✓ 278209/23

In accordance with Sections 859A and 859J of the Companies Act 2006.

MR01
Particulars of a charge

Companies House

Go online to file this information
www.gov.uk/companieshouse

A fee is be payable w
Please see 'How to pay'

WEDNESDAY

A7817X4Z
A19 13/06/2018 #113
COMPANIES HOUSE

✓ **What this form is for**
You may use this form to register a charge created or evidenced by an instrument.

✗ **What this form is NOT**
You may not use this for register a charge where instrument. Use form MR

This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery.

You **must** enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record. **Do not send the original.**

1 Company details

For official use 0 0 1 0

Company number	0 2 2 3 2 0 0 1 ✓
Company name in full	ABSTRAKT SERVICES LIMITED ✓

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

2 Charge creation date

Charge creation date	d 1 d 1 m 0 m 6 y 2 y 0 y 1 y 8 ✓

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees entitled to the charge.

Name	BIRMINGHAM CITY COUNCIL ✓
Name	
Name	
Name	

If there are more than four names, please supply any four of these names then tick the statement below.

☐ I confirm that there are more than four persons, security agents or trustees entitled to the charge.

MR01
Particulars of a charge

4 Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.

Please submit only a short description If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".

Please limit the description to the available space.

Brief description

TITLE WM729384 COMPRISING FREEHOLD LAND AND BUILDINGS ON THE SOUTH EAST SIDE OF CHESTER STREET ASTON BIRMINGHAM

5 Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

☐ **Yes**

☑ **No**

6 Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

☐ **Yes** Continue

☑ **No** Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ **Yes**

7 Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge?
Please tick the appropriate box.

☐ **Yes**

☑ **No**

8 Trustee statement ❶

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.

☐

❶ This statement may be filed after the registration of the charge (use form MR06).

9 Signature

Please sign the form here.

Signature

Signature

X Birmingham City Council X

This form must be signed by a person with an interest in the charge.

MR01
Particulars of a charge

Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	LEGAL SERVICES & GOVERNANCE
Company name	BIRMINGHAM CITY COUNCIL
Address	C/O CITY SOLICITOR
	PO BOX 15992
	BIRMINGHAM
Post town	BIRMINGHAM
County/Region	WEST MIDLANDS
Postcode	B 2 2 U Q
Country	ENGLAND
DX	326401 BIRMINGHAM 87
Telephone	0121 464 3458

Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have included a certified copy of the instrument with this form.
- ☐ You have entered the date on which the charge was created.
- ☐ You have shown the names of persons entitled to the charge.
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☐ You have given a description in Section 4, if appropriate.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.
- ☐ Please do not send the original instrument; it must be a certified copy.

Important information

Please note that all information on this form will appear on the public record.

How to pay

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House.'

Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2232001

Charge code: 0223 2001 0010

The Registrar of Companies for England and Wales hereby certifies that a charge dated 11th June 2018 and created by ABSTRAKT SERVICES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 13th June 2018.

DX

Given at Companies House, Cardiff on 20th June 2018

Companies House

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

2017 PROPERTY IMPROVEMENT PROGRAMME – ERDF CAPITAL LEGAL CHARGE

THIS LEGAL CHARGE made the 11th day of June 2018

BETWEEN

(1) ABSTRAKT SERVICES LIMITED (Company Number 02232001) whose registered office is situate at 58 Chester Street Aston Waterlinks Birmingham B6 4LW and TM TRUSTEES LIMITED (Company Number 03094287) whose registered office is situate at 22 Clarendon Street Nottingham NG1 5HQ (hereinafter called "the Chargor") and

(2) BIRMINGHAM CITY COUNCIL of The Council House Birmingham B1 1BB (hereinafter called "the Council")

WITNESSETH as follows:-

Definitions

1. For the purposes of this deed

1.1 "the ERDF COGA" means the document for ERDF capital funding under the 2017 Property Improvement Programme made between the Grant Recipient and Council issue date the 16th day of November 2017 for payment of the Grant Sum a copy of which is annexed at Schedule 1 hereto

1.2 "the Grant Recipient" means ABSTRAKT SERVICES LIMITED (Company Number 02232001) whose registered office is situate at 79/81 Chester Street Aston Birmingham B6 4AE

1.3 "the Grant Sum" shall mean the sum of ONE HUNDERED AND SEVENTY FIVE THOUSAND NINE HUNDRED AND SIXTY POUNDS (£175,960)

1.4 "the Property" shall mean all that property registered with absolute title under Title Number WM729384 at the Land Registry being land and buildings on the south east side of Chester Street Aston Birmingham

1.5 "the Project Period" shall have the same meaning as defined in the ERDF COGA

I HEREBY CERTIFY THAT THIS COPY DOCUMENT IS A TRUE COPY OF THE ORIGINAL.
Authorised Birmingham City Council

The Charge

2. The Chargor as Registered Proprietor of the Property and with full title guarantee HEREBY CHARGES the Property by way of Legal Mortgage until the expiry of the BCC Project Period subject to compliance with the provisions of clause 4 hereof (and for the avoidance of doubt in the event of none compliance therewith this legal charge shall continue in full force and effect) with the payment to the Council of the Grant Sum and of such other sum or sums (if any) as shall be charged upon the Property by this deed

The Chargor's Covenants

3. The Chargor hereby covenants with the Council as follows:-

3.1 To procure compliance with the Grant Recipient's covenants and obligations contained within the ERDF COGA

3.2 to pay on demand to the Council the Grant Sum provided that no such demand shall be made unless provided for in the terms of the ERDF COGA together with all other sums (if any) as shall be charged upon the Property by this charge

3.3 from the date of practical completion of the funded development on the Property until the expiry of the Project Period to keep any building constructed on the Property in good and substantial repair provided always that in the event of failure to do so the Council may at its discretion enter upon the Property from time to time and repair the Property without becoming liable as mortgagees in possession and the costs and expenses properly incurred by the Council in so doing shall be repaid by the Chargor to the Council and until so repaid shall be charged upon the Property

3.4 until the expiry of the Project Period to observe and perform or procure the observation and performance of any restrictive covenant or other covenant or condition affecting the Property

3.5 until the expiry of the Project Period to permit the Council it's surveyor or agent or employee to enter upon the Property at any reasonable time to

examine the state and condition thereof and for any other reasonable purpose

3.6 until the expiry of the Project Period to observe and comply with the requirements of any statutory provision regulation rule or order any byelaw in force and any rule of law for the time being affecting the Property and to keep the Council fully and effectually indemnified against any action proceeding cost claim or demand arising out of or in connection with any contravention of or failure to comply with any such requirement

3.7 until the date of practical completion of the funded development at the Property to keep or procure that the Property is kept insured against loss or damage by fire or otherwise and from the date of practical completion of the funded development at the Property until the expiry of the Project Period to keep or procure that the Property including the funded development thereon is kept insured against loss or damage by fire or otherwise to the full insurable value thereof and duly and promptly to pay all premiums and other costs necessary for effecting and continuing in effect such insurance and if required by the Council to do so to deliver to the Council a copy or summary of the policy or policies of such insurance and receipts for the payment of all such premiums and costs provided always that in the event of failure to comply with such insurance obligations the Council shall be entitled to pay any such premium or other cost as shall be necessary for effecting or continuing in effect such insurance and any premium cost or expense incurred by the Council in so doing shall be repaid by the Chargor to the Council and until so repaid shall be charged upon the Property

Release

4. The Chargor shall with effect from the expiry of the Project Period (and provided that any monies liable under this deed to be paid or repaid by the Chargor to the Council have been so paid or repaid) be released from all liability for the payment or

repayment to the Council of any monies hereby secured and also from all its obligations contained in this deed

Parties

5. In this deed where the context admits the expressions "the Chargor" and "the Council" shall include all persons deriving title under them

Consolidation

6. Section 93 of the Law of Property Act 1925 shall not apply to the charge herein contained

Service of Notices

7. Any written notice required to be served under this Agreement shall be served as regards notice to be served upon the Council by sending it by pre-paid recorded postal delivery to the City Solicitor at the Legal & Governance Department P.O. Box 15992 Birmingham B2 2UQ quoting the reference on the cover of this Legal Charge and in the case of notice to be served upon the Chargor by sending it to its address as appearing on page one of this document or where a company to the Company Secretary of the Chargor at the Chargor's registered office and any such written notice shall be deemed to have been served and received on the second business day following the day of posting

Consents and Permissions not Hereby Conferred

8. The Chargor and the Council hereby agree that this deed confers no permission consent or approval

Performance

9. The failure of the Council at any time or times to require performance by the Chargor of any covenant or other provision herein contained or to require performance by the Grant Recipient of any covenant or other provision contained in the ERDF COGA shall in no way affect the right of the Council to require performance of that or any other provision and any waiver by the Council of any breach of any such covenant or provision shall not be construed as a waiver of any continuing or succeeding breach

of such covenant or provision nor as a waiver of the covenant or provision nor as a waiver of any other right or obligation under this deed

Clause Headings

10 The headings to the clauses of this document shall be deemed not to form any part thereof and shall in no way affect the interpretation thereof

S33 of the Local Government (Miscellaneous Provisions) Act 1982

11 This deed is made pursuant to S33 of the Local Government (Miscellaneous Provisions) Act 1982 to the intent that the provisions hereof regarding the Property shall be enforceable and continue to be enforceable by the Council as thereby provided.

Pension trustee liability limitation

12. The parties agree that the liability of T M Trustees Limited hereunder shall not be personal but shall be limited to the extent of the assets of the Talbot & Muir SIPP re: G Qazi and the Talbot & Muir SIPP re: F Qazi in its possession from time to time. All such liability shall cease when the said T M Trustees Limited ceases to be a trustee of the said scheme

IN WITNESS whereof the Chargor and the Council have executed this document as a deed the day and year first before written

Executed as a deed by)
BIRMINGHAM CITY COUNCIL)
affixing its Common Seal)
in the presence of:-)

Authorised Signatory
CLIVE VERNON

136786

Executed as a deed by)
ABSTRAKT SERVICES LIMITED)
by the signatures of a Director and)
a Director /Secretary:-)

Executed as a deed by)
TM TRUSTEES LIMITED)
by the signatures of a Director and)
a Director /Secretary:-)

SCHEDULE 1

ERDF COGA

Birmingham City Council

Greater Birmingham & Solihull Local Enterprise Partnership

European Union
European Regional Development Fund

CONDITIONS OF GRANT AID AGREEMENT (COGA) FOR ERDF GRANTS 2014 - 2020

GRANT RECIPIENT ORGANISATION NAME	Abstrakt Services Ltd
ORGANISATION ADDRESS (REGISTERED OR CENTRAL OFFICE) INCL POST CODE.	Abstrakt Services Ltd, 58 Chester Street Birmingham, B6 4LW
PROJECT TITLE	Expansion – refurbishment of newly acquired unit
PROJECT ADDRESS (IF DIFFERENT TO ORGANISATION ADDRESS ABOVE) INCL. POST CODE	79-81 Chester Street, Birmingham, B6 4AE
GRANT RECIPIENT PROJECT CONTACT OFFICER	Ms. Rabina Iqbal (Accountant) Mr. Gulam M Qazi (MD
TEL. NUMBER AND EMAIL ADDRESS	0121 380 2617 - rabina@abstrakt.co.uk
DATE OF ISSUE OF THESE CONDITIONS	16th Nov. 2017
ERDF PROGRAMME NAME	*Property Investment Programme (PIP)*
FUNDING DIRECTORATE	Economy Directorate – Planning and Regeneration Department
PROJECT REF. NO.	Abstrakt Services Ltd
BCC PROJECT OFFICER	Ashfaq Ashraf
TEL. NUMBER, OFFICE ADDRESS AND AND EMAIL ADDRESS	1 Lancaster Circus, Birmingham B1 7DG Postal Address: PO Box 28, Birmingham, B1 1TU T: 0121-464-9861 E: ashfaq.ashraf@birmingham.gov.uk
BCC LEGAL POWERS TO GRANT FUNDS	The Council has a general power of Competence under section 1 Localism Act 2011 and is using this to help SMEs to develop and grow by providing assistance towards building costs and the redevelopment of premises.
FUNDING PERIOD COMMENCEMENT DATE	1st November 2016
FUNDING PERIOD EXPIRY DATE	30th September 2019

Please read these conditions carefully as they set out the basis on which the Council will give grant aid. Ensure the document is signed as required in the Acceptance Form contained in Part G of this Agreement, and then return it to the funding Directorate. On the basis of your agreement to the conditions and procedures, grant aid, as detailed in Part G, will be confirmed, and a copy of this document, countersigned by an authorised Council Officer, returned to you

The various sections of this document as follows apply where indicated by a "tick" ***(sections may be excluded from this Agreement where they do not apply):***

Part A applies to **ALL** grants
Part B applies if the grant is for land reclamation / improvements, building projects or landscaping works
Part C applies if the grant is for surveys, and professional fees
Part D applies to ALL grants and must be completed and signed, as required, before any money is paid.
SCHEDULE 1: 'The Project' will be completed by the Council and should be agreed by you
SCHEDULE 2: Applies to ALL projects
SCHEDULE 3: Applies to Public Sector Grant Recipients (May apply to Private Sector: See Section A10 (vii)).
SCHEDULE 4: Applies to ALL projects.
SCHEDULE 5: Applies to ALL projects.
ANNEX 1: The Project application form

***Data Protection**: Information given in this Agreement may be entered into a database for administrative and statistical* purposes and shared with other Birmingham City Council Directorates or Government and or European Union agencies as appropriate.

