



**The European Agricultural
Fund for Rural
Development:
Europe investing in rural
areas**

Rural Development Programme for England

RDPE OM Form 10 - Application for RDPE Grant Aid

Confidential

**Completed form to be returned to
Helen Dallas
SEEDA
Cross Lanes
Guildford
GU1 1YA**



This form can be submitted only if you have already submitted a formal expression of interest and had approval from SEEDA to proceed to a full application. Refer to the project manager's guide, the priorities in the Regional Implementation Plan, and the RDPE prospectus when completing this form.

1. Applicant Details

Name of applicant and your status in relation to the business	Sussex Mushrooms Limited Owners	
Business name	Sussex Mushroom Ltd	
Business address	Sussex Mushrooms Ltd Storrington Road Thakeham Near Pulborough West Sussex Postcode: RH20 3DY	
E-mail address	[REDACTED]@sussexmushrooms.co.uk	
Telephone number and mobile number	01798 812345	
Rural Payments Agency SBI Number and vendor number (if known)	Is this business registered for VAT ?	Y
What is the legal status of this business ?	Sole Trader <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Company <input checked="" type="checkbox"/> Limited Company (not for profit) <input type="checkbox"/> Company Limited by Guarantee <input type="checkbox"/> Other Limited Partnership <input type="checkbox"/>	

2. Agent Details

If you are acting as an agent for the applicant and are completing this form on the applicant's behalf please give your details below. The applicant must also sign this section to give you the authority to act.

Your name and status	[Redacted]
Business name	[Redacted]
Business address	[Redacted]
E-mail address	[Redacted]
Telephone number and mobile number	[Redacted] [Redacted]
<p>I/we am/are the applicant(s) and I (we) give our agent the authority to act on our behalf with this grant application. I/we accept full responsibility for all information supplied by our agent.</p>	<p>Signature of applicant(s): [Redacted]</p> <p>Status of signatory: [Redacted]</p> <p>Date signed: 30/9/09</p>
<p>I am the agent for the applicant named in section 1 of this form.</p>	<p>Signature of agent: [Redacted]</p> <p>Status of signatory: [Redacted]</p> <p>Date signed: 30-9-09</p>

3. Business Details

<p>3.1 Tick any of these that apply to your business</p>	<p>Farmer Forester Horticulture / Farmer controlled business Food processor Tourism operator Contractor Other (please specify)</p>
<p>3.2 Please give further details of your businesses activities</p>	<p>Briefly describe the nature of your business and the size of the enterprises you operate Growing mushrooms with a turnover of [REDACTED] in 2008</p> <p>Number of full time equivalent people employed in the business including partners and directors. 200</p> <p>If involved in food production, are you a registered organic business, if so give your registration number. No</p> <p>If your business has more than one place of operation please give details of all associated business operations. N/A</p> <p>If your business is a company please give details of any associated or linked companies. N/A</p>
<p>3.3 You must provide three years business accounts with the most recent being no older than 9 months. Please provide additional information as shown</p>	<p>What is your best estimate of the total current value of all your assets, valued at today's prices ? [REDACTED]</p> <p>How much capital has been put into the business and how much has been withdrawn in the last three years ? [REDACTED]</p> <p>What is the current total level of borrowing including loans, mortgages, hire purchase, creditors, and private loans ? [REDACTED]</p>

3.4 Grant received from other sources in the last three years	<p>What was the business profit before tax in the last two years and what level of profit are you predicting over the next two years (without the benefit of the investment proposed in this grant application)?</p> <p style="background-color: black; color: black;">[REDACTED]</p>
	<p>Give details of any public funding you have received in the last three years that have been described as providing State Aid. To check this refer to the offer letters or contracts to see if they refer to the payments coming under state aid rules. Please note this excludes Agri-environment payments and the Single Payment Scheme. If in doubt ask SEEDA for guidance.</p> <p>None</p>

4. Project Description

4.1 Name of the project

Combined heat and power plant for growing blocks 'A', 'B' and 'C'

4.2 Brief description of the project

To burn spent mushroom compost to produce electricity, heat and adsorption chilling which requires the purchase of a boiler, electrical generation equipment, adsorption chilling equipment, heat exchange equipment together the delivery of the spent mushroom compost to the burning box.

4.3 Please refer to Appendix 1 in the RDPE prospectus and comment on how you meet the selection criteria. In addition if this project involves collaboration please explain the nature of the collaboration and give the names and addresses of your collaborators. You must also indicate the type of businesses operated by the collaborators.

Substantial reduction in the carbon footprint of the business which currently has an energy cost of £1 million. Reducing traffic movements by the saving of transporting waste/spent compost away from the site (approx. 50 lorries per week).

4.4 Where will the project be located – give the full address and a map grid reference

Sussex Mushrooms Ltd
Storrington Road
Thakeham
Pulborough
West Sussex RH20 3DY
Grid Ref: TQ093172

4.5 Briefly summarise why the project is needed. What would happen if the project did not go ahead, what would happen if you did not receive grant aid ?

