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| --- |
| **BEIS TEMPLATE GRANT OFFER LETTER*****NOTE****: before finalising the Grant Offer Letter, please don’t forget to:** ***Remove*** *all guidance notes and boxes*
* ***Delete*** *all [square brackets]*
* ***Check*** *all cross-references etc.*
 |

 [DATE]

[INSERT ADDRESS]

[NAME]

[NAME OF GRANT]:

1. The Secretary of State for Business, Energy and Industrial Strategy (referred to in this letter as “**We”/“Us”/“Our”**), offers **[name of company, if company insert company number]** (referred to in this letter as “**You”/“Your”**”) a grant **(“Grant”)** subject to Your agreement to, and compliance with, the terms and conditions set out or referred to in this letter, its Appendices and Schedules. These terms and conditions should be read in conjunction with the standard terms and conditions in the Grant Agreement and accompanying Annexes issued by Us (**the “Grant Agreement”**), which together comprise the “Agreement” on which the Grant is given by Us to You.
2. This offer is made pursuant to Your successful application in the recent call [**name of call/date/reference number, insert link to advertised call]**. A copy of Your application is attached to, and forms part of, this letter].
3. The Grant is offered under section5 of Science and Technology Act 1965.

**Amount of Grant**

1. The maximum amount of Grant offered is up to [**insert amount in figures** (**insert amount in words**)]. This is the total amount of Grant that We may pay and this amount will not be increased as a result of any overspend or otherwise. This will be paid as follows:
2. up to £ [**insert amount in figures** (**insert amount in words**)] in financial year ending on 31 March 2022**;** and

**[Relationship with existing grant]**

**Purpose of Grant**

1. The Grant is offered to You to contribute to certain expenditure (see paragraphs 7 to 8) (“**Eligible Expenditure**”) where that expenditure is reasonably incurred by You in undertaking [**summarise the project**] (“**the Funded Activities**”).
2. A description of the Funded Activities is set out in **Annex 2** to the Grant Agreement.

**Eligible Expenditure**

1. Subject to paragraphs 8 and 9, the Eligible Expenditure is limited to the costs specified in **Annex 5** to the Grant Agreement and the nature within the scope of *Chapter Three* of the EU-UK Trade and Cooperation Agreement (TCA) and the World Trade Organisations Agreement on Subsidies and Countervailing Measures (SCM).
2. Under no circumstances may the Grant be claimed or used to cover any prohibited subsidies listed in the TCA or SCM or to cover costs incurred for those purposes (and any such costs do not constitute Eligible Expenditure for the purposes of this letter). The Eligible Expenditure must meet the principles set out in Chapter 3, Article 3.4 and be kept to the minimum for the efficient conduct of the Project, and expenditure that We reasonably determine to be in excess of that amount does not constitute Eligible Expenditure.

**Funding Period**

1. The Eligible Expenditure for which the Grant is awarded is expenditure limited to costs which are incurred between **[the date You sign this letter][or insert the date]** and **[insert an end date such as the date of the end of the financial year for the last instalment payable].**

**Payment of Grant**

1. The Grant will be paid [in accordance with the instalments in **Annex 3** to the Grant Agreement], in arrears, on a reimbursement basis upon receipt from You of a **Grant claim Form** in the form set out in **Appendix** **1 to this letter** by [insert deadline][the deadlines specified in the Grant Agreement].

**Accountable** **Officer**

* 1. You must appoint a person (the “Accountable Officer”) responsible for ensuring that You use the Grant in compliance with the Agreement, and notify Us of the identity of the Accountable Officer. The Secretary of State must approve the appointment of any person who is not the Chief Executive Officer or Chief Financial Officer.
	2. The Accountable Officer must maintain oversight of Your use of the Grant and:
1. safeguard, control and ensure the efficient, economical and effective management of the Grant;
2. advise You on the discharge of Your responsibilities under the Agreement and under any subsequent terms and conditions agreed by You and Us, or any guidance or other information notified by Us;
3. ensure that principles of probity, robust governance, transparency and value for money are maintained at all times in relation to the Grant;
4. be responsible for signing the accounts relating to the Grant, ensuring that they are properly prepared and presented and that proper accounting records are maintained in a form that complies with generally accepted accounting practices to which You are subject; and
5. ensure that conflicts of interest are avoided.