PART A

DEFINITIONS

In this Agreement

***"Agreement" means this document to set out the terms and conditions of grant as provided by Birmingham* City Council (the Council) to the Grant Recipient.**

"Approved Use" means use of an Asset as set out in the Project for the duration set out in this Agreement in the Project description at Schedule 1 and/ or in the Project application form attached at Annex 1.

"Asset" means any asset which consists of land and/or buildings developed, enhanced, constructed and/or installed as part of the Project.

"Building Works" means the agreed improvement and / or reclamation works, building works and landscaping, the specification and details of which are set out in the 'Project Description' at Schedule 1 and /or in Annex 1.

"Business Plan" means the Grant Recipient's document/s that contains the estimates, forecasts, timetable and other particulars relating to the Project, including the execution of the Project.

"Clawback" means that sum of money not being more than the Grant Sum which is required to be repaid under the terms of ERDF funding as referred to in section A13 paragraph iii of this Agreement..

"Change" means in relation to the Project:

- **(a) any change in the ownership, control or final beneficiary of the Project;**
- **(b) any change in the nature or purpose of the Project;**
- **(c) any change affecting the total Eligible Expenditure or Match Funding;**
- **(d) any change affecting the Expenditure Profile;**
- **(e) any change to any of the Key Milestone Dates;**
- **(f) any change to any of the Targets; and**

"Change of Control" means:-

- **(a) where the Grant Recipient is a limited company a change of the voting majority in the limited company whether as a result of a takeover or a restructuring of the company**
- **(b) where the Grant Recipient is a partnership a change to such partnership by the appointment of a new partner or partners or the retirement or removal of a partner**

"Charged Property" means all Freehold property address: [79-81 Chester Street, Birmingham B6 4AE] the title to which is registered with absolute title under Title Number [MWXXXXX] at the Land Registry, or which has unregistered title copies of the deeds in relation to which have been provided to the BCC Project Officer, which is being charged to Birmingham City Council for the Project Period to secure the Grant Sum and any other monies as provided in the Legal Charge.

"Chargor" means the party with a legal interest in the Property for the purpose of the Legal Charge.

"Completion" means completion of the Project to the satisfaction of Birmingham City Council.

"Conditions" means collectively all of the conditions of Grant contained in the sections of this Agreement and the Standard ERDF Conditions contained in the Schedules to this Agreement, and includes any variations

agreed in writing by Birmingham City Council and the Grant Recipient; a copy of such to be attached to the respective parties' copy of this Agreement.

"Contribution Rate" means the percentage rate of Eligible Expenditure at which Grant is paid as set out in Part G of this Agreement.

"Data" means the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, and which are: (i) supplied to the Grant Recipient by or on behalf of the Council; or (ii) which the Grant Recipient is required to generate, process, store or transmit pursuant to this Agreement; or any Personal Data for which the Council is the Data Controller.

"Data Controller" shall have the same meaning as set out in the Data Protection Act 1998.

"Data Processor" shall have the same meaning as set out in the Data Protection Act 1998.

"Data Protection Legislation" means the Data Protection Act 1998, the EU Data Protection Directive 95/46/EC, the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 (SI 2000/2699), the Electronic Communications Data Protection Directive 2002/58/EC, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all applicable laws and regulations relating to processing of personal data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner.

"Data Subject" shall have the same meaning as set out in the Data Protection Act 1998.

"Defrayal" or "Defrayed" means when a Project cost can be evidenced as being paid, with evidence being that the value concerned has been paid from the Grant Recipient's bank account or that it has been received by the payee (e.g. receipts for cash payments).

"Disposal" means any disposal by the Grant Recipient or the Chargor by way of sale, transfer lease assignment or otherwise of any interest in the Property or part of it save where a disposal is specifically agreed as part of the Project, and "dispose" shall be construed accordingly.

"Due Expedition" means at sufficient speed to carry out the various elements of the Project by the milestone dates in the application form at Schedule 1 and Annex 1 of this Agreement within the timescales agreed and in any event no later than [12 months].

"Eligible Expenditure" means a sum no greater than [£379,034] (excluding recoverable Value Added Tax) as set out in the funding details in Part G of this agreement and the Project application form at Annex 1, and being agreed by the Council through the Grant Claim/s as being eligible expenditure under ERDF rules, and upon which the Grant is payable at the Contribution Rate based on the terms and conditions and calculations set out in this Agreement.

"Employment and Skills Charter" means a public statement made by the Grant Recipient as to the standards and aims that the Grant Recipient has relating to its employment and skills activities and provision.

"ERDF" means European Regional Development Fund/s.

"Event of Default" means the failure to carry out the Project with Due Expedition and/or a Material Breach or a Disposal, all of which may lead to Clawback which will be managed by reference to the provisions of section A13 of this Agreement.

"Expenditure Profile" means the financial projections relating to Project expenditure between the Funding Period Commencement Date and the Funding Period Expiry Date. This Expenditure Profile forms part of the Targets of the Project.

"Financial Year" means any fiscal year i.e. April to March.

"FOIA" means the Freedom of Information Act 2000 and any subordinate legislation made under this Act from time to time together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government Department in relation to such legislation.

"Funding Period Commencement Date" means the date from which the Project activity is considered to commence and from which Eligible Expenditure can be deemed to be part of the Project for claiming purposes.

"Funding Period Expiry Date" means the date stated in the table on page 1 of this Agreement by which date all the Eligible Expenditure must be made and claimed for in respect of the Project (any Retention Period will have occurred prior to this date), unless a Project Extension has been agreed and a variation to this Agreement has *been signed by both Parties and attached to the respective parties' copy of this Agreement.*

"Grant" means the grant of ERDF funding.

"Grant Claim" means a claim for Grant to be made using the claim form, which will be provided to the Grant Recipient by the BCC Project Offer (details in the table on page 1 of this Agreement).

"Grant Sum" means the sum of Grant paid to the Grant Recipient determined in accordance with this Agreement;

"Grant Recipient" is the organisation named in the table on page 1 of this Agreement.

"Grant Recipient's Confidential Information" means any information, however it is conveyed, that relates to the business, affairs, developments, trade secrets, know-how, personnel and suppliers of the Grant Recipient, including IPRs, together with all information derived from the above, and any other information clearly designated as being confidential (whether or not it is marked as "confidential") or which ought reasonably to be considered to be confidential.

"Grant Recipient Equipment" means the hardware, computer and telecoms devices and equipment made available by the Grant Recipient or its sub-contractors (but not hired, leased or loaned from the Council) for the provision of the Project Activities.

"Grant Recipient Personnel" mean all employees, agents, consultants and contractors of the Grant Recipient and/or of any sub-contractor.

"Grant Recipient Software" means software which is proprietary to the Grant Recipient, including software which is or will be used by the Grant Recipient for the purposes of complying with its obligations pursuant to this Agreement.

"Instalment Period/s" means the period/s referred to in this Agreement at Section A16 into which the Project is divided for Grant Claim purposes.

"Legal Charge" is the document completed by the Chargor as owner or registered proprietor of the Property or the Charged Property to be with full title guarantee (unless the Chargor is a trustee when limited guarantee is *acceptable) that charges the Property by way of legal mortgage until the expiry of the Project Period, with the* repayment to the Council of the Grant Sum together with such other sum or sums as shall be charged upon the Property (if any) by that deed in the event of any Disposal or Event of Default.

"Malicious Software" means any software program or code intended to destroy, interfere with, corrupt, or cause undesired effects on program files, data or other information, executable code or application software macros, whether or not its operation is immediate or delayed, and whether the malicious software is introduced wilfully, negligently or without knowledge of its existence.

"Match Funding" means the arrangements approved by the Council the details of which are contained in the Project for securing contributions to the Project to meet the balance of Eligible Expenditure not supported by Grant.

"Material Breach" means a breach of this Agreement which during the Project Period in the opinion of the Council, and / or DCLG, and / or the European Commission, is deemed to have or result in an adverse impact on the delivery of the Project and / or gives rise to ERDF ineligibility.

"Material Change" means either:

(a) Any Change which involves a variance of 10% or more in funding, Eligible Expenditure or Targets; or

(b) In the opinion of BCC, any change that is deemed to be material in terms of impact on the project.

"Milestone Dates" or "Milestones" means the specified dates (contained in Annex 1) and listed in Schedule 1 of this Agreement by which the Grant Recipient must have achieved the various key elements of the Project *(These dates form part of the Targets of the Project).*

"Model Voluntary Agreement" means an agreement with the Council voluntarily entered into by the Grant Recipient concerning the additional employment and skills arrangements to be undertaken as best practice within the Project that exceed the standard terms and conditions of this Agreement.

"Official Journal" means the Official Journal of the European Union.

"Ownership, Control and Nature of Business" shall be construed in accordance with s 840 the income and *Corporation Taxes Act 1988 and s 1162 Companies Act 2006 and for the avoidance of doubt shall include an* evaluation of dominant influence and shadow directorships in the Grant Recipient from time to time.

"Parties" means Birmingham City Council and the Grant Recipient.

"Private Sector" or "Private Sector match funder" for the purposes of this Agreement means an organisation where 50% or more of the organisation's income is from private sector sources. For ERDF purposes, private sector sources are defined as any money originating from private enterprise, including: public limited companies; private limited companies; partnerships which have no shareholders; social enterprises; co-operatives; self-employed people; and individual investors / trusts / donators.

"Project" means the purposes and method of delivery of the activities described in Schedule 1 to this Agreement or as varied pursuant to any written consent given by the Council for which the Grant Recipient has obtained such statutory or other permissions, consents or Agreements as are or may be required;

"Project Extension" means a lengthening of the duration of the Project so that a new Funding Period Expiry Date is agreed by respective Parties and a variation to this Agreement signed by both Parties has been attached to the respective Parties' copy of this Agreement.

"Project Period" means 5 years calculated from the later date of the practical completion of the funded activity or the Building Works.

"Project Specific Conditions" means those conditions which are specific to the Project and are contained in Section A17 of this Agreement, together with the Targets.

"Property" means all that [Freehold] property the address for which is stated in the table on page 1 of this Agreement at which the Project is being undertaken the title to which is registered with absolute title under Title Number [WMXXXX] at the Land Registry, or which has unregistered title copies of the deeds in relation to which have been provided to the BCC Project Officer.

"Reappraisal" means the reassessment of the Project (as referred to in Section A4 of the Agreement) by the Council to determine whether the Project is continuing to meet the terms of this Agreement,

"Receiver" means a receiver or manager of the Property or the Charged Property and includes a receiver of part only of that Property or the Charged Property and a receiver only of the income arising from the Property or the Charged Property or from part of it, and an administrative receiver as defined by Section 29(2) of the Insolvency Act 1986;

"Retention Period" means, where applicable as per Section A16 ii of this Agreement, the period of [6 months] calculated from and including the date of completion of delivery of funded activities (generally Building Works) to enable the completion and evidencing of targets (the end of the Retention Period is usually the Funding Period Expiry Date);

"Satisfaction Date" means the later of the end date of the ERDF Project Period and the end date of the BCC *Project Period.*

"Services" means the services to be delivered under this Grant Agreement; the specification and details of which are set out in the Project.

"SME" means a small to medium sized enterprise as set out in the 'General Block Exemption Regulation' (Commission Regulation (EC) No. 800/2008 OJ L 214 09/08/2008 p 0003 – 0047).

"State Aid Rules" means those rules embodied in Articles 107 -109 of Section 2, Title VII, of the 'Common Rules on Competition, Taxation and Approximation of Laws- Consolidated versions of the Treaty on European Union and the Treaty on the Functioning of the European Union' (2008/C 115/01).

"Targets" means the targets identified and detailed in Schedule 1 and Part G to this Agreement and in the Project which include the Expenditure Profile, Milestone Dates, outputs, results and impacts of the Project.

"Transaction List" means the transaction checklist appended to the Grant Claim form.

GENERAL CONDITIONS

A1) Use of grant

i) The grant aid must be used solely for the purpose of the Project, and the Council's prior written agreement must be obtained for any intended variation.

A2) Insurance

i) The Grant Recipient must have relevant insurance for the type of project funded. The Grant Recipient must insure all its assets and undertakings with a reputable insurance company according to best commercial practices (and according to the procurement rules in this Agreement at Section A10 or Schedule 3) including:

a) leased motor vehicles on a fully comprehensive basis. (You are reminded of the need for drivers to hold licences appropriate for the vehicle, be suitably experienced and in an appropriate age band for insurance purposes) (also see Part C of this Agreement)

b) *buildings owned by the organisation against fire and the full range of perils on a reinstatement basis,* with the sum insured index linked (also see Part D of this Agreement)

c) adequately against public liability, employers' liability, loss or theft of cash claims.

d) where directors are appointed to companies by the City Council, liability for negligence, default, breach of duty or breach of trust

e) all computers, equipment, furniture etc. for their full replacement value except where it can be shown to be uneconomic to do so.

ii) The Grant Recipient must be able to produce current policies and renewal receipts if Council officers require seeing them.

A3) Length of Grant

i) All grants are discretionary - the Council is not able to guarantee funding for more than 1 year (12 months) at a time. Where the Grant is for a pilot project this award is not a guarantee of funding for any future project.

