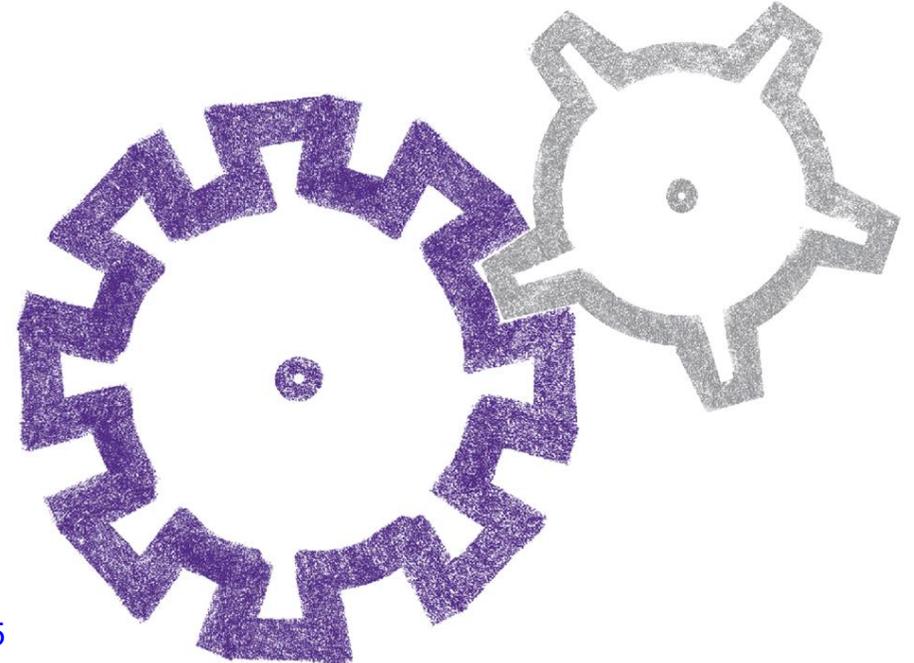


# South Derbyshire District Council: Audit Approach Memorandum

---

February 2011



February 2011

Civic Offices  
Civic Way  
Swadlincote  
Derbyshire  
DE11 0AH

**Grant Thornton UK LLP**  
Enterprise House  
115 Edmund Street  
Birmingham  
West Midlands  
B3 2HJ

To The Audit Sub-Committee of South Derbyshire District Council

The purpose of this plan is to highlight the key elements of the audit work to be undertaken at South Derbyshire District Council for the year ended 31 March 2011. This report has been written for the benefit of those charged with governance, in accordance with international auditing standards and the expectations of the Audit Commission.

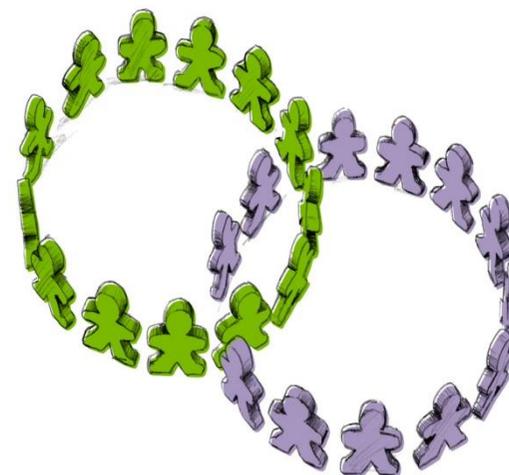
We set out in this report our statutory responsibilities under the Code of Audit Practice, as they relate to our requirement to provide an opinion on the Council's financial statements and our conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

We have considered our independence and objectivity in respect of the audit and do not believe there are any matters which should be brought to your attention. This memorandum has been prepared in accordance with the Audit Commission's Code of Audit Practice.

We look forward to working with you during the course of the audit.