**Grant Claims**

1. Your Grant claim[s] must include the following:
2. the information and evidence required for the relevant instalment in clause 4 of the Grant Agreement ; and
3. accompanying that information and evidence, the appropriate assurance required by clause 7 and 8 of the Grant Agreement.

**Conditions Precedent**

1. The offer of Grant is conditional on You providing Us with the following:
2. *[evidence showing that an Accountable Officer has been appointed;]*
3. *[if you are relying on de minimis then this clause* ***must*** *include as a condition precedent receipt of the signed de minimis note and declaration appended to this Letter;]*
4. *[use this provision to insert any bespoke additional conditions not covered in the standard terms and conditions which need to be met before the grant is paid, such as planning consents or any specific consents.]*
5. You must ensure that We receive the information and evidence required above on or by [**insert deadline]**.Should You fail to do so, or should We reasonably conclude that the information and evidence provided prior to that deadline is unsatisfactory, We shall be entitled to withdraw the Grant (and any Grant already paid by then will be repayable with interest).

**Subsidy**

1. It is important to ensure that the Grant is not, and does not become, prohibited subsidies under Article 3 of the EU-UK Trade and Cooperation Agreement and do not unfairly subsidise their own industry or particular parts of it.
2. [**Use this paragraph and Appendix [2] (Special Drawing Rights) INTHE CASE OF OPTION 2 (Special Drawing Rights)**][In this case, the Grant is awarded as special drawing rights under Article 3.2.4 of the Trade and Cooperation Agreement and is subject to the conditions in **Appendix [2]** **(Special Drawing Rights)** and conditional on receipt by Us of the declaration in that Annex.
3. **[Use this paragraph and Annex [3] (Subsidy) IN THE CASE OF OPTION 3]** [In this case, the Grant is awarded under the TCA and WTO SCM Subsidy rules and is subject to the conditions in **Appendix [3]** **(Subsidy)].**

**Conditions**

1. You must comply with the standard terms and conditions set out in the Grant Agreement which apply to this Grant and accompany this letter, in addition to all other requirements set out or referred to in this letter and its Appendices.
2. The standard terms and conditions in the Grant Agreement are amended as follows:

In **clause 8** of the standard terms and conditions in the Grant Agreement the requirement for certification of Grant claims by external auditors/accountants shall apply to this grant offer letter as follows:

**Director’s declaration**

Your Grant claim[s] must be accompanied by a statement by one of Your directors (or if You are not a company, an officer of equivalent status) in the following terms:

“I confirm that I have considered the information and evidence provided in support of this Grant claim, and the terms and conditions of the Grant and that:

1. the information and evidence is complete, true and accurate. If I give information which I know is not correct or complete, I understand that action may be taken against me; and
2. we have complied with the terms and conditions of the Grant.

**Reasonable assurance report**

In addition to a statement by one of your directors, Your Grant claim[s] must be accompanied by a reasonable assurance report from an independent reporting accountant in the form in **Schedule 1** to this letter if You have:

1. incurred Eligible Expenditure of £100,000 (one hundred thousand pounds) or more; or
2. the total amount of the Grant is £1 million (one million pounds) or more.

**Accountants: engagement terms**

Where an assurance report is required, You must engage the relevant accountant on the terms in **Schedule 2** to this letter. The documentation in Schedules 1 to 3 is based on templates in Technical Release AAF 01/10 (Framework Document for accountants’ reports on grant claims) of the Institute of Chartered Accountants in England and Wales (ICAEW). You must not materially modify those terms and conditions without the prior consent in writing of the Secretary of State.

**Accountant’s payment**

Where an assurance report is required, You are responsible for paying the accountant’s fees and must not use the Grant to do so.