A4) Review of Grant Funding

i) All grants will be subject to review annually. To this end, Grant Recipients must complete review and monitoring documents, as requested. The Council will notify the recipients of any changes to the yearly funding position and, if necessary, adjust subsequent grants to take account of balances.

ii) Any Changes to the Project must be proposed to the Council for consideration prior to the time of the Change. All Changes will be considered again during the annual review to determine if there is cumulative *negative impact on the Project, and if at any time a Material Change occurs the Council may choose to* Reappraise the Project in part or full to reassess the capability of the Project to meet the original Targets and check that it continues to be ERDF eligible as well as continuing to offer satisfactory value for money.

iii) Where there is a failure to comply with review and monitoring requirements, and any other grant condition, the sanctions detailed in section A.13 will be available to the Council.

A5) Annual Accounts and Statements

i) All grants will be accounted for as restricted funds and cannot be used for other purposes. If you receive more than one grant from the Council, each grant must be individually identified in your accounts.

ii) *The Grant Recipient must notify the Council if any financial irregularity in the use of the grant is suspected* and indicate the steps taken in response. Irregularity shall include any fraud or other impropriety, mismanagement or use of funds for purposes other than that approved.

iii) The Grant Recipient should establish effective appraisal, project monitoring and financial systems so that the costs of each project funded by the grant and the outputs and outcomes expected to be generated can be clearly identified.

iv) Grants cannot be accounted for under general headings such as management fees but must be related to *specific amounts for specific areas of expenditure.*

v) All financial records must be kept for the full duration of the longer of the ERDF Project Period and / or BCC Project Period as set in this Agreement.

vi) At its discretion the Council may require the submission of accounts independently audited by a suitably qualified person even where this is not a statutory requirement. Accounts must be prepared in accordance with the current applicable accounting standards.

vii) Where funding is awarded to specific projects of a larger organisation, project accounts may be accepted with the prior written consent of the funding Directorate.

viii) The Grant Recipient must show each individual grant in your annual financial report, indicating which is the source of funding, the purpose for which the grants were used and the outcomes.

ix) The Council retains the right to investigate any Grant Recipient's business where it reasonably believes that there is or has been financial irregularity, misuse or misappropriation of grant funds, including having the right to access to documents, information, individuals etc held by the organisation.

A6) Legislative Requirements.

i) All Grant Recipients are required to comply with all relevant legislation, exercising good practice and due diligence. Breaches of legislation may result in suspension or recovery of Grant where this is appropriate.

ii) The Grant Recipient must ensure that you:

a) Pay promptly all rates due to the Council

b) Do not discriminate, directly or indirectly, in relation to equalities legislation. A full list of relevant sections is available from the BCC Project Officer.

c) Comply with employment legislation and have regard to the codes of practice of any bodies appointed by government to oversee equalities legislation, relevant Government Directorates and other similar agencies specified by the Council in relation to equalities issues

d) Are able to establish, to the Council's satisfaction, the commitment to the elimination of unlawful discrimination as service providers, by providing and ensuring equality of access to services. Organisations may offer services to a specific group where this is part of the organisation's objectives, and corresponds with the *Council's equal opportunities policy.*

iii) Agree and implement an equal opportunity employment policy to the reasonable satisfaction of the Council including recruitment open to all.

iv) Observe the Codes of Practice of the Equal Opportunities Commission, Commission for Racial Equality and Manpower Services Commission in relation to equal opportunities for women, ethnic minorities and people with disabilities

v) Follow the Advisory Conciliation and Arbitration Service (ACAS) Code of Practice and allow employees to join trade unions and have access to trade union officials

vi) Pay at least minimum wage rates for its industry or follow relevant local or national agreements

vii) Observe and comply with all Health and Safety legislation requirements

A7) The Council's Requirements

i) The Council must be informed of any changes to Registration number(s), if registered as a charity, company, etc as well as of any changes to your Memorandum and Articles of Association.

ii) Any changes to officers or members of the board, identifying any that are City Council Members or Officers must be reported immediately to the funding Directorate(s). The date, time and place of your Annual General Meeting must be notified to your BCC Project Officer (s), using the same rules as in your Memorandum and Articles of Association.

iii) The Grant Recipient must continue to have a governing document, which allows for the following:

(a) A Special or Extra *Ordinary General Meeting;*

(b) Presentation of annual financial statements at an AGM;

(c) Amendments to be made to the Memorandum and Articles of Association;

(d) That assets remaining, after winding up or dissolution, to be used for a purpose acceptable to the funding Directorate(s).

iv) The Grant Recipient may be asked to allow Councillors and/or officers to attend as observers without voting rights. A further letter will be sent to you if such representation is required.

v) The Grant Recipient should ensure that, where requested by the Council, your trust deed or memorandum and articles of association allow you to accept voting, or non-voting, representatives.

vi) Members of Committees/Boards, employees and volunteers must make declarations of interest when appropriate, and appropriate action taken in cases of failure to do so. Any failure to disclose should also be notified immediately to the Council.

vii) The Council seeks to encourage Grant Recipients to comply with its code of practice for implementing equal opportunities. To this end, Grant Recipients will be required to complete equal opportunities monitoring forms relating to the Project and jobs related Targets. Council officers may from time to time conduct an independent equalities audit of any Grant Recipients, and request additional information in relation to the operation of their equal opportunities policies and procedures. Officers may make recommendations to the Grant Recipient based on any finding of non-compliance with these policies and undertake further audits to ensure these recommendations are implemented by the Grant Recipient.

viii) In addition to the requirements set out in Part B of this Agreement relating to Grants for Salaries, Wages and/or Running Costs, where there are 10 or more vacancies being created as a result of the Grant, the Grant Recipient will work with the Council's employment access team to agree an Employment and Skills Charter as part of the Council's procurement policy framework for jobs and skills, and as part of this will be requested to complete a Model Voluntary Agreement. To support the implementation of this Employment and Skills Charter, the Grant Recipient will work with the Council's employment access team to advertise all future vacancies and recruitment exercises via Jobcentre Plus in addition to any other recruitment channels that may be used, to maximise the potential labour pool and ensure local unemployed people have access to job opportunities available.

A8) Rights of Access and Information

i) The Grant Recipient shall not disclose any confidential information and shall use all reasonable endeavours to prevent your employees and agents from making disclosure to any person of any confidential information.

ii) All Grant Recipients are required to comply, where appropriate, with the Data Protection Act 1998 and the Freedom of Information Act 2000.

iii) The Intellectual Property Rights (IPR) created by the Grant Recipient under the Project remains the property of the Grant Recipient except where otherwise stated in the Project at Schedule 1.

iv) The Council shall be entitled to make information and know-how relating to or derived from the Project ("Project Related Know-how") publicly available. The Council will regard this Project Related Know-how as "best practice" notwithstanding that this Project related know-how may constitute Intellectual Property Rights belonging to the Grant Recipient or a third party and that such best practice will as a result enter the public domain.

v) The Grant Recipient is required to provide to the Council upon request complete copies (where relevant) and access to full details and information of Project related know-how (including the methods by which the Project was conducted) and the Grant Recipient's Intellectual Property Rights. The Grant Recipient shall provide whatever assistance and explanation is required by the Council to enable it effectively to exercise its own Intellectual Property Rights.

vi) The City Council must be informed immediately in writing of any changes to the services offered, client eligibility or the addresses at which services are offered, or of any changes to any bank account names, locations or signatories.

vii) The Grant Recipient must allow duly authorised Council, Department for Communities and Local Government and / or European Union officers and / or auditors or their agents to visit the funded Project or

organisation and inspect the Project and inspect your financial and other records, at any reasonable time, and provide additional information and evidence as requested.

viii) The Grant Recipient should not disclose the details of the Council's financial assistance to anyone other than its professional advisors or a bank or other provider of finance except with the prior written consent of the Council.

A9) Relationships with the Council

i) The Grant Recipient must acknowledge the ERDF funding and the Council in all your publicity material, to ensure that beneficiaries and the public are aware of the support the Project is receiving. The Council may equally use the name and details of the Project in their publicity. The Grant Recipient should before making any press release concerning this financial assistance agree the text with the Council (including the requirements in the ERDF Publicity Guidance at Schedule 2 of this Agreement).

A10) Procurement, Quality Assurance and good governance

i) The Council requires that for all purchasing undertaken as part of delivering the Project the Grant Recipient can show evidence of seeking value for money.

ii) For Grant Recipients that are Private Sector (except in those cases set out in section A10 (vii) below when the requirements of Schedule 3 shall apply), it is a requirement that for all purchases (services or works) of the value over £1,000 (net of VAT), at least 3 quotations are obtained based on the same written description of the item/s.

iii) For all purchases of value over £100,000 (net of VAT), at least 3 formal tenders must be obtained based on the same written description of the item/s. The issue of tender date and receipt of tender date, the information provided, and the evaluation of tenders must be the same for all tender respondents to ensure fair competition to gain best value for money.

iv) For quotations and tenders the best value for money option should be chosen (this can be based on lowest price, or price / quality evaluation, the evaluation criteria must be stated in the issue of the written tender specification).

v) When advertising the tender at all levels, the information that it will be part financed by ERDF must be included in the advertisement. In the case of preferred suppliers lists this must be incorporated into the mini competition invitation or the call off contract order where only one supplier has been selected as the preferred supplier.

vi) Copies of all tender documents at every stage from an advert through selection to the final contract must be retained by the Project for audit purposes for the duration set out in section A5 above and copies supplied to the Council on request.

vii) For Grant Recipients that are Public Sector, the ERDF Procurement Requirements at Schedule 3, (or subsequent revisions issued nationally and / or regionally) apply. In addition, these requirements apply to private sector (including all non-public sector) where:

(a) the private sector is acting as a delivery agent on behalf of the public sector; or

(b) where more than 50% public money is funding:

(i) a public works contract to which the Regulations apply by virtue of Regulation 8 (i.e. it is above the relevant value threshold[1]) and which is for the carrying out of:
1. any of the civil engineering activities specified in Schedule 2 of the Regulations; or
2. building work for hospitals, facilities intended for sports, recreation and leisure, school and university buildings or buildings for administrative purposes; or

(ii) a public services contract which is above the relevant value threshold and is for the provision of services in connection with a public works contract as referred to in sub-paragraph (a) above.

viii) The Council encourages Grant Recipients to work towards adopting relevant Quality Assurance Systems consistent with the scale of their activities e.g. PQASSO

[1] Regulation 8 (see also Schedule 3 of this document)

ix) All Grant Recipients must have a complaints procedure. The procedure will include keeping a record of complaints and action taken to resolve any dispute. This record must be available for inspection when requested by the City Council.

x) All Grant Recipients should exercise good governance. Six core principles of good governance as issued by *The Independent Commission on Good Governance in Public Services are:-*

(a) Good governance means focusing on the organisation's purpose and outcomes for citizens and service users.

(b) Good governance means performing effectively in clearly defined functions and roles

(c) Good governance means promoting values for the whole organisation and demonstrating the values of good governance through their behaviour.

(d) Good governance means taking informed, transparent decisions and managing risk.

(e) Good governance means developing the capacity and capability of the governing body to be effective.

(f) Good governance means engaging stakeholders and making accountability real.

A11) Protection of Children and Vulnerable Adults

i) All projects working with children and young people must have child protection procedures which are *consistent with the child protection procedures of the Birmingham Local Safeguarding Children Board* (LSCB) and ensure that these procedures are followed. (Advice on this matter is available in the first instance from your BCC Project Officer).

ii) All projects working with vulnerable adults must follow Birmingham Multi-Agency Guidelines on Protecting Vulnerable Adults. All projects must have their own internal procedure regarding allegations of abuse which are consistent with the requirements of the Birmingham Multi-Agency Guidelines.

iii) All relevant staff or volunteers working with children or vulnerable adults will undergo Criminal Records Bureau checks, at the appropriate level, before being employed.

A12) Assignment

i) The Grant Recipient will not assign the Project or any part thereof without the prior written consent of the Council unless it forms part of a sub-contract as agreed in the description of the Project at Schedule 1 and / or Annex 1.

A13) Failure to comply with Grant Conditions and Events of Default

i) The Grant Recipient must ensure that the Grant Sum is spent as agreed and on time. If the Council is required to investigate the affairs of a Grant Recipient, grant payments may be suspended.

ii) The Council reserves the right to require repayment of all or part of grant payments made, or to suspend all future payments if:-

(a) *the Project fails to be completed or to meet Targets;*

(b) the actual costs of the Project lead to an underspend;

(c) the Project closes or ceases to be delivered before the end of the Funding Period Expiry Date, or the Grant Recipient becomes insolvent or is subject to any action or proceedings under the Insolvency Act 1986 or passes a resolution for voluntary winding-up

(d) In the case of grant funded Building Works, there is a Disposal of the Property and / or an alteration or removal of the Building Works or any part thereof;

(e) the financial management or records in relation to the Project are deemed inadequate; or

(f) It is proven that a fraud or any other irregularity concerning the Grant has been perpetrated.

(g) there is non-compliance with these conditions of grant aid that the Council considers to be a Material Breach, or the grant is not used for the purpose for which it is given.