Grant Thornton LLP

**Jon Roberts**  
Engagement Lead  
Partner



---

# Contents

**1 Introduction**

2 Accounts audit

3 Value for Money

4 Logistics

5 Outputs

6 Appendices

# An overview of your 2010/11 audit

This document sets out the work that we will carry out in discharging our responsibilities to give an opinion on the Council's financial statements and a conclusion on the Council's arrangements for achieving value for money.

|  |                                       |
|--|---------------------------------------|
| We set an indicative fee in March 2010. In setting this fee, we assumed that, whilst the transition to IFRS is a significant change and challenge, the general level of risk in relation to the audit would not be significantly different from that identified for 2009/10. Following the completion of the 2009/10 audit we have updated our accounts audit risk assessment. | See<br>Accounts audit                 |
| In August 2010 a new approach to local Value for Money audit work was introduced. From 2010/11 we will give our value for money conclusion based on two reporting criteria specified by the Audit Commission.  | See<br>Value for<br>money audit       |
| Our main audit team remains largely unchanged from 2009/10. As in previous years, we will use specialists from across Grant Thornton to support our work and ensure that you are getting the required levels of expertise from us.   | See<br>Logistics - engagement<br>team |
| We have used the Audit Commission scale of fees for 2010/11 to calculate your proposed audit fee.  | See<br>Logistics - Audit fee          |
| You will receive a number of reports and plans from us throughout the year which will provide you with the detailed conclusions of our work culminating in the issue of our Annual Audit Letter to the Council.  | See<br>Outputs (and timeline)         |
| We comply with the Audit Commission requirements in respect of independence and objectivity  | See<br>Appendix A                     |

---

# Contents

1 Introduction

**2 Accounts audit**

3 Value for Money audit

4 Logistics

5 Outputs

6 Appendices

# Audit of your accounts

## Introduction

This section of the plan sets out the work we propose to undertake in relation to the audit of the Council's 2010/11 Statement of Accounts. The plan is based on our risk-based approach to audit planning. This includes our assessment of the potential business and audit risks that need to be addressed by our audit and the controls the Council has in place to mitigate these risks.

## The Council's responsibilities

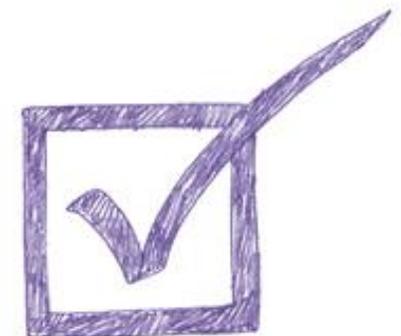
The Council's accounts are an essential means by which it accounts for the stewardship of resources and its financial performance in the use of those resources. It is the responsibility of the Council to:

- ensure the regularity of transactions by putting in place systems of internal control to ensure that financial transactions are in accordance with the appropriate authority;
- maintain proper accounting records; and
- prepare accounts, which present a true and fair financial position of the Council and its expenditure and income that this year will be in accordance with International Financial Reporting Standards for the first time.

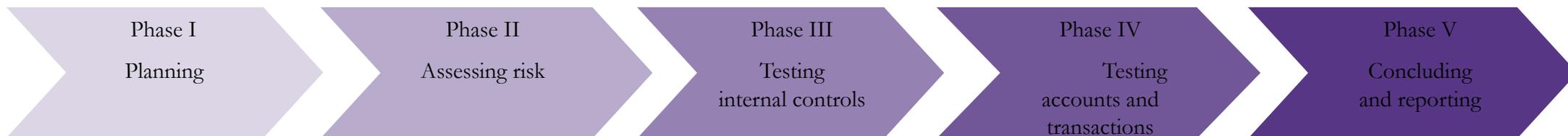
## Our responsibilities

We are required to audit the financial statements and to give an opinion as to:

- whether they give a true and fair view of the financial position of the Council and its expenditure and income for the period in question;
- whether they have been prepared properly in accordance with relevant legislation, applicable accounting standards and other reporting requirements; and
- whether the Annual Governance Statement (AGS) has been presented in accordance with relevant requirements and to report if it does not meet these requirements, or if the statement is misleading or inconsistent with our knowledge.