[The standard terms and conditions are amended as follows (the amendment is for the purpose of this Grant only, and does not set a precedent for any future Grants):

1. [in clause …;
2. [ ]].

**Notices and contact**

21. In communicating with Us, Your contact within the Department of Business, Energy and Industrial Strategy is:

 [Insert contact details]

**Duration of offer**

1. This offer remains open until 5pm on xxxx 2021, at which point it expires. If You wish to accept this offer, You must ensure that We receive Your formal acceptance, in full compliance with the acceptance requirements below, on or by that time.

**Acceptance**

1. If You wish to accept this offer, You must sign and date the duplicate copy of this letter as indicated below. It must be signed by someone who is authorised to sign on behalf of your organisation. Please provide evidence of their authority to sign and bind your organisation. Please also provide a day to day contact name and email address.

Yours sincerely,

………………………………… [**Insert BEIS signatory**]

**Agreement**

I confirm, for and on behalf of the [**insert name of Grantee**], the agreement of [**insert name of Grantee**] to the terms and conditions set out or referred to in this letter and its Appendices and Annexes.

Signed: …………………………………………………..

Printed Name: …………………………………………..

Position: …………………………………………………

Date: ……………………………………………………..

**Day to day contact for the Grant:**

Name: ……………………………………………………

Position: …………………………………………………

Email address: ………………………………………….

**Accountable Officer for the Grant**:

Name: …………………………………………………….

Email address: …………………………………………..

**APPENDIX 1**

**GRANT CLAIM FORM**

**CLAIM FOR PAYMENT OF GRANT**

This form must be used when you wish to claim an instalment of the Grant. When making a Grant claim, as set out in the standard terms and conditions of in the Grant Agreement, We may request and You must supply proof of expenditure and any other supporting documentation and information in addition to the Grant claim Form as We may require.

**Name of Applicant Organisation**:

Period of claim (Month) 202X to (Month) 202X

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Period**  | **Grant claimed this period***(excluding Administration costs)* | **Activities undertaken and Eligible Expenditure incurred** | **Evidence provided in support** | **Total Grant claimed this period** (including Administration costs) |
|  |  |  |  |  |
|  |  |  |  |  |
| **Totals** |  |  |  |  |

**DEPARTMENT FOR BUSINESS, ENERGY & INDUSTRIAL STRATEGY**

**APPENDIX [2]**

**Special Drawing Rights**

1. The Grant is awarded as Special Drawing Rights under Article 3.2.4 of the Trade and Cooperation Agreement. In accordance with this provision, You can receive up to a maximum level of subsidy without this constituting a prohibited subsidy. That level is 325,000 Special Drawing Rights granted to a single economic operator over three fiscal years.
2. The award of the Grant is conditional on Your compliance with all the relevant conditions for the national and international obligations and You providing Us with the **Special Drawing Rights note and declaration** in this Annex.
3. It is important to note that the Special Drawing Rights limit comprises the total amount of Special Drawing Rights subsidy You receive from the state during that period. That subsidy will include subsidy relating to other projects, subsidy provided by other public authorities and their agents, and subsidy other than grants (for instance, foregone interest on loans).
4. We are unable to pay You the Grant if, added to any previous Special Drawing Rights you have received during the current and last two fiscal years, the Grant causes You to exceed the Special Drawing Rights limit
5. For the purposes of that declaration:
	1. the fiscal year is the fiscal year used by Your business; and
	2. Special Drawing Rights is subsidy granted to a single undertaking, which may include legal entities separate to You (such as current or former subsidiaries).
6. You must retain the Grant agreement and the completed Special Drawing Rights declaration and produce it on request by the UK public authorities. We may, at any time, supply information on this Grant to any other public authority or agency asking for information on Special Drawing Rights subsidies.
7. You acknowledge that it is Your responsibility to read the Special Drawing Rights rules in its entirety, and seek advice (including legal advice) on its application to Your business if appropriate.
8. You acknowledge that We and You are jointly and severally responsible for maintaining detailed records with the information and supporting documentation necessary to establish that all the conditions set out in this Grant Agreement and the Special Drawing Rights requirements are fulfilled. Such records must be maintained by You and Us for 10 years following the granting of the subsidy.

