



Stella House, Goldcrest Way
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REF: NE004073 our ref
DATE: 25/01/07 your ref
 date



NE004073 – NCGE Enterprise

On behalf of and as authorised by One NorthEast, Stella House, Goldcrest Way, Newburn Riverside, Newcastle upon Tyne NE15 8NY ('**One NorthEast**'), I hereby offer to pay to National Council for Graduate Entrepreneurship, (the '**Proposer**') a maximum grant of £115,000 (the '**Grant**') as set out in this Funding Allocation Letter ('**Funding Allocation Letter**' or '**FAL**').

1. The Grant is offered subject to the following conditions:-
 - 1.1. The Grant shall be applied wholly and exclusively for the public administration and co-ordination purposes being the Project described in **Appendix 1** attached (the '**Project**').
 - 1.2. To accept the Grant a duly authorised officer from your organisation must sign and return a copy of the Funding Allocation Letter accepting the terms and conditions set out in it. It should be signed (on the last page) and initialled on every page. This offer of funding will automatically lapse if the properly executed Funding Allocation Letter is not returned to the following address within 14 (fourteen) days of the date of this Funding Allocation Letter:

The signed Funding Allocation Letter must be returned to:

David Dunn, One NorthEast, Stella House, Newburn Riverside, Newcastle upon Tyne, NE15 8NY.

- 1.3. No payments of Grant will be permitted unless and until the properly executed Funding Allocation Letter is received by One NorthEast.

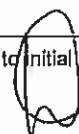
- 1.4. The payment of Grant in accordance with this letter is believed to be outside the scope of Value Added Tax but If Value Added Tax is chargeable, all payments of Grant shall be deemed to be inclusive of all Value Added Tax and One NorthEast shall not be obliged to pay any Value Added Tax over and above the amount of the Grant.

2. Definitions

In this FAL the following expressions have the meanings set opposite them unless inconsistent with the context:

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| 'Agreed Completion Date' | Means the date specified in Appendix 1 , or such other date as may be agreed in writing by One NorthEast; |
| 'Approved Costs' | Means the total of the amounts shown at Table A of Appendix 2 not exceeding the amount of the Grant; |
| 'Approved Heads of Expenditure' | Means the amounts for revenue and capital expenditure shown at Table A in Appendix 2 ; |
| 'Business Case' | Means the case developed by the Proposer and the Developer which forms the basis for seeking Project Approval and includes where applicable the justification for securing approval for preliminary expenditure; |
| 'Capital Asset' | Means any item of equipment or other moveable asset which on the date of its purchase by the Proposer has a useful life of more than one year, and is purchased wholly or partly out of the Grant provided under this Funding Allocation Letter; |
| 'Charge' | Means any mortgage, charge, pledge, lien, restriction, assignment, hypothecation, security interest, title retention or any other agreement or arrangement the effect of which is the creation of security; or any agreement or arrangement to create any of the same; |
| 'Communications Officer' | Means the person identified in Appendix 1 to be the assigned publicity contact for the Project or such other person as One NorthEast may nominate from time to time; |
| 'Confidential Information' | Means all information received or obtained as a result of or in connection with this FAL, the Grant or the Project, or supplied by or on behalf of a party in the negotiations leading to the Grant and which: (i) is commercially sensitive information relating to One NorthEast or the activities of One NorthEast; or (ii) is commercially sensitive information relating to any aspect of the Project or |

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| | the activities of One NorthEast; |
| 'Deliverer' | Means the person identified in Appendix 1 responsible for managing and monitoring the Project and dealing with financial claims after acceptance of this FAL or such other person as One NorthEast may from time to time nominate; |
| 'Developer' | Means the person identified in Appendix 1 responsible for preparation of the Business Case with the Proposer and for the Project until such time as the signed FAL is received |
| 'Developments' | Means any and all materials, products, processes, ideas, inventions, discoveries and information created during the Project, including without limitation learning and training materials, website design and source codes, software and data and whether wholly or partly funded by One NorthEast; |
| 'Eligible Expenditure' | Means expenditure incurred towards Approved Costs in accordance with the Approved Heads of Expenditure; |
| 'Event of Default' | Means any of the events described in Condition 17 of this Funding Allocation Letter; |
| 'Financial Year' | Means One NorthEast's financial year commencing 1 April and ending on 31 March; |
| 'First Return Date' | Means end of first quarter following the Project Approval Date; |
| 'Funding Profile' | Means the funding profile shown at Table B of Appendix 2 ; |
| 'Funding Profile Contribution' | Means all and any agreed contributions to the Project whether from the Proposer or by way of Public Sector Financial Assistance or third party private sector funding as shown at Table C of Appendix 2 at the date of this FAL but including all and any additions or variations during the Term; |
| 'Intellectual Property' | Means all intellectual and industrial property, rights including patents, utility models, trade and service marks, trade names, domain names, right in designs, copyrights, moral rights, topography rights, rights in databases, rights to prevent passing off, trade secrets, know-how, and any other rights in any invention discovery or process and in all cases whether or not registered or registerable and including registrations and applications for registration of any of these and rights to apply for the same, rights to |