(h) on assessment or reassessment a Change or Material Change is deemed by the Council to have caused a Material Breach.

iii) Upon the happening of an Event of Default and / or a Disposal after the Funding Period Commencement Date before the end of the Project Period then there shall be repaid by the Grant Recipient the Clawback to the maximum value of the Grant Sum.

iv) If the Grant Recipient wishes to Dispose of the whole or any part of the Property then prior to the exchange of a binding commitment by the Grant Recipient for such Disposal the Grant Recipient may make application to the Council for a waiver of the requirement to pay Clawback supplying to the Council such information as the Council may reasonably require which shall include (without prejudice to the generality of the forgoing words) the name current address and legal status of the proposed disponee and subject to the proposed disponee on the date set for the completion of the legal formalities of the Disposal of the Property or the relevant part thereof entering into a deed of novation of this Agreement together with a supporting Legal Charge secured on the Property or the part thereof intended to come into its control on the same conditions as the existing Legal Charge (save as varied by the written agreement of the parties) in favour of the Council and the due compliance with all other conditions reasonably required by the Council the Council will (by deed if required prepared at the expense of the Grant Recipient) release the Grant Recipient from its obligations herein contained]

v) Without any prejudice to any right or action accruing or accrued under this Agreement on the happening of an Event of Default the Council may at its sole discretion terminate this Agreement whereupon it may:-

(a) make payment of the Grant Sum in respect of the Eligible Expenditure incurred before the *termination whereupon it shall be relieved of all further liability to make any payment of the Grant* Sum whatsoever under this Agreement; or

(b) require the Grant Recipient to repay the whole or part of the Grant Sum given to it pursuant to this Agreement and the Grant Recipient agrees that upon receipt of notice requiring such repayment it shall repay such sum required thereby

A14) Representations and Warrantees

The Grant Recipient represents and warrants to the Council:-

i) That the execution on behalf of the Grant Recipient of this Agreement has been validly authorised and the obligations expressed as being assumed by the Grant Recipient under this Agreement constitute valid legal and binding obligations of the Grant Recipient enforceable against the Grant Recipient in accordance with their terms;

ii) Neither the execution of this Agreement by the Grant Recipient nor the performance or observation of any of its obligations under it will:-

(a) Conflict with or result in any breach of any law or enactment or any deed agreement or other instrument obligation or duty to which the Grant Recipient is bound; or

(b) Cause any limitation on any of the powers whatsoever of the Grant Recipient or on the right or ability of the Directors of the Grant Recipient to exercise such powers to be exceeded;

iii) The Grant Recipient is not in default under any law or enactment or under any deed agreement or other instrument or obligation by which it is bound;

iv) No litigation or administrative or arbitration proceeding before any court tribunal Government authority or arbitrator is presently taking place pending or (to the knowledge information and belief of the Grant *Recipient) threatened against or against any of the assets of the Grant Recipient which might have a* material adverse effect on its business assets condition or operations or might adversely affect its ability to perform its obligations under this Agreement;

v) All company documents and accounts of the Grant Recipient submitted to the Council for its appraisal of the Project for the purposes of this Agreement are true and accurate.

vi) It shall permit the Council or persons authorised by it to inspect the Property and to inspect and take copies of all reports books accounting records and vouchers which the Council considers relevant; in the case of a Disposal or an Event of Default it shall pay on demand to the Council the Clawback

vii) It will give to the Council prior written notice of any proposed Change of Control of the Grant Recipient and will not allow any Change of Control of the Grant Recipient to be completed without the written consent of the Council which is not to be unreasonably withheld or delayed;

viii) It will or require the Chargor to enter into the Legal Charge in favour of the Council secured on the Property or the Charged Property in support of this Agreement.

A15) Notices and General provisions

i) Any written notice required to be served under this Agreement shall be served:-

(a) as regards notice to be served upon the Council, to the BCC Project Officer at the address as appearing in the table on page one of this Agreement, and a copy sent by pre-paid post to the Director of Legal and Democratic Services PO Box 15992 Birmingham, B2 2UQ (or to any alternative address provided in writing for the purposes of notice) quoting the reference on the cover of this Agreement;

(b) in the case of notice to be served upon the Grant Recipient by sending it to its address as appearing in the able on page one of this Agreement or where a company to its registered office for the time being (or to any alternative address provided in writing for the purposes of notice) in the same manner

(c) and any such written notice shall be deemed to have been served and received on the second business day following the day of posting

ii) Nothing contained or implied in this Agreement shall prejudice or affect the Council's rights powers duties and obligations in the exercise of its functions as a local authority and the rights powers duties and obligations of the Council (here meaning Birmingham City Council) under all public statutes bye-laws orders and regulations may be as fully and effectively exercised in relation to the Property and the Grant Recipient as if the Council had not entered into this Agreement.

iii) It is hereby agreed and declared that no person who is not a party to this agreement shall be entitled in his own right to enforce any term of this Agreement under the Contracts (Rights of Third Parties) Act 1999

iv) The construction validity and performance of this Agreement shall be governed by the laws of England and Wales

v) If any section of this Agreement not being of a fundamental nature shall be held by a court to be illegal or unenforceable the enforceability of the remainder of this Agreement shall not thereby be affected.

A16) Grant Payments

i) The Council shall pay the Grant Sum either :-

(a) In instalments; each instalment to be paid within 28 days of receipt of a claim for an instalment of the Grant Sum submitted in accordance with this Agreement or

(b) After the practical completion of Milestone Dates in the Project in accordance with this Agreement

ii) For grants for capital works, whether payment of the Grant Sum is made in accordance with i) a) or b) above; **5%** of the Grant Sum will be subject to a Retention Period until the Grant Recipient has both:-

(a) paid the building contractor's final account in respect of the Building Works and provided to the Council a copy of the certificate of practical completion (or other appropriate form of certification as agreed with the Council) in connection therewith, and

(b) Achieved and evidenced to the Council's satisfaction all the Targets of the Project.

iii) Provided that no Event of Default has occurred and subject to the provisions of Section A13 and a claim by the Grant Recipient of Grant shall:-

(a) be submitted in respect of completed items of work in the form and manner and evidenced as required by the Council;

(b) relate to an instalment period agreed by the Council and to such of the Qualifying expenditure for works in relation to which the Grant Recipient has not submitted any other claim;

(c) include to the satisfaction of the Council evidence that the expenditure to which the claim relates has been incurred and defrayed by the Grant Recipient on the Project within the eligible timescales;

(d) be submitted within 2 months of the end of the agreed instalment period in which the expenditure was incurred;

(e) where the Grant Sum is being paid after the practical completion of the Building Works the Grant recipient's claim for the Grant Sum shall be submitted with such evidence as the Council shall require that the Project has been completed and the Eligible Expenditure has been incurred.

iv) In the event that the expenditure incurred in completion of the Project is less than the Eligible Expenditure then the Council shall pay such sum as shall be calculated as follows:

Eligible Expenditure Defrayed x ERDF Contribution Rate

v) No payment of Grant will be made unless and until the Council has been supplied with:-

(a) Details of the Grant Recipients bank account or equivalent building society account and

(b) Receipted invoices and Bank Statements as evidence of expenditure and

(c) A verification report from Acivico's quantity surveyor for the completed Works.

A17) Additional Conditions

[BCC Project Officer to delete / add as applicable]

I) For All Projects

The Grant Recipient agrees:-

(a) To the production of evidence of approval of match funding to the sum of [£203,074]; and

(b) Where applicable, commitment to proper utilisation of the following state aid scheme/s [De minimis/ SME support]

ii) For Capital Works

The Grant Recipient agrees that:-

(a) It shall start work on the Project within a month of the date of this Agreement and shall carry out the Project with Due Expedition;

(b) It will give notice in writing to the Council no later than 28 days in advance of any intended Disposal *and will give notice as soon as practicable of any Event of Default*

(c) It shall not without prior written consent of the Council depart effect a Change to the Project;

(d) It shall where reasonably required give notice to the Council forthwith in writing of the receipt by it of any other public sector financial assistance or guarantees or the offer of same in respect of the Project or any variations in the Project;

(e) Not to enter into a building contract in respect of the execution of the Project or the subsequent use of the Property without the prior written consent of the Council which consent may be given or refused at the discretion of Council for reasons not limited to those arising out of this Agreement

(f) It shall notify the Council in writing beforehand of the date on which site or building work on the *Property is to start*

(g) It shall keep an Asset Register of all Assets over £5,000 value including detail as applicable of date of purchase, description of asset, price paid (net recoverable VAT), location of asset, serial or identification number, location of the title deed, the value of the ERDF used towards the purchase of the asset, date of disposal agreed with the Council, date of disposal, proceeds net of any VAT of any disposal, name and address of any person to whom a disposal is made, and the details of the acknowledgement of part funding by ERDF (on-site signage).

PART B

GRANTS FOR LAND RECLAMATION / IMPROVEMENTS, BUILDING PROJECTS OR LANDSCAPING WORKS

B.1 General Requirements

1. If the grant is to purchase, erect, extend or modify a building, or carry out landscaping works, you must comply with these conditions. Likewise if there is refurbishment that involves the removal of internal walls, the creation of openings in walls, the installation of WC's or new boilers, the conditions below apply.
2. Where capital grant funding of £25,000 or over is being provided to the Project the Council shall require the Legal Charge to be granted to it over the Property or over the Charged Property (where at the absolute discretion of the Council there is considered to be insufficient equity/security existing in the Property) in support of the grant funding obligations contained in this Agreement.
3. Where the amount of capital grant funding received by the Grant Recipient during the period of three years prior to the Date of Issue of these Conditions added together with the capital grant funding under this Agreement for the Project is £25,000 or over the Council shall require the Legal Charge to be granted to it over the Property or over the Charged Property (where at the absolute discretion of the Council there is considered to be insufficient equity/security existing in the Property) in support of the grant funding obligations contained in this Agreement.

B.2 Small Schemes (with an estimated cost of less than €)

The Grant Recipient must:

1. Show ownership of the land or building where the works are to be carried out or have the owner's permission for the works to be carried out.
2. Have obtained full planning permission where required under the Town and Country Planning Act 1990 or any other relevant statute for the development of the Property comprised in the Project and/or be able to meet Building Control requirements for the works.
3. No building contract should be entered into, and no work should commence, until the funding Directorate has confirmed that the Legal Charge where required has been completed (the Legal Charge will record your liability to repay grant monies to the Council) or if the land or buildings are leased from the Council, that the lease contains appropriate safeguards for the Grant or such other alternative arrangements have been made as advised by the Council's City Solicitor (or his successor from time to time) where the Legal Charge is inappropriate.
4. If you have a lease from the Council, you will not be able to sell the Property or use it for purposes other than those for which the Grant is given, and this will be inserted in the lease prior to the payment of any part of the Grant Sum.
5. You must notify the funding Directorate of the name and address of the solicitors who will act for you in connection with the Legal Charge or lease, and ensure that your solicitor has where relevant previously checked that your constitution enables your Organisation to enter into a Legal Charge, or is able to enter into an appropriate lease agreement.
6. Submit 3 quotations (based on the same description of the work and valid for at least 3 months) to the funding Directorate (without prejudice to any requirements of section A10).
7. Await agreement from the funding Directorate before instructing the successful Contractor to commence works.
8. Meet the requirements of the relevant Schedules to this Agreement, including Schedule 5 requiring submission of, amongst other evidence, the Contractor's invoice/s and Building Control Completion Certificate upon completion of the works to the funding Directorate.

B.3 Large Schemes (with an estimated cost not exceeding €200,000)

The Grant Recipient must

1 Show ownership of the land or building where the works are to be carried out or have the owner's permission for the works to be carried out.

2 employ professional consultants (e.g. an Architect and Quantity Surveyor) to supervise the Project. They will be required to adhere to the RIBA building project stages set out in the application or available from your BCC Project Officer.

3 Have obtained full planning permission where required under the Town and Country Planning Act 1990 or any other relevant statute for the development of the Property comprised in the Project and/or be able to meet Building Control requirements for the works.
4 Submit 3 quotations (based on the same description of the work and valid for at least 3 months) and /or compliant tenders to the funding Directorate (without prejudice to any requirements of section A10).
5 No building contract should be entered into, and no work should commence, until the funding Directorate has confirmed that the procurement has met the requirements of Section A10 and the Legal Charge where required has been completed (the Legal Charge will record your liability to repay grant monies to the Council), or if the land or buildings are leased from the Council, that the lease contains appropriate safeguards for the Grant or such other alternative arrangements have been made as advised by the Council's City Solicitor (or his successor from time to time) where the Legal Charge is inappropriate.
6 If you have a lease from the Council, you will not be able to sell the property or use it for purposes other than those for which the Grant is given, and this will be inserted in the lease.
7 You must notify the funding Directorate of the name and address of the solicitors who will act for you in connection with the Legal Charge or lease, and ensure that your solicitor has where relevant previously checked that your constitution enables your Organisation to enter into a Legal Charge, or is able to enter into an appropriate lease agreement.
8 If Grant is being paid for the whole cost of the scheme, payment will be made in stages as the work progresses and after satisfactory inspection of each stage of the work.
9 The Council will require the Grant to the Project to be acknowledged whilst work is in progress, this must include at minimum the Council logo and the ERDF acknowledgement as set out in Schedule 2.
10 Meet the requirements of the relevant Schedules to this Agreement, including Schedule 5 requiring submission of, amongst other evidence, the Contractor's invoice/s and Building Control Completion Certificate upon completion of the works to the funding Directorate.