**SPECIAL DRAWING RIGHTS DECLARATION**

Please tick the statement that applies to You:

|  |  |
| --- | --- |
|  | You, and any other undertaking forming a single undertaking with You for the purpose of the Special Drawing Rights rules, **have not received Special Drawing Rights subsidy** (whether Special Drawing Rights from or attributable to Us or any other public authority) during the current and two previous fiscal years. |
|  | You, and/or any other undertaking forming a single undertaking with You for the purpose of the Special Drawing Rights rules, **have received Special Drawing Rights subsidy** during the current and two previous fiscal years particulars of which are set out in the table below.  |

Please confirm the dates of Your fiscal year\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Particulars of any Special Drawing Rights during the current or previous two fiscal years:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Public Authority | Date Awarded | Total amount of Subsidy[[1]](#footnote-2) | Description of Subsidy[[2]](#footnote-3) | Recipient[[3]](#footnote-4) | Date(s) received[[4]](#footnote-5) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

Signed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

For and on behalf of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Position \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**APPENDIX [3]**

**Subsidy**

**General conditions**

1. The Grant is awarded subject to the following understandings and conditions:
2. You must comply with all applicable Subsidy Control national and international obligations and ensure that all requirements for the application of the EU-UK TCA and WTO SCM are met;
3. You are not entitled to the Grant or any payment of it if You are, or become, subject to a recovery order following a previous Commission decision declaring any prohibited subsidies and incompatible with the internal market[[5]](#footnote-6);
4. You confirm that You are not a company in difficulty and You commit to informing Us as soon as reasonably practicable of any change in this status; We reserve the right to terminate the Grant agreement if Your status changes;
5. You confirm that, prior to the commencement of the Project, You submitted an application which confirmed the undertaking’s name and size, description of the Project (including its start and end dates), location of the Project, list of Project costs and type of subsidy and amount of public funding required;
6. You have informed Us of any other public funding applied for or awarded against the Eligible Expenditure;
7. We are responsible for meeting the transparency obligations as defined in Article 3.7 of the TCA;
8. You are responsible individually, and jointly with Us, for maintaining detailed records with the information and supporting documentation necessary to establish that all the conditions set out in the Grant agreement are fulfilled;
9. such records shall be maintained for 10 years following the granting of the subsidy;
10. We may (without qualifying the generality of Our monitoring rights under this letter) monitor Your compliance with the requirements of paragraphs g) and h)and for the avoidance of doubt any failure to comply with those requirements (where applicable) shall be deemed a breach of the terms of this letter.

**SCHEDULE 1**

**REASONABLE ASSURANCE REPORT**

To: Directors and the Secretary of State for Business, Energy and Industrial Strategy (“BEIS”)

This report is produced in accordance with the terms of our letter of engagement dated [XX] for the purpose of reporting to [the directors of client] (the ‘company’) and BEIS in connection with the Grant claim for the monies receivable from BEIS under its grant agreement dated X in respect of [project name] [for the period ended [date]] and in accordance with the terms of our engagement letter dated [date] (attached).

Our report is prepared solely for the confidential use of [insert name of grant recipient] and BEIS, and solely for the purpose of facilitating the grant claim. This report is released to [insert name of grant recipient] and BEIS on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent except where there is a statutory requirement of disclosure. Without assuming or accepting any responsibility or liability in respect of this report to any party other than [insert name of grant recipient] and BEIS, we acknowledge that [insert name of grant recipient] and BEIS (or one of them) may be required to disclose this report to parties demonstrating a statutory right to see it, to enable such parties to exercise statutory rights of access to this report.

This report is designed to meet the agreed requirements of [insert name of grant recipient] and BEIS and particular features of our engagement determined by their needs at the time. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against [name of accountant] for any purpose or in any context. Any party other than [insert name of grant recipient] and BEIS which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, [name of accountant] will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person’s reliance on representations in this report.

