

STEP-BY-STEP PLAN UID audit



UID AUDIT

- According to European rules, Screen Flanders and VAF may not grant support to an undertaking that is in difficulty (UID) according to certain theoretical parameters.
- Parameters for UID can be found in article 2, point 18 of the European **General Block Exemption Regulation (GBER)**.
- **Screen Flanders:** situation at the time of submission is decisive.
- **VAF:** situation at the time of technical file approval is decisive. For all types of financial support, but not necessary for natural persons, sole traders and non-profit organisations.
- UID audit based on the **most recently filed annual accounts**. Monitoring during the financial year is recommended.
- UID audit at both the level of **the applicant** and **the group** to which they belong (if applicable).

TOOLS & DOCUMENTS

- **Group structure template:** to be downloaded from vaf.be / screenflanders.be
- **Company size and UID calculation module (in Dutch):** to be downloaded from vaf.be / screenflanders.be
- **Step-by-step plan** (see below)
- **Most recently filed annual accounts** of the company applying for aid
- **(Consolidated) latest available financial statements of the group** for the last two available financial years, if available
- In the event of **remediation** (increasing the ratio of equity capital to issued capital) during the financial year: a copy of the deed and the interim certified figures based on the capital transaction and with interim results processing, certified as true and accurate by the external accountant/auditor or auditor.

STEP-BY-STEP PLAN

STEP 1: ESTABLISHING THE GROUP STRUCTURE

Is your company part of a group?

- No: go to step 2
- Yes: establish a diagram of your company's group structure, including percentages, using the group structure template

To determine which companies to include in the group structure, you must consider:

- **Capital and share ownership**
- **Control** (the majority of voting, appointment, dismissal and other rights specified in the company's articles of association)

STEP-BY-STEP PLAN

STEP 1: ESTABLISHING THE GROUP STRUCTURE

If there is a participating interest in one or more other companies of 25% or more of the capital or voting rights, you are no longer considered an “independent” company.

Partner companies are companies between which there is a participating interest – directly or together with one or more affiliated companies – of 25% to 50% of the capital or voting rights.

Affiliated companies are companies between which there is a participating interest – directly or through another company – of more than 50% of the capital or voting rights.

STEP-BY-STEP PLAN

STEP 1: ESTABLISHING THE GROUP STRUCTURE

POINT OF ATTENTION

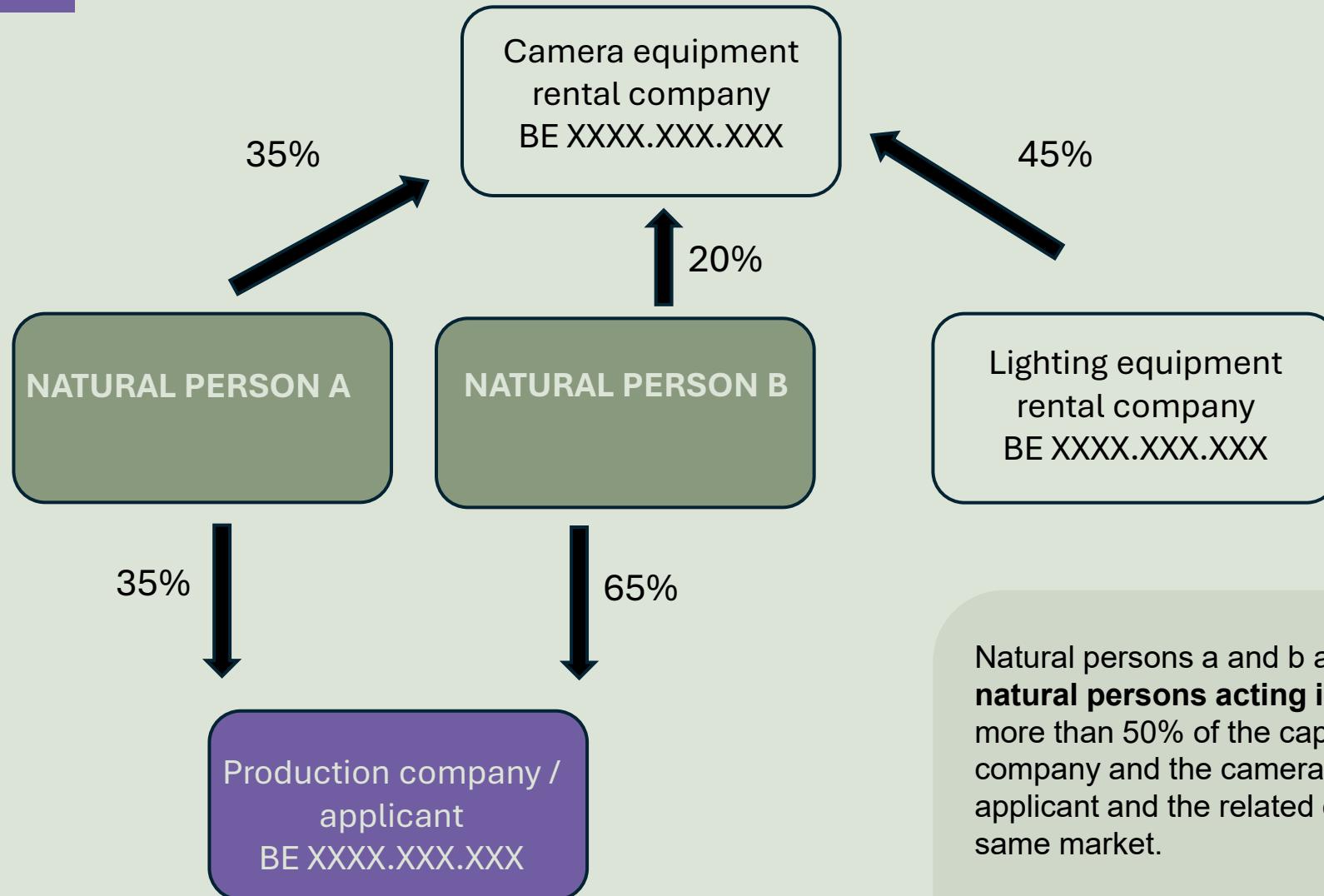
Control via **natural persons** is also taken into account here.