B.4 Part schemes

Where funding is for part of a building Scheme the Grant Recipient must:

1 Show ownership of the land or building where the works are to be carried out or have the owner's permission for the works to be carried out.
2 Have relevant Planning Permission and/or be able to meet Building Control requirements for the works
3 Submit 3 quotations (based on the same description of the work and valid for at least 3 months) and /or compliant tenders to the funding Directorate (without prejudice to any requirements of section A10) and show that the procurement terms in this Agreement have been met and the ERDF eligible element of works can be clearly discerned in the procurement, in the delivery, and in the payment information.
4 No building contract should be entered into, and no work should commence, until the funding Directorate has confirmed that the procurement has met the requirements of Section A10 and the Legal Charge where required has been completed (the Legal Charge will record your liability to repay grant monies to the Council), or if the land or buildings are leased from the Council, that the lease contains appropriate safeguards for the Grant or such other alternative arrangements have been made as advised by the Council's City Solicitor (or his successor from time to time) where the Legal Charge is inappropriate.
5 If the Grant Recipient has a lease from the Council, the Grant Recipient will not be able to sell the property or use it for purposes other than those for which the grant is given, and this will be inserted in the lease prior to the payment of any part of the Grant Sum.
6 The Grant Recipient must notify the funding Directorate of the name and address of the solicitors who will act for the Grant Recipient in connection with the Legal Charge or lease, and ensure that the Grant Recipient's solicitor has where relevant previously checked that your constitution enables your Organisation to enter into a Legal Charge, or is able to enter into an appropriate lease agreement.
7 Note that the grant will be paid after the work has been inspected and agreed as satisfactory by the BCC Project Officer. Payments will be made against the final Architects certificate or final Contractors invoice and the Building Control Completion Certificate
8 Meet the requirements of the relevant Schedules to this Agreement, including Schedule 5 requiring submission of, amongst other evidence, the Contractor's invoice/s and Building Control Completion Certificate upon completion of the works to the funding Directorate.

B.5 Additional Conditions

1 Professional fees, but only in relation to work undertaken following the date of the formal offer letter relating to the Grant offer, may form part of the Grant but should not exceed 12% of the overall cost of the Project.

2 In connection with projects where it is intended that the Property or any part thereof shall be let to third parties rent must be charged at the prevailing market rate for the area within which the Property is located unless a lower rate is compatible with state aid rules.

PART C

FUNDING FOR SURVEYS, PROFESSIONAL FEES, etc.

C.1 General

These can include:

- Identifying requirements for projects (including site conditions, planning, design, cost); and preparing studies.
- Preparing a strategic brief confirming key requirements with appraisal and recommendations as to project feasibility (functionally, technically and financially);
- Preparing detailed proposals and submitting full planning permission application and gaining full planning approval
- Post offer letter surveys e.g. to meet requirements such as land or archaeological investigations
- Post offer letter cost of project management fees

C.2 *Agreement*

The BCC Project Officer must agree a plan unless prior agreement has been made.

1. Submit up to 3 quotations (based on the same description of the work and valid for at least 3 months) or tenders to the funding Directorate dependant on the value of the work.
2. Await agreement from the funding Directorate before instructing the successful Contractor
3. Submit the Contractor's invoice upon completion of the works to the funding Directorate.

C.3 Additional Conditions

Professional fees should not exceed 12% of the overall cost of the project. Eligible if procured under EU procurement guidelines and incurred post Offer Letter, dated 31st October, 2017.

PART D
FUNDING AND OUTPUT DETAILS & ACCEPTANCE FORM

ORGANISATION NAME	Abstrakt ServicesLtd		
PROJECT TITLE	Refurbishement of newly acquired commercial		
PROJECT TOTAL BUDGET	£379,034	REF.	

FUNDING DETAILS					
FINANCIAL YEARS	APPROVED TOTAL ELIGIBLE COSTS £	APPROVED TOTAL ELIGIBLE COSTS £	APPROVED TOTAL ELIGIBLE COSTS £	APPROVED TOTAL ELIGIBLE COSTS £	APPROVED ERDF GRANT % (CONTIBUTION RATE)
CAPITAL EXPENDITURE	2017 / 18	2018 / 19	2019 / 20	ALL YEARS	ALL YEARS
Building / Construction		£379,034			
Fees					
Non-recoverable VAT					
TOTAL CAPITAL		£379,034			

OUTPUTS AND RESULTS TABLE

ERDF Standard Outputs and Results Project targets	2017 / 18	2018 / 19	2019 / 20	To Dec 2020	ALL YEARS
New/Upgraded Floor Space (m2)		6,026			
New/Upgraded Floor Space with BREEAM Acdreditation (M2)					
Jobs Created (FTE – over 12 months duration)		14			
Brownfield land Improved (Ha)					
CO2 savings (tonnes)					

ERDF STANDARD OUTPUT DEFINITIONS AS APPLICABLE TO THE PROJECT

EMPLOYMENT - JOBS CREATED

Unit of Measurement = Number of jobs created	DCLG - YES
	ERDF – YES

DEFINITIONS

New: Must not have existed in the region or with that employer in the UK before the intervention and should be a direct result of the intervention.

Permanent: Must have a life expectancy of at least 1 year from the point at which it is created.

FTE: Paid work of 36 hours or more per week. Convert part time jobs to FTE either:
- on a pro rata basis based on hours worked; or
- 2 part time jobs = 1 FTE, where no other information available (i.e. EC approach).

COUNTED

When the jobs follow after the project intervention has ended e.g. when:
- a speculative development to build a new factory is sold on the market and a firm purchases it the subsequent jobs are the outcome;
- a new, permanent, FTE/equivalent, paid job is created/attracted to the region and the post filled e.g. jobs that arise from Foreign Direct Investment (FDI) and SFIE when they are delivered;
- a business grows as the result of business advice.

Seasonal jobs may be counted where they are integral to the project (for example in the tourism sector), provided there is a contract of employment that will last for a minimum of 4 weeks per annum.
Calculate on a pro rata basis e.g. a 3 month job = 0.25FTE, or 2 part-time jobs = 1FTE, if no data is available.

EXCLUSIONS

- Jobs to set up or deliver the project e.g. management/administrative staff, consultancies, or temporary contractors;
- Construction jobs integral to the delivery of a project (e.g. those who remediate a site or construct premises), even if they last for more than a year.
- Seasonal jobs which are incidental to the project.
- Transferred jobs which are a result of a company moving either within the region or from other English regions or UK devolved administrations are not new jobs. These may be included as safeguarded jobs but only where the relocation is part of a rationalisation programme which will safeguard jobs by moving them and otherwise meet the criteria above.

Note:- the job must not be counted again if it is filled over time by different individuals.

CORE RECORD

You must record and retain the following
- **Business** - Name, Address, Post Code, Telephone Number, Contact details, Ownership, number of employees;
- **Job** - title of the new/attracted job, contract of employment with expected start date of employment & duration, (must be 1 year or longer or for seasonal jobs 4 weeks per annum), hours of work (for FTE calculation), location if job is not at business address above;
- **ERDF** - additional requirement to report gender.

Supplementary information specified in the Evaluation Plan.

VERIFICATION EVIDENCE

You must record and retain at least one of the following items of evidence:
- Letter or standard form (signed by employer) confirming new jobs are a result of the project; or
- Copy of contract of employment.

ACCEPTANCE FORM

I/we accept the Grant detailed above, on the terms and conditions set out in this Agreement, which I/we confirm that I/we will observe. (To be signed by two Directors, or 1 person in the case of sole traders)

	(1)	(2)
NAME (PLEASE PRINT)	Mr Gulam M Qazi	
POSITION HELD	MD	
ADDRESS	Abstrakt Services Ltd 58 Chester Street Birmingham, B6 4LW	Abstrakt Services Ltd 58 Chester Street Birmingham, B6 4LW
SIGNATURE		
WITNESS (MUST NOT BE A RELATIVE)		
ADDRESS		
SIGNATURE		
DATE		

Grant Conditions signed on behalf of Birmingham City Council

SIGNATURE OF AUTHORISED OFFICER	
NAME (PLEASE PRINT)	Waheed Nazir
POST	Corporate Director - Economy
DATE	

SCHEDULE 1

"THE PROJECT"

BCC Project Officer to insert the following:

1. **Insert the entire signed Project Application form at Annex 1 at the end of the Agreement.**

Please see attached

SCHEDULE 2
ERDF PUBLICITY REQUIREMENTS

Information taken from: Version 5: 28th September, 2016 ERDF and ESF Branding and Publicity Requirements

Introduction to the Requirements

The European Regional Development Fund Programme allocates funding to different regions throughout the European Union to boost economic development in less prosperous areas. To help promote and publicise the impact that the funds are having, strict publicity requirements have been set by the European Commission which must be followed by anyone developing and delivering projects, or managing the Programme.

Meeting the publicity requirements set by the Commission is part of this formal Agreement, and failure to publicise the European Regional Development Fund support could result in projects having to repay grant. This has happened in the past, so meeting the publicity requirements should be taken very seriously. The European Commission's rationale for its publicity requirements are explained in paragraphs 2 to 4 of its Implementing Regulation 1828/2006 and the detailed requirements for projects part financed by the Fund is found in Articles 8 and 9. The regulation is available from the European Commission's website at http://ec.europa.eu/regional_policy/information/legislation/index_en.cfm.

This document has been developed by the Department for Communities and Local Government to explain the publicity requirements set by the European Commission to anybody involved in the development, delivery and management of projects part financed by the European Regional Development Fund. It is the responsibility of beneficiaries funded by ERDF and ESF to ensure that they meet these requirements and they must ensure all parties producing any publicity materials regarding the project fully appreciate the requirements contained in the Regulations.

It reflects the relevant Regulations and their interpretation and application in the outcomes of project and Programme audits. The document states the minimum publicity requirements which must be followed by projects that have been approved to receive funding through the European Regional Development Fund.

Using the Logo

The European Union logo is the primary visual representation used for the European Regional Development Fund Programme and one of the most important communication tools. It is mandatory that it is used and applied correctly, prominently and consistently on all publicity materials and project documentation produced by a project supported by the Fund.

The Rules The logo consists of a number of key elements which must be used: I The standard European Union emblem (Twelve five-pointed gold stars in a circle on a blue background) I Reference to the European Union I Reference to the European Regional Development Fund I The statement 'Investing in your future'

The Versions There are two logo options in colour and black and white which can be used to suit your document. A number of format versions are available at:
http://www.communities.gov.uk/regeneration/regenerationfunding/europeanregionaldevelopment/nationalguidance/erdfguidance/

Option 1 – Landscape Logos

European Union
European Regional
Development Fund

European Union
European Regional
Development Fund

Option 2 – Portrait:

European Union
European Regional
Development Fund

European Union
European Regional
Development Fund

Selecting the Version The preference is to use the colour version of the logo however we understand that sometimes this is not an option. If any part of the material is produced in colour, then you must use a full colour version of the logo with the standard colours: I Pantone Reflex Blue – 100% process cyan and 80% process Magenta I Pantone Yellow – 100% process yellow If the material is printed only in black (on a white background) then you have the option of using the black and white version of the logo.

Background Colour The logo works best in colour on a white background. However if it appears on a coloured background the black text of the logo may be hard to read. In those cases it is permitted to change the text to white to improve clarity. The important thing to remember is that the background should be uncluttered and provides enough contrast to ensure clarity. See Page 9 for an example of the use of this logo on a publication.

Location and Size The logo should be placed in a prominent and suitable position, on all materials. If used alongside other funders logos as acknowledgements, then the ERDF logo has to be of an equivalent size and appropriate to the scale of the material and documents being used. As a minimum, the logo, including the emblem and the wording, should be used at 40mm width (landscape logo) and 25mm height (portrait logo). For use on small items such as business cards or promotional items, the logo can be made smaller and just include the EU emblem and reference to the European Union. There are separate size requirements for use of the logo on plaques and billboards – see separate section for details.

Clearance Zone To prevent any visual interference the logo must be positioned in its own clear space, standing apart from other images, text and logos, and should not be placed immediately against a document edge. The clear space surrounding the logo depends on the size of the logo used and should not be less than the letters 'EU' in the word 'EUROPEAN'.

Incorrect Logo Use The ERDF logo must not be stretched, squashed or reproduced in colours other than those stated in these guidance. Nor should it be reproduced in a different typeface or be rotated. When resizing the logo you must ensure that it stays in proportion and does not become distorted.
• The logo must be equivalent in size to other logos of supporting organisations;
• The accompanying wording must be easily and clearly legible, and of equal size and impact to any wording associated with other funds, funders or endorsing organisation;
• On billboards and plaques, the acknowledgment of European Union funding MUST constitute a minimum of 25% of the total area;
• The logo should ideally feature on the front cover and should not be placed immediately against a document edge.

Incorrect logo usage

When resizing the logo you must ensure that it does not become distorted. It should not be reproduced using another typeface or be rotated, for example: **DO NOT** use any other typeface (other than Arial) **DO NOT** distort the logo when resizing. **DO NOT** rotate the logo.

Billboards

Billboards must be erected on the sites of projects where infrastructure or construction projects are being financed by the European Regional Development Fund and the total public contribution to the project exceeds €500,000.

Billboards must be erected at the start of the work, be of a size appropriate to the scale of the operation and include a space reserved for the ERDF logo as acknowledgement. When the project is completed, the billboard should be replaced by a permanent plaque within 6 months. See details for plaque requirements.

Billboards must include the following information: I Name of the project I Display the ERDF logo The information above should take up at least 25% of the total billboard size.

