

Fiona Davidson

From: Iain Sutherland
Sent: 09 November 2017 13:52
To: Helen Cameron
Cc: Caroline MacLellan
Subject: RE: Fergusons Integrated Aquaculture Mass Mortality Recovery System

Tracking: Recipient Read
Helen Cameron Read: 10/11/2017 08:57
Caroline MacLellan

Hi Helen

If you agree a call would be useful right now would you like to issue the invitation?

I could manage Friday but am in Edinburgh on Tuesday; Caroline isn't working tomorrow, Friday, and Tuesday morning looks busy.

I'll extend to you our regular call on this programme – next is 21st)

Thanks

Iain

From: Donald Fowler [REDACTED]
Sent: 09 November 2017 13:02
To: Iain Sutherland
Cc: Elaine Jamieson; Helen Cameron; Caroline MacLellan
Subject: RE: Fergusons Integrated Aquaculture Mass Mortality Recovery System

Hi Iain, Yes so me you Helen and Caroline can discuss - doesn't have to be a long call. If deemed not necessary then fine.

Donald Fowler
Aquaculture Innovation Manager
[REDACTED] scottishaquaculture.com [Connect+Collaborate](#)



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From: Iain Sutherland [mailto:iain.sutherland@hient.co.uk]
Sent: 09 November 2017 12:30
To: Donald Fowler [redacted]
Cc: Elaine Jamieson <elaine.jamieson@hient.co.uk>; Helen Cameron <helen.cameron@hient.co.uk>; Caroline MacLellan <caroline.maclellan@hient.co.uk>
Subject: RE: Fergusons Integrated Aquaculture Mass Mortality Recovery System

Hi Don

Elaine was asking that Helen join our fortnightly conference call (next was scheduled for Tuesday 21st).

Are you suggesting a call before then - specifically on the Ferguson project?

Iain

From: Donald Fowler [redacted]
Sent: 09 November 2017 11:39
To: Elaine Jamieson; Iain Sutherland; Helen Cameron
Cc: Caroline MacLellan
Subject: RE: Fergusons Integrated Aquaculture Mass Mortality Recovery System

Hi Elaine, happy to do so. Obligated if we can set up a call for tomorrow Friday 10th 10am ? Or early Tuesday 10am am next week?

Regards D

Donald Fowler
Aquaculture Innovation Manager
[redacted] scottishaquaculture.com [Connect+Collaborate](#)



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From: Elaine Jamieson [mailto:elaine.jamieson@hient.co.uk]
Sent: 08 November 2017 12:09
To: Iain Sutherland <iain.sutherland@hient.co.uk>; Helen Cameron <helen.cameron@hient.co.uk>; Donald Fowler <donauld@scottishaquaculture.com>

Cc: Caroline MacLellan <caroline.maclellan@hient.co.uk>
Subject: RE: Fergusons Integrated Aquaculture Mass Mortality Recovery System

Helen, Iain, Don,

Very grateful if you can now engage further with Ferguson Transport and commence full due diligence on this project. Can I propose Helen leads the project appraisal team and that Caroline's expertise is drawn upon as and when required. This really is a piece of team work so let's use each other's expertise in the most collaborative and streamlined way possible.

It will be useful to have an update on this project at our fortnightly AAI project team meetings. Iain, can you please extend the meeting invite to Helen. Helen – we will talk about this project first so will hopefully keep you no longer than 15 minutes. I appreciate you may already have commitments which create a diary clash and on those occasions Iain/Don will give the update and share any feedback with you.

Kind regards
Elaine

From: Iain Sutherland
Sent: 06 November 2017 10:36
To: Elaine Jamieson
Subject: FW: Fergusons Integrated Aquaculture Mass Mortality Recovery System

Hi Elaine

Please see correction by Helen to comments below.

Are you able to advise Helen to proceed with the project appraisal?

Thanks

Iain

From: Helen Cameron
Sent: 06 November 2017 10:23
To: Iain Sutherland
Cc: Caroline MacLellan
Subject: RE: Fergusons Integrated Aquaculture Mass Mortality Recovery System

Hi Iain

Thanks for email. The only point I would add is that Don **did** ask for projected accounts in his earlier email however Fergusons didn't submit them with the application. I also omitted to mention on Friday that Fergusons were asked for a business plan but didn't submit that either although, as account manager, I know a lot about the business anyway and consider that I can progress the application without a formal business plan.

I await Elaine's comments.

Regards

Helen

From: Iain Sutherland
Sent: 03 November 2017 13:35
To: Helen Cameron
Cc: Caroline MacLellan
Subject: FW: Fergusons Integrated Aquaculture Mass Mortality Recovery System

Hi Helen

Should have copied you in on the email to Elaine. Caroline and I reckon it covers what we wanted to say following this morning's call – have we missed anything?

I've checked back through HIE guidance, the FBER text and the EMFF regulation. The message is consistent - the market report is indeed required:

"Support under this Chapter shall be granted only where it has been clearly demonstrated in an independent marketing report that good and sustainable market prospects exist for the product" [EMFF Regulation]

I would say that independent would mean independent of the applicant and their customers so Don should fit that description.

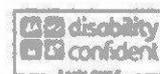
Let us know if we can do anything to help things along. You should hear from Elaine this afternoon.

Many thanks

Iain

Iain Sutherland Senior Development Manager Food and Drink	Iain Sutharlanach Ard Mhanaidsear Leasachaidh Biadh is Deoch
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From: Iain Sutherland
Sent: 03 November 2017 12:34
To: Elaine Jamieson
Cc: Caroline MacLellan
Subject: RE: Fergusons Integrated Aquaculture Mass Mortality Recovery System

Hi Elaine

Following this morning's call with Helen on the Ferguson project, nothing emerges from the full application document which would cause us to reconsider the positive recommendation following our earlier consideration of the company's EoI. Happy to discuss if you wish, otherwise we recommend that you ask Helen to carry out the necessary HIE due diligence on the project.

The call proved very useful in that several further issues emerged from the conversation which should be considered for this case and for handling of future AAI applications.

- The email issued by Don to Ferguson following your review of the EoI panel's recommendations was lacking in two key aspects. The client was not asked to provide projected accounts relevant to the project. Also the client was not advised of the need to provide competitive tenders for the equipment to be used in the project. As a result Helen now has to request these from Ferguson. Our view remains that once the EoI has been scored and the project cleared to go to full application communication with the applicant should come from HIE, not SAIC.
- The process for review and approval of AAI projects needs to be clarified. For account managed clients in particular, the account manager's line management is the customary route for review/approval and we'd suggest is the logical route for review of an AAI project as it progresses through due diligence. Formal approval may rest within the BSD directorate but knowledge and understanding of the client business lie in the area team structures.

Thanks

Iain

From: Elaine Jamieson
Sent: 31 October 2017 13:53
To: Caroline MacLellan; Iain Sutherland
Subject: RE: Fergusons Integrated Aquaculture Mass Mortality Recovery System

Caroline, Iain,

My expectation is that the process will follow the same path as JM – as articulated by Caroline below.

Time is passing us by, and I think we really need to get on the front foot with the project – it is responsive to industry need, is innovative and I think the business will be very good to deal with.

Look forward to hearing an update on progress at our team meeting on Friday.

Elaine



From: Caroline MacLellan
Sent: 31 October 2017 12:53
To: Iain Sutherland; Elaine Jamieson
Subject: RE: Fergusons Integrated Aquaculture Mass Mortality Recovery System

Iain

Looking at Elaine's comments on the EOI combined score sheet

Recommendation:

1. Invite Ferguson Transport to submit full proposal
2. Convene project team of ~~Alison Gainsford, Don Fowler and Iain Sutherland~~

I think given that as ~~Helen Cameron~~ is the account manager a discussion around the full application should happen with the account team soonest replacing ~~Alison for Helen~~ unless she feels ~~Alison~~ should also review the form. If the team is happy with the content it should then go to Elaine with recommendations? I think that's how we moved forward the [REDACTED] full application but it a bit of a learning curve in terms of process!

Given that Don is out of contact just now I'm happy to step into that space, I am about to head off to Shetland today but could you convene a call to discuss the application Friday am and I can join in case Don can't manage?

If we need to amend the process chart to offer clearer guidance I'm sure that's manageable but I think it's fair to say we are still finding our feet.

Are you happy to set up a meeting Fri if you free or before if you don't want me to attend?

