a majority of the voting rights in it, or (b) is a member of it and has the right to appoint or remove a majority of its board of directors; or (c) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it, <p>or if it is a subsidiary of a company that is itself a subsidiary of that other company. And for this purpose, “company” includes any body corporate.</p>
<p>27. Trade with Northern Ireland</p>	<p>The arrangements agreed in the Northern Ireland Protocol (NI Protocol) to the UK-EU Withdrawal Agreement, to avoid a hard border on the island of Ireland, include obligations with respect to aid awarded by public bodies. EU State aid rules will continue to apply to the UK in respect of measures which affect trade in goods and electricity between NI and the EU. Knowing if you trade from or manufacture in Northern Ireland will help SOSE know what rules we need to follow to support your organisation.</p>