



Remploy

Department for Work and Pensions  
Remploy – Review of Future Business Options

10 July 2006

\*connectedthinking

This document is protected under the copyright laws of the United Kingdom and other countries. It contains information that is proprietary and confidential to PricewaterhouseCoopers LLP, and shall not be disclosed outside the recipient's organisation or duplicated, used or disclosed in whole or in part by the recipient for any purpose other than to evaluate this document. Any other use or disclosure in whole or in part of this information without the express written permission of PricewaterhouseCoopers LLP is prohibited. PricewaterhouseCoopers LLP accepts no liability to any party in relation to this document unless expressly agreed in writing. © PricewaterhouseCoopers LLP. All rights reserved.

“PricewaterhouseCoopers” refers to PricewaterhouseCoopers LLP

(a limited liability partnership in the United Kingdom) or, as the context requires, other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity. \*connectedthinking is a trademark of

PricewaterhouseCoopers. 0600256\_PIC\_bp

# Remploy

---

## Appendix 2

### Limitations of Scope

---

- We draw your attention to the limitations relating to the Services and Deliverables contained in the Engagement Contract.
- We visited Remploy's premises in Coventry where we met, and were helped by, the directors and senior officials -- in particular Bob Warner (CEO), Nigel Hopkins (Finance Director), Jill Hill (COO), Anne Jessopp (HR Director) and John Waterhouse (Executive Director, Contracting Services).
- Our work has comprised a review and analysis of the financial and other information provided to us by Remploy, and discussions with management.
- Our work was based on internal management information and projections. We have not carried out an audit for the purposes of our work. We have not undertaken any responsibility for directing the affairs of the Company, the sole responsibility for which remains with the Company's management.
- We have not conducted an audit of the year-to-date accounts and are not in a position to form an opinion as to their accuracy.
- We have not conducted a forensic review of Remploy's operations, financial processes and systems, and are not in a position to form an opinion as to their accuracy and reliability.
- We have not reviewed Remploy's short term or medium term cash flow projections.
- We point out that the Company's management is responsible for the preparation of the projections and for the reasonableness of the underlying assumptions. Where we have indicated our own sensitivities, these are intended to highlight assumptions within projections which we consider to be of high risk. The adjustment of management's projections/scenarios should not be taken to imply that the resulting adjusted forecasts/scenarios are our forecasts/scenarios.
- Further, we emphasise that the projections will relate to future events and be based on assumptions which may not remain valid for the whole of the relevant period. Consequently, they cannot be relied upon to the same extent as information derived from the audited accounts for completed accounting periods. For these reasons, and insofar as the assumptions relate to the future and may be affected by unforeseen events, we can express no opinion as to how closely the actual outcome will correspond to the projections.
- We have not performed any further specialised reviews for the purposes of this exercise. Specifically we have not reviewed the Company's current tax or legal position. Nor have we provided legal advice on EU State Aid rules.
- We did not obtain professional valuations of any assets during the course of our review, nor conducted any detailed inspection of land, buildings, equipment and other fixed assets or inventory.