Regards

C

Caroline Maclellan
Senior Innovation Manager

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M +44 (0) 791 905 8656
E caroline.maclellan@hient.co.uk

From: Iain Sutherland
Sent: 31 October 2017 10:47
To: Elaine Jamieson
Cc: Caroline MacLellan
Subject: RE: Fergusons Integrated Aquaculture Mass Mortality Recovery System

Elaine

Caroline's flow chart (Innovation Process) indicates: "Invited to apply for Funding & full application form issued. If AM Engage HIE Account Mgr" then "Agree Project Team to include HIE AM. Full Application scored Commence Due Diligence Final review by EJ and JCS"

That suggests the forms submitted to Don and which he emailed on 12 October should be reviewed (by Elaine and [REDACTED] before due diligence commences.

Is that what is intended - if so as Helen says the Ferguson Transport application needs to be reviewed - but by whom?

Iain

From: Helen Cameron
Sent: 31 October 2017 10:26

To: Iain Sutherland
Cc: Caroline MacLellan; Alison Gainsford
Subject: RE: Fergusons Integrated Aquaculture Mass Mortality Recovery System

Hi Iain

I returned from two weeks annual leave yesterday so am still trying to get up to date. The application came in whilst I was on leave. I was going to give either Caroline or yourself a ring about the next steps. As I understand it from the flowchart the next step is for a panel to give comments on the application and then it progresses to due diligence after that? It would be a help if either you or Caroline could convene the panel.

Thanks

Helen

From: Iain Sutherland
Sent: 31 October 2017 10:03
To: Helen Cameron
Subject: RE: Fergusons Integrated Aquaculture Mass Mortality Recovery System

Hi Helen

Hope you're well – been on holiday?

I wondered how you were getting on with the Ferguson project. You may know that Don has been on leave again. Is there anything the rest of us can do to assist?

Thanks

Iain

~~Iain Sutherland~~
Senior Development Manager Food and Drink

~~Iain Sutherland~~
Ard Mhanaidsear Leasachaidh Biadh is Deoch

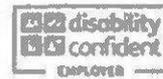
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From: Accelerating Aquaculture Innovation [mailto:AAI@scottishaquaculture.com]
Sent: 12 October 2017 10:22
To: Elaine Jamieson; Caroline MacLellan; Iain Sutherland; Helen Cameron
Subject: [{WARNING: Msg Size >4 Meg; *NOT* spamchecked} score] FW: Fergusons Integrated Aquaculture Mass Mortality Recovery System

For review.

Regards Don

~~Donald Fowler~~

Aquaculture Innovation Manager

[REDACTED] scottishaquaculture.com [Connect+Collaborate](#)



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From: Carol MacKinnon [REDACTED]
Sent: 09 October 2017 18:55
To: Accelerating Aquaculture Innovation <AAI@scottishaquaculture.com>
Cc: [REDACTED]
Subject: [{WARNING: Msg Size >4 Meg; *NOT* spamchecked} score] Integrated Aquaculture Mass Mortality Recovery System

Good afternoon,

Please find our attached Application for AAI funding support along with our Accounts, timing & expenditure spreadsheets as requested.

Please do not hesitate to contact us if there is anything else you require.

Thank you.

Best regards,

Carol

Carol MacKinnon

Group Company Secretary / Financial Director
Ferguson Transport, Shipping & Kishorn Port

www.fergusontransport.co.uk

www.kishornport.co.uk



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Product

[REDACTED]

Potential competitors exist such as waste disposal operators such as [REDACTED]

[REDACTED] Plus other workboat providers such as [REDACTED] who do not have the experience or suitable platform vessels. Presently there are no direct single competitors as this innovation package is difficult to copy, as the competition would need to duplicate or collaborate on the whole logistical chain which is unlikely. The package involves: suitable vessels, innovative grab, appropriate tanks, trailers, lorries, licencing and experience is needed therefore Fergusons have incumbent and first mover advantages.

Fergusons expertise in dealing with 5 mass mortality events in 2017 and subsequent contacts with the major fish farm operators: [REDACTED]

[REDACTED]

Price

The service will be charged at an additional date rate in the service contract. Or as a day rate for new customer operations. Current competitors charge a day rate but operations can be protracted and costly and slow therefore Fergusons service is likely to be widely adopted. The projections for the innovation proposal show an increase in turnover over 3 years of approximately [REDACTED]

[REDACTED] It is probable that these are conservative projections.

Place

Fergusons already work with main customer business to business base across the H&I area providing full workboat service and no new markets are involved at this stage, no agents are involved.

Promotion

The service will be marketed using company website and company Facebook channel. Fergusons have already met at CEO level with three of the main fish farm operators to discuss their proposal. Discussions have already taken place at area manager level during the 2017 events. Fergusons have had several enquires as to when the service can be made available. Workshops will be held highlighting the new Fergusons service with area managers of all of the fish farm companies highlighting the benefits: faster, less disruptive, integrated, bio-secure aspects of the mass mortality service and

Fergusons Market Assessment for AAI:

Fergusons Transport provide transport and logistics solutions to the Scottish Aquaculture industry and operate across the H&I region. Fergusons do not currently operate in international markets. In addition to road transport they deliver feed through a dedicated feed delivery vessel and operate 5 other workboats (3 ships, 2 landing craft) that service industry requirements. As part of their contract workboat service to the Aquaculture industry Fergusons collect and transport ensiled fish mortalities (<20t) that arise cumulatively from day to day farm operations these operations have certification that meets all the statutory Scottish regulatory licence requirements, no new regulatory licencing is needed for this proposal.

Periodically, Fergusons have been called in by fish farm operators to deal with mass mortalities that can occur on fish farms which can range from 10's of tonnes to 100's of tonnes. The current practise of dealing with these events is not logistically integrated or properly bio-secure and as such operations are often slow, costly and time consuming for expensive for the fish farmers and difficult for the service provider and there is no integrated solution provider for these mortality events. Fergusons currently have 15-20% market share in fish ensiling operations and around a 30% share in servicing mass mortality events the other events being dealt with by farmers on an ad hoc basis involving a range of workboats, hauliers and waste disposal options as they arise. By developing this innovative dewatering grab solution and integrated disposal and transport system – Fergusons stand to increase the speed of operations by 5 times, provide better biosecurity reduce disruption and “on-costs” for the operators and increase their market share to >80% for mass mortalities. The proposal will also provide wider benefits to the fish farmers in reduced operational down time. Against the background of increasing environmental challenges leading to more frequent mass mortalities this innovation proposal is timely and urgently needed.

Detail	Year 1					
	Volume	Value	Volume	Value	Volume	Value
	UK	£s	EU	£s	RoW	£s
Current Sales						
Projected Sales						

Detail	Year 2					
Current Sales						
Projected Sales						

Detail	Year 3					
Current Sales						
Projected Sales						
Cumulative Totals						

highlighting the operational and technical requirements on the farms during a mass mortality event. A limited budget <£5k has been allocated for workshop promotion in year 1 of £3.2k.

Summary:

The marketing expectations of Fergusons are realistic, if not conservative given the level of environmental health challenge facing fish farming industry in Scotland. The proposal has wide industry demand and support and will receive support from regulators such as the Fish Health Inspectorate in Scotland as it will set a new benchmark for dealing with mass mortality events in an integrated and bio-secure manner on fish farms.

Fiona Davidson

From: Elaine Jamieson
Sent: 20 December 2017 16:05
To: Iain Sutherland
Subject: RE: Ferguson Transport - Mass Mortality Recovery Scheme AIP (A3010052)

Hi Iain,

It's really what you think appropriate. My own suggestion at this time of year is –

- Draft press release tomorrow if possible
- Share with MS, SAIC and SSPO seeking any comment / observations before COP Friday 5 January (appropriately positioned)
- Issue w/c 8 January

We need to ensure SAIC don't race out the door with something..

Elaine

From: Iain Sutherland
Sent: 20 December 2017 15:58
To: Elaine Jamieson
Subject: RE: Ferguson Transport - Mass Mortality Recovery Scheme AIP (A3010052)

Elaine

When you say "offer advice" do you want me to set up a 3 – 4 way call for HIE/SAIC/SSPO/Marine Scotland?

Iain

From: Elaine Jamieson
Sent: 20 December 2017 15:49
To: Donald Fowler; Helen Cameron; Calum Macfarlane
Cc: Caroline MacLellan; Iain Sutherland; Chris Roberts; David Oxley
Subject: RE: Ferguson Transport - Mass Mortality Recovery Scheme AIP (A3010052)

Hi Don,

I think it is of paramount important that our respective Comms team liaise and that we issue a joint press release. My own thoughts are that timing might be better after Christmas. I can confirm that Charlotte has been briefed, and shares our concerns about positioning.