As directors of the company, you are responsible for ensuring that the company maintains accounting records which disclose with reasonable accuracy, at any time, the financial position of the company, and in respect of grant claims, as the company’s directors (the ‘directors’) you are responsible for compiling claims in accordance with the grant agreement , ensuring that only eligible items are included in each grant claim and for ensuring that all terms of such offer letters have been complied with or varied in writing with the provider. It is also the directors’ responsibility to extract relevant financial information from the company’s accounting records, to make the calculations specified in the grant offer letter, and to provide relevant financial information to BEIS.

**Our approach**

We conducted our engagement in accordance with ISAE 3000 (*Assurance engagements other than audits and reviews of historical financial information*).We performed a reasonable assurance engagement as defined in the framework. For the purpose of the engagement we have been provided by the directors with a schedule (attached to this report) (“the schedule”) showing the company’s eligible expenditure and the grant agreement. The directors of the company remain solely responsible for the schedule.

The objective of a reasonable assurance engagement is to perform such procedures as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a positive conclusion on the schedule.

**[Inherent limitations]**

[*The following two paragraphs only to be used only where the accountants are the auditors of the grant recipient*]

[Our audit work on the financial statements of [grant recipient] is carried out in accordance with our statutory obligations and is subject to separate terms and conditions. This engagement will not be treated as having any effect on our separate duties and responsibilities as [grant recipient]’s external auditors. Our audit report on the financial statements is made solely to [grant recipient]’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to [grant recipient]’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than [grant recipient] and [grant recipient]’s members as a body, for our audit work, for our audit reports, or for the opinions we have formed.]

To the fullest extent permitted by law we do not and will not, by virtue of our reports/confirmations or otherwise, assume or accept any duty of care or liability under this engagement to [grant recipient] or to [BEIS] or to any other party, whether in contract, negligence or otherwise in relation to our audits of [grant recipient]’s financial statements.]

**Conclusion**

In our opinion, [the schedule] has been prepared, in all material respects, and the expenditure has been incurred, in accordance with the grant agreement.

or

Except for [detail minor exceptions noted], in our opinion [the schedule] has been prepared, in all material aspects, and the expenditure has been incurred, in accordance with the grant agreement.

or

In our opinion [the schedule] has not been prepared, in all material respects, and the expenditure has been incurred, in accordance with the grant agreement.

[insert details of issues leading to qualification of opinion]

Firm of Accountants

Office

Date

**SCHEDULE 2**

**REPORTING ACCOUNTANTS: LETTER OF ENGAGEMENT**

**Letter of engagement**

The following are the pre-agreed terms of engagement on which the [grant recipient] engages accountants to perform [a limited assurance report] [a reasonable assurance report] in connection with the [name of [grant claim].

The Secretary of State for Business, Energy and Industrial Strategy (“BEIS”) accepts that an agreement between the [grant recipient], its reporting accountants and BEIS on these terms is formed when the accountants sign and submit to BEIS a report as set out in clause 3 below.

NB: BEIS will not need to sign anything. By publishing this document BEIS confirms that these pre-agreed terms form its agreement with [grant recipient] and the reporting accountants. Once the accountants’ report is submitted to BEIS in accordance with these terms BEIS will accept that an agreement is formed. If the terms of the standardised engagement letter are to be revised, BEIS will need to confirm its acceptance of the new terms before an agreement is formed.

In these terms of engagement:

1. **Introduction**

The [grant recipient] is required to submit to BEIS reports as set out in clause 3 below that are also signed by an accountant to provide independent assurance. These terms of engagement set out the basis on which the accountant will sign the report.

1. **The [grant recipient]’s responsibilities**

2.1 The [grant recipient] is responsible for producing information, maintaining proper records complying with the terms of any legislation or regulatory requirements and BEIS’s terms and conditions of grant (‘the grant conditions’) and providing relevant information to BEIS in accordance with the requirements of the grant conditions. The [grant recipient] is responsible for ensuring that the non-financial records can be reconciled to the financial records.

