

Private & Confidential

The Directors
Company name
Registered address



Dear Sirs,

Agreed upon procedures report in connection with the monthly wage top-up payment of €400 per employee as agreed by the social partners, over and above the COVID Wage Supplement that is being granted by Malta Enterprise

Introduction

This report is being prepared in accordance with your request to assess that NAME OF COMPANY was not in a financial position to commit to the monthly wage top-up payment of €400 per employee as agreed by the social partners, over and above the COVID Wage Supplement that is being granted by Malta Enterprise, during the month of (March/April/May 2020), as a result of the Covid-19 pandemic.

Procedures performed and results thereon

We have performed the procedures agreed with you and enumerated in this report, which were performed solely to assist you with the assessment that the company was not in a financial position to commit to the monthly wage top-up payment of €400 per employee as agreed by the social partners, over and above the COVID Wage Supplement that is being granted by Malta Enterprise. Our engagement was undertaken in accordance with the International Standard on Related Services 4400, 'Engagements to perform agreed-upon procedures regarding financial information'. For the purpose of this engagement we made reference to the unaudited financial statements and financial information of the Company for the month ended, and as at, 31 March 2020/30 April 2020/31 May 2020. We do not express any assurance on these unaudited financial statements and financial information, for which the directors of the company are solely responsible.

The directors of the company are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2020/30 April 2020/31 May 2020 and of the financial results for the month then ended. In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with the requirements of the Companies Act (Cap. 386);
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances.

The directors are responsible for designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Companies Act (Cap. 386). Hence, the directors of the Company 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 for properly recording transactions in the accounting records.



The procedures that we performed are summarised below:

1. Reviewed unaudited management accounts to establish whether the company registered financial losses (earnings before interest, tax depreciation and amortisation) during the month of March 2020/ April 2020/May 2020;
2. Reviewed sanction letters and other relevant agreements/documents to establish whether the company had alternative financing available during the month of March 2020/April 2020/May 2020 to fund the monthly wage top-up payment of €400, by reference to the unaudited management accounts and financial information for the related month.

We report our findings below:

1. We confirm that the company registered financial losses (earnings before interest, tax depreciation and amortisation) during the month of March 2020/April 2020/May 2020 by reference to the unaudited management accounts for the month referred to, which have been made available to us by the directors of the company and which are included within Appendix A to this report.
2. Our review of XXX did not indicate that alternative financing was available during the month of March 2020/April 2020/May 2020 to fund the monthly wage top-up payment of €400. In this respect, reference has been made to the unaudited management accounts and financial information for the related month, together with sanction letters and other relevant agreements/documents, which have been made available to us by the directors of the company and which are included within Appendix A to this report. (THIS WILL BE ADAPTED ACCORDINGLY)

Our procedures did not constitute an examination made in accordance with generally accepted auditing standards, the objective of which would be the expression of assurance on the company's financial performance and financial position. We do not express such assurance. Had we performed additional procedures or had we performed an audit or review of the company's financial information in accordance with generally accepted auditing standards, other matters might have come to our attention that we would have reported to you. Our work was based primarily on internal management information and carried out on the assumption that information provided to us by the Company is reliable and, in all material respects, accurate and complete. This report relates only to the company's requirements to comply with the obligations relating to the assessment that the Company was not in a financial position to commit to the monthly wage top-up payment of €400 per employee as agreed by the social partners, over and above the COVID Wage Supplement that is being granted by Malta Enterprise and does not extend to any financial statements of the company taken as a whole.

Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services, will extend any duty of care we may have in our capacity as auditors of any financial statements of the company.

NAME OF FIRM will not by virtue of preparing this Report or otherwise in connection with this engagement, assume any responsibility whether in contract, tort (including without limitation negligence) or otherwise in relation to the audits of the company's financial statements; NAME OF FIRM and its respective members, partners, employees, agents and contractors shall have no liability whether



in contract, tort (including without limitation negligence) or otherwise to any third parties in relation to the audits of the company's financial statements.

This report is supplied on the understanding that it is solely for the use of the persons to whom it is addressed and for the purposes set out herein. We understand that it will be made available to the Department for Industrial and Employment Relations in support of the company's assessment that it was not in a financial position to commit to the monthly wage top-up payment of €400 per employee as agreed by the social partners, over and above the COVID Wage Supplement that is being granted by Malta Enterprise. We hereby give you permission to provide this report to the Department for Industrial and Employment Relations, but assume no liability or responsibility toward them in this respect. Our report is solely for this purpose and for your information and is not to be used for any other purpose or to be copied or distributed or otherwise made available, in whole or in part, to any other parties without our prior written consent except as permitted under the terms of our letter of engagement, provided that we agree that the Department for Industrial and Employment Relations may disclose a copy of this report on a non-reliance basis to their directors, officers, agents, advisers and/or affiliates and otherwise as may be required by law or regulation. We do not accept any liability or responsibility to any third party to whom our report is shown to or into whose hands it may come.

Firm name (if applicable)

Address

Name of warranted accountant

Partner

Date