Iain – can you please offer advice re a pre-press release briefing with Marine Scotland and SSPO.

Many thanks,

Elaine

From: Donald Fowler [mailto:donald@scottishaquaculture.com]
Sent: 20 December 2017 15:45
To: Chris Roberts; Elaine Jamieson; Helen Cameron; Calum Macfarlane
Cc: Caroline MacLellan; Iain Sutherland; David Oxley; Kathy Ferguson
Subject: RE: Ferguson Transport - Mass Mortality Recovery Scheme AIP (A3010052)

Hi Chris, Briefing SAIC comms later today.

Donald Fowler

Aquaculture Innovation Manager

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From: Chris Roberts [mailto:chris.roberts@hient.co.uk]

Sent: 20 December 2017 13:15

To: Elaine Jamieson <elaine.jamieson@hient.co.uk>; Helen Cameron <helen.cameron@hient.co.uk>; Calum Macfarlane <calum.macfarlane@hient.co.uk>

Cc: Caroline MacLellan <caroline.maclellan@hient.co.uk>; Donald Fowler <donald@scottishaquaculture.com>; Iain Sutherland <iain.sutherland@hient.co.uk>; David Oxley <david.oxley@hient.co.uk>; Kathy Ferguson <kathy.ferguson@hient.co.uk>

Subject: RE: Ferguson Transport - Mass Mortality Recovery Scheme AIP (A3010052)

Hi all

That's it approved now on HMS. Cc-ing Calum who'll be happy to discuss external comms – either pro-active or reactive.

Chris

From: Elaine Jamieson

Sent: 20 December 2017 11:39

To: Helen Cameron <helen.cameron@hient.co.uk>

Cc: Caroline MacLellan <caroline.maclellan@hient.co.uk>; Donald Fowler (donald@scottishaquaculture.com) <donald@scottishaquaculture.com>; Chris Roberts <chris.roberts@hient.co.uk>; Iain Sutherland <iain.sutherland@hient.co.uk>; David Oxley <david.oxley@hient.co.uk>; Kathy Ferguson <kathy.ferguson@hient.co.uk>

Subject: FW: Ferguson Transport - Mass Mortality Recovery Scheme AIP (A3010052)

Dear Helen,

Congratulation – Ferguson's are our first AAI approval! (Chris – can you please approve now on HMS). This is a good demonstration of great team work, so thank you to all involved in the project team.

A few points to note:

- Reputational risk is more likely to be medium rather than low; a week after the BBC ran two pieces on mortalities in salmon farms we are planning to approve a bulk handling system for

mortalities. We must consider that it is entirely possible industry critics will pick up on this as further evidence of the industry's failings - as they would see it. Helen and Iain, can you seek guidance from Chris to ensure we position our Comms around this carefully, and consider sharing/liasing any press release with SSPO and Marine Scotland (as you think appropriate). It goes without saying that we will share all our Comms with our programme partner SAIC.

- Please include in the undertaking that we receive a final report on the effectiveness of the new system, once it has been developed.
- Can you please monitor spending profile carefully, particular this financial year. As I recall we are expecting £81,000 to be drawn down in 17/18.

Kind regards
Elaine

From: David Oxley
Sent: 20 December 2017 11:02
To: Elaine Jamieson
Subject: RE: Ferguson Transport - Mass Mortality Recovery Scheme AIP (A3010052)

Thanks Elaine,

Happy to approve. My only comments would be that I would like to include in the undertaking that we receive a final report on the effectiveness of the new system, once it has been developed

D

From: Elaine Jamieson
Sent: 19 December 2017 14:02
To: David Oxley
Subject: FW: Ferguson Transport - Mass Mortality Recovery Scheme AIP (A3010052)

David,

Please find attached AIP for an Accelerating Aquaculture Innovation project with Fergusson Transport, for your consideration. Key strengths/alignment to AAI objectives of this project are:

- Applicant is a supply chain SME in H&I
- Project is innovative –
- Project concept is developed but still some way, primarily on timing, from commercial exploitation
- Project is aligned and responsive to (an urgent) industry demand

This project is top-sliced and approved by LT. Assuming HIE decide to support GIA as proposed, can I recommend you approve via email to me, and I forward this onto Chris Roberts, to whom the project is assigned on HMS. I will save this trail in the client folder as evidence of approval.

Many thanks,
Elaine

Fiona Davidson

From: Carol MacKinnon <carol@fergusontransport.co.uk>
Sent: 20 December 2017 18:35
To: Helen Cameron
Cc: Alasdair Ferguson; Jack Ferguson; Donald Fowler [REDACTED]
Iain Sutherland; Caroline MacLellan; Alison Gainsford; Chris Roberts
Subject: RE: Integrated Aquaculture Mass Mortality Recovery System - grant approved

Good afternoon Helen,

That is fantastic news, thank you for letting us know, we will definitely be having a couple of drinks over Christmas to celebrate this!!

[REDACTED]

As always many thanks again for all of your support in 2017 and look forward to working with you all in 2018, have a fantastic Christmas and New Year.

Many thanks again.

Best regards,

Carol

Carol MacKinnon
Group Company Secretary / Financial Director
Ferguson Transport, Shipping & Kishorn Port
[REDACTED]

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From: Helen Cameron [mailto:helen.cameron@hient.co.uk]

Sent: 20 December 2017 16:44

To: Carol MacKinnon [redacted]

Cc: [redacted]; Donald Fowler [redacted]; Iain Sutherland

<iain.sutherland@hient.co.uk>; Caroline MacLellan <caroline.maclellan@hient.co.uk>; Alison Gainsford

<Alison.Gainsford@hient.co.uk>; Chris Roberts <chris.roberts@hient.co.uk>

Subject: Integrated Aquaculture Mass Mortality Recovery System - grant approved

Hi Carol

I'm pleased to report that the above grant has been approved at a rate of 50% up to a maximum of £181000. Thanks to you and [redacted] for your assistance with the application. A formal legal undertaking will be issued in January.

Please note the following:

Prepayment conditions

- Submission of quotations (email received – to be reviewed)
- Formal confirmation of match funding of £181000

General conditions

- The assets grant assisted should only be used for the purposes of the project
- Claims to be supported by a progress report on the project
- On completion of the pilot, a final report to be submitted on the effectiveness of the new system

Communications/press

We are conscious of the level of media attention around fish farming issues and, in particular, the recent BBC reports on the disposal of mortalities. In view of this we will be giving careful consideration to the wording of a press release on the approval of funds. If you were going to issue any company press releases could you liaise with our Communications team before doing so? The contact is Chris Roberts who is ccd into this email.

Claims

From the expenditure profile we are projecting a drawdown of £100k of the claim by early March. I'm hoping that this is still feasible?

Good luck with the project and all the best for the festive season.

By the way – it's great news also on the Decommissioning Fund approval.

Regards

Helen

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offensive or profane content. Tha an teachdaireachd seo dìomhair agus 's ann dhan neach-ainmichte a-mhàin a tha i. Ma 's e is gun d'fhuair sibh le mearachd i, feuchaibh is leigibh fios sa spot dhan neach bhon tàinig i. Tha cleachdadh neo-cheadaichte na teachdaireachd seo fìor-thoirmisgte. Tha HIE a' cleachdadh bathar-bog gus luchd-obrach na buidhne a dhion is cuiridh i às do phost-dealain sam bith sa bheil càil oilbheumach no truailleach.



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Contact: Helen Cameron
Date: 9th January 2018
Direct Dial: (01397) 708259

Client Ref: 15608
Project No: 9363039
E-mail: Helen.cameron@hient.co.uk

Private & Confidential

Mr Alasdair Ferguson
Ferguson Transport (Spean Bridge) Limited
Integrated Freight Facility
Annat
Corpach
Fort William
PH33 7NN

Dear Mr Ferguson,

Integrated Aquaculture Mass Mortality Recovery System

I have pleasure in informing you that your application for financial assistance has been approved by Highlands and Islands Enterprise subject to the conditions contained in the enclosed Undertaking.

You will note that the Schedule at the end of the Undertaking gives details of the assistance which has been approved.