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| | receive equitable remuneration in respect of any of these and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these anywhere in the world; |
| 'the Logo' and 'Logos' | Means the logo for 'One NorthEast' and/or that for 'NorthEast England' |
| 'Monitoring Period' | Means the Term and the period ending on the 2 nd (second) Anniversary of the Agreed Completion Date; |
| 'Outputs and Key Deliverables' | Means the outputs and key deliverables detailed in Appendix 3 ; |
| 'Payment Period' | Means quarterly in relation to the Financial Year; |
| 'Payment Profile' | Means the detailed monthly funding profile for the Term to be provided as a condition of the payment of Grant; |
| 'Project Approval Date' | Means the date of this Funding Allocation Letter; |
| 'Proposer' | Means the individual and organisation Identified In the first paragraph of this FAL and whose details are set out in Appendix 1 . The Proposer introduced the Project to One NorthEast and has day-to-day responsibility for delivery of the Project in accordance with the Business Case; |
| 'Public Sector Financial Assistance' | Means any and all financial assistance and funding received or receivable by the Proposer from any Public Sector Bodies including funding from: <ul style="list-style-type: none"> (i) the European Commission (ii) Government Bodies (whether national or local) (iii) other non-departmental public bodies; (iv) any bodies in receipt of funds from the National Lottery Distribution Fund pursuant to the National Lotteries Acts 1993 and 1998; and/or (v) any body similar or analogous in nature to those identified in (i)-(iv) above |
| 'State Aid Rate' | Means 4% above the base rate for the time being of Barclays Bank plc (or such other bank as One NorthEast may from time to time nominate) |
| 'Term' | Means the period commencing on the Project Approval Date and ending on the Agreed Completion Date |



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| 'Writing' or 'Written' | Shall include any modes of reproducing words in a legible and non-transitory form. |
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- 2.1. The Funding Allocation Letter, its Appendices and the Business Case constitute the terms and conditions of the Grant.
- 2.2. Headings and subheadings used in this letter are for convenience only and do not affect its interpretation or construction

3. Information Disclosure

The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 require One NorthEast to make available to the public information that it holds. This will include any information you provide to in accordance with the terms of this Funding Allocation Letter. If a third party requests access to your information One NorthEast will be obliged to disclose it unless it is exempt from disclosure in accordance with the legislation. Accordingly, One NorthEast can offer no assurances that your information will be maintained in confidence and you should obtain independent legal advice before submitting any proprietary or sensitive information.

4. Additional Special Conditions

The Special Conditions (if any) specified in **Appendix 4** to this Funding Allocation Letter shall apply to the Grant.

5. Accuracy of Information

- 5.1. The Grant has been offered to you on the basis that the information provided by you to the Agency and incorporated into the Business Case is accurate. One NorthEast has relied upon information provided by you to produce the Business Case and any representations made by you. It is a material condition of the Grant that all of the information provided is true, complete and accurate. Inaccuracy of this information is an Event of Default.
- 5.2. During the Monitoring Period you must provide all information as agreed and in particular inform One NorthEast immediately if there is a material change in any of the information you have provided. Failure to do so will constitute an Event of Default in accordance with Condition 17 (Clawback, Withholding and Repayment of Grant)

6. Duration

- 6.1. The Project shall commence no sooner than the Project Approval Date and within 3 months of the Project Approval Date.
- 6.2. The Project shall be completed by the Agreed Completion Date.

7. Security for Grant

- 7.1. One NorthEast shall retain a right of lien over Capital Assets (if any) funded by One NorthEast as part of the Project. The lien shall exist for the shorter of the Monitoring Period or until consent to sell any Capital Asset is given by One NorthEast. Any consent may be made subject to conditions (as One NorthEast shall in its absolute discretion determine) including refund of any amount of the Grant or payment of part of the proceeds of sale of the Capital Asset
- 7.2. A register of all Capital Assets and their location shall be kept by you if their individual value is over £1,000 and their location which shall be accessible to One NorthEast at all times. All Capital Assets must be kept insured against loss or damage for their full replacement value, and with a reputable insurer and the policy shall be produced to One NorthEast on demand. For the avoidance of doubt, in the event of any loss of, or damage to any Capital Asset, One NorthEast will not be obliged to pay for its replacement or repair.