2.2 The management of the [grant recipient] will make available to the accountant all records, correspondence, information and explanations that the accountant considers necessary to enable the accountant to perform the accountant’s work.

2.3 The [grant recipient] and BEIS accept that the ability of the accountant to perform its work effectively depends upon the [grant recipient] providing full and free access to the financial and other records and the [grant recipient] shall procure that any such records held by a third party are made available to the accountant.

2.4 The accountant accepts that, whether or not the [grant recipient] meets its obligations, the accountant remains under an obligation to BEIS to perform its work with reasonable care. The failure by the [grant recipient] to meet its obligations may cause the accountant to qualify its report or be unable to provide a report.

1. **Scope of the accountant’s work**

3.1 The [grant recipient] will provide the accountant with such information, explanations and documentation that the accountant considers necessary to carry out its responsibilities. The accountant will seek written representations from management in relation to matters for which independent corroboration is not available. The accountant will also seek confirmation that any significant matters of which the accountant should be aware have been brought to the accountant’s attention.

3.2 The accountant will perform carry out a [limited][reasonable] level of assurance assignment and subject to any adverse findings will produce a report in the form set out in [Appendix X].

3.3 The accountant will not subject the information provided by the [grant recipient] to checking or verification except to the extent expressly stated. While the accountant will perform the accountant’s work with reasonable skill and care, the accountant’s work should not be relied upon to disclose all misstatements, fraud or errors that might exist.

1. **Form of the accountant’s report**

4.1 The accountant’s reports are prepared on the following bases:

4.1.1 the accountant’s reports are prepared solely for the confidential use of the [grant recipient] and BEIS and solely for the purpose of submission to BEIS in connection with BEIS’s requirements in connection with [name of grant]. They may not be relied upon by the [grant recipient] or BEIS for any other purpose;

4.1.2 without imposing on the accountant and without the accountant assuming (or being perceived as assuming) any duty or responsibility and without imposing or accepting any liability to anyone except the [grant recipient] and BEIS, for subsidy purposes, Parliament, the Comptroller and Auditor General (NAO) and others who demonstrate statutory rights of access to the report;

4.1.3 neither the [grant recipient], BEIS [or others] may rely on any oral or draft reports the accountant provides. The accountant accepts responsibility to the [grant recipient] and BEIS for the accountant’s final signed reports only;

4.1.4 the report will be prepared solely for the confidential use of [grant recipient] and BEIS, and solely for the purpose of facilitating the grant claim. The report will be released to the [grant recipient] and BEIS on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without the accountant’s prior written consent, except where there is a legal or statutory right of access. Without assuming or accepting any responsibility or liability in respect of the report to any party other than [grant recipient] and BEIS, we acknowledge that [grant recipient] and BEIS (or one of them) may be required to disclose this report to parties demonstrating a statutory right to see it, to enable such parties to exercise their statutory rights of access to this report;

4.1.5 to the fullest extent permitted by law, except for the [grant recipient] and BEIS, the firm of accountants, its partners and staff neither owe nor accept any duty to any person (including, without limitation, any person who may use or refer to any of BEIS’s publications) and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person’s reliance on representations in the accountant’s reports.