The Undertaking has important legal consequences and you may wish to discuss the contents with your solicitor. If the terms are acceptable, please execute the deed in accordance with the accompanying instructions and return it to HIE within 28 days otherwise the financial assistance may be withdrawn. A photocopy of the completed document will be sent to you for retention in due course.

Payment claim forms and guidance notes are enclosed, however should you have any further queries please do not hesitate to contact your Account Manager, ~~Helen Cameron~~.

Yours sincerely



~~Susan Smith~~
Acting Area Manager





Highlands and Islands Enterprise
Iomairt na Gàirhealtachd is nan Eilean

Contact: ~~Helen Cameron~~
Date: 5th March 2018
Direct Dial: ~~(01397) 708259~~

Client No: ~~15608~~
Process ID: ~~9363039~~
e-mail: ~~Helen.cameron@hient.co.uk~~

Private & Confidential

~~Mrs Carol MacKinnon~~
Ferguson Transport (Spean Bridge) Ltd
Integrated Freight Facility
Annat
Corpach
Fort William
PH33 7NN

Dear Mrs MacKinnon,

Integrated Aquaculture Mass Mortality Recovery System

Thank you for returning the legal documentation duly executed in respect of the above. A photocopy of the relevant legal undertaking and acceptance is enclosed for your retention.

The legal formalities have now been completed and we are now able to consider payment of the above financial assistance.

Payment of your grant will be made in accordance with the conditions set out in the legal undertaking. These conditions are stated within the legal undertaking but for ease of reference any which currently remain to be fulfilled (other than evidence of expenditure) are re-stated by way of a note at the foot of this letter. Once you have satisfied yourself that you have met all pre-payment conditions you should submit your claim for the release of the financial assistance.

A claim for release of the assistance should be made using the forms which have been sent to you and returned to the address below.

The conditions also require that you submit detailed original invoices and receipts as evidence of expenditure. Note that only vouchers for items of eligible expenditure should be submitted and any difficulties in this respect may result in a delay in processing your claim or in its return to you for re-submission.

If I can be of further assistance please do not hesitate to contact me.

Yours sincerely

~~Helen Cameron~~
Senior Account Manager

/Pre-payment conditions:

- *Formal confirmation of match funding of £181,000*
- *Submission of quotations*

St Mary's House, Gordon Square, Fort William, PH33 6DY Scotland
Taigh Mhoire, Ceàrnán nan Gàrdanach An Gearasdan, PH33 6DY Alba



T +44 (0)1397 704326 F +44 (0)1397 705309 E fortwilliam@hient.co.uk W www.hie.co.uk



Highlands and Islands Enterprise
Ionaid na Gàirdhealtachd 's nan Eilean

Contact: ~~Helen Cameron~~
Date: 21st March 2018
Direct Dial: (01397) 708259

Client Ref: 45608
Project ID: 9263039
E-mail: ~~Helen.cameron@hient.co.uk~~

Private & Confidential

~~Mrs Carol MacKinnon~~
Ferguson Transport (Spean Bridge) Ltd
Integrated Freight Facility
Annat
Corpach
Fort William
PH33 7NN

Dear Mrs MacKinnon,

Application for HIE Assistance - Integrated Aquaculture Mass Mortality Recovery System

Please find enclosed the original documentation which you submitted in respect of the above. All vouchers (invoices, receipts and bank statements) related to the project should be retained until the end of the grant obligation period. They may be requested as part of a random audit check.

A payment for £4 [REDACTED] being 50% of the eligible costs of [REDACTED] and being the first instalment of the grant will be forwarded to your bank account in due course.

The balance of the grant stands at £ [REDACTED]. Further payment will be considered on submission of the enclosed voucher listing and claim declaration form.

The conditions require that for vouchers of less than £5000 the following evidence of payment is required: detailed **original** receipted invoices; or **original** invoices accompanied by bank statements clearly showing payments to the payee; or formal receipts on the supplier's headed paper or supplier statements; or returned cheques. For vouchers of £5000 and over: an independent accountant's certificate; or formal receipts on the supplier's headed paper or supplier statements are required.

May I remind you that in line with the terms and conditions for this financial assistance all claims should have been made no later than six months after the Expected Project Completion Date of 31st October 2018. Any further extensions towards this project will be difficult to justify and HIE is under no obligation to support your claim for financial assistance beyond this date.

If we do not hear from you by the end of **April 2019**, we will assume that there is no further monies to be claimed, and this file will be closed. If you will not be in a position to make a further claim by this date, could you please advise when you would expect to be able to make a claim.

If you have any queries regarding the above then please do not hesitate to contact me.

Yours sincerely

~~Helen Cameron~~
Senior Account Manager

St Mary's House, Gordon Square, Fort William, PH33 6DY Scotland
Taigh Mhoire, Ceàrnan nan Gòrdanach, An Gearasdan, PH33 6DY Aicà



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Fiona Davidson

From: Elaine Jamieson
Sent: 06 September 2017 11:43
To: Helen Cameron
Subject: RE: Accelerating Aquaculture Innovation - Invitation to Submit Full Application- Fergusons Transport

Hi Helen,

You can put it to me in the first instance and I will pass to Donna (assuming it is within her delegated authority!). The programme is top-sliced and allocated to our team.

Hope that helps,

Elaine

From: Helen Cameron
Sent: 06 September 2017 10:57
To: Elaine Jamieson
Cc: Caroline MacLellan; Andrew Gear; Iain Sutherland; Andrew Gear; Alison Gainsford
Subject: RE: Accelerating Aquaculture Innovation - Invitation to Submit Full Application- Fergusons Transport
H Elaine

Thanks for response. Could you clarify – who is the AIP submitted to for review and approval? Does it bypass the Area Office management team and go straight to Donna Chisholm?

Thanks

Helen

From: Elaine Jamieson
Sent: 05 September 2017 22:10
To: Helen Cameron
Cc: Caroline MacLellan; Andrew Gear; Iain Sutherland
Subject: RE: Accelerating Aquaculture Innovation - Invitation to Submit Full Application- Fergusons Transport
Hello Helen,

Andrew has outlined the process perfectly. For each Expression of Interest that we take to full application there is a project team comprising of area office lead, Don and Iain or Caroline. If you haven't all met already to collectively agree how to take forward the client's application, I suggest you do as a matter of urgency. This will bring clarity to the roles of each team member and ensure we deliver the client the best possible service.

Any questions – please do not hesitate to get in touch.

Elaine

From: Andrew Gear
Sent: 05 September 2017 14:18
To: Helen Cameron
Cc: Caroline MacLellan; Elaine Jamieson; Iain Sutherland
Subject: RE: Accelerating Aquaculture Innovation - Invitation to Submit Full Application- Fergusons Transport
Hi Helen

What I take the aim of the process to be (and I'm sure the others will correct me if my wrong) is that the client will fill out the application form, and hopefully through that we can capture most the information required to undertake a AIP making it easier and quicker. I'm working on a paper with [REDACTED] but due to the lack of info in parts of their application I had to request further information such as a business plan, etc. You're correct that the responsibility lies with the Account Manager, will follow the standard appraisal paper and I'm understanding is that the Delegated Authority is Donna Chisholm.

My paper has stalled as I'm still waiting on [REDACTED] to come with the appropriate information.

Feel free to give me a call if you have any questions.

Andrew

From: Helen Cameron
Sent: 05 September 2017 12:11
To: Andrew Gear
Cc: Caroline MacLellan; Elaine Jamieson; Iain Sutherland
Subject: FW: Accelerating Aquaculture Innovation - Invitation to Submit Full Application- Fergusons Transport
Hi Andrew

I was hoping you could give me some guidance on the work required of the account manager in the Accelerating Aquaculture Innovation scheme. I was talking to Donald Fowler this morning and I had been under the impression that he did the due diligence on the application however it seems to be down to the account manger. He suggested that I talk to yourself as you are already dealing with one. As I understand it there is no requirement to issue a HIE application form but a standard appraisal paper is required. Does the AIP go through the standard Area Team approval process or is it submitted to a delegated authority in the Food & Drink Team?
Any guidance would be appreciated.