8. State Aids

- 8.1. The Proposer must work together with the Developer and the Deliverer to ensure that the Project does not breach any State Aid rules.
- 8.2. In relation to State Aid the special conditions in **Appendix 4** (if any) shall apply.

9. Grant and Claim Eligibility

- 9.1. The Grant is offered only towards Eligible Expenditure.
- 9.2. **Any expenditure incurred prior to the Project Approval Date will be ineligible and will not be paid.**
- 9.3. The Proposer must confirm the Payment Profile to One NorthEast within 21 days of the date of this FAL and before any claim is made for payment of Grant.
- 9.4. Grant payments will not be made unless the Project meets and continues to meet each and every Output and Key Deliverable.
- 9.5. Neither the Approved Heads of Expenditure nor the Payment Profile may be altered except with the prior written consent of One NorthEast. No consent shall be required for a variation in an Approved Head of Expenditure if the cost variation does not exceed 10%.
- 9.6. No Grant payments will be made until:
- 9.6.1. all of the Funding Profile Contributions detailed in the Business Case have been secured; and
- 9.6.2. documentary evidence has been provided confirming that all Funding Profile Contributions detailed in the Business Case are in place.

9.7. Grant payments are made on a pro rata basis relative to Eligible Expenditure but will not be paid until the Deliverer is satisfied that the following payments have been made:

9.7.1. Funding Profile Contributions; and

9.7.2. the invoices relating to the Eligible Expenditure.

9.8. One NorthEast shall not be obliged to pay claims in full if, in its reasonable opinion, it considers them to be excessive. One NorthEast shall only pay so much of any claim as it considers to have been reasonably incurred and a certificate by One NorthEast as to any sum payable shall be conclusive save in the case of manifest mathematical error.

10. One NorthEast shall only pay:

10.1. Interim claims as reimbursement of actual costs defrayed until such interim payments amount to 90% of the Grant claimable within the relevant Financial Year; and

10.2. The final 10% upon receipt of the final claim and upon production of the Independent auditor's report mentioned in Condition 14 (Provision of Information and Documentation).

11. How To Claim

11.1. The first claim return for the Project should reach One NorthEast no later than the First Return Date.

11.2. Claims:

11.2.1. shall be submitted in arrears within 7 days of the end of each Payment Period to the Claims Officer unless One NorthEast agrees otherwise.

11.2.2. must cover the whole of the Payment Period in question.

11.2.3. must be made using the standard claim form provided by One NorthEast and must contain the Information requested in it supported by the evidence required by it.

12. 'Nil' Returns and Underclaims

12.1. Where at the end of any Payment Period a financial claim is not being made, the Proposer **must** make a 'nil claim' together with an explanation in writing of the reasons for the delay.

12.2. As soon as the Proposer becomes aware that it does not intend to (or may not) claim the maximum amount of Grant available in accordance with the Funding Profile for the relevant Financial Year, the Proposer shall promptly inform the Deliverer in writing.

13. Payment of Grant Claims

- 13.1.** Once a fully documented claim has been received, payment of the Grant will normally be posted, or the claim rejected, within 4 weeks, unless it is necessary for One NorthEast to seek further information to support the claim.
- 13.2.** If One NorthEast requires further information to support a claim made, payment in relation to the amount of the claim in dispute may be withheld until such information is provided to the satisfaction of the Deliverer or the Claims Officer as appropriate.

14. Provision of Information and Documentation

14.1. The Proposer must:

- 14.1.1.** advise the Deliverer in writing of any material changes to the Project or its phasing (including changes of more than 10% in Outputs or Key Deliverables or costs and alteration to its proposed use, project financing or ownership) at the earliest possible opportunity.
- 14.1.2.** comply within a reasonable period with any requests from the Deliverer for information concerning the progress of the Project in whatever form.
- 14.1.3.** undertake an Evaluation of the Project in proportion to the size and scope of the Project and in accordance with the arrangements detailed in the Business Case or otherwise agreed with the Deliverer.
- 14.1.4.** retain documentary evidence of all capital and revenue purchases to support the amounts of Grant claimed from One NorthEast. This shall include an invoice register of suppliers' and sub-contractors' invoices and all other documents relating to the purchase of all capital and revenue items funded by One NorthEast.
- 14.1.5.** keep and provide on request appropriate documentation supporting or evidencing the achievement of the Outputs and Key Deliverables.
- 14.1.6.** maintain full and accurate accounts for the Project. Different sources and amounts of funding shall be identified and input and output VAT shall be included as separate items in such accounts. Such accounts shall be retained for at least 6 years after the end of the Financial Year in which the last payment is made under this Agreement.
- 14.1.7.** maintain all records required for State Aid purposes.