# Distinguishing characteristics – our audit approach



| Phase I  | Phase II  | Phase III   | Phase IV  | Phase V  |
|--|---|---|---|--|
| <p>We obtain an understanding of your operations, control environment, accounting and financial reporting systems .</p> <p>Together, we agree on a timetable for service delivery.</p>                       | <p>We use our understanding of your Council to identify financial statement risks.</p> <p>We customise our audit approach to focus our efforts on the financial statement risks we identify.</p>  | <p>We evaluate whether your significant accounting applications and financial reporting systems are well-controlled and whether such controls are effective. We will review internal audit's work as part of this process. Based on the result of this evaluation, we design appropriate audit tests.</p> | <p>We use electronic audit techniques (IDEA) perform testing and analyse your financial data files.</p> <p>Our audit programs call for the use of IDEA, which helps teams thoroughly and quickly execute tests.</p>                     | <p>In the concluding phase of the audit, we bring together all the work performed by the audit team. The most experienced team members confirm that the financial statements make sense, based on their understanding of the Council. They also ensure the delivery of a high-quality audit.</p> |
| <p>Benefits to you</p> <ul style="list-style-type: none"> <li>• An agreed-upon timetable</li> <li>• Saves time</li> <li>• Lessens staff burden</li> <li>• On-time service</li> <li>• No surprises</li> </ul> | <ul style="list-style-type: none"> <li>• Customised audit focused on risks</li> <li>• Issues identified early</li> <li>• Extent of audit effort commensurate with the level of risk, resulting in a more effective audit</li> <li>• Audit team with a deeper understanding of your Council</li> </ul> | <ul style="list-style-type: none"> <li>• Comprehensive assessment of internal controls and suggestions for strengthening internal controls</li> <li>• Stronger internal control over time</li> </ul>  | <ul style="list-style-type: none"> <li>• Electronic audit programs, sampling techniques and IDEA software result in less time spent gathering and analysing data</li> <li>• Testing directed at only those risks that matter</li> </ul> | <ul style="list-style-type: none"> <li>• Advice and recommendations to improve operations</li> <li>• An audit opinion from a firm with a reputation for high-quality audits</li> </ul>   |

# Our risk assessment

## Accounting risks and planned audit response

Table 1 below summarises the results of our initial risk assessment of significant financial risks facing the Council and our planned response.

**Table 1: Accounting risks and planned audit response**

| Key audit risk                  | Audit areas affected                  | Audit approach  |
|---------------------------------|---------------------------------------|---|
| Accounting under IFRS           | All areas of the financial statements | <ul style="list-style-type: none"> <li>We will perform a review of IFRS arrangements and the restated 2009/10 primary statements as part of the interim audit.</li> <li>Specialist technical support will be made available to the Council as required.</li> <li>We will review the implications of any developing issues through reference to IFRS guidance and the finalised IFRS Code and discuss with the Council accordingly.</li> </ul> |
| Financial performance pressures | All areas of the financial statements | <ul style="list-style-type: none"> <li>We will monitor the Council's financial performance for the year against its agreed budget</li> <li>We will consider the use of general reserves during the year.</li> </ul>   |
| Revaluation of fixed assets     | Property, plant and equipment         | <ul style="list-style-type: none"> <li>We will review any valuations undertaken and ensure that these are compliant with the requirements of IFRS. Where possible, this work will be performed at our interim visit.</li> </ul>   |

## Accounts audit

---

| Key audit risk                    | Audit areas affected                    | Audit approach  |
|-----------------------------------|---|---|
| Outsourcing of corporate services | All areas of the financial statements   | <ul style="list-style-type: none"><li>• This will be the first year that South Derbyshire District Council has been audited under this partnership arrangement.</li><li>• We will need to review and document any changes to financial processes and controls operated by the Council, including contract monitoring arrangements with Northgate.</li></ul>   |
| Income Recognition                | Housing and council tax benefit subsidy | <ul style="list-style-type: none"><li>• We have not yet concluded our certification of the 2009/10 housing benefit and council tax subsidy return for the Council, but testing to date suggests a clawback could occur accordingly.</li><li>• We will monitor the position as work reaches its conclusion. We may need to undertake additional testing to gain assurance in 2010/11 over the income recorded in the financial statements.</li></ul> |

# Other issues

## Other issues

### Annual Governance statement

As part of our work on the accounts audit, we will review the Annual Governance Statement (AGS) to determine if it is consistent with our knowledge of the Council.

### Whole of Government Accounts

We will also review the Whole of Government Accounts (WGA) consolidation pack for consistency with the Council's accounts.

### Electors challenge

The Audit Commission Act 1998 gives electors certain rights:

- the right to inspect the accounts
- the right to ask the auditor questions about the accounts; and
- the right to object to the accounts.

As a result of these rights, in particular the right to object to the accounts, we may need to undertake additional work to form a decision on the elector's objection. The additional work may be significant and could result in the requirement to seek legal representations on the issues raised. The costs incurred in responding to any questions or objections raised by electors are not part of the audit fee. In the event of costs being incurred as a result of elector's objections we will discuss these with the Council and, where appropriate, charge for this work in accordance with the Audit Commission's fee scales.

