

Template Offer Letter – Audience Development Fund

Date

Applicant Name

Applicant Address

SUBJECT TO CONTRACT

Dear [Individual name(s)]

RE: “Title” – SS Project Number []

We are pleased to confirm the offer by **SCOTTISH SCREEN ENTERPRISES LIMITED** incorporated under the Companies Act Registered Number: SC169527 having its registered office at 249 West George Street, Glasgow G2 4QE (“**SS**” which expression shall include its successors in title licensees and assigns), subject to contract, on the basis of your application for National Lottery Funding, of an award up to a maximum of £XXX [amount in words] to invest in the Audience Development Initiative presently titled “**XXXXXX**” (“the Initiative”) on the terms and special conditions set out below and the Standard Conditions of SS Investment (“Standard Conditions”) attached hereto and included herein by reference subject always to the execution of an investment agreement with SS (“the Investment Agreement”).

1. Main Elements

Applicant Organisation (“the Company)

Initiative Manager:

Budget: [Dated](#)

Schedule: [Dated](#)

Cashflow: [Dated](#)

Type of Investment: [Market Development – Audience Dev](#)

Detail of Access Provision: [Dated](#)

Detail of Monitoring and Evaluation Provision: [See Special Condition](#)

SS to have prior written approval of any changes to the above. Elements are only approved where stated.

2. SS Investment

£**XXXX** by way of an Investment (“the SS Investment”) in accordance with a cashflow schedule to be approved by SS.

3. Other Finance (Subject to paragraph 2 above)1.2.

1.

2.

TOTAL OTHER FINANCE **£XXXXX**

The Company must make suitable arrangements (by hedging, insurance or otherwise) to provide for currency fluctuations in order to meet the Budgeted Cost of the Initiative. Any currency gains shall be paid into the Dedicated and Named Bank Account.

SS to have approval over all other finance and the terms thereof. Finance is not approved unless stated.

The Company acknowledges that it is a condition of the SS Investment that the Company will be responsible for:

- Ensuring the Initiative is open and accessible in Scotland. This will involve being proactive in sourcing projects, ideas and talent within all sections of the moving image community, including groups currently under-represented in Scotland.
- If a diverse range of individuals is not attracted to the Initiative, formulating a strategy for proactively providing access for under-represented groups.
- Encouraging exploration of the social issues of disability, cultural/ethnic diversity and social exclusion through the content and range of individual projects.
- Providing a resume of attendees including equal opportunities information for monitoring and evaluation purposes.
- Monitoring individual projects to ensure that the process is effectively managed.
- Providing SS with specified contracted delivery requirements at such time as agreed.
- Devising and implementing an innovative and effective plan for content to ensure that it reaches as wide an audience as possible within Scotland.
- Working with and reporting to SS. Preparing regular reports on the status of all elements of the Initiative including planning, launch, training, content and projects and promotion of selected talent.
- Preparing a thorough final appraisal report on the Initiative.
- Seeking feedback from the appropriate industry stakeholders about the effectiveness of the Initiative.
- Contributing to any events arranged by SS to support and promote new talent.

4. Special Conditions to this Offer of Award

5. Conditions Precedent

This offer is subject to SS approval of:

- Memorandum & Articles of Association;
- Budget, Schedule and Cashflow for the Initiative;
- the Company's proposal for managing and marketing the Initiative, in particular with regard to how the Initiative provides access to groups currently under-represented in the Scottish [screen industries and the Initiative's training provision];
- bank account and all related documentation;
- financing structure and all agreements relating thereto and related security documentation;
- Insurances in place for the running of the Initiative;
- key personnel including the Initiative manager(s) and all fees pertaining to the running of the Initiative.

6. Press Release / Public Announcements

Once SS has confirmed its Offer of Investment in writing (via email) SS have the right to publicise their Offer of Investment on the SS website, in E-Roughcuts and SS's hard copy publication Roughcuts.

The Applicant shall not issue any press release nor make any public announcements regarding the Applicant or SS's involvement in this transaction without the prior written approval of SS. SS shall not issue a press release regarding the Applicant or SS's involvement in this transaction without the prior written approval of the Applicant.

SS's announcement of their Offer of Investment does not place SS under any obligation to release funds until such time as all contractual negotiations are complete and SS's Conditions Precedent have been met and the Long Form Funding Agreement signed off.