Regards

Helen

Helen Cameron

Senior Development Manager

Highlands and Islands Enterprise | Iomairt na Gàidhealtachd 's nan Eilean

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T +44 (0) 1397 708259

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M +44 (0) 7717 484 773

My normal hours are:

Mon, Tues, Thurs, Fri 9am to 1pm

Wed 9am to 5pm



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean



From: Accelerating Aquaculture Innovation [mailto:AAI@scottishaquaculture.com]

Sent: 04 August 2017 14:16

To: Helen Cameron

Subject: FW: Accelerating Aquaculture Innovation - Invitation to Submit Full Application- Fergusons Transport FYI

Donald Fowler

Aquaculture Innovation Manager

scottishaquaculture.com Connect+Collaborate

From: Accelerating Aquaculture Innovation

Sent: 02 August 2017 09:25

To: 'helen.cameron@heint.co.uk' ; 'Iain Sutherland'

Cc: 'Caroline MacLellan'

Subject: Accelerating Aquaculture Innovation - Invitation to Submit Full Application- Fergusons Transport

Hi Helen,

Just to make you aware this is ongoing. And I will be sending this email below to Fergusons later today.

@Iain is there an updated version of the guidance and the financials or is this the latest?

Regards Don

Dear Carol,

Thank you for your expression of interest for assistance towards your proposed "Integrated Mass Mortality Recovery System". I can confirm that your project appears to meet the basic requirements for eligibility for financial assistance and we would like to invite you to submit a full application.

In order to progress with our due diligence on your project, we will require the following information from you (in this order):

1. Latest audited account (and management accounts if more than 6 months has passed since the audited accounts were signed)
2. Fully completed application form (template and guidance attached) accompanied by your current business plan

3. 3 years historical accounts (if available) and 3 year financial forecast which demonstrates how this project will impact on business performance

Upon receipt of this information we will formally consider HIE financial assistance towards your project. It should be noted this email does not constitute approval of funding. All HIE financial assistance is discretionary and subject to appropriate due diligence and budgetary constraints.

Should any work towards the implementation of the proposed project commenced prior to the date you submitted your Expression of Interest, then the whole project will be ineligible on timing grounds. Commencing work on the project between that date and the date of a decision on funding will be entirely at your own risk.

We look forward to working with you on this project. I or Helen Cameron will be in touch with you shortly to arrange a meeting to discuss your project in more detail and supply a little more feedback on areas of the innovation proposal that we would like clarified.

Yours sincerely

Don

Donald Fowler

Aquaculture Innovation Manager

(t) +44 (0)1546 605405 (m) +44 (0)7766 367433 (w) scottishaquaculture.com Connect+Collaborate



The Scottish Aquaculture Innovation Centre is hosted by the University of Stirling and based at Unit 19, Scion House, Stirling University Innovation Park, Stirling FK9 4NF.

From:

Sent: None

Subject: Accelerating Aquaculture Innovation - Invitation to Submit Full Application

Fiona Davidson

From: Elaine Jamieson
Sent: 08 January 2018 13:40
To: Caroline MacLellan; Iain Sutherland; Helen Cameron
Cc: Alison Gainsford
Subject: RE: Ferguson Transport - final changes to AIP

Dear all,

I agree *that Integrated Aquaculture Rapid Mortality Recovery System* is a good project title.

Elaine

From: Caroline MacLellan
Sent: 08 January 2018 13:38
To: Iain Sutherland; Helen Cameron
Cc: Elaine Jamieson; Alison Gainsford
Subject: RE: Ferguson Transport - final changes to AIP

Hi All

Kathy sent me a copy of the BDS approvals which shows FT as Integrated Aquaculture Mass Mortality Recovery System so echoing Iain's email do we want to amend how this will be viewed in the public domain, we don't have to show on these the exact wording as it appears on HMS so happy to provide Kathy with an appropriate title for the grant approval which will be made public.

Are you happy with Integrated Aquaculture Rapid Mortality Recovery System?

Regards
Caroline

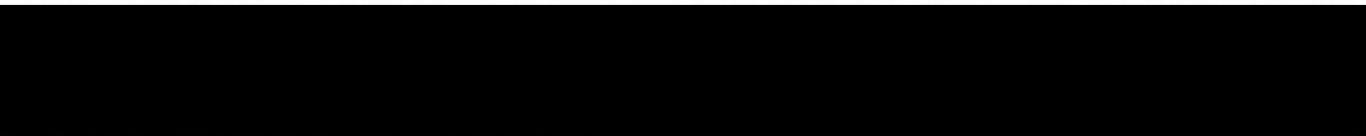
Caroline Maclellan
Senior Innovation Manager

T +44 (0) 300 013 4818
M +44 (0) 791 905 8656
E caroline.maclellan@hient.co.uk

From: Iain Sutherland
Sent: 08 January 2018 13:34
To: Helen Cameron
Cc: Elaine Jamieson; Alison Gainsford; Caroline MacLellan
Subject: RE: Ferguson Transport - final changes to AIP

Hi Helen

David will be in tomorrow Tuesday when he should be able to sign the Ferguson AIP – I've printed the final copy and will catch him tomorrow.


Iain

~~Iain Sutherland~~

~~Senior Development Manager Food and Drink~~

~~Iain Sutharlanach~~

~~Ard Mhànaidsear Leasachaidh Bìadh is Deoch~~

Highlands and Islands Enterprise
An Lòchran
10 Inverness Campus
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IV2 5NA

Iomairt na Gaidhealtachd 's nan Eilean
An Lòchran
10 Làrach Inbhir Nis
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~~Switchboard: +44 (0)1463 245245
Tel: +44 (0)3000 134 908
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E: iain.sutherland@hient.co.uk~~

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Fon: +44 (0)3000 134 908
Fon f: +44 (0)7881 731236
E: iain.sutherland@hient.co.uk~~

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From: Helen Cameron
Sent: 03 January 2018 10:16
To: Iain Sutherland
Cc: Elaine Jamieson; Alison Gainsford; Caroline MacLellan; Jill Henderson
Subject: FW: Ferguson Transport - final changes to AIP

Hi Iain

Happy New Year to you.

I confirm that the AIP has been amended to reflect Elaine's comments. Please note that changing the reputation risk to medium means that there are more mediums than lows so I have amended the overall risk rating to medium.

Just to confirm:

- You will arrange for the signing of the paper and send a copy to me for signing.
- We will issue the legal undertaking and ask Susan Smith to sign the covering letter next week.
- You will take the lead with the Comms team on the press release

Any queries then let me know.

Regards

Helen

From: Elaine Jamieson
Sent: 21 December 2017 14:47
To: Helen Cameron
Subject: FW: Ferguson Transport - final changes to AIP

Helen,

Would be grateful if you could note the feedback from myself and David (below) and reflect these in the AIP.

Iain will print a copy early in the New Year and forward you a copy signed by David.

Have a lovely Christmas break,
Elaine

From: Elaine Jamieson
Sent: 20 December 2017 11:39
To: Helen Cameron
Cc: Caroline MacLellan; Donald Fowler [REDACTED]; 'Chris Roberts'; Iain Sutherland; David Oxley; Kathy Ferguson
Subject: FW: Ferguson Transport - Mass Mortality Recovery Scheme AIP (A3010052)

Dear Helen,

Congratulation – Ferguson's are our first AAI approval! (Chris – can you please approve now on HMS). This is a good demonstration of great team work, so thank you to all involved in the project team.

A few points to note:

- Reputational risk is more likely to be medium rather than low; a week after the BBC ran two pieces on mortalities in salmon farms we are planning to approve a bulk handling system for mortalities. We must consider that it is entirely possible industry critics will pick up on this as further evidence of the industry's failings - as they would see it. Helen and Iain, can you seek guidance from Chris to ensure we position our Comms around this carefully, and consider sharing/liasing any press release with SSPO and Marine Scotland (as you think appropriate). It goes without saying that we will share all our Comms with our programme partner SAIC.
- Please include in the undertaking that we receive a final report on the effectiveness of the new system, once it has been developed.
- Can you please monitor spending profile carefully, particular this financial year. As I recall we are expecting £ [REDACTED] to be drawn down in 17/18.

Kind regards
Elaine

From: David Oxley
Sent: 20 December 2017 11:02
To: Elaine Jamieson
Subject: RE: Ferguson Transport - Mass Mortality Recovery Scheme AIP (A3010052)

Thanks Elaine,

Happy to approve. My only comments would be that I would like to include in the undertaking that we receive a final report on the effectiveness of the new system, once it has been developed

D

From: Elaine Jamieson
Sent: 19 December 2017 14:02
To: David Oxley
Subject: FW: Ferguson Transport - Mass Mortality Recovery Scheme AIP (A3010052)

David,

Please find attached AIP for an Accelerating Aquaculture Innovation project with Ferguson Transport, for your consideration. Key strengths/alignment to AAI objectives of this project are:

- Applicant is a supply chain SME in H&I
- Project is innovative
- Project concept is developed but still some way, primarily on timing, from commercial exploitation
- Project is aligned and responsive to (an urgent) industry demand

This project is top-sliced and approved by LT. Assuming HIE decide to support GIA as proposed, can I recommend you approve via email to me, and I forward this onto Chris Roberts, to whom the project is assigned on HMS. I will save this trail in the client folder as evidence of approval.