14.1.8. send the audited final accounts, certificate and auditor's report to the Deliverer as soon as possible after Project closure (usually the Project Completion Date), and in any event within three months of the Project Completion Date. The auditors' report should provide an opinion that:

14.1.8.1. the financial information and level of grant claimed are fairly stated.

14.1.8.2. expenditure has been properly defrayed in accordance with this Funding Allocation Letter, including compliance with any specific conditions.

14.1.8.3. satisfactory explanations have been received for any queries raised.

Where an opinion cannot be given or is qualified, this should be explained in a supporting report.

Further guidance, if necessary, can be obtained from the Agency's Governance Section.

14.1.9. continue to supply progress reports quarterly (or at such other intervals as may be specified by the Deliverer) until the expiry of the Monitoring Period and with the final such report shall provide the Deliverer with details of the proposed long-term funding and forward strategy for the Project at the end of the Term.

14.1.10. co-operate with One NorthEast and its agents on the evaluation of the Project as part of the Regional Economic Strategy. The Proposer shall ensure that the Project promotes diversity and demonstrates a commitment to equal opportunities and reflects the principles of sustainable development.

15. Monitoring and Invoicing Arrangements

15.1. In addition to the requirements set out in Condition 14 (Provision of Information and Documentation) the Proposer must additionally comply with the following monitoring arrangements:

15.1.1. The Deliverer or such other person as may be authorised by One NorthEast shall have the right at any reasonable time to inspect the Project and to require such further information as they think appropriate, and to be provided with copies of such documents, accounts and statements or other items as they request.

15.1.2. The Proposer shall permit the Deliverer or other staff member or agent of One NorthEast, the National Audit Office or European Auditors to examine the accounts at any reasonable time and shall furnish oral or written explanations of the accounts if required. One NorthEast reserves the right to have such staff or agents carry out examinations into the economy, efficiency and effectiveness of use of resources in delivery of the Project.

16. Audit and Inspections

16.1. The Proposer shall allow access to its business premises to One NorthEast's internal auditors or its other duly authorised staff or agents:

16.1.1. immediately (without prior notice) and at all reasonable times in the event that One NorthEast indicates that it wishes to investigate any allegation of fraud, theft, maladministration or other misuse of Grant funds

16.1.2. on 2 days notice between 9.00 a.m. and 5.00 p.m. for the purposes of a routine and scheduled audit or investigation work examining the probity, economy, efficiency and effectiveness with which the Proposer has used the Grant

16.2. One NorthEast shall be entitled to interview employees of the Proposer in order to obtain oral and/or written explanations of documents and the Proposer shall provide access to the relevant employees at such times as may be reasonably required to enable One NorthEast to do so.

17. Clawback Withholding and Repayment Of Grant

17.1. One NorthEast shall be under no obligation to pay the Grant unless the Proposer complies with each and every condition of this Funding Allocation Letter.

17.2. One NorthEast may at its absolute discretion reduce, suspend or withhold the Grant, require all or part of the Grant to be repaid, or require Capital Assets to be transferred to One NorthEast (where the purchase of such Capital Assets was wholly funded by One NorthEast) if:

17.2.1. One NorthEast adjudges the performance of the Project to be unsatisfactory, or

17.2.2. the Proposer fails to comply with any of the terms and conditions set out in this FAL; or

17.2.3. there is a substantial or material change in the nature, scale, costs, ownership or timing of the Project which One NorthEast has not approved, or any attempt is made to transfer or assign any rights, interests or obligations created under this Agreement or substitute any person in respect of any such rights, interests or obligations, without the agreement in advance of One NorthEast; or

17.2.4. any information provided in the preparation of the Business Case by the Proposer or in a claim for payment or in subsequent or supporting correspondence is found to be incorrect, misleading or incomplete to an extent which One NorthEast considers to be material; or

17.2.5. a charge is taken on an asset financed wholly or partly from the Grant without the agreement in advance of One NorthEast; or