1. **Liability provisions**
	1. The accountant will perform the engagement with reasonable skill and care and accepts responsibility to the [grant recipient] and to BEIS for losses, damages, costs or expenses (‘losses’) caused by its breach of contract, negligence or wilful default, subject to the following provisions:
		1. The accountant will not be responsible or liable if such losses are due to the provision of false, misleading or incomplete information or documentation or due to the acts or omissions of any person other than the accountant, except where, on the basis of the enquiries normally undertaken by accountants within the scope set out in these terms of engagement, it would have been reasonable for the accountant to discover such defects.
		2. The accountant accepts liability without limit for the consequences of its own fraud and for any other liability which it is not permitted by law to limit or exclude.
		3. Subject to the previous paragraph (5.1.2), the total aggregate liability of the accountant whether in contract, tort (including negligence) or otherwise, to each of the [grant recipient] and BEIS, arising from or in connection with the work which is the subject of these terms (including any addition or variation to the work), shall not exceed the maximum value of the relevant Grant instalment to which the Grant claim relates (as set out in the grant agreement).
	2. The [grant recipient] and BEIS agree that they will not bring any claims or proceedings against any individual partners, members, directors or employees of the accountant. This clause is intended to benefit such partners, members, directors and employees who may enforce this clause pursuant to the Contracts (Rights of Third Parties) Act 1999 (‘the Act’). Notwithstanding any benefits or rights conferred by this agreement on any third party by virtue of the Act, the parties to this agreement may agree to vary or rescind this agreement without any third party’s consent. Other than as expressly provided in these terms, the Act is excluded.
	3. Any claims, whether in contract, negligence or otherwise, must be formally commenced within 4 years after the party bringing the claim becomes aware (or ought reasonably to have become aware) of the facts which give rise to the action and in any event no later than 6 years after relevant report was issued (or, if no report was issued, when the accountant accepted the engagement in writing). This expressly overrides any statutory provision which would otherwise apply.
	4. This engagement is separate from and unrelated to any audit work of the accountant on the financial statements of the [grant recipient] for the purposes of any applicable statutory or regulatory or other auditing framework and nothing herein creates obligations or liabilities regarding the accountant’s audit work, which would not otherwise exist.
2. **Fees**

The accountant’s fees, together with VAT and out-of-pocket expenses, will be agreed with and billed to the [grant recipient]. BEIS is not liable to pay the accountant’s fees.

1. **Quality of service**

The accountant will investigate all complaints. BEIS or the [grant recipient] have the right to take any complaint to the ICAEW. BEIS or the [grant recipient] may obtain an explanation of the mechanisms that operate in respect of a complaint to the ICAEW at www.icaew.co.uk/complaints or by writing to the ICAEW at the ICAEW Professional Standards Office, Metropolitan House, 321 Avebury Boulevard, Milton Keynes MK9 2FZ UK.

1. **Providing services to other parties**

The accountant will not be prevented or restricted by virtue of the accountant’s relationship with the [grant recipient] and BEIS, including anything in these terms of engagement, from providing services to other clients. The accountant’s standard internal procedures are designed to ensure that confidential information communicated to the accountant during the course of an assignment will be maintained confidentially.

1. **Applicable law and jurisdiction**
	1. This agreement shall be governed by, and interpreted and construed in accordance with the law of England.

9.2 The [grant recipient], BEIS and the accountant irrevocably agree that the courts of England shall have exclusive jurisdiction to settle any dispute (including claims for set-off and counterclaims) which may arise on any basis in connection with the validity, effect, interpretation or performance of, or the legal relationship established by this agreement or otherwise arising in connection with this agreement.

1. **Alteration to terms**

All additions, amendments and variations to these terms of engagement shall be binding only if in writing and signed by the duly authorised representatives of the parties. These terms supersede any previous agreements and representations (unless based on fraud) between the parties in respect of the scope of the accountant’s work and the accountant’s report or the obligations of any of the parties relating thereto (whether oral or written) and represents the entire agreement and understanding between the parties. These terms do not affect any separate agreement in writing between the [grant recipient] and the accountant.

1. This should be the amount of subsidy awarded. However, please also inform us if the amount received differed. [↑](#footnote-ref-2)
2. Please confirm the nature of the subsidy (e.g. a grant or a loan etc) and the purpose for which it was awarded (e.g. any project funded by it). [↑](#footnote-ref-3)
3. Please confirm the identity of the recipient of the subsidy if this is a separate entity forming part of a "single undertaking" with you. [↑](#footnote-ref-4)
4. Please inform us if the subsidy was paid by instalments. [↑](#footnote-ref-5)
5. This does not apply to subsidy making good the damage caused by certain natural disasters [↑](#footnote-ref-6)