### Certification of Grants and Returns

In addition to our audit of the Council's financial statements and Value for Money conclusion, we are required to certify grant claims and returns above predetermined thresholds.

In carrying out work in relation to grant claims and returns, Grant Thornton UK LLP acts as an agent of the Audit Commission, on behalf of the grant paying bodies. The work that the auditor is required to undertake is specified in a Certification Instruction, issued by the Audit Commission for each scheme, following discussion with the grant paying body. As agents of the Audit Commission we are required to recover, in respect of each grant claim and return, a fee that covers the full cost of the relevant work undertaken. These rates are based on the hourly rates for certifying claims and returns set out in the Audit Commissions 'Work programme and scales of fees 2010/11.'

Prior to the commencement of our work we will issue a grants plan and report in full to the Council on conclusion of our certification work.

### National Fraud Initiative (NFI)

The Council participates in the National Fraud Initiative, the Audit Commission's data-matching exercise designed to prevent and detect fraud in public bodies. We will review the Council's progress and actions in following up the matches identified.

---

# Contents

1 Introduction

2 Accounts audit

**3 Value for Money audit**

4 Logistics

5 Outputs

6 Appendices

# Approach to Value for Money audit

## Introduction

The Code requires us to issue a conclusion on whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money conclusion.

Since we issued our indicative fee letter, a new approach to local Value for Money (VFM) audit work has been introduced by the Audit Commission.

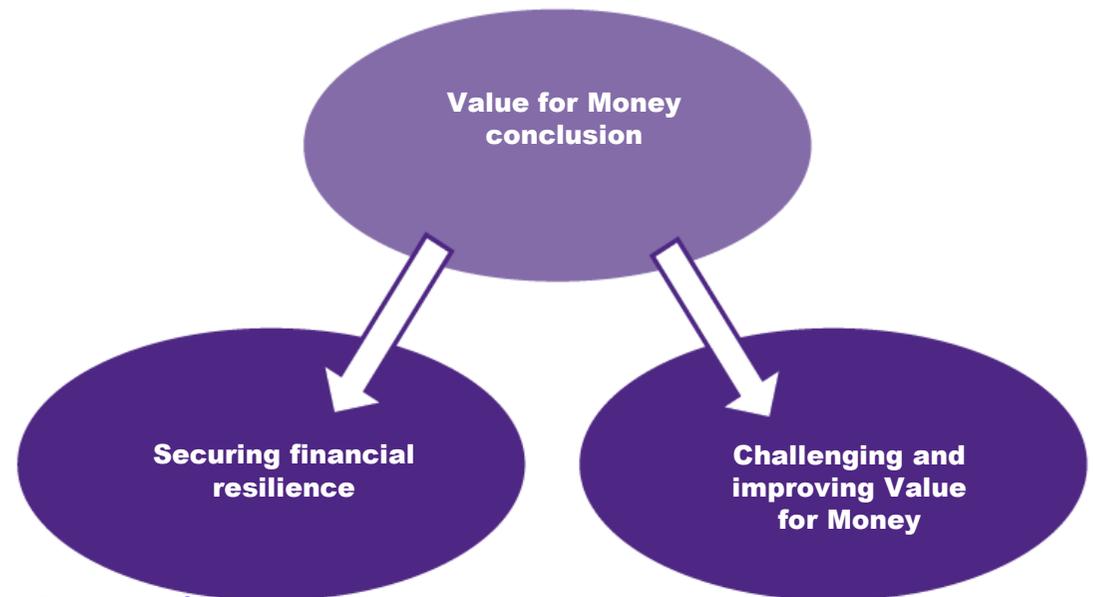
The criteria for the VFM Conclusion from 2010/11 will consider whether the Council has proper arrangements in place to:

- secure financial resilience; and
- challenge how it secures economy, efficiency and effectiveness.

The criteria for 2010/11 will focus on:

- the systems and processes in place to achieve sound financial health; and
- how the Council prioritises resources within tighter budgets.

We will meet with you as required, explaining the new approach and how this will impact on you.



# Securing financial resilience

We will tailor our VFM work to ensure that as well as addressing our high risk areas, it is, wherever possible, focused on the Council's priority areas and can be used as a source of assurance for officers and members. Where we plan to undertake specific reviews to support our VFM conclusion, we will issue a Terms of Reference for each review outlining the scope, methodology and timing of the review. These will be agreed with officers and presented to Audit Sub-Committee.