- 17.2.6. there is a failure to keep and maintain the records specified in this FAL; or
- 17.2.7. during the Monitoring Period the Project is used for purposes other than those specified in the Business Case; or
- 17.2.8. there is unsatisfactory progress towards completing the Project; or if the Project is not completed by the Agreed Completion Date. Before any such cancellation or reduction is made, One NorthEast will seek an explanation for any delay; or
- 17.2.9. there is unsatisfactory progress towards meeting the Outputs and Key Deliverables; or
- 17.2.10. the Proposer receives any Public Sector Financial Assistance towards the Approved Costs unless the Public Sector Financial Assistance was taken into account in making the Grant; or
- 17.2.11. any or all of the Capital Assets funded exclusively by One NorthEast as part of the Project are disposed of within five years of the date of the final payment of grant without the prior approval of One NorthEast; or
- 17.2.12. insufficient measures are being taken to investigate and resolve any reported irregularity; or
- 17.2.13. within the Monitoring Period an Event of Default occurs; or
- 17.2.14. any other circumstance or event occurs which in the opinion of One NorthEast is likely to affect the Proposer's ability to achieve the Outputs and Key Deliverables or result in a risk that the Project as approved from time to time will not be completed.

17.3. The following are Events of Default:

- 17.3.1. The Proposer breaches Condition 5 of this letter (Accuracy of Information); or
- 17.3.2. An application is made for an administration order or the Proposer applies to enter into a voluntary arrangement with its creditors; or
- 17.3.3. A receiver, liquidator, administrator, supervisor or administrative receiver is appointed in respect of the Proposer's property, assets or any part thereof; or
- 17.3.4. The court or tribunal of competent jurisdiction orders that the Proposer be wound-up or that a receiver be appointed over all or any part of the Proposer's assets; or
- 17.3.5. The Proposer is unable to pay its debts as they fall due or is otherwise insolvent in accordance with the definition set out in section 123 of the Insolvency Act 1986; or

- 17.3.6. There is a change in the legal or beneficial ownership of 50% or more of the Proposer's share capital issued at the date of acceptance of the Agreement or there is a change in the control of the Proposer, unless One NorthEast has previously approved the change in writing. For the purpose hereof "control" means the power of a person to secure that the affairs of the Proposer are conducted in accordance with the wishes of that person by means of the holding of shares or the possession of voting power; or
- 17.3.7. The Proposer is (or being a company, any officers or representatives of the Proposer are) convicted of a criminal offence related to the Proposer's business or to professional conduct; or
- 17.3.8. The Proposer (or being a company, any officers or representatives of the Proposer) commits an act of grave misconduct in the course of its business; or
- 17.3.9. The Proposer fails to fulfil its obligations relating to payment of taxes or Social Security contributions; or
- 17.3.10. Repayment of all or part of the Grant is required under European Community state aid laws.

18. Consequences if Grant becomes repayable

18.1. If the Grant becomes repayable in whole or in part:

- 18.1.1. Any amount of Grant found to be improperly paid to the Proposer must be repaid to One NorthEast on demand or as soon as the Proposer becomes aware that Grant has been over-paid.
- 18.1.2. Interest will be charged on the sum to be repaid at the State Aid Rate from the earlier of the date of demand and the date upon which the sums were incorrectly paid to the date of actual repayment.

19. Developments and Profits

- 19.1. This condition shall apply in the absence of a special condition contained in **Appendix 4**.
- 19.2. Subject to Conditions 19.3 to 19.8 below the Proposer shall own all Intellectual Property Rights in the Developments but One NorthEast shall have a non exclusive, perpetual, royalty free licence to use and exploit all Developments with the unrestricted right to grant sub-licences.
- 19.3. The Proposer agrees that it will only use the Developments for non commercial purposes such as academic publication and that it will in all publications and dissemination recognise One NorthEast as the funder of those Developments in accordance with the provision of Condition 20 (Publicity and Reputation).

- 19.4.** The Proposer shall take such steps as are necessary to protect the Intellectual Property Rights in the Developments, whether by registration or otherwise, and take such other steps as One NorthEast shall reasonably require, and in the event of the Proposer falling to take such measures, One NorthEast shall be entitled to take all necessary steps as aforesaid.
- 19.5.** It is a material condition of the Grant that the Proposer shall not without the prior written agreement of One NorthEast undertake any commercial activity or seek to exploit the Developments or generate income from them. Breach of this condition shall be an Event of Default in accordance with Condition 17 (Clawback Withholding and Repayment) of this FAL.
- 19.6.** In the event that the Proposer does in default of condition 19.5 undertake commercial activity in respect of the Developments it shall retain all income in a separate bank account and account for it to One NorthEast.
- 19.7.** If the Proposer commits an Event of Default the Proposer shall transfer or shall procure the transfer of ownership of all Intellectual Property Rights in Developments to One NorthEast at no cost to One NorthEast.
- 19.8.** The Proposer agrees to execute any documents necessary to assign to One NorthEast all right, title and interest in the Intellectual Property Rights referred to above and to do all such acts and things as One NorthEast may determine necessary or desirable in connection with any such assignment.

