



The **EAMA** Handbook

A practical guide of tips, checklists and information
to help manufacturers make it in the UK

Produced in association with Close Asset Finance

2008 Edition



Close Asset Finance Limited

eama

Engineering and
Machinery Alliance





Close Asset Finance Limited

Supporting UK Manufacturing

Close Asset Finance Ltd (CAF) are a subsidiary of Close Brothers Group PLC.

With roots which extend back to the 1800s,
today CAF operate in a number of niche market sectors.

As a traditional asset based lending business, the Manufacturing Finance
Division provides support for four industry sectors:

Engineering, Woodworking, Plastics and Construction.

We offer a very wide product base including:

- Hire Purchase •
- Finance and operating leasing •
- Restructuring of existing finance agreements •
- Release of working capital via unencumbered assets •
- Mechanical and electrical breakdown cover on selected equipment •

Close Asset Finance are pleased to be associated again
with the publication of this document.



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The Handbook

The EAMA Handbook brings together tips and checklists to help manufacturing related businesses make the most of their entitlements.

First issued in 2004, this updated version is based on advice received. But the pace of change in all sections, tax, employment, skills, exporting and grants is so fast that we have had to completely revise the publication.

For the future, given the speed and depth of change, we would be pleased to receive your comments to help us keep up-to-date for the next edition.

Much of the information in the Handbook is relevant to businesses of any size.

However, there are schemes that are restricted by size of firm. In some cases the criteria will be clearly stated, e.g. £5.6 million for the Small Firms' Loan Guarantee. In other cases they may refer to small or small and medium-sized companies (SMEs). Where this is the case it means that to be eligible your business must meet two of the three relevant criteria.

Broadly, the schemes have to comply with EU regulations, so the money baseline is quoted in euros. The sterling equivalents given here are on the basis of an exchange rate of £1 = €1.30 or £0.77 = €1.

Take your pick for what suits your eligibility best. It has to include your headcount, but then you can either use your turnover or your balance sheet numbers.

Mechanical engineering is a UK manufacturing success, regularly reporting a positive trade balance against phenomenal international competition.

	Headcount	Plus	Either	Or
	Number of employees		Turnover	Balance Sheet
Small Company	not more than 50		not more than €10 million	not more than €10 million
Sterling Equivalent			£7.7 million	£7.7 million
Medium-sized company	not more than 250		not more than €50 million	not more than €43 million
Sterling equivalent			not more than £38 million	not more than £33 million

If you would like more information about what EAMA is doing, please visit our website www.eama.info. If you have comments or questions about the Handbook or EAMA please send an e-mail to info@eama.info





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Pay the taxman less when you invest

Tax is a very detailed subject. This section looks at the tax benefits associated with investing in new plant and equipment.

Regular investment in new plant and equipment is essential for a business to maintain both competitiveness and profitability. Investment in new equipment also enables a business to reduce its tax liability.

A business should always seek the help of a professional when looking at taxation issues; normally this will be your accountant. However, 'paying the taxman less' can be achieved in a number of ways:

Capital allowances

There will be major changes to the capital allowances system with effect from 1st April 2008.

Annual Investment Allowance

On 1st April 2008 the new 'Annual Investment Allowance' (AIA) will be introduced.

Using their AIA a business will be able to offset 100% of the first £50,000 spent on equipment against taxable profits. Where a business spends over £50,000, 20% of the excess is offset against profits. The balance can then be offset in future years, again at a rate of 20% on a reducing basis.

The new AIA complements and does not replace any existing 100% first year allowance schemes.

Where a business makes a loss as a result of using its 100% AIA, it will be able to reclaim a tax credit from HMRC.

100% capital allowances of 'Green Technologies'

SMEs are encouraged to invest in technologies, which are kind to the environment.

There are two existing schemes which offer business 100% first year allowances where investment is made in certain energy saving and water technologies. These two schemes have just been reviewed and replaced by one scheme, with effect from 1st April 2008.

The 'Energy Technology Criteria List' will now include 4 additional sub-technologies; compressed air master controllers, compressed air flow controllers, heat pump dehumidifiers and white LED lighting. Businesses investing in this technology can claim 100% first year writing down allowances.





Pay the taxman less when you invest

How to reduce your quarterly energy bills at the same time

The Carbon Trust is a private company, set up by government in response to climate change.

By working with both business and the public sector, The Carbon Trust aims to accelerate the move towards a low carbon economy. It aims to do this by developing commercial low carbon technologies and helping organisations to reduce their carbon emissions.

Interest free loan

The Carbon Trust can provide interest free loans to assist in the acquisition of energy saving equipment and projects. SMEs could borrow from £5,000 to £100,000. The loan is interest free, unsecured and repayable up to 4 years. There are no arrangement fees to pay and applications can be made on-line at www.carbontrust.co.uk

Enhanced capital allowances (ECAs)

Businesses investing in qualifying energy saving equipment are able to offset 100% of the capital cost of the equipment against taxable profits.

Carbon surveys

Consultants from The Carbon Trust can identify energy saving opportunities for your business and provide practical help on achieving them. This advice is aimed at helping you save money and at the same time reduce your carbon footprint.

Design advice

Businesses thinking about constructing new premises can obtain advice on ensuring buildings are energy efficient. In some cases, free or subsidised design and consultancy is also available.