OR

a **group of natural persons acting in concert** (based on family ties or joint majority in another company), insofar as they carry out their activities or part of their activities in the same or related markets (horizontal or vertical integration).

→ Note: this refers to effective control: the natural persons must together hold at least 50.01% of the shares or control in the other company.

EXAMPLE



Natural persons a and b are considered to be **a group of natural persons acting in concert**, whereby they hold more than 50% of the capital of the applicant production company and the camera equipment rental company. The applicant and the related company are also active in the same market.

Both companies are therefore affiliated companies.

STEP 2: USE THE SME DEFINITION TO DETERMINE THE SIZE OF YOUR COMPANY

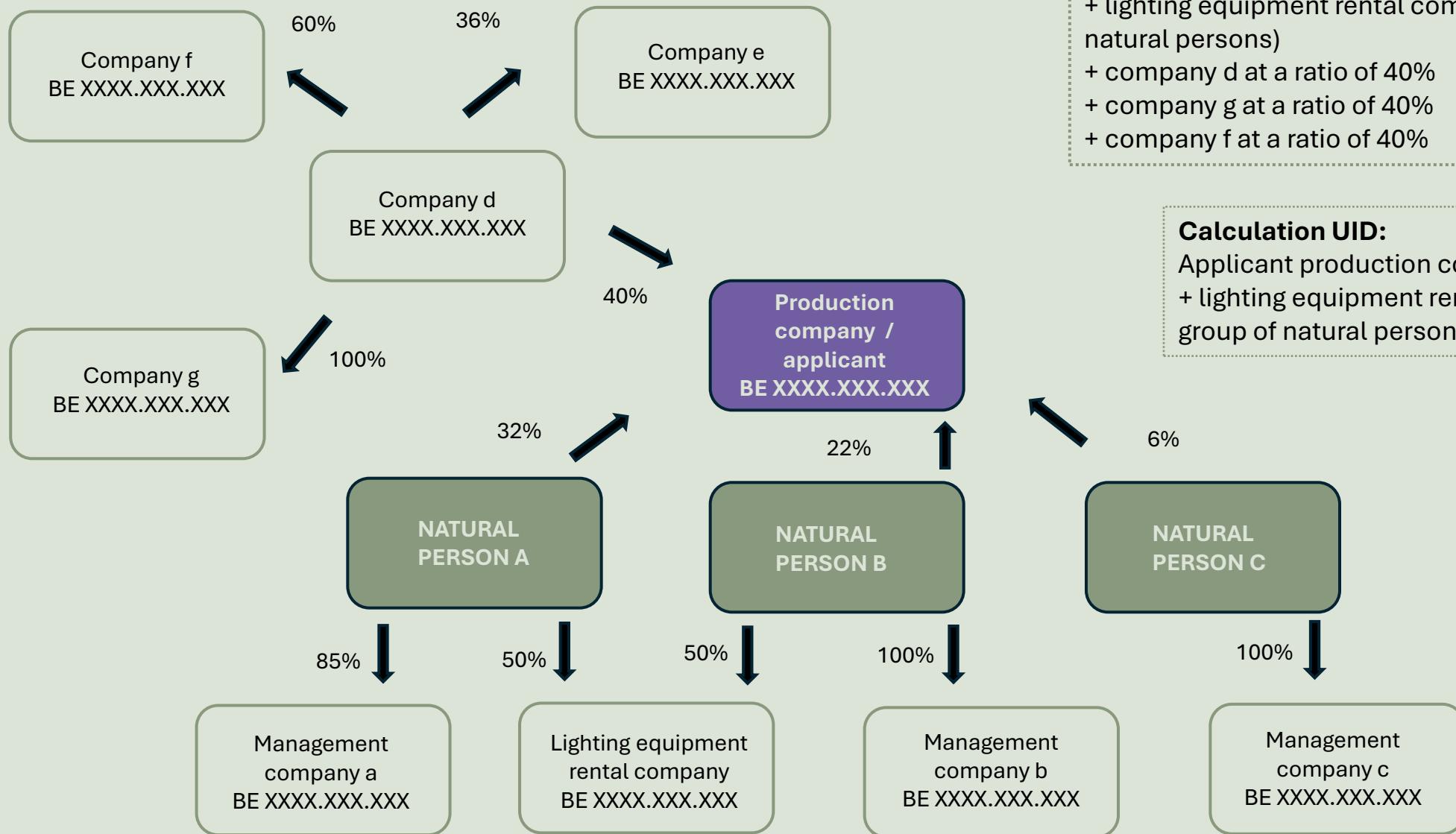
Fill in the **company size and UID calculation module** with the general information (CBE number, type of company, participation percentage) and data (balance sheet total, turnover, FTE) for:

- **Your company**
- **Any partner and affiliated company** belonging to the group with an affiliation of 25% or more, including both companies in which the production company has a stake and companies that have a stake in the production company. This concerns the following participation percentages:
 - Interest of $>=25\%$ and $<=50\%$ = partner company (counts proportionally to the percentage of participation)
 - Interest of $>50\%$ = affiliated company (counts for 100%)

Complete the schedule based on the figures from the three most recent annual accounts available (for financial years N, N-1 and N-2).

The module then calculates, based on the data entered, whether the group is an **SME** or a **Large Enterprise** according to the basic criteria from the SME definition.

EXAMPLE



Calculation of company size:

Applicant production company
+ lighting equipment rental company (jointly acting group of natural persons)
+ company d at a ratio of 40%
+ company g at a ratio of 40%
+ company f at a ratio of 40%

Calculation UID:

Applicant production company
+ lighting equipment rental company (jointly acting group of natural persons)

STEP 3: THE UID CHECK

Fill in the UID part of the module for:

- The **applying production company** **AND**
- any other individual **affiliated company** within the group (> 50% shareholding)

Is your company part of a group that is a **Large Enterprise (GO)** (outcome tab 1)?

- Fill in **tab 2 GO (individual level)** for the applying production company
- Fill in **tab 3 GO (group level)** for the group (whether or not based on the consolidated figures)

Please note: if there are no consolidated figures for the group, complete this tab using internally consolidated figures (confirmed by an external auditor or revisor) or using the sum of the individual figures.

STEP 3: THE UID CHECK

POINT OF ATTENTION

An SME that has been in existence **for less than three years** (to the day) can never be an **UID = exception rule**

BUT If the company is part of a group of companies, the size of the group (**large enterprises can never make use of the exception rule**) and the age of the oldest company in the group are taken into account to determine whether the above rule applies.

STEP 4: UPLOAD ALL SUPPORTING DOCUMENTS AS PART OF YOUR APPLICATION

To demonstrate that you have completed the UID check and are not an UID when applying for support, you must include the following documents as part of your file*:

- Filled out **company size and UID calculation module (see template)**.

IF APPLICABLE – more specifically in the case of group structures – additionally:

- Group structure with percentages (according to the group structure template);
- Consolidated annual accounts of the group for the last two available financial years (if available).

**At Screen Flanders, this refers to your application file. At the VAF, this depends on the type of support and may be your application file or, in other cases, your screenplay file or your technical file (not applicable to podcast applications).*