Plaques

Projects are required to put up a permanent plaque in an appropriate visible place and ideally accessible to the general public, no later than six months after completion of the project. This is applicable where the total public contribution to the project exceeds €500,000 and the project consists in the purchase of a physical object or in the financing of infrastructure or of construction projects.

Plaques should be of a significant size and include a space reserved for the European Regional Development Fund logo as acknowledgement of the role played by the fund in part-financing the project. Plaques must include the following information: I Name of the project I Name of the Programme: 'European Regional Development Fund' I Description of the activity supported by the project I Display the full ERDF logo The information above should take up at least 25% of

the total plaque size. Below is an example to show how the requirements could be presented. All plaques must be produced and funded by the project. Costs for this should be considered when developing and planning the project.

Print and Publications

All printed documents and publications produced by projects supported by the Fund must acknowledge and reference the ERDF funding received by displaying the full European Regional Development Fund logo and ensuring it is visible in a prominent position. This extends to a variety of materials and documents including, but not restricted to: I General advertisements, job advertisements and notices I Leaflets, brochures, flyers and posters I Case studies I Exhibition banners and display panels I Invitations I Business cards I Promotional items I Newsletters I Stationery I Letterheads and compliment slips I Reports and papers I Project documentation I Procurement material I Job descriptions

For small promotional items, such as business cards, the European flag emblem and words 'European Union' can just be used. See logo requirements for more details.

Please ensure you keep electronic and hard copies of all your materials as evidence.

Electronic Materials

All electronic materials produced by projects supported through the Fund must acknowledge and reference the ERDF funding received by displaying the full European Regional Development Fund logo. This extends to a variety of materials including, but not restricted to: I Websites I E-Newsletters I Presentation Slides I Email footers and signatures I Audio visual material including films, video, DVDs, CD Roms I Social media tools including Face book, Twitter and SMS Messages If it is not possible to display the logo on materials or there are space and size restrictions, a text reference indicating the support received should be used.

Events, Conferences, Seminars and Workshops

Conferences, seminars, exhibitions and events are an ideal way to promote a project supported by the European Regional Development Fund. All materials and documents produced for an event in advance, on the day and after the event must acknowledge and reference the funding received by displaying the full European Regional Development Fund logo. In some circumstances it maybe possible to provide a Minister, a representative from the European Commission or an ERDF spokesperson for an event. Contact BCC to discuss this option.

Media and PR Activity

A cost effective way to promote projects is through the local media. All press releases produced on projects supported by the European Regional Development Fund should include a text reference to the ERDF support and when initially launched should state the amount of funding awarded. Press releases should be developed for the launch of the project, and additional releases announcing key milestones and achievements.

Quotes to show the support for the project from the Department for Communities and Local Government or a member of the Local Management Committee may also be available. The following wording should be included in the editor's notes for all press releases concerning projects part financed by the European Regional Development Fund:

The **[Abstrakt Services Ltd Expansion]** project is part financed by the **[Property Investment Programme]** European Regional Development Fund Programme 2007 to 2013. The Department for Communities and Local Government is the managing authority for the European Regional Development Fund Programme, which is one of the funds established by the European Commission to help local areas stimulate their economic development by investing in projects which will support local businesses and create jobs. For more information visit www.communities.gov.uk/erdf

Please note that funding Agreement for the project should be in place before any media or PR activities are completed. If projects are interviewed by the media (print or radio), with the aim to produce a news story about funded activity, or produces a radio or TV advertisement to promote the project, reference should be made to the European Regional Development Fund support provided.

Informing Beneficiaries of ERDF Projects

All projects must provide beneficiaries who are taking part in activities associated with the project, clear notice that the project has been funded under the European Regional Development Fund Programme. Projects must ensure that they have provisions in place to notify those taking part in the project activity that it benefits from the Fund. Ideas of how to achieve this include: I Mention during induction sessions as part of a training course I Note the support in any contracts or paperwork given to beneficiaries I State the support in internal newsletters and bulletins I Provide the beneficiary with a leaflet explaining European Regional Development Funds investment in your project I Plaques, posters and displays

Plans and Policies

It is important that everyone involved in delivering a project, not just the project owner, understands and follows the European Regional Development Fund's publicity requirements. Applicants should demonstrate how these will be delivered by the project as part of the application through a Communications Plan, Project Management Plan; or produce this separately. This may be called upon during assessment of the project. The plan should be proportionate to the scale, scope and nature of the project and contain as a minimum: I Aims of the project and target groups I Strategy and content of the information and publicity activities to be delivered by the project, aimed at potential beneficiaries, stakeholders and the general public I An indicative budget for delivering the plan I People and companies involved in delivering the plan and its activities I Details on evaluation of the activities

Evidencing Publicity Activities

During the lifetime of the project, regular monitoring activities and audits will take place where all projects will be required to evidence how they have met the publicity requirements. Therefore it is essential that you keep evidence of all project publicity materials. Typical types of evidence could include, but are not restricted to: I Press releases I Press cuttings indicating publication and date I Photos from events I Literature such as leaflets and brochures I Presentations and speaker notes I View the plaque and billboard or photographic evidence I Website materials.

Project documentation and correspondence Audits can take place a long time after the project has been completed. Therefore ensure all evidence is kept until BCC has been advised by the Managing Authority that it is safe to dispose of it.

If a project is unable to evidence adherence to the publicity requirements, it could result in the clawback of the funding. When fulfilling the publicity requirements it is important to remember that any publicity materials produced and services used, must adhere to the European Commission procurement rules and regulations. Failure to provide appropriate evidence is identified as one of the most common audit failings and is subject to a high degree of attention from UK and European Commission verification and audit visits.

SCHEDULE 3
PUBLIC PROCUREMENT PROCEDURE

Information taken from: 20th February 2017 National ESIF Procurement Requirements document

This section provides an overview of the rules governing procurement. Public procurement can be complex and difficult. A Grant Recipient should seek its own legal advice pertaining to the obligations upon it in terms of tendering and procurement for goods, works and services required for the project activities it is bound to carry out. Nevertheless we hope this document is useful and provides the Grant Recipient with a better understanding of its obligations and the importance of avoiding financial penalties by way of corrections.
Robust and transparent procurement is required to ensure that Grant Recipients:

- Consider value for money (VFM)
- Maximise the efficient use of public money and;
- Maintain competitiveness and fairness across the EU.

The above considerations should be applied on all occasions, regardless of whether or not the value of the procurement is above or below the OJEU thresholds and regardless of whether or not the Grant Recipient is a contracting authority subject to public procurement rules.

Whilst the information in this section is aimed to be helpful guidance to assist the Grant Recipient when considering their procurement obligations, it is general guidance and the Grant Recipient is advised to refer to the document ESIF-GN-1-001 Version 5 **(the 'ESIF Guidance') themselves and if necessary, obtain independent procurement advice.**

It must be noted that the procurement process, through direct award, quotations or tenders can be commenced at your own risk and should not be reliant upon receipt of the grant, but the Grant Applicant must not enter into any financial or contractual arrangement with those bidders before the awarding of the grant and most definitely not before the date of the 'Offer Letter'.

Grant recipients should be aware that the funding is from the European Regional Development Fund and is subject to the Public Procurement Regulations. Grant Recipients are advised to refer to the ESIF Guidance for full guidance as to the extent of the regulations they are subject to and if necessary obtain independent procurement advice.
(Helpful guidance can be found at page 7 and Chapters 6 and 7 in the ESIF Guidance above.)

We encourage Grant Recipients to first determine whether or not they are considered a 'contracting authority' under the Public Contract Regulations 2015.

Private sector organisations will usually be outside the scope of this definition. However, a Grant Recipient should refer to paragraph 2.1.2 page 20 of the ESIF Guidance.

As this programme is managed by Birmingham City Council, we would recommend that a minimum of three written quotations are secured and provided with your application. Although the National Rules below do not always require this, it is seen by Birmingham City Council as a good practice that should be adopted to show that a single quotation has not been accepted and some element of procurement competition has been adopted. This may, in the event of an audit by ERDF, which could take place over a 10 year period, provide some safeguard to your decision made on procurement in the longer term.

Assuming that the Grant Recipient is not a contracting authority, they will still be required to comply with the **National Rules**, details of which are contained within Chapter 6, page 36 of the ESIF Guidance, copied below:-

National Rules

22 Contracts which are outside the scope of the Interpretative Communication, for example where there is no cross border interest or where the contract is being let by a non-contracting authority are subject to **national** rules[43]. These national rules are designed to achieve sound financial management of public funds[44] and to open opportunities up to competition.

23 To meet the national rules an ERDF grant recipient's process must be in line with the requirements set out below:

Value of contract[45]	Minimum Procedure	Advertising Required
£0 - £25,000	Direct award	None
£25,000 - £200,000 (services) and £4.5m (works)	The advert needs to incorporate or direct any interested party to the following information: • Details of the opportunity • What is required from all interested parties • How successful candidate will be chosen • Deadline and details of how to apply Justification will also be required to demonstrate that the contract award is in line with the advert	Advertise the opportunity on the grant recipients/or other appropriate website for 10 days.
£25,000 - £200,000 (supplies)	3 written quotes or prices sought from relevant suppliers against a clear specification Justification that a reasonable decision has been made on the basis of the quotes/prices	None
Over £200,000 (services and supplies) and £4.5m (works).	The advert needs to incorporate or direct any interested party to the following information: • Details of the opportunity • What is required from all interested parties • How successful candidate will be chosen • Deadline and details of how to apply	Advertise the opportunity on the grant recipients/or other appropriate website for 10 days.

	Adhere to the Guidance on Identifying, Managing and Monitoring Conflicts of Interest within ERDF and ESF, and submit a declaration to DCLG or DWP; Impartially assess each bid against the same criteria and demonstrate this through use of a score/evaluation sheet; and Provide evidence to demonstrate that the winning bidder has been selected on merit – as a minimum this should include a rationale behind the decision to award	

24 Although the national rules are more relaxed than both the requirements under the PCR and the Treaty Principles the following practices will not be acceptable under any circumstances;

- Direct awards to linked organisations – for further information on this please see the Guidance on Identifying, Managing and Monitoring Conflicts of Interest within ERDF and ESF (ESIF-GN-1-027)
- Non-compliance with the thresholds above – including artificial splitting of contracts

25 The process followed by the grant recipient must be recorded and the relevant documentation retained and made available as part of the project audit trail. A lack of audit trail to demonstrate the process followed and decisions taken may also lead to a financial correction.

SCHEDULE 4
INELIGIBLE EXPENDITURE

1. any expenditure not relevant to the specific project
2. overheads allocated or apportioned at rates materially in excess of those used for any similar work carried out by the Grant Recipient
3. costs incurred prior to the Start Date
4. notional expenditure or opportunity cost
5. payments for activity of a political nature
6. depreciation, amortisation and impairment of assets purchased with the help of ERDF
7. provisions i.e. money set aside to pay for future events e.g. sunk funds
8. contingent liabilities
9. contingencies
10. profit made by the Grant Recipient
11. dividends
12. interest charges unless under an approved State Aid scheme
13. debt interest or service charges arising on finance leases, hire purchase and credit arrangements
14. costs resulting from the deferral of payments to creditors
15. costs involved in winding up a company
16. compensation for loss of office
17. payments for unfair dismissal
18. payments for setting up or payments into private pension schemes
19. payments for unfunded pensions
20. cost incurred by organisations in relocating personnel displaced by the refurbishment or conversion of a building for ERDF use.
21. bad debts arising from loans to employees, proprietors, partners directors, guarantors, shareholders or a person connected with any of these
22. payments for gifts and donations
23. entertainments apart from food and non alcoholic drink provided as pat of a meeting
24. reclaimable VAT
25. statutory fines and penalties
26. criminal fines and damages
27. legal expenses in respect of litigation
28. eligible matched funding excludes any other European funding or any funds which are themselves matched with European funding.

SCHEDULE 5
MONITORING AND REPORTING REQUIREMENTS

General Requirements

1) The Council project monitoring staff will need to be satisfied that the systems used by the Project are sound and that Grant claims are correct. There will be a range of documentary evidence needed to allow this to be done including the accounting records of the Project which show the dates invoices are/will be Paid, receipts and statements from suppliers, bank statements, cheque stubs, and correspondence with payees and with the Project's internal and external auditors. Monitoring staff will determine which of these or which combination of these items will be required.

2. The Applicant must keep records of all cash payments and their dates, as these are part of the Project's records. The Applicant must also ensure that any organisation acting on the Applicant's behalf does the same. The Applicant is advised to encourage payees to accept payment by BACS, rather than by cheque. The Applicant should contact the BCC Project Officer if the Applicant is in any doubt as to whether particular items of expenditure are eligible for Grant.

3. The Applicant shall produce and agree with the Council a forecast of expenditure and outputs for each year. The Applicant shall sign the completed Outputs and Expenditure profile sheets.

4. The Grant claim must be accompanied by the ERDF Transaction Sheet. For ERDF funding any expenditure included interim claims must be defrayed i.e. incurred and paid prior to submission.

5. Monitoring forms and information linked to this grant will be completed and returned to the BCC Project Officer by the deadline(s). Failure to complete forms by deadlines may result in payments being suspended or the Grant Recipient may be required to repay all or part of the grant.

Final Claims

1. Payment of final claims will not be made until receipt by the Council of a final statement of project expenditure, and the provision of evidence of the Project and Targets being satisfactorily completed, (which may be completed within a designated Retention Period).