For more information on **The Carbon Trust**, visit www.carbontrust.co.uk or call their Helpline on **0800 085 2005**.





Pay the taxman less when you invest

Investing in research and development can boost your bottom line

Research and development (R&D) tax relief is available as an incentive to business to invest in R&D. Significantly enhanced tax relief is provided to businesses that invest in R&D projects. To qualify a business must spend at least £10,000 in one year on R&D.

Recent changes have increased the level of enhanced tax relief available to SMEs. The old level of 150% has now increased to 175%. For example, an R&D project costing say £20,000 would result in £35,000 being offset against taxable profits.

The amount of tax relief a large business can claim has increased from 125% to 130%.

Are you making the most of your R&D tax credits?

By Greg Howe, Operations Director, Braithwaite Tax Recovery Consultants Limited

The R&D tax relief programme is split into two schemes – (1) the SME Scheme and (2) the Large Company Scheme. Only companies that meet the definition of a small or medium-sized enterprise (SME) can claim under the SME Scheme.

An R&D tax relief claim needs to pass two broad areas of compliance, financial qualification and technical qualification.

The R&D tax relief programme is administered through the corporate tax process. Companies should submit an R&D study to Her Majesty's Revenue and Customs (HMRC) which quantifies the relief or credit due and qualifies the technical activity performed.

Financial qualification

This area deals with the financial, tax and corporate structure criteria in the

programme. Only companies which are subject to UK corporation tax can submit a claim for R&D tax relief. There is also a de minimis level of £10,000 of qualifying R&D expenditure per accounting period that needs to be met to submit a claim and only expenditure that is revenue in nature for tax purposes can qualify.

Eligible R&D expenditure includes categories like staff payments, material costs and subcontractor costs amongst others.

Technical qualification

A technical report should be prepared to accompany the tax compliance submission. This technical report must qualify the activities of the company as meeting the definition of R&D (as defined in the 2004 DTI Guidelines). Only projects which advance science or technology through the resolution of technological uncertainty will meet this





Pay the taxman less when you invest

definition. The creation of a new product, process, material, device or service would be considered R&D provided the creation incorporates or represents an improvement in science or technology. Similarly, the appreciable improvement of a product, process, material, device or service will also be considered R&D if the improvement is in the underlying science or technology.

Relief available

The relief from a R&D claim depends on the scheme involved.

The SME Scheme provides for a 9.5% to 15% after tax benefit on the R&D expenditure submitted. It also provides a tax credit of up to 24% of the R&D expenditure submitted where the company is loss making.

The Large Company Scheme provides about a 7.5% after tax benefit on the R&D expenditure submitted. There is no tax credit for loss making companies under this scheme.

For more information visit: www.btrcl.co.uk or Call **Roy Charlton** on **0845 331 3149** alternatively email: rcharlton@btrcl.co.uk

Tax benefits of financing capital investment

Many businesses will use external funding sources to finance capital investment. This is recognised by HMRC and depending on the type of funding chosen there are tax benefits to be claimed.

For example:

- **Term loan, overdraft, hire purchase and finance leasing:**
100% of interest or leasing charges are fully allowable against taxable profits. This is in addition to the Annual Investment Allowance and/or any other capital allowances for certain types of environmentally friendly equipment
- **Operating lease and rental:**
These are 'off balance sheet' finance options and therefore, 100% of monthly rentals are normally allowable against taxable profits

Footnote

Whilst this section of the booklet aims to provide guidance to SMEs in respect of certain tax relief and allowances currently available, individual businesses should always speak to their independent advisor or accountant when considering the complex issue of tax.





Points to help keep you in charge when you wish to raise finance

This section seeks to give valuable pointers about the types of finance available and how to raise additional finance.

The thought of raising finance for a small business can be daunting. Nowadays, there are many people and organisations on hand to assist SMEs in this essential task. These range from their Bank's small business advisor to their local Business Link. A business should also turn to its accountant for help, especially in helping prepare the 'case' for raising finance.

Cash flow

A promising business must maintain tight control over its finances if it is to fulfil its true potential. Many small businesses fail for lack of control over cash flow. Cash (often referred to as 'Working Capital') is essential in a business to ensure day-to-day activities and bills can be financed.

Cash flow problems normally arise as a business begins to expand, for example, extended credit terms may need to be given in order to secure a new order. It is important management recognise when additional cash resources may be required and this can be achieved by preparing a simple cash flow forecast.

Methods of raising working capital

In order to raise additional working capital, a business has a variety of options. The list is very long. However the following are amongst the most common:

- **Seek further investment** from the owners of the business
 - further share capital or directors loans
- **Seek investment** from potential new investors
 - by way of share issue or loans
- **Seek additional funds** from their bankers
 - perhaps overdraft or a term loan
- **Use of invoice discounting** to finance debtors
- **Re-finance** of unencumbered assets within the business
- **Re-structuring** of existing finance agreements to enable any equity to be released into cash flow





Points to help keep you in charge when you wish to raise finance

Raising finance – some general tips

Whether seeking to raise additional working capital or capital specific to a particular investment, perhaps in new plant and machinery, it is essential to present a well thought out case to any prospective lender.

A decision to lend will be based on the information provided. Small businesses should look for help from their accountant or business advisor when drawing up their borrowing application.

