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BUSINESS NEWS SCOTLAND

Welcome to our round up of the latest business news for our clients. Please contact us if you want to talk about how these updates affect your business. We are here to support you!

The importance of a shareholders agreement

For limited companies, when it comes to making decisions, Company Law states shareholders who own more than 50% can pass a motion at a company meeting regardless of the views of other shareholders and if shareholder(s) owns more than 75% of the shares they control the company outright and can veto the decisions of all other shareholders.

This may not suit all business situations, especially where you have two or more founders holding equal share capital or a group of owners with varying amounts of capital, some of whom are directors and some who are not, but who are all working together for the company's success.



A shareholders' agreement is entered into between all or some of the shareholders in a company. It regulates the relationship between the shareholders, the management of the company, ownership of the shares and the protection of the shareholders. They also govern the way in which the company is run.

A shareholders agreement can help define how a business makes decisions to the benefit of all owners and is recommended where:

- A small number of owners want to reach collective and fair decisions for the benefit of all

- Some owners may want to be able to influence decisions that are particularly relevant to them
- Some shareholders may not be directors and cannot influence operations on a day to day basis

Typically it is seeking to deal with the three “D’s” of death, disability and disagreement. It may also cover a variety of other significant areas, for example, retirement and buy back of shares.

Key areas for any shareholder agreement

This is not a comprehensive list as each situation is different, but it may help you collect the thoughts of all shareholders before you draw up an agreement.

1. Company details including structure, directors and officers
2. Purpose and aims of the company
3. Equity split of shareholders
4. Parties to the agreement
5. Shareholders rights, obligations and commitments
6. Decision making processes on major issues, required voting majorities and day to day operating decisions
7. Restrictions on the sale of shares
8. Rights of first refusal and pre-emptive rights to acquire shares on leaving, retirement, death or disability
9. Death, disability and other retirement compensation payments
10. Management contracts, director approval and remuneration amounts
11. Insurance and other protective requirements
12. Professional advisers and change of professional advisers
13. Dispute resolution
14. Changes to and termination of the agreement
15. Buy out provisions for leaving shareholders
16. Valuation of shares on changes and valuations of the business

Our view is that a shareholders agreement is an essential document for any limited company and an equitably drafted agreement should provide comfort to all parties to the agreement.

Please talk to us if you need help in planning for an agreement, especially where there are several shareholders, a new company is being formed, a shareholder wants to sell their shares or pass them to their children, someone is nearing retirement, or the company has borrowed money from a shareholder. We can help with share and company valuations and putting the shareholders wishes into an agreement with a local solicitor.

Poor Take-up of Tax Free Childcare Accounts

The government are concerned about the lack of take up of tax-free childcare accounts, with HMRC estimating that less than 22% of families eligible for the scheme had joined in March 2021. With many parents returning to work following the pandemic they should be encouraged to set up a tax free childcare account to help with their childcare costs. HMRC are suggesting that employers should make their employees aware of the support available to families with young children. With many parents working from home for part of the week tax free childcare accounts are more flexible than childcare vouchers.

Childcare vouchers continue to be available for employees who joined a qualifying scheme before 4 October 2018 and applies to children up to age 16.

Tax-free childcare is available for working families (including the self-employed) who are not receiving tax credits, universal credit or childcare vouchers. It can also be used at the same time as the 15 or 30 hours of free childcare in England. Key points:

- For working families, including the self-employed, in the UK
- Earning at least £142 per week (equal to 16 hours at the National Minimum or Living Wage) each
- Who aren't receiving Tax Credits, Universal Credit or childcare vouchers
- With children aged 0-11 (or 0-16 if disabled)
- For every £8 you pay into an online account, the government will add an extra £2, up to £2,000 per child per year

Note that the tax-free childcare scheme is not available if either partner expects to individually earn more than £100,000 a year.

For every £8 paid into an online account, the government adds an extra £2, up to £2,000 per child per year (£4,000 for disabled children). For example, for childcare costs of £500 per child per month, the family would pay £400 into their childcare account and the government would pay in £100 per child. This would be an annual saving of £1,200 per child.

The account can be used to pay for nursery fees, breakfast clubs, after school clubs, summer camps and OFSTED registered childminders.

For an overview of government childcare support see:

<https://www.childcarechoices.gov.uk/>

Eureka Eurostars 3: call for innovative SMEs

UK-registered SMEs can apply for a share of up to £2.5 million for collaborative research and development projects with partners from Eurostars member countries

The Eurostars 3 programme is [Eureka network's](#) funding programme. It aims to support collaborative research and development (CR&D) projects led by innovative SMEs in participating countries.

Call 2 of Eurostars 3 programme has now opened and is accepting applications from UK [micro, small or medium-sized enterprises](#) (SMEs).

To be eligible, CR&D projects must focus on industrial research. They must have high market potential and develop at least one of the following:

- innovative products
- technology-based applications
- technology-based services

To apply, you must also fulfil [seven eligibility criteria](#).