Many thanks,
Elaine

Fiona Davidson

From: Carol MacKinnon [redacted]
Sent: 02 March 2018 13:24
To: Helen Cameron; Alasdair Ferguson
Cc: Jack Ferguson; Calum Macfarlane; Iain Sutherland
Subject: RE: Mortalities Project - draft press release
Attachments: SKM_C224e18030213180.pdf

Hi Helen,

Please find the attached scanned copy of the Undertaking for your reference until the original arrives with you.

I hope you have a lovely weekend.

Thank you.

Best regards,

Carol

~~Carol MacKinnon~~
~~Group Company Secretary / Financial Director~~
~~Ferguson Transport, Shipping & Kishorn Port~~

[redacted]
www.fergusontransport.co.uk
www.kishornport.co.uk



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From: Helen Cameron [<mailto:helen.cameron@hient.co.uk>]
Sent: 02 March 2018 13:15
To: Carol MacKinnon [redacted] Alasdair Ferguson [redacted]
Cc: Jack Ferguson [redacted] Calum Macfarlane [redacted]
Sutherland <iain.sutherland@hient.co.uk>
Subject: RE: Mortalities Project - draft press release

Hi Carol

Thanks for update [REDACTED]

The Undertaking hasn't been received here yet but possibly the mail has been delayed to the weather.

Regards

Helen

From: Carol MacKinnon [REDACTED]
Sent: 02 March 2018 12:23
To: Helen Cameron <helen.cameron@hient.co.uk>; [REDACTED]
Cc: [REDACTED] Calum Macfarlane <calum.macfarlane@hient.co.uk>; Iain Sutherland <iain.sutherland@hient.co.uk>
Subject: RE: Mortalities Project - draft press release

Good afternoon Helen,

[REDACTED]

I signed off the forms on Monday this week and we sent them back to the Fort William office for the attention of Susan Smith, I have a copy of them here if you require to see them.

Thank you.

Best regards,

Carol

Carol MacKinnon
Group Company Secretary / Financial Director
Ferguson Transport, Shipping & Kishorn Port

[REDACTED]

www.fergusontransport.co.uk
www.kishornport.co.uk



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Please contact the sender if you believe you have received this email in error.

Our system runs Anti - virus software but no guarantee is given and you must satisfy yourself that no computer viruses are attached.

From: Helen Cameron [REDACTED]
Sent: 28 February 2018 13:03
To: [REDACTED] Carol MacKinnon [REDACTED]
Cc: [REDACTED]; Calum Macfarlane <calum.macfarlane@hient.co.uk>; Iain Sutherland <iain.sutherland@hient.co.uk>
Subject: Mortalities Project - draft press release

Alasdair/Carol

Please find attached a draft press release for the Mortalities Project for review. We would like to include a quote from the business - could you suggest something suitable? One sentence I've noticed which will need to be amended is the reference to the company being "of Spean Bridge".

We anticipate that there could be some press interest in the story given the recent coverage of fish mortalities in the media. We may have to pass on some of these to the business - is there somebody in the company who deals with media enquiries?

By the way we issued another legal undertaking about ten days ago. If everything is in order could you sign and return and we will arrange to process the claim. As reminder we are also awaiting confirmation of the balance of the funds.

Any queries then let me know.

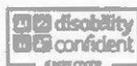
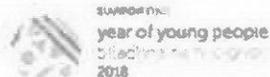
Regards

Helen

Helen Cameron
Senior Development Manager

T +44 (0) 1397 706259
DD +44 (0) 0300 013 4899
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M +44 (0) 7717 484 773

My normal hours are:
Mon, Tues, Thurs, Fri 9am to 1pm
Wed 9am to 5pm



Highlands and Islands Enterprise ; Iomairt na Gàidhealtachd is nan Eilean
St Mary's House, Gordon Square, Fort William PH33 6DY



**GRANT UNDERTAKING
BY**

FERGUSON TRANSPORT (SPEAN BRIDGE) LIMITED, a company incorporated in Scotland under the Companies Acts (registered number: SC156545) and having its registered office at Integrated Freight Facility, Annat, Fort William, PH33 7NN (hereinafter called "the Applicant")

in favour of

HIGHLANDS AND ISLANDS ENTERPRISE established by the Enterprise and New Towns (Scotland) Act 1990 and having its Principal Office at An Lòchran, 10 Inverness Campus, Inverness IV2 5NA (hereinafter called "the Grantor")

DEFINITIONS AND INTERPRETATION : The following definitions will apply in this Undertaking unless the context requires otherwise:-

- (a) "Applicant" includes, where the Applicant is an individual or individuals, executors and successors of the Applicant and where the Applicant are partners in a firm their successors as partners of and trustees for the firm. If the Applicant is more than one person (including the partners of a partnership) then each of those people shall be jointly and severally liable for complying with the terms and conditions of this Undertaking.
- (b) "Business" means the Applicant's business or activity which is being developed by the Project;
- (c) "Date of Approval" means the date detailed in Schedule B ;
- (d) "Date of Grant" means the date this Undertaking was issued to the Applicant, or if the Undertaking contains subjective conditions, the date the Grantor confirms in writing to the Applicant that the last such condition has been satisfied.
- (e) "Expected Project Completion Date" means the expected date for completion of the Project as detailed in Schedule D;
- (f) "Grant" means the grant or grants shown in Schedule C, being the lesser of the % of eligible costs specified in Schedule C and the Grant amount specified in Schedule C;
- (g) "month" means a calendar month;
- (h) "Period of Obligation" means the period specified in Schedule E attached hereto;
- (i) "Project" means the project as detailed in Schedule A;
- (j) "Project Funding" means the project funding as detailed in Schedule A;
- (k) "Project Location" means the place at which the Project will be carried out as detailed in Schedule A;

- (l) "Prepayment conditions" means the prepayment conditions specified in Schedule F;
- (m) "Project specific conditions" means any project specific conditions specified in Schedule G;
- (n) "Relevant Threshold" means:
- (1) In the case of Agriculture De Minimis Aid, €15,000 over any period of three fiscal years;
 - (2) In the case of Fisheries De Minimis Aid, €30,000 over any period of three fiscal years; and
 - (3) In the case of General De Minimis Aid, €100,000 in the case of aid granted in connection with activities within the road freight transport sector and €200,000 in the case of aid granted in connection with all other eligible sectors, both over any period of three fiscal years.
- (o) "De Minimis Regulations" means the regulations referred to in the definitions of General De Minimis Aid, Agriculture De Minimis Aid and Fisheries De Minimis Aid.
- (p) "Related Enterprise" means an enterprise which:
- (i) has a majority of the shareholders' or members' voting rights in the Applicant, or in respect of which, the Applicant holds a majority of the shareholders' or members' voting rights; or
 - (ii) has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of the Applicant, or in respect of which, the Applicant has the right to appoint or remove a majority of the members of the administrative, management or supervisory body; or
 - (iii) has the right to exercise a dominant influence over the Applicant pursuant to a contract entered into with the Applicant or to a provision in the Applicant's memorandum or articles of association, or, over which, the Applicant has the right to exercise a dominant influence pursuant to a contract entered into with that enterprise or to a provision in that enterprise's memorandum or articles of association; or
 - (iv) is a shareholder in, or a member of the Applicant, that controls alone, pursuant to an agreement with other shareholders in or members of the Applicant, a majority of shareholders' or members' voting rights in the Applicant, or of which, the Applicant is a shareholder or a member, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders' or members' voting rights in that enterprise;
- and also includes an enterprise which has any of the relationships referred to in paragraphs (i) to (iv) above with the Applicant through one or more other enterprises and any enterprise in respect of which the Applicant has any of the relationships referred to in paragraphs (i) to (iv) above through one or more other enterprises.
- (q) "General De Minimis Aid" means aid granted under Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid OJEU 2013/L352/1 published on 24 December 2013.
- (r) "General De Minimis Aid Excluded Sectors" means either