20. Publicity and Reputation

20.1. The Proposer must take the following steps in term of publicity:

- 20.1.1.** One NorthEast has the right to publicise the Project and to require that the Proposer acknowledge funding provided by One NorthEast in support of the Project in any publicity that it produces and in any documentation or reports produced by it. The timing and form of all publicity arrangements must be agreed in advance with the Communications Officer. The form, content and timing of all publicity material shall be approved by the Communications Officer prior to its publication, and the Proposer must not publish or display any item bearing the Logos or name of One NorthEast unless, and until, such approval has been given.

- 20.1.2. The Proposer shall use the Logos where specified by the Communications Officer for all materials and publicity where the Proposer's logo appears. These are available in electronic format upon request from the Communications Officer. The Proposer shall acknowledge the receipt of the Grant by Incorporating the One NorthEast logo with the words "This project received funding from One NorthEast" into the design of any printed or presentation material associated with the Project. The Proposer shall also where specified by the Communications Officer incorporate the North East of England logo into the design of printed or presentation material. The Proposer shall use the same wording on all written communications and press releases concerning the Project and shall liaise with the Communications Officer to agree in advance One NorthEast's Involvement in all promotional events and media relations activity.
- 20.1.3. One NorthEast grants the Proposer a non-exclusive licence to use the One NorthEast and North East England logos for the purposes set out in this Funding Allocation Letter for the duration of the Project. The Proposer shall not assign or grant sub-licences of this licence or any part of it. The Proposer acknowledges that the One NorthEast and North East England logos are owned by and shall remain the property of One NorthEast. The Proposer shall not acquire any rights in respect of the Logos by reason of the exercise of the rights granted by this Funding Allocation Letter.
- 20.1.4. The Proposer shall not, and shall use its best endeavours to procure that its sub-contractors shall not, knowingly do or omit to do, anything in relation to this Agreement or in the course of their other activities, which may bring the standing of One NorthEast into disrepute or attract adverse publicity for One NorthEast.

21. Value for Money and Procurement

- 21.1. The Proposer shall have regard to the need for economy and value for money in all expenditure in relation to the Project. In this connection the Proposer will ensure that all purchases by the Proposer of goods, services or works in relation to the Project shall accord with appropriate public procurement procedures. In default the following procedure will apply:
- 21.1.1. for purchases below £20,000, the Proposer must obtain at least three quotations (which be recorded in writing) and the best value quotation must be chosen; or
- 21.1.2. for purchases above £20,000 be subject to formal competitive tendering, including where appropriate in accordance with all national and European procurement laws and regulations;
- 21.1.3. the Proposer's decision making progress must be documented and set out how these requirements should be met, taking account of

procurement best practice and of Public Sector accountability and probity.

- 21.1.4. Where the Proposer is a local branch of a national organisation, it is exempt from the requirement to tender where this process has been followed at a national level and a supplier agreed which is applicable to the Proposer, provided that the Proposer shall provide evidence of this to One NorthEast on request.

22. Fraud and Fraud Policy

- 22.1 The Proposer will ensure that it has adequate anti-fraud policies in place and has ensured fraud awareness with the Proposer's staff and that controls are in place to prevent and or detect fraud, including money laundering. The Proposer should also have measures in place to ensure that its contractors have similar provisions.

23. Guidance Notes and Policies

- 23.1. The Proposer shall take account of and comply with all Guidance Notes and Policies from time to time issued by One NorthEast on funding issues.

24. Performance Management

- 24.1. The Proposer will, upon request by One NorthEast enter into a performance management framework containing additional reporting requirements on Outputs and Key Deliverables relating to the Project and other projects the subject of grant funding by One NorthEast and its partners

25. Confidentiality

- 25.1. Unless One NorthEast notifies the Proposer otherwise, the Proposer shall treat as confidential all documents and information provided by One NorthEast to the Proposer during or in connection with the performance of this Agreement ("Confidential Information"). Such Confidential Information shall not be used by the Proposer except for the purposes for which it was made available and such Confidential Information shall not, subject to the provisions of this offer, be disclosed by the Proposer to any other person without the prior written consent of One NorthEast.