In the UK, only UK-registered innovative SMEs are eligible for funding provided that they meet competition conditions. More than one UK SME can be involved in each project.

UK SMEs can apply for a total grant of up to 360,000 euros for each eligible UK project partner or 60 per cent of total eligible project costs, whichever is the least.

Projects must be collaborative and can last up to 36 months. Your project start date depends on the national funding procedures of the Eureka Eurostars members involved in the selected projects.

See: [Competition overview - Eureka Eurostars 3: call 2 - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](#)

GBIP: Explore ocean technology in Canada

The latest Innovate UK's Global Business Innovation Programme (GBIP) offers a chance for up to 15 high-growth innovation-driven UK businesses to explore and exploit collaboration, growth and innovation opportunities in Canada, with the aim of developing products and services for the ocean technology sector.

Canada has become a world leader in engineering products and services suited to extreme harsh ocean environments, marine remote sensing technologies, and ocean observing systems. Atlantic Canada and Nova Scotia, in particular, is home to a strong cluster of ocean industries and to ground breaking ocean research. This region is quickly becoming a globally recognised hub of oceans expertise with the potential to be a significant contributor to a number of Global Value Chains associated with the oceans sector.

See: [Innovate UK's Global Business Innovation Programme Flyer \(ukri.org\)](#)

Help and support if your business is affected by coronavirus (COVID-19)

Watch a webinar and sign up for email alerts to learn more about the support available if your business is affected by COVID-19.

Statutory Sick Pay (SSP) Rebate Scheme

Register for the next live webinar about [COVID-19 Statutory Sick Pay Rebate Scheme 2](#).

You will learn about:

- making payments to employees who are off sick or self-isolating because of COVID-19 on or after December 2021
- what employees you can claim for under the scheme

Watch a video about COVID-19 Statutory Sick Pay Rebate Scheme 2.

See: [COVID-19 Statutory Sick Pay Rebate Scheme 2.](#)

[How to report COVID-19 taxable grants and payments](#)

Watch a video about how to report COVID-19 taxable grants and payments.

See: [COVID-19 support schemes – declaring your grants on your Company Tax Return \(CT600\)](#)

[How to declare your grants on your Company Tax Return \(CT600\)](#)

Register for the next live webinar about [declaring your grants on your Company Tax Return \(CT600\)](#) to learn about:

- how to report COVID-19 support payments and grants on your Company Tax Return
- what happens if you've claimed too much
- records you need to keep

See: [Help and support if your business is affected by coronavirus \(COVID-19\) - GOV.UK \(www.gov.uk\)](#)

Developing automotive technologies and growing capability towards net zero

UK registered businesses can apply for a share of £25 million for late stage research and development projects that help accelerate the UK towards a net zero automotive future.

The Advanced Propulsion Centre (APC) provides funding, support and insight for the development of low carbon and net zero automotive technologies. It aims to support the UK's transition towards net zero product manufacturing and supply chain in the UK automotive sector.

Eligibility summary:

- this competition is open to collaborations only
- to lead a project your organisation must be a UK registered business of any size
- your consortium must include a vehicle manufacturer or tier one supplier
- you must involve at least one micro, small or medium-sized enterprise

The competition closes at 11am, 2 March 2022.

See: [Developing automotive technologies and growing capability towards net zero – UKRI](#)

Call for evidence: An Independent Customs Regime

This call for evidence invites respondents' views on:

- the customs intermediary sector
- the Simplified Customs Declaration Process (SCDP)
- the Transit facilitation

By taking a fresh look at the fundamental building blocks of the UK's customs system, the government wants to use this opportunity to gather and consider a wide range of evidence on how the customs system is working and changes that could be made to make it simpler, easier and more responsive to stakeholders' needs.

This evidence will support changes to policy or processes to make it easier for traders to navigate the UK's customs system.

The government welcomes engagement from any individual or business with views on the future of the UK's customs regime.

See: [Call for evidence: An Independent Customs Regime - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/call-for-evidence/an-independent-customs-regime)

Open Digital Solutions for Net Zero Energy

Innovate UK has launched a competition for organisations to apply for a share of £1.2 million to develop open solutions to accelerate decarbonisation of energy in the UK. This is a Small Business Research Initiative (SBRI) competition funded by UK Research and Innovation (UKRI).

The competition will stimulate the development of collective equity for the sector and the creation of communities to support the development of reusable and open net zero energy solutions.

Your open solutions should accelerate the delivery of net zero energy in the UK. The outputs should be adopted by first users and have potential to be supported and adopted by the wider community and other users across the energy sector.

You can develop an open solution, across the value chain, for any of the following net zero energy sectors:

- power
- hydrogen
- carbon capture, use and storage
- heat
- transport
- buildings
- industry
- whole system integration

Your open solution can be:

- software
- hardware
- firmware
- data solution

Innovate UK expects to fund four projects - each contract will be up to £300,000 and cover each project for up to nine months.