- (i) activities related to fishery or aquaculture sector as covered by Council Regulation (EC) No 104/2000 of 17 December 1999 (OJ L 17, 21.1.2000, p.22);
 - (ii) activities related to the primary production of agricultural products; or
 - (iii) activities related to the processing and marketing of agricultural products where either: the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the undertakings concerned; or the aid is conditional on being partly or entirely passed on to primary producers.
- (s) "Agriculture De Minimis Aid" means aid granted under Commission Regulation (EU) No 1408/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the agriculture sector OJEU 2013/L 352/9 published on 24 December 2013.
- (t) "Agriculture De Minimis Aid Excluded Sectors" means either
- (i) activities related to fishery or aquaculture sector as covered by Commission Regulation (EC) No 875/2007 of 24 July 2007 on the application of Articles 87 and 88 of the EC Treaty to *de minimis* aid in the fisheries sector and amending Regulation (EC) No 1860/2004 OJEU 2007/ L 193/6 published on 25 July 2007; or
 - (ii) activities falling within the scope of Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid OJEU 2013/L352/1 published on 24 December 2013.
- (u) "Fisheries De Minimis Aid" means aid granted under Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the fisheries and aquaculture sector OJEU 2014/L 190/45 published on 28 June 2014;
- (v) "Fisheries De Minimis Aid Excluded Sectors" means either
- (i) activities falling within the scope of Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid OJEU 2013/L352/1 published on 24 December 2013; or
 - (ii) activities relating to the primary production of agricultural products falling within the scope of Commission Regulation (EU) No 1408/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the agriculture sector OJEU 2013/L 352/9 published on 24 December 2013.

The Applicant WARRANTS:

- a) that the Applicant is validly existing, has power to execute and perform its obligations under this Undertaking, its execution and such performance has been validly authorised, and on its execution and delivery, those obligations will be valid, legal and binding on it;
- b) that it is or will be the owner of or will otherwise have the right to use the Project Location and all plant, equipment and other assets required in connection with the Project and all such assets to undertake the Project and the Business;
- c) that, if the Grant includes *de minimis* aid, as at the Date of Approval it has provided HIE in writing with full details of all offers of *de minimis* aid and any other state aids it (and any

Related Enterprise) has received or accepted from any public source in the current and two preceding fiscal years and undertakes to provide to HIE full details of any further such offers granted up until the Date of Grant;

- d) that when added to such *de minimis* aid previously granted, the *de minimis* element of the Grant will not cause the *de minimis* aid which the Applicant and any Related Enterprise has been granted in that period to exceed the Relevant Threshold nor to breach the cumulation provisions of the De Minimis Regulations. The warranties contained in paragraphs (c) and (d), shall be deemed to be repeated by the Applicant on the Date of Grant, as at that date;
- e) that where it, or any Related Enterprise has been granted state aid in relation to the same eligible costs or in connection with the same risk finance measure, the total state aid granted does not exceed the highest relevant aid intensity or aid amount fixed in the specific circumstances of each case by a block exemption regulation or a decision adopted by the European Commission;
- f) if the Grant includes General De Minimis Aid, and if the Applicant is involved in the sectors referred to in the definition of General De Minimis Aid Excluded Sectors above, any element of the Grant that relates to the General De Minimis Aid shall not be used in such a way as to benefit activities of the Applicant (or any Related Enterprise) in any of the sectors referred to in the definition of General De Minimis Aid Excluded Sectors;
- g) if the Grant includes if General De Minimis Aid and the Applicant performs road freight transport for hire or reward and also carries out other activities covered by General De Minimis Aid, the Applicant warrants that it shall ensure that the benefit to the road freight transport activity shall not exceed €100,000 and that no *de minimis* aid is used for the acquisition of road freight transport vehicles;
- h) if the Grant includes Agriculture De Minimis Aid, and if the Applicant is involved in the sectors referred to in the definition of Agriculture De Minimis Aid Excluded Sectors above, any element of the Grant that relates to the Agriculture De Minimis Aid shall not be used in such a way as to benefit activities of the Applicant (or any Related Enterprise) in any of the sectors referred to in the definition of Agriculture De Minimis Aid Excluded Sectors.
- i) if the Grant includes Fisheries De Minimis Aid, and if the Applicant is involved in the sectors referred to in the definition of Fisheries De Minimis Aid Excluded Sectors above, any element of the Grant that relates to the Fisheries De Minimis Aid shall not be used in such a way as to benefit activities of the Applicant (or any Related Enterprise) in any of the sectors referred to in the definition of Fisheries De Minimis Aid Excluded Sectors.
- (j) that no financial assistance or state aid has been granted to the Applicant in breach of any applicable statutory provisions or regulations or any decisions adopted by the European Commission; and that the Applicant is not subject to any outstanding recovery order in respect of any state aid previously granted to the Applicant.

If the Applicant is in breach of any of the above warranties (including, for the avoidance of doubt, any such warranties deemed to be repeated as at the Date of Grant) then the Applicant or such Related Enterprise may be required to repay all or part of the Grant (and any other *de minimis*) to the extent that it has been paid out, with interest.

The Applicant UNDERTAKES to implement the Project for which the Grant is provided by the Expected Project Completion Date and to fulfil and observe all of the following terms and conditions for the Period of Obligation:-

1. CONDUCT OF BUSINESS, ACCOUNTS, ETC. The Applicant shall:

- (1) carry on the Business and implement the Project in a proper and efficient manner and keep proper financial and other records and books of account all to the reasonable satisfaction of the Grantor which shall at all reasonable times be open for inspection by the Grantor;
- (2) provide the Grantor with such information and within such period as the Grantor may require relating to the Project and the Business;
- (3) not without the prior written consent of the Grantor discontinue or dispose of (on winding up or otherwise) the whole or a substantial part of the Business or the Project or its assets or make any alteration that is in the reasonable opinion of the Grantor a material alteration to the constitution of the Applicant, its membership or the character of the Business or the Project;
- (4) not without the prior written consent of the Grantor sell or dispose of its property or buildings or sell or dispose of or remove or move any of the plant, equipment or other assets used in connection with the Business or the Project and which have been acquired or improved with the benefit of the Grant;
- (5) keep all the property, buildings, plant, equipment and other assets of the Business and the Project in a good state of repair and in good condition all to the reasonable satisfaction of the Grantor and permit the Grantor to inspect them on reasonable notice;
- (6) insure and keep insured against loss or damage by fire, storm, impact, theft and such other risks as may reasonably be required by the Grantor all property, buildings, plant, equipment, stock, vehicles and other assets of the Business for such sums as may be necessary to cover the full replacement or reinstatement thereof or for such sum as the Grantor may reasonably approve, exhibit the relevant policies and receipts for premiums to the Grantor and if required by it ensure that the interest of the Grantor be endorsed on such policies, and apply any proceeds of such insurance towards replacement or reinstatement;
- (7) not move the Business or the Project or any of its plant, equipment or other assets acquired in connection with the Project out of the Highlands and Islands area of operation of the Grantor;
- (8) only use the Grant in implementation of the Project and not for expenditure incurred prior to the date on which it made its initial application for the Grant;
- (9) comply with all applicable statutory and other regulations and obtain, and provide to the Grantor on request, all necessary consents and licences, for the Project and the Business; and
- (10) indemnify the Grantor against any claims whatsoever arising in relation to the Project or the Business.

2. REPAYMENT OF THE GRANT. If any of the following events occur any unclaimed part of the Grant shall immediately be withdrawn by the Grantor and the Applicant shall immediately become liable to repay to the Grantor any part of the Grant which has already been paid out to the Applicant:

- (1) if the Applicant ceases to carry on the Business, becomes unable to pay its debts, or the insolvency or sequestration of the Applicant or divesting themselves of their property by trust deed in favour of their creditors, or entering into a composition or arrangement with its creditors or if an order is made, or a petition presented or a resolution passed for the dissolution or winding up of the Applicant, or a liquidator, provisional liquidator, receiver, administrative receiver or administrator is appointed to the Applicant or any of its assets;
- (2) breach by the Applicant of any of these terms and conditions or any other conditions, obligations or undertakings granted or to be granted by the Applicant in favour of the Grantor or any lease or other agreement between the Applicant and the Grantor;

- (3) if there is a material alteration to the constitution of the Applicant, its membership, trustees or partners, or if the Applicant is a company, by the transfer of ownership of the controlling interest in the Applicant without the prior written consent of the Grantor, or on the occurrence of any event or change in circumstances in relation to the Applicant or the Project which in the reasonable opinion of the Grantor, would have a material adverse effect on the ability of the Applicant to comply with these conditions;
- (4) if, in the reasonable opinion of the Grantor, any document or other information submitted in connection with the Applicant's application for the Grant is fraudulent, false or materially misleading or if the Applicant has withheld information which in the reasonable opinion of the Grantor would have had a material bearing on the Grantor's decision to approve the Grant, or the Applicant or any of its officers, partners, office holders or trustees has acted fraudulently or negligently;
- (5) if the Applicant receives or becomes entitled to other funding (whether from public or private sources) in excess of the amounts specified in Schedule A, the Applicant undertakes to provide details of any such additional funding to the Grantor immediately upon such receipt or entitlement.