26. How to Accept

- 26.1. If you wish to accept the Grant please sign and return the enclosed duplicate letter ensuring that you have complied with the requirements of Condition 1.2 above. No payments will be made until you have agreed to accept the terms of this Funding Allocation Letter and we have received a copy of the letter signed by you.

26.2. If you have any queries regarding the content of the Offer Letter, please contact: the Developer named in **Appendix 1.**

Yours sincerely,




Trevor Waggett

Head of Finance

THE PROJECT

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| Project Name: | NCGE Enterprise |
| Date of Business Case: | 25/01/07 |
| Short Description of Project: | This project will deliver delivery and strategic activity to influence and support enterprise within Higher Education Institutions (HEIs). This will include 4 Flying Start events and a national dissemination event. |
| Agreed Completion Date: | 31 st March 2008 |

Useful contact Information:

| Role | Name | Telephone | e-mail |
|------------------------|--|-----------|--------|
| Developer* |  | | |
| Deliverer** | | | |
| Claims Officer*** | | | |
| Communications Officer | | | |
| Proposer | | | |

* All queries regarding this Funding Allocation Letter prior to signature should be directed to **the Developer**.

The **Deliverer is responsible for managing and monitoring your progress with the Project during the Monitoring Period specified in the letter.

*** All claims for payment under the grant must be sent to the **Claims Officer** at One NorthEast's Head Office: Stella House, Newburn Riverside, Newcastle upon Tyne NE15 8NY

Personnel may change during the life of the Project or the Monitoring Period. We will keep you informed of any changes.

APPROVED COSTS

Table A

- 1. The Approved Costs shall be £115,000 as set out below:**

| Heads of Capital Expenditure | Previous Funding £ | 2006/07 | 2007/08 | 2008/09 | 2009/10 | Total Amount |
|-------------------------------------|---------------------------|----------------|----------------|----------------|----------------|---------------------|
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| TOTAL CAPITAL | | | | | | |
| | | | | | | |
| Heads of Revenue Expenditure | Previous Funding £ | 2006/07 | 2007/08 | 2008/09 | 2009/10 | Total Amount |
| Flying Start Events | | 52,000 | | | | 52,000 |
| Entrepreneurship Champions Activity | | 56,000 | | | | 56,000 |
| Evaluation | | 7000 | | | | 7000 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| TOTAL REVENUE | | 115,000 | | | | 115,000 |
| | | | | | | |
| GRAND TOTAL | | 115,000 | | | | 115,000 |

DISCLAIMER - 'ONE Northeast has only approved Government funding until 31st March 2008 and funding committed beyond this date is subject to the availability of funds from Government'

Table B

2. Funding Profile Contribution

| | Previous Funding £ | 2006/07 | 2007/08 | 2008/09 | 2009/10 | Total Amount |
|-------------------------|--------------------|----------------|---------|---------|---------|--------------|
| | | | | | | |
| Single Programme | | 115,000 | | | | |
| ERDF | | | | | | |
| ESF | | | | | | |
| | | | | | | |
| Total | | 115,000 | | | | |

Split Grant which ONE is accountable for into the various funding categories (ERDF, ESF, DTI etc....)

OUTPUTS KEY DELIVERABLES AND OUTCOMES

The Proposer shall achieve the following milestones, outputs and key deliverables and anticipated outcomes

(ONE Northeast has only approved Government funding until 31st March 2008 and outputs committed beyond this date is subject to the availability of funds from Government)

MILESTONE

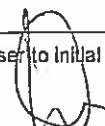
DATE

Meetings to review progress

Quarterly

| Code | OUTPUTS | 2006/07 | | | | 2007/08 | 2008/09 | Future Years | TOTAL |
|------|--------------------------------------|---------|----|----|----|---------|---------|--------------|-------|
| | | Q1 | Q2 | Q3 | Q4 | | | | |
| NTF1 | Job creation | | | | | | | | |
| | (i) Jobs created | | | | | | | | |
| | Gross | | | | | | | | |
| | Gross Attributable | | | | | | | | |
| | Net | | | | | | | | |
| | (ii) Jobs safeguarded | | | | | | | | |
| | Gross | | | | | | | | |
| | Gross Attributable | | | | | | | | |
| | Net | | | | | | | | |
| | | | | | | | | | |
| NTF2 | Employment support | | | | | | | | |
| | Gross | | | | | | | | |
| | Gross Attributable | | | | | | | | |
| | Net | | | | | | | | |
| NTF3 | Business creation | | | | | | | | |
| | (i) Businesses created | | | | | | | | |
| | Gross | | | | | | | | |
| | Gross Attributable | | | | | | | | |
| | Net | | | | | 40 | | | 40 |
| | (ii) Businesses attracted | | | | | | | | |
| | Gross | | | | | | | | |
| | Gross Attributable | | | | | | | | |
| | Net | | | | | | | | |
| | (iii) Businesses surviving 12 months | | | | | | | | |
| | Gross | | | | | | | | |
| | | | | | | | | | |