The results of all our local VFM audit work and key messages will be reported in our Report to Those Charged with Governance (ISA 260 report) and in the Annual Audit Letter. We will agree any additional reporting to the Council on a review-by-review basis.

## Code criteria

The council has proper arrangements in place for securing financial resilience

We will consider whether the Council has robust financial systems and processes to manage effectively financial risks and opportunities and to secure a stable financial position that enables it to continue to operate for the foreseeable future

## Work to be undertaken

Risk-based work focusing on arrangements relating to financial governance, strategic financial planning and financial control.

Specifically we will:

- Undertake an in-depth review of the Council's medium term financial plan and the impact and effectiveness of the Council's cost saving programme;
- Consider the Council's financial performance against local government financial ratios; and
- Consider the Council's response to the CSR and the impact that this will have on the Council's financial planning.

On completion of the initial risk assessment, we will agree with the Council specific pieces of work required, if any, to address any high risk areas identified.

# Prioritising resources

## Code criteria

The Council has proper arrangements for challenging how it secures economy, efficiency and effectiveness

We will consider whether the Council is prioritising its resources within tighter budgets

## Work to be undertaken

Risk-based work focusing on arrangements for prioritising resources and improving productivity and efficiency.

Specifically we will:

- Apply our VFM benchmarking tool to the Council's 2009/10 performance to establish how services performed during the year; and
- Consider the arrangements and policies the Council has in place to monitor and reduce employee sickness absence levels.

On completion of the initial risk assessment, we will agree with the Council specific pieces of work required to address any high risk areas identified.



---

# Contents

1 Introduction

2 Accounts audit

3 Value for Money audit

**4 Logistics**

5 Outputs

6 Appendices

# Engagement team - key contacts

Your main audit team is based in Birmingham and are all public sector specialists.

However, we operate as a national practice, coordinating the work of all our offices to ensure that new ideas, good practice experiences and services are developed and disseminated to all, irrespective of location.

|  |  |
|--|--|
| <p><b>Jon Roberts (CPFA)</b><br/> <b>Engagement Lead</b><br/> <b>T</b> 0121 232 5410<br/> <b>E</b> <a href="mailto:jon.roberts@uk.gt.com">jon.roberts@uk.gt.com</a></p>            | <p>Jon is the Council's Engagement Lead, bringing his extensive local authority expertise to the Council. Jon will be a key contact for the Chief Executive, the Director of Corporate Services, other senior Council Officers and the Audit Sub-Committee.</p> <p>Jon is responsible for the overall delivery of the audit including the quality of output and, signing the audit reports and conclusion.</p> |
| <p><b>Kyla Bellingall (FCCA)</b><br/> <b>Senior Manager</b><br/> <b>T</b> 0121 212 5359<br/> <b>E</b> <a href="mailto:kyla.bellingall@uk.gt.com">kyla.bellingall@uk.gt.com</a></p> | <p>Kyla is responsible for the audit strategy, planning and liaison with key Council contacts to ensure the smooth running of the audit and the delivery of the overall audit plan.</p> <p>Kyla reviews the quality of audit outputs and ensures accuracy of reporting prior to presenting plans and reports to the Council's Officers and Members.</p>  |
| <p><b>Kate Taylor (ACA)</b><br/> <b>Audit Executive</b><br/> <b>T</b> 0121 232 5208<br/> <b>E</b> <a href="mailto:kate.i.taylor@uk.gt.com">kate.i.taylor@uk.gt.com</a></p>         | <p>Reporting to Kyla, Kate is responsible for the performance of the audit fieldwork and day-to-day liaison with the Council's finance department.</p> <p>Kate will be supported by a team of audit assistants.</p>  |

# Engagement team - specialist support

|  |   |
|--|---|
| <p><b>Negat Sultan</b><br/> <b>IT Audit Manager</b><br/> <b>T</b> 0116 247 5590<br/> <b>E</b> negat.sultan@uk.gt.com</p>               | <p>Negat is responsible for review of the Council's IT systems to complement the financial accounts process.</p> <p>Negat also takes the lead on any additional work required in areas such as data quality and security. Negat led the review of data quality arrangements undertaken as part of the 2009/10 audit plan.</p> |
| <p><b>Ian Barber</b><br/> <b>Senior Performance Manager</b><br/> <b>T</b> 0121 232 5357<br/> <b>E</b> ian.m.barber@uk.gt.com</p>       | <p>Ian has significant experience as an advisor and performance manager for public sector bodies. Ian will provide input to support and develop the Value for Money element of the audit.</p>   |
| <p><b>Vivien Holland (FCMA)</b><br/> <b>Performance Manager</b><br/> <b>T</b> 0121 212 4000<br/> <b>E</b> vivien.holland@uk.gt.com</p> | <p>Vivien advises public sector organisations, including Local Government, ensuring they achieve value for money, combined with giving clients the tools and knowledge to continue this work for themselves.</p>  |

# Audit fee

## What is the scale audit fee?

This is defined as the fee required by auditors to meet statutory responsibilities under the Audit Commission Act in accordance with the Code of Audit Practice.