3. CLAIMS AND PAYMENT OF GRANT

Any claim for payment of the Grant must be made in writing on a properly completed claim form, (which may be obtained from the Grantor) to the Grantor not later than six months after the Expected Project Completion Date. Any claim must be accompanied by evidence of expenditure and such other evidence as the Grantor may require. If any such claim or evidence is not satisfactory to the Grantor, payment of Grant may be refused or reduced at the Grantor's discretion. The Grantor may withdraw any balance of the Grant not released within the time limit for submission of claims unless the Grantor agrees to extend the time limit by notice in writing.

The Grantor reserves the right to withhold payment of part or all of the Grant until the prepayment conditions, if any, set out in Schedule F attached hereto are implemented and the Project Funding is in place.

Grant shall be payable up to the amount approved by the Grantor as a percentage of the eligible costs of the Project as approved by the Grantor.

To the extent that the Grantor may permit any of the Grant to be paid out in advance of its receipt of evidence of expenditure and supporting other evidence the Applicant shall provide the Grantor with such evidence as soon as reasonably possible and in any event not later than 60 days from the date of such expenditure, failing which the Grantor may demand the immediate repayment of the Grant. No further payment of Grant shall be made until such evidence is received by the Grantor in respect of any Grant paid in advance of its receipt.

4. PUBLICITY /ACKNOWLEDGEMENT

The Grantor reserves the right to publicise the assistance to the Applicant and to include it in a public record of cases, both to demonstrate how its resources are used and to give examples of the types of development it is able to assist. The Applicant shall ensure that any publicity given to the Project contains an acknowledgement of the Grantor's funding support and shall display in a prominent place, any plaque, sticker or logo as the Grantor may require.

5. ASSIGNATION

The Grant shall be personal to the Applicant and the Applicant may not assign or transfer the Grant or any of its obligations, under this Undertaking, nor subcontract any of such obligations, to any third party without the prior written consent of the Grantor (as the case may be). The Grantor may assign its rights under this Undertaking to any third party without consent of the Applicant.

6. LAW OF SCOTLAND

This Undertaking shall be governed by the laws of Scotland.

7 CERTIFICATE OF DEFAULT

In the event of default by the Applicant the Applicant agrees that a certificate signed by a duly authorised officer of the Grantor shall (save for manifest error) be sufficient to determine conclusively all sums due to be repaid by the Applicant to the Grantor (including expenses) and the Applicant consents to the registration of this Undertaking together with the said certificate for preservation and execution.

IN WITNESS WHEREOF these presents comprising of this and the six preceding pages together with the schedules A, B, C, D, E, F and G attached hereto are executed by the Applicant or for and on behalf of the Applicant

Ferguson Transport (Spean Bridge) Limited at Corrach on the 26th
day of FEBRUARY 2018 in the presence of the witness subscribing hereto:

[Redacted] Witness [Redacted]

[Redacted] Full Name Director/ Secretary

% Ferguson Transport Address [Redacted]
(Spear Bridge) Limited Full Name

SCHEDULE A - PROJECT

Integrated Aquaculture Mass Mortality Recovery System being funded for the purposes of piloting a new method of removing mortalities at fish farm sites and hatcheries leading to an anticipated increase in turnover of £624,240 by 30th October 2018 and supporting 2.5 FTE's by 31st October 2018.

Project Location: Integrated Freight Facility, Annat, Fort William, PH33 7NN

Project Cost		Project Funding	
Cost Type	£	Funding Type	£
Plant and Equipment		HIE Funding	£181,000.00
Total		Total	£362,000.00

SCHEDULE B – Date of Approval: 20th December 2017

Date of Grant: 22nd February 2018 or where there are conditions herein specifically requiring HIE satisfaction or approval, the date of written confirmation from HIE that the last such condition has been met if later.

SCHEDULE C – GRANT

Grant Type	Amount of Eligible Costs	% of eligible costs	Grant Amount
Fisheries & Aquaculture 2014-2020 – Aid for productive aquaculture investment Article 31	£362,000.00	50%	£181,000.00

The Applicant should retain a copy of this Undertaking at least for the Period of Obligation or 3 years (whichever is longer) in case of a request to produce it from UK public authorities or the European Commission.

SCHEDULE D - THE EXPECTED PROJECT COMPLETION DATE

The expected project completion date means 31st October 2018.

SCHEDULE E - PERIOD OF OBLIGATION

The period from the date of this Undertaking until the date three years from the date of last payment of the Grant.

SCHEDULE F - PREPAYMENT CONDITIONS

- Formal confirmation of match funding of £181,000
- Submission of quotations

SCHEDULE G - PROJECT SPECIFIC CONDITIONS

- On completion of the pilot, a final report to be submitted on the effectiveness of the new system.
- Claims to be supported by progress reports on project.
- The assets grant assisted should only be used for the purposes of the project.

From: HIE Communications <communications@hient.co.uk>
Sent: 13 March 2018 15:20
To: Calum Macfarlane
Subject: Aquaculture supply chain firms urged to apply to innovation fund



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

13 March 2018, 15:19

Aquaculture supply chain firms urged to apply to innovation fund

Small to medium enterprises (SMEs) in the aquaculture sector in the Highlands and Islands are being reminded of the £1m Accelerated Aquaculture Innovation (AAI) fund.

The fund is currently being piloted by Highlands and Islands Enterprise (HIE) and the Scottish Aquaculture Innovation Centre (SAIC) to boost innovation in the industry supply chain.

One of the first recipients is a project by Ferguson Transport & Shipping with their head office based at Corpach, who devised a new method for the efficient removal of fish mortalities from farms.

The project has been awarded £181,000 by the innovation fund. If successful, it could significantly reduce the impacts on fish farm operations.

Aquaculture is a priority sector for HIE and of growing importance to Scotland's economy. Elaine Jamieson, HIE's head of food and drink, said:

"Scotland's aquaculture industry is forecast to grow substantially in the years ahead. Innovation will underpin sustainable growth and maintain the global competitiveness of Scotland's products and services.

"This innovation programme is about helping SMEs across the supply chain achieve greater commercialisation of new products and services that will have a positive economic and social impact.

"We very much look forward to seeing the Ferguson project develop, and would urge those involved in other aquaculture related innovation projects with clear commercial outcomes to consider applying to the fund."

Jack Ferguson, operational director with Ferguson Transport & Shipping, said:

"We are delighted to have received the support from the Aquaculture Innovation Fund. This funding will assist us in bringing to fruition our ideas and our innovative design, for specific mechanical handling, into modular bulk transport tanks, to transport and deliver fish mortalities in a safer and strict bio secure way. Our new method will allow us to collect directly from the pens and thereafter deliver direct for the reprocessing for energy, from waste or processing into liquid fertiliser."

Projects from £25,000 to £1 million will be considered. Where applications are successful, the AAI programme could typically provide up to half the project cost. Where applications don't quite meet the programme criteria, the AAI team will point SMEs to more suitable support avenues so that they still receive the help they need to develop their concept

More information on the AAI programme is available at <http://scottishaquaculture.com/work-with-us/accelerating-aquaculture-innovation-programme/>

Contact

HIE Communications
communications@hient.co.uk

Notes to editors

Contact: Calum Macfarlane, HIE Communications, 0300 013 5103,
calum.macfarlane@hient.co.uk

Highlands and Islands Enterprise (HIE) is an economic and community development agency implementing Scotland's Economic Strategy across a region which covers more than half the country. With around 300 staff, HIE supports hundreds of client businesses and social enterprises; strengthens communities, particularly in fragile areas; develops growth sectors, and invests in infrastructure to create a more competitive and low carbon region.

You can visit our website at <http://www.hie.co.uk>

Or follow us on social media: [Twitter](#) : [Facebook](#) : [Linkedin](#) : [Youtube](#)

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