The important things to remember are:

- Evidence of the requirement for the loan e.g. copy contract
- A cash flow forecast showing clearly how the business expects to repay the facility required - this 'ability to repay' is very important
- What security will be available to support the loan application

Spread the risk

When looking to raise finance, use the appropriate method and supplier. For example, don't use valuable working capital (e.g. bank overdraft) to acquire fixed assets. This will tie up cash and may restrict the growth of the business. The following may provide some direction:

- **Cash flow / working capital**
 - Bank overdraft
 - Invoice discounting
 - Further investment from owners of business
 - Re finance of existing unencumbered plant and equipment
 - Re-structure of existing finance agreements to release equity
- **Equipment and machinery**
 - Hire purchase or leasing through an asset finance company
 - Rental
- **Vehicles**
 - Leasing and contract hire
 - Hire purchase
- **Property**
 - Mortgage via a bank or specialist commercial mortgage business

The old saying 'avoid putting all your eggs in one basket' is especially true when it comes to borrowing. Using just one provider for everything, e.g. the bank, may again restrict the potential growth of the business. Nowadays, many lenders specialise in specific areas and specific sectors. It is worthwhile speaking to an expert in your sector.





Points to help keep you in charge when you wish to raise finance

Small Firms Loan Guarantee Scheme (SFLG) – now open to all small firms

The Small Firms Loan Guarantee scheme was originally aimed at firms with less than 5 years trading. However, the 2008 budget has made it available to all small businesses that have plans to grow (this probably means showing plans to grow over three or so years, rather than a 12 month period).

The government wants to make it easier for small businesses to access finance. As from 1st April 2008, SFLG is administered through Capital for Enterprise Ltd (CfEL), an organisation set up at arm's length from the Department for Business Enterprise and Regulatory Reform.

How it works

The SFLG scheme fills a gap in the market where a company has a sound business proposition but can't get funding from lenders because it can't provide adequate security.

Under SFLG, approved lenders, mainly the high street banks and some asset finance providers, receive a 75% guarantee from government on the amounts lent under the scheme. In return, the borrower pays a premium of 2% pa, based on the reducing balance outstanding on the loan.

So, the outline features of SFLG are:

- Available for loans between £5,000 and £250,000
- Available for terms between 2 and 10 years
- Available to all businesses in the UK that:
 - have a turnover less than £5.6million
 - have not received more than €100,000 state aid in the past 3 years
 - have not received more than £250,000 from the SFLG scheme

Any drawbacks?

There are few drawbacks attached to the SFLG scheme.

Following a major review of the scheme in 2004 (The Graham Review) it was recommended access to SFLG funds should be more readily available and less bureaucratic to obtain. As a result a number of new approved lenders are being appointed. There are a number of 'excluded' sectors, however, in the main these do not apply to the UK manufacturing sector





Exporting

Your trade association and local business chamber

Once you have decided that you ought to look into selling your products in foreign markets, the first thing you should do is to contact your trade association, if you belong to one, to see what they can do to help you.

Many EAMA associations have excellent export support programmes; in some cases even specialist offices for their members in major export markets.

Other general sources of professional support include your local business chamber and UK Trade and Investment.

UK Trade & Investment (UKTI) was set up by government to help firms like yours export. It has regional, national and international networks to provide the sort of tailored export service that will lighten the load for you.



Visiting overseas markets

Taking part in overseas events such as trade fairs or missions is a very effective way for you to test markets, attract customers, appoint agents or distributors and make sales.

If your trade association doesn't offer this sort of service and not all of them do, you should contact UKTI. They can help to arrange groups of UK companies to attend a comprehensive choice of tradeshows worldwide or take part in the British trade missions that visit overseas markets each year.

Travelling as a group with other UK businesses, particularly from your supply chain, you will present powerful reasons for the target market to meet you. You will also gain from the interaction and experience of like minded businesses as well as advice to help prepare for your visit before you go plus support from the trade development staff on the ground.





More about what you can get from UK Trade and Investment

www.uktradeinvest.gov.uk

Your first port of call for UKTI should be their website. This provides content tailored to your business sector and chosen markets. It is a great source of up-to-date market and contact information, country-specific sector analysis and advance notice of forthcoming events.

Tel +44 (0) 20 7215 8000

Email Use the 'contact us' option on the website

Global reach: There's a dedicated network of trade development staff based in British Embassies, Consulates and High Commissions worldwide to give you access to overseas markets backed by a well-connected presence on the ground.

Expertise across the UK: You can access the network locally as UKTI works with partner organisations such as the Regional Development Agencies, Chambers of Commerce and Business Link in each of the nine English Regions and through other partner organisations in the devolved nations.

Getting started: One of UKTI's local international trade advisers works with you, helping to diagnose your firm's needs and develop an action plan for your chosen overseas market.

Passport to Export: The Passport to Export programme brings together many UKTI services in a cost-effective package specifically designed for new or inexperienced exporters. As well as helping you to develop your export strategy the trade adviser will identify

any gaps in your international trade skills – such as export marketing, administration, documentation and cultural awareness – and assist you with any necessary training.

The Passport process gives you help before you visit your overseas target market and includes post-visit evaluation and review of your export strategy to help you build on your experience.