It represents the Commission's best estimate of the fee required to complete an audit where the audited body has no significant audit risks and has a sound control environment.

## How we calculate your scale audit fee

The Council's audit fee is calculated in accordance with the Audit Commission's scale of audit fees for 2010/11. For the Council, the scale calculation includes a fixed element for a District Council and a percentage of planned gross expenditure as determined by the Audit Commission.

## Variations to the scale audit fee

Based on a thorough review by the audit team which includes discussions with Council Officers and Members, we then tailor our work to reflect local circumstances. This may result in a variation upwards or downwards on the scale audit fee. Any variation to the scale fee must be approved by the Audit Commission.

## 2010/11 audit fee

Our indicative Audit Fee Letter issued April 2010, stated the total indicative fee for the audit for 2010/11 was to be £108,000 (exclusive of VAT). This was 12.5% higher than the 2009/10 fee, due largely to the additional costs relating to the transition to IFRS and outsourcing to Northgate. The IFRS costs have been rebated separately by the Audit Commission.

The scale audit fee for the Council has been calculated at £100,727. The planned fee represents a 2.2% variation to the scale audit fee for the reason explained below.

In setting the audit fee above scale, we have taken into account the additional time required to understand, document and test the revised processes and controls introduced following the implementation of the Corporate Services partnering arrangements during 2010. However, as these changes are not yet as significant as we anticipated in setting our fee in April 2010, we have revised our fee down to £103,000.

The fee will be subject to continuous review and may be revised if significant new risks are identified during the audit or if we are unable to progress the audit as planned due to the timing or quality of information provided by the Council. In the event that we consider it necessary to revise the Council's audit fee upwards, we will discuss this with the Director of Corporate Services.

# Audit fee

A summary of the audit fee is shown in the table below:

**Table 2: 2010/11 audit fee**

| Audit area                           | Planned fee 2010/11 | Planned fee 2009/10 |
|--------------------------------------|---------------------|---------------------|
| Financial statements, including WGA  | £75,500             | £66,000             |
| VfM conclusion                       | £25,000             | £30,000             |
| Corporate Services Outsourcing       | £2,500              | -                   |
| <b>Total audit fee</b>               | <b>£103,000</b>     | <b>£96,000</b>      |
| IFRS rebate                          | (£6,115)            | -                   |
| Certification of claims and returns* | £55,000             | £54,000             |

\* the quoted fee for grant certification work is an estimate only and will be charged at published hourly rates

In setting the fee, we have assumed that:

- apart from the additional time required to audit the transition to IFRS, the level of risk in relation to the audit of the financial statements is not significantly different from that identified for 2009/10;
- Internal Audit will continue to meet appropriate professional standards and undertake work on all material systems that provide figures in the financial statements, sufficient that we can take assurance for the purposes of our audit;

- the Council will inform us of significant developments impacting on our audit and prompt responses will be provided to draft reports; and
- good quality working papers and records will be provided to support the financial statements.

## New approach to local VfM work – impact on the 2010/11 audit fee

The Audit Commission wrote to all council chief executives in August 2010 to advise of the new approach to local Value for Money for audit work and the impact of this on the 2010/11 audit fee following the cessation of the Comprehensive Area Assessment.

The Audit Commission confirmed to councils in this letter that the new approach will mean a reduction in audit fees from 2011/12. However, for 2010/11, the Commission has already given a 6% rebate to mitigate the increases in audit fees arising from the transition to IFRS.

Further to the Audit Commission's correspondence in August, it has been announced that in relation to 2010/11 fees, the Commission will rebate 1.5% of the 2010/11 scale fee for district councils, police and fire and rescue authorities and 3.5% for single tier and county councils.