See: [Competition overview - SBRI Competition – Open Digital Solutions for Net Zero Energy - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](#)

Spin Out Support Programme

The Industrial Biotechnology Innovation Centre (IBioIC)'s Spin-Out Support Programme offers up to £20,000 towards Higher Education Institution (HEI) costs for spin-out projects that focus on innovative applications of biotechnology. These projects should address a real market need or commercial opportunity.

Applications are invited for proof-of-concept projects from researchers with an ambition to spin out a company within 1 to 2 years of the project ending.

The projects must be led by at least one of Scotland's Higher Education Institutes (HEI). Applicants can be at any career stage, but successful projects must show they can lead to company creation, follow on funding and/or commercial application.

Where an application for funding is successful, the spin-out created during (and up to one year after) the project will be eligible for free IBioIC membership for one year.

See: [Spin Out Support Programme — IBioIC](#)

Glasgow City Region Low Carbon Innovation Grant

This grant is available to businesses within the wider Glasgow City Region. It aims to help companies carry out research and development and innovation activities to improve existing products or processes or develop new ones that will help the company reduce their carbon emissions.

The grant can be used for products and services which enable and accelerate the take-up of wider decarbonisation plans across their business.

See: [Glasgow City Region Low Carbon Innovation Grant \(findbusinesssupport.gov.scot\)](#)

Feasibility Funding

The Industrial Biotechnology Innovation Centre (IBioIC)'s Feasibility projects provide members with the opportunity to tap into the expertise of Scotland's academics to assist with a biotech-focused proof of concept study to support a future funding application for a larger scale research work programme.

Feasibility projects should focus on innovative applications of industrial biotechnology and address a real market need or commercial opportunity through collaborative knowledge exchange and research between industry members and at least one of Scotland's talented higher education institution (HEI) research teams.

Eligible projects must:

- be small (with IBioIC funding of less than £20,000)

- be completed by July 2023
- have the potential to lead to larger scale work, for example through a Scottish Enterprise SMART award, Innovate UK Knowledge Transfer Partnership (KTP), BBSRC IPA or LINK
- demonstrate a clear market need or commercial opportunity through the innovative use or application of biotechnology
- demonstrate a route to follow toward further funding or commercial application
- include at least one of IBioIC's higher education institution (HEI) partners (with any number of industrial members and additional HEI partners)
- demonstrate an economic, societal and/or reputational benefit to Scotland
- be aligned to Scotland's National Plan for Industrial Biotechnology and provide innovative solutions to industrial, environmental, health and wellbeing or social issues

Small or medium-sized enterprises (SMEs) must provide at least half of the total project cost through cash and/or in-kind contributions. Large companies must provide at least half of the project funding through a combination of both cash and in-kind contributions.

IBioIC welcomes projects in all areas of industrial biotechnology.

IBioIC will contribute a maximum of £20,000 towards HEI partner costs. HEI partner costs should be calculated on the basis of full economic costing (fEC).

The IBioIC funding is awarded to higher education institute partners and should equal a maximum of 80% of the calculated fEC, with the remaining portion provided by the HEI as an in-kind contribution.

See: [Feasibility Funding — IBioIC](#)

Facilities Access Fund

The Industrial Biotechnology Innovation Centre (IBioIC) offers funding for collaborative biotechnology projects that link Scottish academics and industry. The funding covers access to university facilities on a fee-for-service basis at an academic rate.

This Facilities Access Funding (FAF) should form part of a larger project in any area of industrial biotechnology including, but not limited to:

- biorefining
- food and drink
- biotech in textiles and materials
- biomanufacturing
- waste management
- enzymes and catalysts
- downstream processing
- agritech

Projects should be aligned with Scotland's National Plan for Industrial Biotechnology and provide innovative solutions for an industrial issue.

See: [Facilities Access Fund — IBioIC](#)

Bioeconomy Cluster Builder

The Bioeconomy Cluster Builder (BCB) supports the development of new products and services using biotechnology. New and creative applications of biotechnology can support the development of sustainable, bio-based products and services. This can help businesses improve their environmental performance, increase efficiency and create value from waste.

The BCB offers the following support to Scottish small and medium-sized enterprises (SMEs):

- facilitating connections between business, academia and beyond
- strategic innovation support and guidance, for example through the KTN Innovation Canvas
- raising awareness of their products and services
- networking events and workshops
- help to access funding and investment

The project is a European Regional Development Fund (EDFR)-funded, 3-year collaboration between the Industrial Biotechnology Innovation Centre (IBioIC), Innovate UK, Knowledge Transfer Network (KTN) and Scottish Enterprise.

See: [Bioeconomy Cluster Builder Project - Home \(bioeconomybuilder.com\)](#)