Business information and opportunities: Other services that you can access through UKTI:

- Information about business opportunities and contracts sent to your e-mail inbox free of charge.
- Bespoke research into the potential market for your goods in your target market. You will be in direct contact with the teams via the web.
- A programme of face-to-face meetings with potential customers, agents and distributors during your visit.
- Help with a reliable interpreter.
- Advice on the local business culture.





Top ten tips to minimise employment headaches

By James Tait, Associate at Birmingham-based law firm Shakespeare Putsman

- 1. Get recruitment right.** Key steps to take are:
 - Carry out appropriate checks to verify a new or prospective employee's immigration status.
 - Seek references.
 - Avoid discriminatory adverts or stereotyping.
 - Provide all employees with a written statement of the terms of their employment when they join the business.
- 2. Review new starters after three, six and nine months.** After one year's continuous employment, employees qualify for a range of employment rights, including the right to protection from unfair dismissal. It's often safer, although not completely risk-free, to remove an unsuitable employee before they have completed one year's service.
- 3. Regularly review your staff documentation.** Look at all relevant policies, procedures and other contractual documents. Employment terms and conditions and policies and procedures should not only be tailored to your businesses needs but should also include provisions that will protect you as an employer. Have you got the right policies in place to allow you to take appropriate action? Consider when you last reviewed your policies. Employment law changes constantly and so what may have been suitable two years ago may now be out of date!
- 4. Keep accurate and comprehensive personnel records** relating to appraisals, absences, training, disciplinary and grievance matters and any actions you take in relation to your employees. These will help ensure consistency of treatment and reliable benchmarking, for example of attendance. If you can't evidence it by a written record – it didn't happen! We have encountered a number of scenarios where employees deny having ever seen their employment contract!
- 5. The disciplinary and grievance procedures** are two of the most important procedures that an employer can have and since the October 2004 Statutory Minimum Dispute Resolution Procedures, following at least basic procedures covering disciplinary and grievance issues are not optional.
- 6. Be conscious of and alert to actions which could give rise to claims for discrimination.** Discrimination can take various forms such as on the grounds of an employee's sex, race, age, religion, sexual orientation or disability. Ensure you have an appropriate policy in place regarding this.





Top ten tips to minimise employment headaches & Developing your people

7. **Offer training** to those managers/senior employees who will be applying any policies and procedures so that they know how to implement the appropriate procedure in practice. Keep records of such training as it could provide you with a useful defence if you face claims.
8. Be aware that to avoid claims of unfair dismissal an employer must show a potentially **fair reason for dismissal**. These are; conduct, capability (health or performance), redundancy, breach of statutory enactment (for example no valid work permit to work in UK), some other substantial reason justifying dismissal, and retirement.
9. **Always act consistently** and before taking formal disciplinary action follow a fair procedure, in all cases incorporating the statutory minimum procedures. The appropriate procedures to be followed will vary according to the reason for the proposed dismissal. The attitude and conduct of staff may be seriously affected if management fails to apply the same rules and considerations to each case.
10. **Be proactive instead of reactive**. The amount you will pay for ensuring you have the right mechanisms in place at an early stage can be substantially lower than paying for problems that will arise in the long term.

For further information please contact **James Tait** on **0121 631 5337** or by email at **james.tait@sp-legal.co.uk**. See also page 18 Business advice and measurement.





Developing your people

Skills are back on the agenda in a big way. Every business depends on the skills of its people to drive productivity, growth and success.

And recognising the scale of change that's needed to raise skills levels, government has created a range of schemes that provides some financial support, information and advice to help each business upskill.

Whatever schemes you access, you need to make sure that you are advised by someone who really understands your sector and its needs, as well as all the training that's available. So do insist on this. That way you will get someone who will understand your situation so much better, saving you valuable time.

Your trade association

So before you take your next step, check first with your trade association to see what advice they can give you. They may have a special training scheme that will help you train your people in-house or professionally on a shared cost basis with other colleagues from other companies with similar requirements. If you are in engineering or manufacturing more generally you should also contact Semta.



Semta - the manufacturing skills specialist

Semta is the national body set up to help engineering companies like yours find and fund the training that you want for your people. As one of the 25 sector skills councils, Semta works with the National Skills Academy for Manufacturing to help make it a centre of excellence tackling the sector's priorities (www.manufacturing.nscademy.co.uk).

Semta may be able to access funding for:

- Management and leadership
- Apprenticeships and adult apprenticeships
- Business improvement
- Recognised qualifications through Train to Gain

To find out more, contact 01740 627 000 or visit Semta and its other organisations:

- www.semta.org.uk
- www.manufacturing.nscademy.co.uk
- www.eal.org.uk
- www.metskill.co.uk
- www.engineeringdiploma.com





Developing your people & Business advice and measurement

For example, you will be able to access the following under Train to Gain:

- If your company has less than 50 employees you could get a contribution to wage costs for the time spent in training
- Training to help your employees gain their first, full Level 2 NVQ qualification is free
- Women employees can access a selection of heavily subsidised Level 3 NVQ qualifications
- £1,000 including VAT is available towards leadership and Management training for Owners/Key Directors or Senior Managers with strategic responsibilities

More about Train to Gain – how it can work for you

Train to Gain is a one-stop shop service that ensures your business gains access to the training it needs to succeed. By utilising Train to Gain, you can easily identify and implement the staff training needed to make your business more productive. Train to Gain works in three main ways:

- It works with you to identify your training needs
- It helps you choose the best training provider to fit those training needs
- It helps you get the best value for money, and identify any available funding

For more information about Train to Gain or to arrange an appointment call **0800 634 0262** or visit www.traintogain.gov.uk





Business advice and measurement

If you have never used them, there are several sources of business information and advice besides your bank that are available to you and are worth checking out before you spend serious money to fill any gaps you may want help with.



