

## Annex 13 Notes on UID audit for Screen Flanders applications

According to European rules, Screen Flanders may not grant support to an undertaking that is in difficulty according to certain theoretical parameters. The definition of an undertaking in difficulty (UID) can be found in Article 2, point 18 of the [General Block Exemption Regulation \(GBER\)](#).

Due to the [Decree of the Flemish Government of 26 February 2021](#), as of 2022 the situation of your company **at the time of submission** will be decisive. This means that if it is established at the time of your application submission that your company is a UID, your application is and will remain inadmissible in any case.

That is why we recommend that you carefully monitor the parameters used in the UID audit for your company throughout the financial year. Even if you do not feel that your production company is in difficulty, the results may vary according to the parameters.

A capital operation may be required to improve the situation. You should do that in good time. Your bookkeeper or accountant can help you with this.

The UID is always based on the figures from **the most recently filed annual accounts**. If you carry out a regularisation in a current year, you can have the capital operation recorded by a notarial deed. A copy of this official document should be attached to your application file together with the interim certified figures, taking into account the capital operation and an interim profit and loss account, certified true and correct by the external accountant/auditor or auditor. These documents need to be attached to the application at the time of submission.

*Please note: an SME that has been in existence for under 3 years is not a UID by definition in accordance with article 2, point 18 of the General Block Exemption Regulation (GBER). Is your company under 3 years old but part of a group? Then the oldest company within the group is taken into consideration. If that company is over 3 years old, the UID check must be done, regardless of whether the applicant company is less than 3 years old.*

### UID audit: step-by-step plan

The steps of the UID audit are set out below. They are also covered in detail on the [VLAIO-website \(in Dutch\)](#), where the UID calculation module is also available to download.

#### **STEP 1: Is your company part of a group?**

- NO: In this case you need only work out your UID status from the applicant perspective ('stand-alone' tab in the UID calculation module)
- YES: Create a diagram of your company's group structure, including percentages, using the [group structure template \(Template Groepsstructuur\)](#). In the case of a group, the OIM status must be worked out from the applicant *and* group perspective.

Please note that the provisions of the European SME definition take into account not only capital but also control. Thus, in addition to capital and shareholding, control (= the influence exercised by one enterprise over another) should also be included in the SME assessment. Specifically, this refers to voting, appointment, dismissal and other rights mentioned in the company's articles of association. Control through natural persons is also taken into account here. If a natural person or a group of natural persons acting in concert exercises control over one or more companies, they are considered affiliated companies if they carry out all or part of their activities in the same or related markets. For more info: <https://www.vlaio.be/nl/media/751>

## **STEP 2: Determine the size of your company in line with the SME definition**

In the [Company Size Excel Form \(Overzicht Ondernemingsgrootte\)](#) give the balance sheet total, turnover and number of FTEs for the last two closed financial years. If your company is part of a group you will need to enter this information in respect of every partner in the group with a commitment of more than 25%. Then tally the figures (turnover, balance sheet total, employment) for all companies. Next, see if the entire group qualifies as an SME or large enterprise (LE) under the basic criteria set out in the [SME definition](#).

If your company is part of a consolidated LE, you will not need to complete the Company Size Excel Form.

## **STEP 3: Complete the [UID calculation module](#)**

If your company is not part of a group, you need only complete the 'stand-alone' tab.

If your company is part of a group, copy the 'stand-alone' tab for every individual [affiliated company](#) in the group (> 50% shareholding). The group result must be entered under the 'Corporate Group' tab. If your company is part of a group, but consolidated annual accounts are available at group level, fill in the calculation module at the level of the applicant company only as well as at group level based on the consolidated figures.

Regardless of the size of the company, the Equity/Issued capital ratio will always be audited. If your company (and the group) is an LE, additional ratios will have to be calculated. These will appear at the bottom of the calculation module automatically after you have entered the size.

## **STEP 4: gather all the supporting documents in annex 13**

To demonstrate that you have carried out the UID audit for a support application and are not a UID you will need to add the following documents to your application file as a part of annex 13:

- Group structure showing percentages (in line with the [group structure template](#));
- Applicant's annual accounts for the last two financial years;
- Consolidated financial statements for the group for the last two financial years, if available;
- Overview of balance sheet total, turnover and FTEs for all companies in the group ([Excel 'company size' \('ondernemingsgrootte'\)](#));
- Completed [UID calculation module](#).
- In the case of a first application and following any amendments, the articles of association for the production company.

Since 2022, the UID status of your company at the time of submission is decisive. It is not possible to regularise the situation after submission.