



ACCELERATING AQUACULTURE INNOVATION (AAI) PROGRAMME

Guidance Notes

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Supported by:



GUIDANCE FOR APPLICANTS

Accelerating Aquaculture Innovation (AAI)

Who can apply?

Any small to medium-sized enterprise (SME) that is located within the Highlands and Islands Enterprise (HIE) area, and has an innovative concept for application within the aquaculture supply chain. The project should offer tangible economic benefit to Scotland, be innovative (or lead to innovative solutions) for Scottish aquaculture and, ideally, have export potential.

We define innovation as something fresh that creates value. It could be a process, product, service or technology, and its value can take different forms – financial, commercial, economic, social or public – but it must be measurable, and it must benefit the industry and the Scottish economy. The AAI funding can be used to support (i) in-house innovation, (ii) partnerships between companies delivering innovation, or (iii) in partnership with SAIC, innovation with academic partners.

How to apply:

Expression of Interest (EoI) for AAI funding can be made at any time, and the form is available at http://scottishaquaculture.com/scottish_aquaculture_projects/accelerating-aquaculture-innovation/ and completed EoI forms should be sent to AAI@scottishaquaculture.com

The full application stage is by invitation only and dependent on the outcome decision of the EoI.

All project applications and discussions will be treated as confidential and no expenditure on the project should be incurred prior to submission

Funding:

This programme funding supports innovative and applied R&D sitting at TRL 5 or above on the Technology Readiness Levels, as set out below:

Table 1: Technology Readiness Levels (European Commission definition)

TRL 1	Basic principles observed
TRL 2	Technology concept formulated
TRL 3	Experimental proof of concept
TRL 4	Technology validated in laboratory
TRL 5	Technology validated in relevant environment
TRL 6	Technology demonstration in relevant environment
TRL 7	System prototype demonstrated in operational environment
TRL 8	System complete and qualified
TRL 9	Actual system proven in operational environment

Generally, funding awards will be at a maximum of 50% intervention. Therefore, the company must be able to demonstrate that they are able to meet a minimum 50% cash contribution to the project, in addition to any associated in-kind contributions. Projects from £25,000 to £1m in total project size will be considered.

Calculating costs

To be eligible, costs must be incurred and paid between the start and end date of the project.

Eligible Costs

The eligible costs of research and development projects shall be allocated to a specific category of research and development and shall be the following:

- personnel costs: researchers, technicians and other supporting staff to the extent employed on the project
- 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
- 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
- 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
- additional overheads and other operating expenses, including costs of materials, supplies and similar products, incurred directly as a result of the project
- The eligible costs for feasibility studies shall be the costs of the study.

Ineligible Costs

- project audit, accounting or legal costs
- interest charges, advertising
- quality control/assurance, distribution, supply chain or selling costs or activities
- entertainment or hospitality
- sick days, waiting time and non –productive time
- bonuses, awards, profit-related pay, company car expenses and any discretionary benefits to staff.

This programme is funding by public assistance from Highlands and Islands Enterprise (HIE) and has been assessed as State Aid under one of a number of regulations. For HIE to comply with European Union regulations we need to assess your eligibility for assistance.

What is State Aid? – It is defined as an advantage, in any form whatsoever, granted from public bodies thorough State resources on a selective basis to any organisation that could potentially distort competition and trade in the European Union (EU).

Applicant Details – Please enter the details for your company or organisation along with the contact details of the main person dealing with this application. Your business start date is the date your company or organisation came into existence. This could be the date of incorporation if you are a registered company, or if you are unincorporated or there was a significant delay between the date of incorporation and when you first started trading, this could be the date you started to incur operating expenditure, or when you opened a business bank account or registered with HMRC.

Organisational Activity – We aim to understand what kind of organisation you are and what type of business services or activities you carry out. We are particularly interested in what you aim to do as a result of the assistance you are apply for, and that activity and the market you will be operating in is key to assessing State Aid eligibility.

Small and Medium-size Enterprises – The EU recognises the importance of micro, small and medium sized enterprises to the European economy and that SMEs do not have the same access to internal resources and expertise that large enterprises do. In order to support the development of SMEs some State Aid provisions have different percentages on the aid limits according to the size of the organisation. HIE needs to ascertain the size of your organisation and the additional resources at your disposal through any partners or linked enterprises to ensure we do not exceed the aid intensities your organisation is eligible for.

You should use the information from your latest approved annual accounts to determine what size of enterprise you are. New enterprises with no accounts can use the annual estimate figures from the business plan.

Enterprise Category	Headcount – FTE Employees <- and - >	Annual Turnover <- or ->	Annual Balance Sheet Total
Micro	< 10	≤ €2 million	≤ €2 million
Small	< 50	≤ €10 million	≤ €10 million
Medium	<250	≤ €50 million	≤ €43 million

Headcount - should include employees, secondees, owner-managers and partners. Students or apprentices on training contracts, employees on maternity/paternity leave and self-employed contractors are excluded. The number should be expressed in annual full time equivalents (FTE) i.e. part-time and seasonal staff should be counted as fractions. One whole FTE = the normal annual full time hours for your for your enterprise.

Annual Turnover – is the annual income the enterprise received from the sale of products or services after deducting any rebates and excluding VAT or other indirect taxes.

Annual Balance Sheet – refers to the value of an enterprise’s main assets, often referred to as shareholders funds.

Staff Headcount is the fundamental measure used to define SME status e.g. an enterprise with over 250 employees is automatically a large company. Only one of the annual turnover and annual balance sheet measures need to be used, so one can be exceeded without affecting SME status. An enterprise may exceed the headcount temporarily during the year or exceed the financial ceilings in an exceptional year without affecting SME status.

Please also tell us:

- If you are part of a group i.e. another enterprise owns 25% or more of your organisation or has control through voting rights or a contractual relationship that provides dominant influence, or if your organisation may own or control 25% or more of another enterprise.
- If 25% or more of your capital is owned or controlled by one or more public bodies.

Declaration that the enterprise is not in financial difficulty – as a public funded body, HIE is required to exercise due diligence to be satisfied that the organisations we assist are financially sound and will use our support to thrive, grow and contribute to the economy. In addition, the EU places a legal responsibility on HIE to ensure the enterprises we intend to award State Aid to meet specific financial criteria.

De Minimis – Is a European Commission term for public assistance that they consider can be given to a recipient with negligible impact on trade and competition, with a maximum threshold over a period up to three years. The cumulative assistance is calculated over tax years, (current and the two previous years).