2. Evidence to support each final claim must be held and be available for inspection or audit.

Reporting

1. Progress of the Project against the expenditure profile in Schedule 4 must be reported to the Council via at least Quarterly updates, and should include an inventory of assets if applicable.

Change Reporting

1. The Applicant should highlight any change or variation from either the Applicant's application form or the previous year's submission.

2. Any Changes to the project will be considered at the time of the Change and again cumulatively during the annual review, and if at any time a Material Change occurs the Council may choose to Reappraise the project in part or full to assess the capability of the project to meet the original Targets and that it continues to be ERDF eligible and offer satisfactory value for money.

Final Reporting

1. A Final Report shall be completed at the end of the Project and submitted with the final claim for payment (or, if later, on completion of the Project).

2. Where a Project is due to have duration of less than three months, only a final report will be required unless the Council stipulates otherwise.

Additional Reporting

1. The Council will decide upon further monitoring requirements based upon the content of the reports and the Applicant will co-operate and assist with the implementation of any such requirements.

Site Visits

1. These will be arranged on reasonable notice as specified by the Council. Claims for land and property works will not be paid without the sign-off of the Council's Quantity Surveyors/agents.

ANNEX 1

COPY OF THE SIGNED ERDF APPLICATION FORM

(To be added by the BCC Project Officer)

Please see attached application form

Birmingham City Council

Greater Birmingham & Solihull Local Enterprise Partnership

European Union
European Regional Development Fund

European Regional Development Fund (ERDF)

Property Investment Programme (PIP) Grant Scheme

Application Form

Please read the guidance notes provided and seek any clarification required from Birmingham City Council prior to submitting a completed form. Please complete all applicable sections of the form.

Section 1 Project Title

Project Name	Expansion of Abstrakt Services Limited				
Project Sound Bite Tell us in one sentence (30 Words) what your project will do and what it will achieve.	We will be purchasing and renovating semi-derelict premises to increase our production capacity by 30% and create at least 14 new jobs.				
Start Date of the Project	01 August 2017	End Date of the Project		30 September 2017	
Total Project Cost	£375,000	Match Funding	£225,000	ERDF Funding Sought	£150,000

Section 2 Project Applicant

Applicant's Contact Details			
Company Name:	Abstrakt Services Limited		
Address:	58 Chester Street, Birmingham		
Postcode:	B6 4LW	Telephone:	0121 380 2600
Mobile:		Fax:	
Which Local Authority within the GBSLEP area do you pay your Business Rates to? Birmingham City Council			
Company Website: www.abstrakt.co.uk			

Birmingham City Council | Greater Birmingham & Solihull Local Enterprise Partnership | European Union European Regional Development Fund

Project Contact Person Within The Applicant Organisation (e.g. Chairman, Managing Director, Finance Director etc.)			
Name:	Rabina Iqbal	Position:	Company Accountant
Telephone:	0121 380 2617	Mobile:	
Fax:		Email:	rabina@abstrakt.co.uk
Other contacts: (e.g. Developer, Architect, Project Manager etc.)			
Name:		Position:	
Telephone:		Mobile:	
Fax:		Email:	

2.1 Organisation type:

Public Body ☐ Private Company ☒ Third Sector ☐

2.2 Do you receive more than 50% of your annual income from the private sector? (see guidance notes)

Yes ☒ No ☐

2.3 Company Registration Number (if UK registered) / VAT Registration Number/Charity Registration No:

Company Reg. Number	02232001	VAT Reg. Number	487 5131 24	Charity Reg. Number	

2.4 Registered office address (if different from previous page)

As previous page

Postcode:

Birmingham City Council | Greater Birmingham & Solihull Local Enterprise Partnership | European Union European Regional Development Fund

2.5 If you are a company

2.5a Are you a Small, Medium Sized Enterprise (SME)? (See guidance for definition) Yes ☒ No ☐

2.6 Please provide details of:

Number of Employees	54
Turnover (in your most recent annual accounts)	£4.314.893
Balance Sheet (total assets net depreciation)	£1.300.283

2.7 How long has the business / organisation been trading / operating?

Years 29 Months 3

2.8 Do you, or any other partner, member, principal investor or director of your business have any interest in, or control over, any other business? Yes ☐ No ☒

By "partner" we mean a legal partner within a business.

By "member" we mean a member belonging to a limited partnership.

By "principal investor" we mean a shareholder owning 10% or more of the company's shares.

By "director" we mean a director of a company.

2.9 If yes, please provide further details

You must provide background detail to cover all directorships and share holdings in other businesses in relation to all directors and shareholders (that is number of directorships, names of businesses and shareholding percentage).

2.10 Is your business part of a group? Yes ☐ No ☒

If NO, you are NOT required to complete **Section 3.**

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Section 3.0 Group and related company detail

If your business is not part of a group and there are no associates under common control, go to Section 4.

3.1 Immediate parent

Name:

Country of registration:

Company Registration Number (if UK registered) VAT Registration Number

Company Reg No: VAT Reg No:

3.2 What level of interest (in percentage terms) does the immediate parent company have in the applicant company?

%

3.3 Ultimate parent (if different from 3.1)

Name:

Country of registration:

Company Registration Number (if UK registered) VAT Registration Number

Company Reg. No: VAT Reg. No:

Is the ultimate parent quoted on a stock exchange? Yes ☐ No ☐

If Yes, please state stock exchange:

3.4	**What level of interest (in percentage terms) does the ultimate parent company (if different from 3.2) have in the immediate parent company and in the applicant company?** Parent [ ] Applicant [ ]
3.5	**Number of Employees** [ ] **of which** [ ] **are in the UK**
3.6	**Principal group activities:** Please provide activities of all companies within the group

Section 4 Project Details

4.1	**Description of Project – for which funding is being sought** Provide details of the work to be carried out and when it will be delivered. Describe what your project will do, how it will be delivered and operate and who will be involved and what will be the benefits – including job roles to be created.

Abstrakt Services Limited is the UK's leading specialist in polywrapping magazines. We started trading in Coventry in 1988 and relocated to Birmingham about 20 years ago. We work with some of the largest branded media clients in the world and have stable, long-standing relationships with most of them, for example, Time Inc, DC Thomson and Prinovis.

We are a family-run business, with strong ethical values and are committed to recruiting locally. We ensure our workforce is treated fairly and given opportunities to grow and develop.

Our current turnover is in the region of £4million and we forecast a 25% increase in this once we relocate to our new site. Our current premises have hampered our ability to grow due to space restrictions and we have been looking for premises for the past 12 months. Our new site is ideally located on the same street as our current premises, and so disruption to our existing workforce and operations will be minimal.

The project will be delivered in the next 3 months and will involve bringing semi-derelict premises back into productive use.

It will involve an extensive refurbishment of the premises both internally and externally to ensure the premises meet our operational needs.

This will involve structural changes, upgrading floor space and some land clearance.

The project will create at least 14 new jobs covering machine operators, handwork assistants and sales staff.

4.2 What evidence is there of market demand for your proposed business activity?

Abstrakt is currently turning business away because of space restrictions and so is unable to fulfil

orders. Business opportunities are being lost to competitors and so Abstrakt is seeing a decrease in its net market share. We have a strong interest in our services from clients but are unable to proceed with some requests because of a lack of floor space.

4.3 Explain how your project will meet/contribute to the priorities set out in the Key Priorities document. Please ensure that you cover both the Strategic Priorities and the Funding Priorities (See Guidance Notes)

The relocation to these premises will mean the safeguarding of 10 existing jobs and will create at least 14 new jobs. We will also be renovating semi-derelict premises and bringing them back into productive use.

4.4 What activities (if any) are currently being delivered at the Project premises?

The project premises are semi-derelict – there is no current activity.

4.5 What end use activities will be delivered once the project is complete?

Use Class	Use Type	✓
B1(a)	General Office (not within A2)	
B1(a)	Call Centres, IT/Data Centres	
B1(a)	Business Park	
B1(a)	Serviced Office	
B1(c)	Light Industry (Business Park)	
B2	General Industry	X

If the proposed end use activities are mixed or do not fit any of these categories please speak to the BCC Project Officer for advice – prior to completing and submitting this form.

4.6 Project Milestones

Milestone (as applicable)	Date
Planning application submitted	N/A
Landlord's consent	N/A
Grant application submitted	13/07/2017
Planning application approved	N/A
Business contribution confirmed	
Works commence on site	01/08/2017
Works complete	30/09/2017
All outputs achieved	31/01/2018
Grant retention period ends	
Other (specify)	
Other (specify)	
Other (specify)	
Other (specify)	
Other (specify)	
Other (specify)	

4.7 Financial Information - please see guidance before completing finance tables below:

4.7a Project Costs

Cost	2016/ 2017	2017/ 2018	2018 up to June. 2019	Total
	£	£	£	£
Site Investigation				
Site Preparation				
Building & Construction		375,000		375,000
Other Capital (Please Specify)				
Other Capital (Please Specify)				
Total	**£0.00**	**£375,000.00**	**£0.00**	**£375,000.00**

4.7b Funding

Total Applicant Contribution	**£225,000**
Total ERDF Requested	**£150,000**
ERDF %	**40%**

4.7c Sources of Applicant Contribution - Please list all the proposed sources of finance making up your total Applicant Contribution for this project, the amounts each will contribute and whether their contribution is confirmed (attach evidence).

Source of Finance	Amount £	Confirmed Date
Company Funds / Bank Loan	£225,000	July 2017

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4.8 Please can you describe any other options you considered in developing this project? *For Example, did you consider different sites, build option/financing etc? For each* option considered, please note why this was rejected.

1) Looked at a site in West Bromwich – rejected as we felt we would lose too many staff
2) Looked at a Design & Build Site – rejected as it was too expensive and would take too long

4.9 Which of the following statements would apply to your project without grant aid?
Please tick ✓

a) The project would not be undertaken ☐

b) The project would not be undertaken on the scale proposed ☒

c) The project would not be undertaken at the time or in the location proposed in the application ☐

4.10 Location of proposed Project (if different from applicant's address):
Please provide a location plan on a detailed Map.
79-81 Chester Street, Aston, Birmingham B6 4AE

4.11 Is the applicant:

Owner ☒ Lessee ☐ Developer ☐

Does the applicant own the freehold? Yes ☒ No ☐

If yes, a copy of the Land Registry is required with this application (once purchased)

If you are a Lessee, length of lease (remaining years) ☐

Landlord's consent to the project (please attach evidence) Yes ☐ No ☒

4.12 Please supply the most up to date valuation of the property.

An offer for £1.9 million has been made and has been accepted
4.13 If you are a Developer, please tell us who owns/leases the property and explain your relationship to them?
4.14 Is Planning Permission required for the proposed works? Yes ☐ No ☒ Planning Number (where applicable) ☐ Planning Officer (Name if known) ☐
4.15 Are there any conditions attached to your approved planning consent? If yes, please specify.
No
4.16 If you have not yet submitted a planning application/received planning approval, when do you expect to do so? What timescales are you working to? Are there any issues (See Guidance Notes for General Planning Enquiries Number)
N/A

Section 5 Proposed Outputs

ALL PROJECTS ARE EXPECTED TO ACHIEVE AT LEAST ONE OUTPUT FROM EACH OF TABLES 1 AND 2.

5.1 Please provide numbers for each output that will be achieved as a result of your project (see guidance notes for definitions).

Table 1

	Current Floor space	2016/ 2017	2017/ 2018	2018 / 2019	Total

New/Upgraded Floor Space	M² 5,800		5,800		M² 5,800
New/Upgraded Floor Space with Accreditation	M²				M²
Total	M²	M²	M²	M²	M²

Table 2

	No of people currently employed (FTEs)*	**2016/ 2017**	**2017/ 2018**	**2018 / 2019**	**Total**
No. of jobs created	#54		14		68
Total	54		14		68

*FTEs means Full-time equivalents calculated at 30 hours for a full time post.

5.2 Please indicate if you are able to achieve any of the 'additional' outputs:

Jobs Safeguarded As direct result of the ERDF grant awarded	#	10
Land Reclamation	Hectares	
Carbon Dioxide saved per annum	Tonnes	

Section 6 Standards

6.1 Equalities - What impact will your project have on the business communities and residents in the local area both positive and negative?
The project will have a positive impact on the local community as the move will involve the recruitment of staff which will be sourced locally. It will also ensure that current jobs are safeguarded.
6.2 Environmental Sustainability: - What design steps have you taken to minimise the project's negative impact on the environment, including its carbon footprint? Please see guidance.
We will continue to recycle as much material as possible and we will use energy efficient lighting & heating internally

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Section 7 Your Development Partners (if applicable)

Partner delivery organisation name						
Contact name						
Address						
Organisation Type	Public Body	☐	Private Company	☐	Third Sector	☐
Contribution or Value Add to Project						

Partner delivery organisation name						
Contact name						
Address						
Organisation Type	Public Body	☐	Private Company	☐	Third Sector	☐
Contribution or Value Add to Project						

Partner delivery organisation name						
Contact name						
Address						
Organisation Type	Public Body	☐	Private Company	☐	Third Sector	☐
Contribution or Value Add to Project						

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8.0 State Aid Declaration

Company (Full Legal) Name: .....Abstrakt Services Limited.....

You are applying for grant assistance under EU De Minimis State Aid regulations.

