

Section B

1. Report of Independent Accountant to accompany all Expenditure Based Grant Claims

The Directors
[Client Limited]
[Address]

Invest Northern Ireland
[Address]

[Date]

Dear Sirs

Report of [Independent Accountant] in respect of an expenditure based grant claim submitted by [Client] ('the Company') under offer letter dated [date] reference no ('the offer letter')/financial assistance agreement dated [date] ('the FAA') from Invest Northern Ireland ("Invest NI")

In accordance with the terms of our engagement letter dated [date], we have examined the enclosed claim for [grant type: see footnote 1.] grant dated [date] ("the claim"), initialled by me/us for the purpose of identification, from [name of the company] ('the Company') for the [period ended [date]]/[period from [date] to [date]] submitted in accordance with the terms and conditions of the grant offer letter dated [date].

The claim (together with any supporting schedules) has been prepared by and is the sole responsibility of the [directors] of the Company.

We draw your attention to the fact that the engagement to report on the grant claim is separate from, and unrelated to, the audit of the annual financial statements of the Company and that the report relates only to the matters specified and that it does not extend to the grant recipient's annual financial statements taken as a whole.

The claim for (grant type – see footnote 1) examined by us amounts to £.....

(Where claimed expenditure relates to buildings and/or plant, machinery and equipment complete footnote 2.)

Procedures:

We have carried out a high level of assurance assignment by performing the following tests:

- a) We have selected a random or haphazard sample of expenditure items (including freight, carriage and installation) incurred by value as reported on the claim and traced them to original invoices or other supporting documentation and evidence of payment to check that they have been properly incurred, that they are net of all discounts, allowances and VAT and that they have been defrayed in accordance with the terms and conditions of the offer letter/the FAA;
- b) (include where HP is part of eligible expenditure) We have selected a random sample of fixed assets expenditure which has been financed by HP and confirmed these to relevant HP agreements; and

c) (include where there are self supply items included as expenditure) We have checked, on a sample basis, that (i) self supply expenditure is adequately evidenced by internal records and documentation; (ii) the [x%] allowances for overheads is calculated excluding any addition for profit or advertising, selling, distribution or financial costs; and (iii) overheads claimed have been computed in line with the principles contained in the Miscellaneous Technical Statement M17, Accountants' Reports on Grant Claims, published by the Institute of Chartered Accountants in Ireland;

d) (include where there is associate company expenditure and the associate company supplies third parties) We have received a report from the accountants of the "associated concern" that expenditure on goods or services supplied by the company associated with the claimant directly or indirectly through common control has been on terms no less favourable than those allowed by the associated concern when making similar supplies to third parties;

OR

(include where there is associate company expenditure but a third party comparison is not possible) we have received a report from the accountants of the "associated concern" confirming that its invoices for goods and services supplied to the Company include ... % profit element.

e) (include where apportionment applies) We have checked that where appropriate apportionment has been made on a reasonable basis of any items of expenditure or any invoices only partly relevant to the claim;

f) We have received confirmation from the directors of the Company that no asset included in this claim or in any previous claim under [the offer letter] [the FAA] has been sold or disposed of in any way (including transfer under a hire purchase agreement);

g) We have received confirmation from the directors of the Company that no expenditure included in this claim has been included in any previous grant claim;

h) We have checked the arithmetical accuracy of the schedules relating to the claim and agreed them to the appropriate supporting documentation; and

i) We have checked whether the grant claimed by the Company has been calculated in accordance with the terms and conditions of the offer letter/the FAA.

Statement of any errors and reservations/exceptions

[These, if any, should be clearly stated under this paragraph.]

Reporting

Based on our examination as above and subject to the possible financial effect of any reservations or qualifications set out above, we report that based on our findings, in our opinion the grant claim attached is consistent with the records we inspected and has been prepared, in all material respects, in accordance with the requirements of the offer letter dated [date]/the FAA dated [date].

Our report is prepared solely for the confidential use of the company and Invest Northern Ireland, and solely for the purpose of verifying the grant claimed. It may not be relied upon by the company or Invest Northern Ireland 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.

Our report must not be made available, copied or recited to any other party without our express written permission in every case except for Invest Northern Ireland may disclose the report where it has a statutory obligation to do so. Other than to the Company and Invest Northern Ireland, we neither owe nor accept any duty to any other party to whom this report may be disclosed.

Yours faithfully

XYZ
Chartered accountants

1. Examples of grant types include:

- buildings
- plant, machinery and equipment
- management salary
- management information system
- marketing
- consultancy
- e-business
- rent
- product and process development
- business improvement training
- key worker
- development

2. The claim for buildings and/or plant, machinery and equipment grant examined by us may be summarised as follows:

	£
Expenditure on directly purchased assets	
- buildings	x
- plant, machinery and equipment	
- new	x
- secondhand	x
- transport/installation	x
- modifications/refurbishment	x
Hire purchase payments (capital element only)	x
Expenditure on items supplied by any associate company	x
Self supply expenditure	
- stores/materials	x
- labour	x
- overheads	x
TOTAL	<u>xxxx</u>