



Annex 2: Independent Accountant's Report

The Accountant's Report will be paid for by the Grant Recipient. It must be provided on the accountant's headed paper in the format shown in this template.

The accountant should be independent of the Grant Recipient or their parent company and be eligible to conduct a reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (UK) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information. Our expectation is that the total aggregate liability of the accountant whether in contract, tort (including negligence) or otherwise to DESNZ alone (i.e., not in total relation to the DESNZ and Grant Recipient together) shall be as set out in the table below:

Amount of Grant being reported in this claim:	Proportion of amount	Total cap
Up to £1m	100%	Amount of Grant included in claim
Between £1m and £5m	100% of first £1m and 50% of remainder	£1m + 50% of amount in excess of £1m

The Independent Accountant's Report should be in the following format:

[Insert name and address of grant recipient]

(the 'Grant Recipient')

[Insert name and address of grant paying body]

[Date]

Dear Sir/Madam,

INDEPENDENT REASONABLE ASSURANCE REPORT IN CONNECTION WITH [INSERT SCHEME NAME] – GRANT FUNDING OFFER LETTER DATED [INSERT DATE].

We have been engaged, in accordance with the terms of our engagement letter dated [xxx], to perform assurance procedures on the Grant Claim for the monies receivable from The Secretary of State for Energy Security and Net Zero (the "Grant Paying Body") under its grant offer letter dated [xxx] (the "Grant Funding Agreement") in respect of [Grant Scheme Name] for the period ended [INSERT DATE].

Opinion

We have performed a reasonable assurance engagement as defined in ISAE (UK) 3000 in respect of the accompanying grant claim of eligible expenditure and the necessary calculations (the "Grant Claim") in accordance with the Grant Funding Agreement which is attached as Appendix 1.

In our opinion, the expenditure included in the Grant Claim has, in all material respects, been properly incurred and defrayed in accordance with the eligibility criteria referred to in section [xx] of the Grant Funding Agreement.

The headcount numbers have been calculated in accordance with the conditions set out in section [x] of the Grant Funding Agreement.

Basis for Opinion

We performed our engagement in accordance with ISAE (UK) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. We performed a reasonable assurance engagement as defined in ISAE (UK) 3000.

We have complied with the independence and other ethical requirements of the FRC's Ethical Standard [if also the auditor or if public interest assurance engagement specified by the FRC] and the ethical pronouncements of [the assurance practitioner's relevant professional body] which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

The Grant Claim is prepared to provide information to the Grant Paying Body and is prepared in accordance with the terms and conditions of the Grant Funding Agreement on a defrayed accounting basis. As a result, the Grant Claim may not be suitable for any other purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Grant Claim

The directors are responsible for the preparation of the Grant Claim in accordance with the Grant Funding Agreement; this includes determining that the basis of accounting is an accessible basis for the preparation of the Grant Claim in the circumstances and for such internal control as management determines is necessary to enable the preparation of the Grant Claim that is free from material misstatement, whether due to fraud or error.

Practitioner's Responsibilities

The objective of a reasonable assurance engagement is to perform such procedures, on a sample basis, 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 Grant Claim. Our objectives are to obtain reasonable assurance about whether the Grant Claim is free from material misstatement, whether due to fraud or error, and to issue a reasonable assurance report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an assurance engagement conducted in accordance with ISAE (UK) 3000 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Grant Claim.

Scope

We determined the exact scope, nature and extent of the procedures required to support our opinion, however, the following minimum scope was carried out as agreed with the Grant Paying Body in connection with our reasonable assurance report for the period to [INSERT DATE]:

1. We agreed the claim(s) for the period to [INSERT DATE] to detailed schedules prepared by management;
2. We confirmed the arithmetical accuracy of the schedules relating to the claim(s);
3. We checked whether the Grant claimed by the Grant Recipient has been calculated in accordance with the Terms and Conditions of the Grant Offer Agreement.
4. We selected a sample of expenditure from the supporting schedules of the Grant Claim and:
 - i. agreed them to invoices, or other supporting documentation to corroborate they have been incurred in accordance with the Terms and Conditions of the Grant Offer Agreement;
 - ii. checked evidence of payment to ensure they have been defrayed.

5. [Name of Accountant] has selected a sample of expenditure relating to [fixed assets] which have been financed by hire purchase or lease finance from the supporting schedules of the Grant Claim and agreed these to relevant hire purchase or lease finance agreements;]
6. [Name of Accountant] has agreed the number of permanent full-time jobs and part-time equivalents directly employed by the Grant Recipient at the project site on the Commencement Date as specified in Schedule 5 of the Grant Offer Letter to the Company's payroll records;
7. [Name of Accountant] has agreed the number of permanent full-time jobs and part-time equivalents directly employed by the Grant Recipient at the project site at the date of the Grant Claim(s) to the Company's payroll records;
8. [Name of Accountant] has selected a sample of new jobs created as set out in the Grant Claim and traced the salary amount for those roles to the Grant Recipient's payroll records.
9. [Name of Accountant] has selected a sample of new jobs created as set out in the Grant Claim and agreed the job title to the payroll records of the Grant Recipient. [Name of Accountant] has confirmed that the job commenced after the Commencement Date and is located at the project site relating to the grant.
10. [Name of Accountant] has selected a sample of new jobs created as set out in the Grant Claim and agreed the skill level for that role, as set out in Schedule [X] of the Grant Funding Agreement, with the payroll records or job descriptions of the Grant Recipient.
11. [Name of Accountant] has agreed the total workforce number of permanent full-time jobs and part time equivalents at the Premises as reported by the Company's payroll records at the Commencement Date of the Funded Activities and at the date of the claims].

Use of our report

Our report is prepared solely for the confidential use of the Grant Recipient and the Grant Paying Body and solely for the purpose of facilitating the grant claim. It may not be relied upon by the Grant Recipient or the Grant Paying Body for any other purpose whatsoever. Our report must not be recited or referred to in whole or in part in any other published document without our written permission except where disclosure is required as a result of a statutory obligation. Our report must not be made available, copied or recited to any other party without our express written permission in every case except that the Grant Recipient or the Grant Paying Body may disclose the report where it has a statutory obligation to do so. Other than the Grant Recipient and, the Grant Paying Body [Name of Accountant] do not have any duty to any other party to whom this report may be disclosed.

The engagement to report on the Grant Claim is separate from, and unrelated to, the audit of the annual financial statements of the Grant Recipient and the report relates only to the matters specified and does not extend to the Grant Recipient's annual financial statements taken as a whole.

[Name and signature of the reporting accountant]

[Date of the report.]

[Location in the jurisdiction where the practitioner practices]

Appendix 1 (to the Independent Reasonable Assurance Report)

[NOTE: APPENDIX 1 WILL BE THE GRANT CLAIM PREPARED, APPROVED AND SUBMITTED BY THE GRANT RECIPIENT.]

Appendix 2 (to the Independent Reasonable Assurance Report)

[NOTE: APPENDIX 2 SCHEDULE OF OTHER MATTERS SHOULD REPORT ON ANY ERRORS AND RESERVATIONS/EXCEPTIONS.]