---

# Contents

1 Overview

2 Accounts

3 Value for Money

4 Logistics

**5 Outputs**

6 Appendices

# Outputs

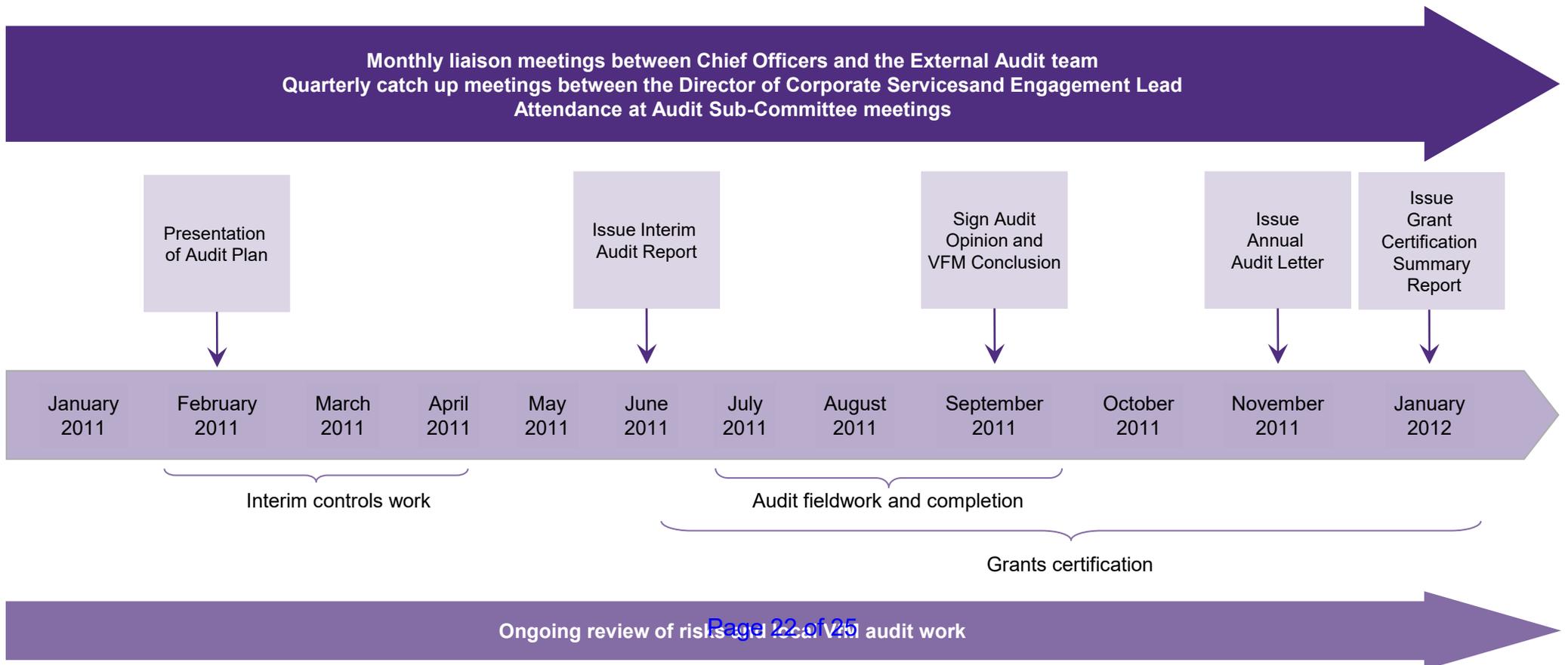
Reports will be discussed and agreed with the appropriate officers before being issued to the Audit Sub-Committee.

Reports are addressed to the Audit Sub-Committee and management and are prepared for the sole use of the Council, and no responsibility is taken by auditors to any member or Officer in their individual capacity, or to any third party.