Business Link

Business Link (BL) is a service for businesses of all types and sizes, whether new or long established. The service is run by experienced business operators/advisers who have strong connections in the local business community and are a real asset if you want to talk through business plans, issues or opportunities. Such advice is free to anyone; from those wishing to start, grow or maintain a business, to established public, private, voluntary and sole trader organisations.

As well as providing impartial feedback and guidance, BL advisors can put you in touch with suitable (and reliable) sources of advice and help throughout the public, private and voluntary sectors, on any issue.

There's also a very informative website (www.businesslink.gov.uk), offering practical support to deal with some of the admin that all businesses face including:

- Explanations and updates on regulations and other developments to help you stay legal (e.g. how to check the status of any immigrants that you may employ following the rule changes at the end of February 2008)
- An interactive section to help you build up documents specific to your company
- A facility that enables you to complete on-line filings (e.g. for VAT, employment details, corporation tax, conformity certificates and EU transit declarations)
- As well as general guidance and ideas to help you develop your business

The BL service goes under different names in Scotland (Business Gateway), Wales (Business Eye) and Northern Ireland (InvestNI).





Manufacturing Advisory Service

For manufacturing specific questions there's the Manufacturing Advisory Service (MAS) which was launched in 2002 and has achieved some remarkable successes with businesses large and small since then, e.g. in the past year alone, £143m of extra value has been added to MAS-assisted companies.

MAS was established to provide specialist advice and assistance for UK manufacturers facing the challenges of globalisation. Operating through 10 regional centres covering England and Wales and now operating in Scotland, each MAS region has a team of professional manufacturing specialists. Their aim is to provide the support you need with the minimum of fuss and forms.

Their focus is on best practice. You can see the sort of work they undertake in the case studies on their website (www.mas.berr.gov.uk).

MAS offers an inquiry service, awareness events and for small firms subsidised consultancy support.

You can access a direct helpline through the regional centres, that can also supply if you wish a free one-day on-site diagnostic visit by a specialist. After that they can deliver up to ten days' in-depth consultancy - to introduce, for example, lean manufacturing techniques, product or process innovations, or design advice.

They also organise training and workshop activities for manufacturers across each region and have a wide network of contacts, e.g. technology institutes, centres of knowledge and research, including many of the Engineering and Physical Sciences Research Council's Innovative Manufacturing Research Centres and Faraday.

Your local Business Link and MAS contacts including website and telephone numbers are listed in the Business contacts across the UK section on page 26.





Special financial assistance available in some locations only

Financial assistance to businesses in the UK is provided through a government department known as Department for Business Enterprise & Regulatory Reform (BERR, previously the DTI). It is then administered through the nine Regional Development Agencies.

This section is designed to help SMEs with an overview of the financial assistance available and how to put together a successful application. At the end of the section we look more closely at some of the different types of support and assistance available.

Grants

Government aims to support UK PLC by awarding financial assistance to business through, amongst other ways, a wide variety of grants. The type of grants, together with the detail regarding eligibility and amounts available do change from time to time and it always wise to speak to your local Business Link or alternatively in the first instance visit www.berr.gov.uk

Eligibility – criteria overview

When applying for grant support there are a number of criteria, which need to be met. These, depending on the type of grant, can be wide and varied. Below is a summary of the main criteria for assessment:

1. **Location of your business:** Grants are sometimes only available for businesses in certain areas. Some areas of the UK will be awarded higher grant support depending on their unemployment levels / indices deprivation etc.

Usually, an SME will have to be situated in a Tier 3 area, as defined by EU legislation. For a list of Tier 3 areas, visit www.berr.gov.uk/regional/assisted-areas/index

2. **Size of business:** The size of an applicants business may determine the level of support available. This is particularly relevant to 'Selective Finance for Investment' which provides grant support for investment in items such as plant and equipment / buildings etc.

Please refer to pages 29 and 30 'Checking your location and eligibility'.

3. **Additionality:** It is the responsibility of the applicant to show that any potential investment being considered could not happen without the support of a grant. This could apply to R & D as well as capital investment.





Special financial assistance available in some locations only

4. **Prior start:** Any application for grant support must be made prior to the relevant work / expenditure commencing. Any formal offer of support must be made prior to work on a particular project starting.
5. **Jobs:** Very often, success in obtaining financial assistance through grants will depend on the creation or preservation of employment.
6. **Productivity and skills:** This applies mainly to grants to support investment in new equipment. The applicant must demonstrate that the particular investment project will create an improvement in productivity. This is measured by way of gross value added per employee and compared to sector and national averages.
7. **Viability and sustainability:** The applicant must demonstrate that after grant support the business is capable of surviving without the need for further assistance.