| | | | | | | | | | |
|-------|---|--|--|--|--|--------|--|--|--------|
| | Gross Attributable | | | | | | | | |
| | Net | | | | | | | | |
| | (iv) Businesses surviving 24 months | | | | | | | | |
| | Gross | | | | | | | | |
| | Gross Attributable Net | | | | | | | | |
| NTF4 | Business support | | | | | | | | |
| | Gross | | | | | | | | |
| | Gross Attributable Net | | | | | | | | |
| NTF4a | Knowledge base/business creation | | | | | | | | |
| | Gross | | | | | | | | |
| | Gross Attributable Net | | | | | | | | |
| NTF5 | Leverage | | | | | | | | |
| | (i) Total amount levered | | | | | | | | |
| | Gross | | | | | | | | |
| | Gross Attributable | | | | | | | | |
| | Net | | | | | 52,000 | | | 52,000 |
| | (ii) Total Private Sector leverage (£m) | | | | | | | | |
| | Gross | | | | | | | | |
| | Gross Attributable | | | | | | | | |
| | Net | | | | | | | | |
| | (iii) Total Public Sector leverage (£m) | | | | | | | | |
| | Gross | | | | | | | | |
| | Gross Attributable Net | | | | | | | | |
| NTF5a | Brownfield land | | | | | | | | |
| | Gross | | | | | | | | |
| | Gross Attributable Net | | | | | | | | |
| NTF6 | Skills | | | | | | | | |
| | Gross | | | | | | | | |
| | Gross Attributable Net | | | | | 160 | | | 160 |
| NTF6a | Adults gaining basic skills | | | | | | | | |
| | Gross | | | | | | | | |
| | Gross Attributable Net | | | | | | | | |
| NTF6b | Adults in the workforce | | | | | | | | |
| | Gross | | | | | | | | |
| | Gross Attributable Net | | | | | | | | |



SPECIAL CONDITIONS

[Insert Special Conditions from the options below (other options available from OneZone) - Delete all options that do not apply]

State Aid

[If the Project has been assessed for state aid compatibility use the appropriate alternative set out below.]

1. De Minimis provisions

- 1.1. The project has been assessed for compatibility with State Aid regulations and has been determined to be de minimis.
- 1.2. You may not provide to any beneficiaries of the Project more than 100,000 Euros of de minimis aid over any three year period.
- 1.3. You must have a recording mechanism in place to capture:
 - 1.3.1. a declaration by all beneficiaries of the amounts of de minimis aid which has previously been received by them; and
 - 1.3.2. the written notification by you to all beneficiaries of the project of the de minimis aid received by them.
- 1.4. Breach of this condition shall be an Event of Default.

[OR]

1. SME or Training Block Exemption

- 1.1 You must successfully complete an "Annex2" document as supplied to you and submit it to the DTI within 20 days of the Project Approval Date.
- 1.2 No payment of Grant will be made until One NorthEast is satisfied that you have complied with the provisions of Condition 1.1 above.

Special Conditions Where External Funding In Place

- 1.1 The Grant (which is made up of Agency Single Programme funding) is paid on condition that the Proposer will enter into a separate Service Level Agreement for any external funding and that the Proposer will abide by all the conditions of any SLA and offer letter in relation to such funding.
- 1.2 One NorthEast may require all or part of the Grant to be repaid or may withhold or suspend payment of the Grant if the Proposer fails to perform all and any obligations under any SLA or offer letter for external funding and as a result payments are not received.

Other project Specific Special Conditions

N/A

**ACCEPTANCE
(SIGN AND RETURN COPY OF LETTER)**

On behalf of and as authorised by National Council for Graduate Entrepreneurship,
3 Priestley Wharf, Holt Street, Birmingham, B7 4BN I hereby accept the offer of
Grant as set out above and in the appendices.

Authorised Signatory:

Name In CAPITALS:

**Position in
Organisation:**

Full Address

Date