The business would continue to use fossil fuels, a key objective of the business is to reduce the carbon footprint. Lorry movements would be maintained and the business would become uncompetitive to other major mushroom growers and European imports. Major supermarkets are the principal customers of the business who are also looking to reduce carbon footprint and have exacting targets and there is a risk that they would transfer their business to other mushroom growers who have been able to reduce their energy costs.

4.6 Will your project compete with other similar enterprises in the South East region, and if so what do you estimate will be the impact of your project on these other businesses? This must be addressed realistically because if SEEDA identifies this has not been adequately addressed the application will be rejected.

There are no other mushroom growers at the same level of production in the south east of England. The major competitors are in Bristol, North West England and the Midlands as well as Holland, Poland and Ireland.

4.7 How does this project fit with the underlying business ?

The key element is to reduce the carbon footprint, i.e. reducing electricity and oil use and reducing traffic.

4.8 What are the project start and end dates

1st January 2010 ordering equipment.
7th December 2010

4.9 Who will manage the project to ensure it is completed successfully, on time and within budget ? What experience and skills does this person have of managing this type of project ?

partner and qualified electrical engineer whose experience has ranged from generation of electricity on oil rigs to companies such as Sussex Mushrooms

4.10 When the project is complete and operational what additional skills will be needed in the business to make best use of this new resource and how do you plan to acquire these skills ? RDPE can provide support for relevant training.

The company to offer training to engineering staff in the control of the heat and power unit and to employ a full time maintenance engineer for the site with a view that the technology can be use elsewhere on the site in regards to the pre crop buildings, packhouse and chilling facilities.

4.11 With reference to the RDPE funding prospectus (see) please indicate which funding measure(s) you think apply to this project

Measure 121

4.12 Before you can claim RDPE grants all items must be paid for and evidence of payments made available. Therefore, what arrangements have you made to bank roll the project, assuming that it could be several months between paying for an item and receiving the grant payment.

An independent bank account is being set up and the company has the support of its bankers, namely HSBC (copy letter attached).

4.13 Describe how this project will deliver wider benefits i.e. beyond the applicant business. You might consider them under the headings of Economic, Social and Environmental.

Reduced carbon footprint, reduction in lorry movements, employing new technologies, additional engineer to be employed full time on site, odour reduction

5. Project details

5.1 In response to your earlier expression of interest SEEDA requires you to submit the following information to support your grant application.

SEEDA project manager to annotate this list as required.

A full business plan – see Annex 1

A partial budget indicating the impact of the investment – See annex 2

Other details [to be specified by the SEEDA by project manager and noted here]

All the details as shown at sections 5.2 to 5.6

5.2 Project expenditure projections – each item must be supported with three competitive quotes

Costs on which you plan to claim grant aid	Costs net of VAT (where appropriate) £	Date work will be completed and paid for	Comments
Equipment	397000	March 2010	2 biomass boilers
	102000	March 2010	1 trailer and 1 hopper
	235250	June 2010	Chiller
	298000	July 2010	2 biomass boilers
	90650	October 2010	Screw press
	364000	October 2010	2 turbines
	148500	October 2010	Tipping line
	65000	October 2010	1 hopper
	87070	October 2010	Electrical switch gear
Professional fees	10000	March and October 2010	
Totals	1797470		

With reference to table 5.2. If you plan to do any work using your own labour or equipment you must supply a detailed estimate of costs for each activity and support this together with three competitive quotes as evidence of the normal commercial rates for these activities. If SEEDA agrees the use of own labour/equipment the rates will be specified in the contract.

If you opt to not use the cheapest of the three competitive quotes you must provide an explanation why the selected supplier offers the best value for money.

5.3 Project funding proposals

Funding source	£	% of total package
Own cash	[REDACTED]	[REDACTED]
Commercial loans or mortgages (specify from which source and attach confirmation from the lender that this facility has been approved)	[REDACTED]	[REDACTED]
Temporary overdraft for scheme	[REDACTED]	[REDACTED]
Sale of assets (give details of asset sales and confirmation)	[REDACTED]	[REDACTED]
Other deferred payment method – give details and indicate when you will take full ownership of the assets purchased by this method	[REDACTED]	[REDACTED]
Landlord contribution	[REDACTED]	[REDACTED]
RDPE grant rate requested	£97735	50
Total Scheme cost	[REDACTED]	[REDACTED]
Less work in Block A not eligible	[REDACTED]	[REDACTED]
Totals	1797470	100

5.4 Project milestones

Milestone – key stages and dates in the delivery of the project	Comments	Date to be achieved
2 Biomass Boilers delivering Heat	With chiller will save approx £167,000	February 2010
Chiller	As above	July 2010
Completion of Generating Equipment and tipping line		October 2010