How to make a successful application

Whilst no application for a grant or financial assistance is guaranteed to be approved, the following will provide some worthwhile pointers in terms of trying to ensure an application is successful:

- **Golden rule:** Make sure any application is made prior to the start of the project. If a project is underway it is very unlikely an application for support will be approved.
- **Plan in advance:** As soon as you think you may be in a position to make an application, speak to your business advisor or accountant. At this stage, it is also very advisable to speak with your local Business Link. Early preparation may help in the latter stages of application.
- **The devil is in the detail:** You will need to prepare a detailed business case to support your application. Put yourself in the shoes of the body awarding the assistance – what do you think they are looking for? Think about the criteria assessment points detailed on page 20.
- **Apply early:** This will give you time to make any amendments necessary and not put undue pressure on the project or the application itself.





Special financial assistance available in some locations only

Business support

Over £400m was made available during 2007 through BERR (Department for Business Enterprise & Regulatory Reform) to businesses in the UK, by way of grants, loans and subsidised consultancy.

For more detailed information about the assistance available, the first port of call should be the BERR website at www.berr.gov.uk

Here is a summary of schemes that may be of interest to you and your business.

Solutions for all businesses

• **Selective finance for investment (SFI):** SFI can provide a grant towards the total cost of a capital project if your firm happens to be in the relevant post code. This is because SFI is run as a scheme which aims to help the development of the EU's most disadvantaged regions. To make an initial check whether you might be eligible, please refer to the map and criteria on pages 28 to 30.

- **Achieving best practice in your business:** Access to best practice guides, case studies, fact sheets and on-line tools. This is another useful scheme that's available through your local Business Link. Please see your relevant local business contacts pages 23-26.
- **Knowledge transfer partnerships:** A grant to transfer and embed knowledge into a business from the UK knowledge base via a strategic project
- **Knowledge transfer networks:** A grant which brings together businesses, universities and others with a specific interest in technology applications
- **Collaborative research and development:** Funding available for collaborative research and development projects between different companies and organisations

Additional solutions for smaller businesses

- **Grants for research and development:** The amount available depends on this size of business. Grants can range from £20,000 for micro projects up to £500,000 for exceptional projects
- **Small firms loan guarantee scheme:** This is covered in some detail on page 12





Business contact addresses across the UK

Here you will find your local contact points in the Regional Development Agencies, Business Links and Manufacturing Advisory Service.

East of England

Counties Covered

Bedfordshire, Cambridgeshire, Essex (except boroughs in Greater London), Hertfordshire (except boroughs in Greater London), Norfolk and Suffolk

East of England Development Agency (EEDA)

The Business Centre, Station Road,
Histon, Cambridgeshire CB4 9LQ

Local MAS Office:

MAS East, Cambridge Technology Centre,
Melbourn, Herts SG8 6DP

Tel 0122 371 3900
Web site www.eeda.org.uk

Tel 0845 300 4443
Web site www.mas-east.org.uk

Local Business Links:

Contact the [East of England Business Link](#) on 0845 717 1615.
There are 13 local business links across the East of England Region

East Midlands

Counties Covered

Derbyshire, Leicestershire, Lincolnshire (except North & North East Lincolnshire) Northamptonshire, Nottinghamshire and Rutland

East Midlands Development Agency (EMDA)

Apex Court, City Link, Nottingham NG2 4LA

Local MAS Office:

Pera East Midlands, Pera Innovation Park,
Melton Mowbray, Leicestershire LE13 OPB

Tel 0115 988 8300
Web site www.emda.org.uk

Tel 0166 450 1301
Web site www.mas-em.org.uk

Local Business Links

Contact the [East Midlands Business Link](#) on 0845 058 6644 to speak with a local business adviser.

London

Covering: *Greater London*

London Development Agency (LDA)

Devon House, 58-60 St. Katherine's Way, London E1W 1JX

Local MAS Office:

EEF South, Station Road, Hook, Hampshire RG27 9TL

Tel 0207 680 2000
Grant team 0207 217 3204 SBS Regional team
Web site www.lda.gov.uk

Tel 0845 850 4400
Web site www.mas-london.co.uk

Local Business Links

Contact the [London Business Link](#) on 0845 600 0787





North East

Covering

Northumberland, Tyne and Wear, County Durham and Tees Valley

One North East (ONE)

Stella House, Goldcrest Way, Newburn Riverside,
Newcastle Upon Tyne NE15 8NY

Tel 0191 229 6200
Web site www.onenortheast.co.uk

Local MAS Office:

RCME North East
The Regional Technology Centre,
1 Hylton Park, Wessington Way, Sunderland SR5 3HD

Tel 0191 516 4406
Web site www.mas-northeast.co.uk

Local Business Links

Contact the [North East Business Link](#) on 0845 600 9006 or visit www.businesslinknortheast.co.uk

North West

Counties covered

Cumbria, Lancashire, Greater Manchester, Merseyside, Cheshire

North West Development Agency (NWDA)

PO BOX 37, Renaissance House, Centre Park,
Warrington, Cheshire WA1 1XB

Tel 0192 540 0100
Web site www.nwda.co.uk

Local MAS office:

RCME North West
The Manufacturing Institute, Quay West
Trafford Wharf Road, Manchester M17 1HH

Tel 0800 093 9077
Web site www.mas-nw.co.uk

Local Business Links

Contact the [Business Link North West](#) on 0845 006 6888 or visit www.businesslinknw.co.uk

South East

Counties covered

Berkshire, Buckinghamshire, Hampshire, Isle of Wight, Kent (except boroughs in Greater London), Oxfordshire, Surrey (except boroughs in Greater London), East Sussex, West Sussex

South East of England Development Agency (SEEDA)

Berkeley House, Cross Lanes, Guildford GU1 1YA

Tel 0148 348 4200
Web site www.seeda.co.uk

Local MAS Office:

MAS South East
Station Road, Hook, Hampshire RG27 9TL

Tel 0125 676 3969
Web site www.mas-se.co.uk

Local Business Links

Contact the [Business Link South East](#) on 0845 600 9006.