| Output   | Purpose  | Issue date     |
|--|--|----------------|
| <b>Audit Approach Memorandum</b>                         | <ul style="list-style-type: none"> <li>• Outline audit approach</li> <li>• Identify initial high risk areas and our planned response</li> <li>• Confirm plan with Audit Sub-Committee</li> </ul>   | February 2011  |
| <b>Interim Audit Report</b>                              | <ul style="list-style-type: none"> <li>• Outline our audit strategy on conclusion of controls work</li> <li>• Review risks and update planned response accordingly</li> <li>• Highlight focus areas for the audit</li> <li>• Confirm with Senior Officers and Audit Sub-Committee</li> </ul> | June 2011      |
| <b>Report to Those Charged with Governance (ISA 260)</b> | <ul style="list-style-type: none"> <li>• Highlight key issues arising from the audit and detail the resolution of these</li> <li>• Communication of adjusted and unadjusted audit differences</li> <li>• Improvement recommendations resulting from audit procedures</li> </ul>              | September 2011 |
| <b>Auditor's Reports</b>                                 | <ul style="list-style-type: none"> <li>• Report on South Derbyshire District Council's financial statements</li> <li>• Report on South Derbyshire District Council's value for money conclusion</li> </ul>   | September 2011 |
| <b>Annual Audit Letter</b>                               | <ul style="list-style-type: none"> <li>• Summarises the key issues arising from our 2010/11 audit</li> </ul>   | November 2011  |
| <b>Grants Claim Certification</b>                        | <ul style="list-style-type: none"> <li>• Highlights key issues arising from our grants certification work</li> <li>• Recommendations identified for improvement</li> </ul>   | December 2011  |

Page 24 of 25

# Timeline



---

# Contents

1 Overview

2 Accounts

3 Value for Money

4 Logistics

5 Outputs

**6 Appendices**

# Independence and objectivity

We are not aware of any relationships that may affect the independence and objectivity of the audit team, which we are required by auditing and ethical standards to communicate to you.

We comply with the ethical standards issued by the Auditing Practices Board (APB) and with the Commission's requirements in respect of independence and objectivity as summarised below.

Auditors appointed by the Audit Commission are required to comply with the Commission's Code of Audit Practice and Standing Guidance for Auditors, which defines the terms of my appointment. When auditing the financial statements auditors are also required to comply with auditing standards and ethical standards issued by the APB.

The main requirements of the Code of Audit Practice, Standing Guidance for Auditors and the standards are summarised below.

International Standard on Auditing (UK and Ireland) 260 (Communication of audit matters with those charged with governance) requires that the appointed auditor:

- discloses in writing all relationships that may bear on the auditor's objectivity and independence, the related safeguards put in place to protect against these threats and the total amount of fee that the auditor has charged the client
- confirms in writing that the APB's ethical standards are complied with and that, in the auditor's professional judgement, they are independent and their objectivity is not compromised.

The standard defines 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case, the appropriate addressee of communications from the auditor to those charged with governance is the audit sub-committee. The auditor reserves the right, however, to communicate directly with the authority on matters which are considered to be of sufficient importance.

The Commission's Code of Audit Practice has an overriding general requirement that appointed auditors carry out their work independently and objectively, and ensure that they do not act in any way that might give rise to, or could reasonably be perceived to give rise to, a conflict of interest. In particular, appointed auditors and their staff should avoid entering into any official, professional or personal relationships which may, or could reasonably be perceived to, cause them inappropriately or unjustifiably to limit the scope, extent or rigour of their work or impair the objectivity of their judgement.

The Standing Guidance for Auditors includes a number of specific rules. The key rules relevant to this audit appointment are as follows:

- Appointed auditors should not perform additional work for an audited body (i.e. work over and above the minimum required to meet their statutory responsibilities) if it would compromise their independence or might give rise to a reasonable perception that their independence could be compromised. Where the audited body invites the auditor to carry out risk-based work in a particular area that cannot otherwise be justified as necessary to support the auditor's opinion and conclusions, it should be clearly differentiated within the audit plan as being 'additional work' and charged for separately from the normal audit fee.
- Auditors should not accept engagements that involve commenting on the performance of other auditors appointed by the Commission on Commission work without first consulting the Commission.
- The Engagement Lead responsible for the audit should, in all but the most exceptional circumstances, be changed at least once every five years
- The Engagement Lead and senior members of the audit team are prevented from taking part in political activity on behalf of a political party, or special interest group, whose activities relate directly to the functions of local government or NHS bodies in general, or to a particular local government or NHS body.
- The Engagement Lead and members of the audit team must abide by the Commission's policy on gifts, hospitality and entertainment.



**[www.grant-thornton.co.uk](http://www.grant-thornton.co.uk)**

© 2011 Grant Thornton UK LLP. All rights reserved.

"Grant Thornton" means Grant Thornton UK LLP, a limited liability partnership.

Grant Thornton UK LLP is a member firm within Grant Thornton International Ltd (Grant Thornton International). Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered by the member firms independently.

The client names quoted within this proposal are disclosed on a confidential basis. All information in this proposal is released strictly for the purpose of this process and must not be disclosed to any other parties without express consent from Grant Thornton UK LLP