Under World Trade Organisation agreements and European State Aid regulations, any assistance from the public sector towards trading operations must be strictly controlled and fall within agreed limits. De Minimis aid is assistance from a public source for a trading activity which is below the threshold of aid requiring prior notification and approval from the Commission. These levels have been revised since 1st of January 2007. This now allows a company to receive up to €200,000 (£182,488 at 11th Oct. 2016) of De Minimis aid over three fiscal year period for most sectors. [1]. Actual sterling rate will be calculated on the day the Offer Letter is issued.

To confirm that you are able to receive this assistance you must declare the full amount of aid, from any public source, and in any format, you have already received over the last 3 financial years. You must declare whether or not it was De Minimis aid. All aid received whether De Minimis aid or exempted aid, must now be declared. Please note that this is a change from the requirements of previous regulations. Please be explicit in your explanation of what the aid you received has been used for.

The following is not a comprehensive list of the possible forms of aid. However it should give an indication of the most common forms of aid, which you may have been given over the past three years. Potentially any assistance from a public body might be an aid. Should you have any doubts on this matter, please contact the body from which the assistance was received:

- Grants from public bodies
- Loans from public bodies at favourable rates
- Loan guarantees from public bodies
- Differential tax benefits
- Grants from an investment trust (including charities) which may themselves have received the funds from a public body
- Grants from a part publicly funded venture capital fund
- Publicly administered funds, even if the funds were originally not public such as the national lottery
- Landfill tax
- Waiving or deferral of fees or interest normally due to a public body such as the waiving or deferral of rent or waiver of interest normally due on late payment of taxation or other costs to a public body
- Monopoly licences or guarantees of market share
- Advertising via a public channel such as a tourist board or state owned television

[1] However, Transport sector is still restricted to €100,000 (approximately £67,000). Fisheries have a limit of €30,000 (approximately £20,000) and Agriculture, other than marketing of processed products, is limited to €7,000 (approximately £4,800). Both of these last two sectors are subject to special procedures and require the permission of Defra. Please note that the limits are in Euros, therefore when measuring the level of aid given, the official Commission Euro / £ exchange rate at the time that the assistance is granted must be used to determine the amount of aid given.

- *Consultancy advice provided either free or at a reduced rate*
- Training provided either free or at a reduced rate
- Aid for investment in environmental projects
- *Provision of a free or reduced rate feasibility study for research and* development or other assistance with research and development
- Purchase of public land or property at a less than market rate
- Benefiting from the provision of infrastructure where your organisation was pre-identified as a beneficiary

These types of aid may have been provided under De Minimis (as De Minimis aid) or under another State Aid regulation. If you are in any doubt whether aid received was De Minimis aid or about its value, check with the organisation, which provided it. If they are unable to say or there is any uncertainty, assume that it was De Minimis aid unless its value exceeded €100,000, prior to 1st January 2007, or €200,000 post 1st January 2007, in which case it cannot have been.

Any De Minimis aid awarded to you under this project will have to be declared if you apply, or have applied, for any other public funding. Therefore, if successful, the offer letter must be retained and shown to any other public body to whom you apply for funding for the three years following the offer.

False declarations will lead to the recovering of the value of the assistance offered plus interest.

Please note that where a company is part of a group the €200,000 limit applies to the group as a whole for public sector support within the United Kingdom. Therefore, if you are a member of a group, please fill out the following for all the group entities.

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8.1 Declaration

I declare that the amount of De Minimis aid received by the company/organisation over the last three fiscal year period is:

Year and date aid was granted	Value of the aid (£ and €)	From which body or under which scheme	What activity or item was the aid given for	Was it under a notified scheme or block exemption?
2013 (Date)	NIL			
2014 (Date)	NIL			
2015 (Date)	NIL			
2016 - Any State Aid application for which a decision is outstanding	NIL			
Total	NIL			

Please complete on a separate sheet if required.

Signed .....

Name (Block Caps).....Gulam M Qazi.....

Date .....13/07/17.....

Position .....Managing Director.....
(Must be an officer able to bind the organisation in legal agreements)

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Section 9 APPLICANT DECLARATION & CERTIFICATION

THE DATA PROTECTION ACT 1998; FREEDOM OF INFORMATION ACT 2000

The information provided on this form will be held on computer and is subject to the provisions of the Data Protection Act 1998 and the Freedom of Information Act 2000. Further details can be provided by Council Officers on request.

Applicant Certification

I am applying on behalf of: Abstrakt Services Limited. to Birmingham City Council for financial assistance from the European Regional Development Fund.

I declare that I have the authority to apply for this funding and am authorised by my organisation and any partners represented in this application to make binding legal commitments on its behalf. I certify that the information supplied is correct to the best of my knowledge. I am aware that if false information is knowingly given, any funding provided by Birmingham City Council will be repayable and legal action may be taken.

I confirm that:

- my organisation has the legal authority to carry out the project and accept that the proposed project will be subject to our internal accounting and auditing arrangements;
- my organisation has formally approved the funding it has stated it will provide;
- my organisation and our partners have Equality and Diversity, Health & Safety, Procurement, Environmental Sustainability Policies and employee and third party insurances and agree to evidence these during delivery; and
- I have informed all persons in relation to whom I have provided personal information of the details of the personal information I have provided to you and of the purposes for which this information will be used and that I have the consent of the individuals concerned to pass this information to you for these purposes.
- I have no undeclared conflict of interest by virtue of any connections with Birmingham City Council, (Elected Members, Officers etc).

I authorise you to process my personal information, in particular my sensitive personal information, for the purposes stated in this form.

If approved for ERDF funding my organisation will deliver the project in accordance with the specification and methodology set out in this application form.

Signed			
Name (Print)	Gulam M Qazi		
Position	Managing Director	Date	13/07/17

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Appendix 1. Documents Checklist

We cannot accept your application without all required documentation.

Does your project require funding or grants from any other public or private sources?	Yes ☐ No ☒
If Yes, provide letters confirming match funding (list details here).	
Is your application for grant funding under this programme a continuation of project activity for which you have had funds from us or other public bodies?	Yes ☐ No ☒
If Yes, attach a copy of an evaluation of the existing activity. Discuss this with your BCC Project Sponsor.	

To support the application you must provide:-

Financial Evidence	
Last 2 years final year end accounts.	Yes ☒ No ☐
A monthly cash flow forecasts for minimum 12-months.	Yes ☒ No ☐
For Grants between £20k and £50k - If the last year end accounts are more than 18 months old then up to date management accounts from the date of year end accounts to within 3 months of application being received for appraisal should be supplied	Yes ☐ No ☐
For Grants above £50k - If the last year end accounts are more than 6 months old then up to date management accounts – from date of year end accounts to within 3 months of application being received for appraisal should be supplied	Yes ☒ No ☐
For Grants above £50k - If the last year end accounts are more than 6 months old then one year monthly projected cash flow forecast from the date the annual/management accounts end (to include all sources of income and all costs) should be supplied	Yes ☒ No ☐
Business bank account statements for all accounts for the last three months.	Yes ☒ No ☐
Evidence of existing and future funding facilities (if applicable).	Yes ☒ No ☐
Confirmation from your bank or accountant of your company's legal status and number of years trading.	Yes ☒ No ☐

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Evidence of new borrowings or loans secured to undertake project (if applicable).	Yes ☒ No ☐
Confirmation that there is sufficient equity in the project land/building to enable BCC to place a Legal Charge on it? We will require latest building valuation and all outstanding borrowings (mortgages) against the building. Discuss this with your BCC Project Sponsor.	Yes ☒ No ☐
Completed State Aid De Minimis Declaration (Section 8 of this form)	Yes ☒ No ☐

Project Evidence	Yes ☐ No ☐
A site plan showing the location of the project and appropriate detailed plans/ elevations/cross sections of the development proposal.	Yes ☒ No ☐
A detailed specification (description) of work to be undertaken.	Yes ☒ No ☐
A minimum of 3 Contractors' itemised quotations based on an agreed specification (description) of work.	Yes ☒ No ☐
Confirmation of site/property ownership (copy of Land Registry document) or Lease (copy of Lease Agreement) and written consent from Landlord to carry out works (if applicable).	Yes ☐ No ☒
Confirmation of relevant statutory consents (e.g. planning permission and/or buildings regulations approval).	Yes ☐ No ☐
Name and address of your Solicitor for Legal Charge.	Yes ☐ No ☐
Have you or your solicitor read the ERDF Conditions of Grant Aid? (See Website)	Yes ☒ No ☐

The completed application form together with all the supporting information requested should be sent:

- **via email to planningandregenerationenquiries@birmingham.gov.uk, or**
- **in a sealed envelope to Birmingham City Council, Planning and Regeneration, PO Box 28, Birmingham, B1 1TU**

Birmingham City Council

Greater Birmingham & Solihull Local Enterprise Partnership

European Union
European Regional Development Fund

Ref: Abstrakt Services Ltd - European Regional Development Fund (ERDF) Property Investment Programme (PIP) - Offer Letter

Date: 15th November, 2017

Mr. Gulam M Qazi (Managing Director)
Abstrakt Services Ltd
58 Chester Street
Birmingham, B6 4LW

Offer of Grant without Prejudice and Subject to Contract

Dear Mr. Qazi,

Applicant: Abstrakt Services Ltd
Address where work will be undertaken: 79-81 Chester Street, Birmingham B6 4AE

Proposed Works:
Complete refurbishment of newly acquired commercial premises; the premises will be used for the purpose stated in the grant funding application for a minimum of 5-years. This project will result in the creation of 14 new jobs and will bringing back in to productive economic use 6,026 Sq.m (64,863 sq.ft) of commercial floor space.

Under EC regulation No 1407/2013 (De Minimis aid regulation); the support being provided is De Minimis aid. There is a ceiling of €200,000 for all De Minimis aid given to any one firm over a 3-fiscal year period. Any De Minimis aid awarded to you under this offer letter will be relevant if you wish to apply, or have applied, for any other De Minimis aid. For the purposes of the De Minimis regulation, you must retain this letter for 3-years from the date on this letter and produce it on any request by the UK public authorities or the European Commission. You may need to keep this letter for longer than three years for other purposes.

Further to your application for assistance towards the cost of the above works; approval has been granted to offer assistance of up to a maximum of €200,000 - £175,960 exc. VAT towards a total project cost of €430,818 - £379,034 exc. VAT.

The tenders provided in support of your application have undergone a robust 'Value for Money' appraisal by the City Council appointed Quantity Surveyors (QS). The contractor shown below has submitted reasonable quotations for the works and has been approved by our QS as providing the best value for money service:

Works	Company / Contractor	Net Amount (excluding VAT)
Electrical Installation	Infinity IT Solutions Ltd	£120,733
Security – Roller Shutter	AMYCO Industrial Doors Ltd	£10,426
Officer Refurbishment	Spartan Direct Ltd	£82,125
Office Refurbishment / Finishes	CJ Coatings Ltd	£16,950
Heating System	NerG Energy Solutions Ltd	£138,800
	Total	**£379,034**

The grant is offered only for the works described above and to the conditions set out in the **CONDITIONS OF GRANT AID.** Please read the document (previously sent) carefully; conditions of grant aid specific to your project will be issued once all the 'Pre Grant Agreement Conditions' listed below have been satisfied.

Pre Grant Agreement Conditions:

1) In compliance with the Conditions of Grant Aid (COGA), payment of the grant will only be made upon satisfactory completion of relevant works and subsequent inspection by Birmingham City Council's Quantity Surveyor. As per schedule 5 of the COGA only original receipts/paid invoices from the contractor stating the amount received for the works accompanied with copies of appropriate bank statements showing those transactions will be accepted as evidence of expenditure. Final invoices and bank statements evidencing payment should be submitted with your claim.

2) This offer of funding is subject to the confirmation (based on the value of your property and taking into account any secured borrowing in favour of third parties) by the City Council that there is sufficient equity in your property to secure the grant sum. We look forward to receiving the relevant information in due course.

3) The grant sum shall not be paid until the City Council has received consent from your bankers to Birmingham City Council taking a second charge on the property and until this charge has been registered at Land Registry.

4) Prior to commencement of the project evidence of Building Regulations (if required) approval must be supplied. The release of final grant payment will be subject to receiving copies of all relevant certification and confirmation of outputs.

5) In addition; any works undertaken, or contracted to be undertaken, prior to this offer letter, dated 15th November, 2017 are not eligible for funding, and any works undertaken post this offer letter and prior to contract are at applicants' risk.

6) Please note; in compliance with the Conditions of Grant Aid (COGA), payment of the grant will only be made upon satisfactory tendering and completion of all relevant works and subsequent inspection by Birmingham City Council's appointed Quantity Surveyor.

If you require any further information please contact Ashfaq Ashraf on 0121 464 9861.

Yours Sincerely

Waheed Nazir
Corporate Director – Economy
Birmingham City Council

I HEREBY CERTIFY THAT THIS
COPY DOCUMENT IS A TRUE
COPY OF THE ORIGINAL.
A Humphrey Birmingham City Council

DATED 11th June 2018

ABSTRAKT SERVICES LIMITED and
TM TRUSTEES LIMITED

- and -

BIRMINGHAM CITY COUNCIL

ERDF
LEGAL CHARGE

- relating to -

Land and buildings on the south east side of
Chester Street Aston Birmingham

(LS/PTY/AKH/167854)

Legal & Governance
Department
PO Box 15992
Birmingham B2 2UQ