Business contact addresses across the UK

South West

Counties covered

Avon, Dorset, Gloucestershire, Somerset, Wiltshire

South West of England RDA (SWERDA)

North Quay House, Sutton Harbour, Plymouth PL4 0RA

Tel 0175 225 1071
Web site www.southwestrda.org.uk

RCME South West
Chargrove House, Shurdington,
Cheltenham, Gloucester GL51 4GA

Tel 0845 608 3838
Web site www.swmas.co.uk

Local MAS Office:

Local Business Links

Contact the [South West Business Link](#) on 0845 600 9966

West Midlands

Counties covered

Herefordshire, Shropshire, Staffordshire, Warwickshire and Worcestershire

Metropolitan Districts of

Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton

Advantage West Midlands (AWM)

3 Priestley Wharf, Holt Street, Aston Science Park,
Birmingham B7 4BN

Tel 0121 380 3500
Web site www.advantagewm.co.uk

Local MAS Office:

MAS West Midlands
Wolverhampton Science Park, Creative Industries Centre
Glaisher Drive, Wolverhampton WV10 9TG

Tel 0190 283 8300
Web site www.mas-wm.org.uk

Local Business Links

Contact the [West Midlands Business Link](#) on 0845 113 1234 or visit www.businesslinkwm.co.uk

Yorkshire and The Humber

Counties covered

North Yorkshire, South Yorkshire, West Yorkshire, East Yorkshire, North Lincolnshire, North East Lincolnshire

Yorkshire Forward (YF)

Victoria House, Victoria Place, Leeds LS11 5AE

Tel 0113 394 9600
Web site www.yorkshire-forward.com

Local MAS Office:

MAS Yorkshire & The Humber
St. Martins House, 210-212 Chapeltown Road,
Leeds LS7 4HZ

Tel 0870 011 1875
Website www.mas-yh.co.uk

Local Business Links

York and North Yorkshire www.here4business.co.uk
The Humber www.blhumber.co.uk

South Yorkshire www.blsy.com
West Yorkshire www.blwy.co.uk





Business contact addresses across the UK

Northern Ireland

Invest Northern Ireland Offices at:

Coleraine, Londonderry, Ballymena, Belfast, Enniskillen, Omagh, Newry, Craigavon.
Please visit www.investni.com for contact details and addresses.

MAS Northern Ireland

MTP

Machan Lodge, Quarry Road, Belfast BT4 2NP

Tel 0289 076 0517

Web site www.mtpltd.com

Scotland

Scottish Enterprise

Atlantic Quay, 150 Broomielaw, 5 Atlantic Quay,
Glasgow G2 8LU

Tel 0141 248 2700

Fax 0141 221 3217

Email network.helpline@scotent.co.uk

Web site www.scottish-enterprise.com

Scottish Manufacturing Advisory Service

c/o Scottish Enterprise

Address as above

Tel 0845 609 6611

Website www.scottish-enterprise.com/manufacturing

Wales

Welsh Assembly Government – Business and Economy

Plas Glyndwr, Kingsway, Cardiff CF10 3AH

Tel 0845 010 3300

Web site [http://new.wales.gov.uk/
topics/businessandconomy](http://new.wales.gov.uk/topics/businessandconomy)

Finance Wales plc www.financewales.co.uk

Local MAS Office:

Waterton Technology Centre, Waterton Industrial Estate, Bridgend CF31 3WT

Tel 0165 675 0691

Web site www.maswales.org.uk



Checking your location and eligibility for Selective Finance for Investment Assistance

Assisted Areas coverage and aid ceilings in the United Kingdom 2007 to 2013.

Using these pages correctly – it's a question of detail.

- Local Authorities are broken down into 'wards'. You must check whether your business is within a qualifying ward in your local authority.
- Your local Business Link will be able to confirm this information for you.
- The following two pages relate specifically to 'Selective Finance Assistance' available to businesses in the UK.
- The % figure shown in the following tables represents the maximum grant available, shown as a % of the overall qualifying project cost.
- This assistance is normally used to support a capital project e.g. investment in new plant and equipment. The two tables provide an indication only as to which Regions and Local Authorities qualify for aid.

Category	Headcount	Turnover	Or	Balance Sheet Total	Adjustment
Large	> 250	> Euro 50m		> Euro 43m	- 10%
Medium	< 250	< Euro 50m		< Euro 43m	As table
Small	< 50	< Euro 10m		< Euro 10m	+ 10%
Micro	< 10	< Euro 2m		< Euro 2m	+ 10%

Region	Local Authority	Medium sized firm aid ceilings	
		1/1/2007 - 31/12/2010	1/1/2011-31/12/2013
Wales	West Wales and The Valleys	40%	40%
	Cardiff, Flintshire, Newport	20%	20%
	Powys	25%	25%
Scotland	Highlands and Islands (To be reviewed after 31st Dec 2010)	40%	40%
	South Ayrshire	20%	20%
	Clackmannanshire, Dundee City, East Ayrshire, East Dunbartonshire, Falkirk, Fife, Glasgow City, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire, South Lanarkshire, Stirling, West Dunbartonshire	25%	25%
Northern Ireland	Belfast	40%	20%
	Outer Belfast, East of NI, North of NI, West & South of NI	40%	25%

Assisted areas coverage and aid ceilings in England 2007 to 2013

- Local Authorities are broken down into ‘wards’. You must check whether your business is within a qualifying ward in your local authority.
- Your local Business Link will be able to confirm this information for you.