5.5 Grant claim dates and amounts

Claim dates – note that only in exceptional cases will SEEDA accept more than two grant claims.	Grant rate requested % as shown in table at 5.3	Amount of grant claimed	Comments
March 2010	50	254,500	
June 2010	50	138800	
October 2010	50	505435	

5.6 You must supply with this application

- X A signed and dated copy of this form
- X The last three years' audited accounts Only 2 years since company formed
- X Three competitive quotes for each item of expenditure together with detailed specifications of all items except Burner and star rotor
- Copy of planning consent and any other approvals/licenses
- Evidence of commercial and private loans following from HSBC
- Letters of support from third parties
- X Plans, engineers reports,.
- X Completed sustainability checklist – RDPE OM form 12
- X VAT declaration form – RDPE OM form 13
- X Landlord confirmation of approval
- X If tenanted, confirmation of length of tenancy
- X The information listed at section 5.1

5.7 Declaration

I/We declare that:

- The information supporting this application is correct and I/we accept full responsibility for it.
- I/We understand the information provided in this application will be used to assess and select proposals for funding under the Rural Development Programme for England (RDPE).
- I/We agree to disclose information about this application to organisations or consultants which SEEDA wishes to consult during the appraisal, ongoing management and evaluation of RDPE applications.
- In applying for RDPE funding I/we accept conditions of payment and understand that payments may be withheld or recovered if it appears that any undertakings have not been complied with or a false or misleading statement has been made.
- We will not be seeking other EU or Defra support for the actions included in this application.
- **I/We understand and accept that if this application is successful the grant award will be published by SEEDA, Defra, EU and the RPA, including the name and address of the applicant and the RDPE funding that has been agreed.**
- I/we confirm that the information supplied on this form is correct and complete. If successful, this funding will be used solely for the purposes shown in the application and will meet all the terms and conditions attached to any grant offer that is accepted.

I/We undertake that if this application is successful I/we will:

- Fulfil the obligations of the RDPE including promotion of EU/Defra inputs to this project.
- Provide any further information as may be required by SEEDA.
- Allow access to records and premises to which this application relates for the purpose of carrying out an inspection and ensuring the compliance of this undertaking. This will include allowing access for external auditors and consultants.
- Co-operate and participate as required in any monitoring or evaluation exercises conducted by SEEDA or SEEDA appointed consultants, the RPA, Defra or the EU.
- Notify SEEDA immediately in writing if any changes occur to the application details.

Annex 1

Business Plan Contents

To support your RDPE grant application the supporting business plan must cover at least the following. The size of the business plan should be proportionate to the size of the enterprise, but please keep them succinct and to the point. The **maximum** size of business plan we would expect to receive is 40 sides of A4 plus 20 pages of supporting evidence, but the majority should be much smaller.

1. The rationale for the proposed investments, and a description of the technical specification that will be used in delivering the project. If the project is collaborative give details of the collaboration agreement and the collaborators.
2. Market research evidence and a brief marketing plan.
3. An assessment of the wider economic and social impacts of the project
4. An evaluation of the environmental impact of the project and ways in which it will use current best practice to mitigate the impact on the environment
5. A financial appraisal of the impact of the project including
 - Three years cashflow projections
 - Five years profit/loss forecasts
 - An assessment of the impact on the balance sheet
6. Evidence to support the need for public funding
7. Details of the key personnel responsible for delivering this project, the skills required for ongoing running of the project, and how these skills will be developed
8. Confirmation of any advice you have taken from external experts
9. The risks associated with this project and how you plan to mitigate them.
10. How this project can help deliver the objectives of the
 - RDPE
 - SEEDA Regional Economic Strategy
 - The Regional forestry Framework (if the investment involves forestry)
 - The Woodfuels strategy
 - The Sustainable Farming and Food Strategy
 - Any other relevant regional strategies

Note that for partnerships all partners must sign this form. For limited companies a director must sign the form.

1. Signed: [Redacted]

Status: [Redacted]

Name (please print) [Redacted]

Date 30/9/09

2. Signed:

Status:

Name (please print)

Date

2. Signed:

Status:

Name (please print)

Date

Annex 2

The financial impact of the investment for when the project is fully operational - a partial budget for 2011

Costs saved as a result of this investment	£	Additional costs as a result of this investment	£
1. Spreading Compost on land	93,600	1. Woodchips	44,928
2. Saving on Electric Cost	133,220	2.	
3. Saving on heat costs	92,607	3.	
4.		4.	
etc		etc	
Total costs saved – A	319427	Total additional costs - C	44,928
Extra income as a result of this investment	£	Income lost as a result of this investment	£
1. ROCS	94,349	1.	
2.		2.	
3.		3.	
4.		4.	
etc		etc	
Total extra income – B	94,349	Total income lost - D	

The net financial impact of this investment $A + B - C - D =$ £ 368,848

In addition, the applicant must make arrangements to cover the cashflow implications of this investment particularly as the grant payments are made retrospectively some time after the costs have been borne.