7. Bank Account

For awards of up to £14,999, the Company is required to set up a designated bank account specifically to be used for this Initiative which will require a bank no right of set off letter. For awards of £15,000 or over SS will require the Company to set up a trust account naming SS, over which SS will have approval of authorised signatories to the account.

8. Review

SS's offer of Investment is subject to review in 6 months from the effective date of this Offer Letter (being [date]) if you have not closed financing for the Initiative. At such time the offer will be extended by a minimum of 3 months or a maximum of 6 months.

SS shall be entitled to assign the benefit and burden of this Agreement to any successor body or any other legally designated distributor of National Lottery Funds

or any party delegated or appointed under the National Lottery etc. Act 1993 (as amended) and SS shall notify the key personnel in writing of such assignment.

In the event of a conflict between the terms of this Offer Letter and the Standard Terms the terms of this Offer Letter shall prevail.

We are delighted to be working with you on this project. If you wish to accept this offer you must do so within 7 days of receipt by signing and returning the attached duplicate letter. Your signature will also serve to confirm that you have read and agreed the Standard Conditions attached to this Offer Letter.

Once we have received all the required documents and information set out above, the Business Affairs Department will draft an Investment Agreement.

If you have any queries, please do not hesitate to contact us.

Yours sincerely

Linda McClure
Head of Business Affairs

Agreed by

.....
XXXXXX
For and on behalf of the Company

.....
Dated

Standard Conditions of Scottish Screen Investment

If your application is successful, you will have to comply with the following conditions. In addition to the Standard Conditions of Scottish Screen Investment ("Standard Conditions") please note that we may also add specific conditions to your particular Investment.

1. You must use the Investment for the project/activity you applied for and for the purpose set out in the approved application. At no time can you make any important changes to the project/activity described in the approved application without the written consent of Scottish Screen.
2. You cannot transfer the Investment to any other organisation without the written consent of Scottish Screen. Scottish Screen will only accept the industry practice of forming specific company vehicles to undertake a production where it is clear that the people who applied for the Investment are still those responsible and contractually committed to seeing the project/activity through to its delivery or completion
3. If there is an underspend on the project/activity you must return the appropriate share of the Investment to Scottish Screen.
4. You will be required to supply Scottish Screen with regular progress reports as required and with any further financial or other information that may be deemed necessary by Scottish Screen to monitor the Investment expenditure.

You will be required to comply with monitoring arrangements as required by Scottish Screen in relation to the project/activity and to provide Scottish Screen with any information it requires to establish that the project/activity has been completed properly in accordance with the Offer Letter and funding agreement.

5. The Investment may have to be repaid in full or in part if any of the Investment conditions are breached.
6. If there is a material change of purpose, ownership or organisation structure during the life of the project then Scottish Screen reserves the right to reconsider the application and you may be required to repay the Investment.
7. In addition to the above, and subject to the provisos below, the Investment shall become repayable and any future payments stopped where:
 - i) the organisation ceases to operate (unless it merges with, or is replaced by another body, which is able to fulfil the purposes of the investment to Scottish Screen's satisfaction);
 - ii) your organisation closes down or is declared bankrupt, goes into receivership or liquidation;
 - iii) you fail to apply the Investment for the purposes for which it was intended.
 - iv) you do not complete the project/activity;

- v) we discover that you gave incorrect, misleading or fraudulent information on your application form;
 - vi) where at any time during and in respect of completion of the project/activity or initiative, you have acted:
 - (1) fraudulently; or
 - (2) negligently, to the extent that in the opinion of Scottish Screen it has a material effect on the project or activity;
8. Scottish Screen can only guarantee to pay you the Investment if Scottish Screen continues to receive funds for this purpose;
 9. If you overspend on the project/activity, you must let Scottish Screen know immediately. Scottish Screen cannot increase Investments which have already been offered and accepted. Any variation in the level of support would have to be supported by a robust case in a Supplementary Application and will be subject to re-assessment by Scottish Screen.
 10. You cannot sell or give away assets which you bought with the Investment without the written permission of Scottish Screen. If you sell these assets, you must pay Scottish Screen an appropriate share of the money you receive for them.
 11. Scottish Screen must have prior written approval of any mortgages or charges over the project/activity.