Region	Local Authority	Medium sized firm aid ceilings	Medium sized firm aid ceiling
		1/1/2007 - 31/12/2010	1/1/2011-31/12/2013
North East	Darlington UA, Gateshead, Newcastle Upon Tyne, North Tyneside, South Tyneside	20%	20%
	Blyth Valley, Castle Morpeth, Chester Le Street, Derwentside, Durham, Easington, Hartlepool UA, Middlesborough UA, Redcar & Cleveland UA, Sedgefield, Stockton on Tees, Sunderland, Teesside, Wansbeck, Wear Valley	25%	25%
North West	Allerdale, Barrow In Furness, Blackburn with Darwen UA, Bolton, Burnley, Copeland, Hyndburn, Oldham, Rochdale, South Lakeland, West Lancashire, Wigan	25%	25%
	Knowsley, Liverpool, Sefton, St Helens, Wirral	35%	25%
Yorkshire and The Humber	Kingston Upon Hull; City of UA, North East Lincolnshire UA	20%	20%
	East Riding of Yorkshire UA, Selby, Wakefield	25%	25%
	Barnsley, Doncaster, Rotherham, Sheffield	35%	25%
East Midlands	Nottingham UA	20%	20%
	Amber Valley, Ashfield, Bassetlaw, Bolsover, Chesterfield, Gedling, Mansfield, Newark & Sherwood, North East Derbyshire	25%	25%
West Midlands	Coventry, Solihull	20%	20%
	Birmingham, Bromsgrove, Dudley, Newcastle Under Lyme, Sandwell, South Staffordshire, Stoke on Trent UA, Walsall, Wolverhampton	25%	25%
East of England	Luton UA	20%	20%
	South Bedfordshire	25%	25%
London	Barking & Dagenham, Bexley, Greenwich, Havering, Newham	25%	25%
South East	Dover, Thanet	25%	25%
South West	Cornwall and The Isles of Scilly	40%	40%
	Plymouth UA, South Hams	25%	25%



The Engineering and Machinery Alliance

The Engineering and Machinery Alliance (EAMA) was created by a group of engineering related trade associations that shared a common wish to keep on delivering a better service to their members, while also championing the cause of mechanical engineering.

Today, the alliance represents the interests of 1,300 mechanical engineering firms in nine trade associations. These associations provide many different services including:

- **General advice:** Either direct or by signposting member firms to independent sources on topics such as grants, training and marketing.
- **Representation to government and more generally:** Mechanical engineering firms and their ilk are the bedrock of UK manufacturing. The trade associations give their members the chance to express grass roots views to government, Parliament, The City and the media.
- **The European dimension:** Member firms can get their views across on impending EU regulations and directives to the Commission and Parliament because EAMA is a member of Orgalime, the Brussels-based federation representing European mechanical and electrical engineering.
- **Technical information, trade associations can lighten the load:** Whether it's environmental law, health and safety requirements, the latest industry statistics or new standards of conformity, 'technical' information is important to all companies whatever their size. There's just too much of it. Trade associations are well adapted to help unravel the opportunities, priorities and implications through co-operative effort, whether it's technical papers, R&D programmes, standards or statistics.
- **Training programmes:** Associations provide 'best practice' programmes, management training, sales & marketing seminars, as well as specialist skills training for their members from health & safety to finance and credit control.
- **Export promotion:** Services provided include general advice, translation services, market intelligence, chaperoned overseas visits, overseas offices, overseas exhibitions, outward missions and support for overseas funding support and applications.

Engineering and Machinery Alliance

62 Bayswater Road, London W2 3PS

Tel 0207 298 6450

Fax 0207 298 6430

Email info@eama.info





The following are members of the Alliance:



British Automation & Robot Association (BARA)

Web site www.bara.org.uk
Tel 02476 573 742



British Paper Machinery Suppliers Association (BPMSA)

Web site www.picon.com
Tel 01483 412 000



British Plastics Federation (BPF)

Web site www.bpf.co.uk
Tel 020 7457 5003



British Turned Part Manufacturers Association (BTMA)

Web site www.btma.org
Tel 01789 730877



Confederation of British Metalforming (CBM)

Web site www.britishmetalforming.com
Tel 0121 601 6350



Gauge and Toolmakers Association (GTMA)

Web site www.gtma.co.uk
Tel 01844 274 222



Manufacturing Technologies Association (MTA)

Web site www.mta.org.uk
Tel 020 7298 6400



Printing, Papermaking, and Converting Suppliers Association (PICON)

Web site www.picon.com
Tel 01483 412 000



Processing and Packaging Machinery Association (PPMA)

Web site www.ppma.co.uk
Tel 020 8773 8111

