



Volution Group plc

Non-Audit Services Policy

1. Introduction

The Audit Committee's objective is to ensure that the provision of non-audit services across the Volution Group does not impair the external auditor's independence or objectivity. In the context of non-audit services that are not prohibited by law, the Audit Committee will apply judgement concerning the provision of such services, including assessing:

- the nature of the services;
- whether the skills and experience of the audit firm make it the most suitable supplier of the service;
- threats to independence and objectivity resulting from the provision of such services and any safeguards in place to eliminate or reduce these threats;
- the fees incurred, or to be incurred, for non-audit services both for individual services and in aggregate, relative to the audit fee; and
- the criteria which govern the compensation of the individuals performing the audit.

This Policy is in line with the recommendations set out in the Financial Reporting Council's (FRC) Guidance on Audit Committees (2016) and the requirements of the FRC's Revised Ethical Standard (2019). In line with these recommendations and requirements, the Group's external auditor may only be appointed to perform a service when doing so would be consistent with the requirements and overarching principles of the Ethical Standard.

2. Permitted Non-Audit Services

There are certain services which are required by law or regulation to be performed by the external auditor. In some other cases, the external auditor may be in the best position to perform the services.

The following is a list of non-audit services where the external auditor may be used in line with the approval limits described in section 4 of this document:

(a) Services which may be provided and are exempt from the non-audit services cap¹

- Non-statutory audits of financial statements
- Reporting where required by law or regulation
- Reporting on IXBRL tagging of financial statements
- Reports, required by or supplied to competent authorities/regulators supervising any member of the Group, where the authority/regulator has either specified the Group's external auditor should provide the service or identified to the relevant member of the Group that the Group's external auditor would be an appropriate choice for such service provider
- Capital markets engagements where such services are required by law and are time sensitive, price sensitive and it is probable that an objective, reasonable and informed third party would conclude that the understanding of the entity gained by being the auditor would be relevant to the service

The fees relating to these services will not be taken into account when calculating the ratio of non-audit to audit fees.

(b) Services which may be provided but are subject to the non-audit services cap¹

- Reviews of interim financial information; and providing verification of interim profits not otherwise required by law or regulation;
- Where not otherwise required by law or regulation, non-audit and additional services provided by the Group's external auditor, in relation to information of the Group for which it is probable that an objective, reasonable and informed third party would conclude that the understanding of the Group obtained by the Group's external auditor is relevant to the service, and where the nature of the service would not compromise independence;
- Extended audit or assurance work that is authorised by those charged with governance performed on financial or performance information and/or financial or operational controls, in an entity relevant to an engagement or a third-party service provider, where this work is closely linked with the audit work;
- Additional assurance work or agreed upon procedures, authorised by those charged with governance performed on material included within or referenced from the annual report of an entity relevant to an engagement;
- Reporting on government grants;
- Reporting on covenant or loan agreements, which require independent verification, and other reporting to third parties with whom any member of the Group has a business relationship in accordance with Appendix C of the Ethical Standard (being a participant in a bank lending or bond funded syndicate);
- Services which have been the subject of an application to the Competent Authority in accordance with Regulation 79 of The Statutory Auditors and Third Country Auditors (Amendment) (EU Exit) Regulations 2019 (SI 2019/177); and
- Generic subscriptions providing factual updates of changes to applicable law, regulation or accounting and auditing standards.

Where such services are provided, they will not include any elements of those services subject to outright prohibition (as set out in Section 2 of this Policy). No other non-audit or additional services will be provided to the Group by the Group's external auditor.

Below is a table laying out the non audit services for FY2020 and FY2019 as included in the FY2020 Annual Report and Accounts. In both years the only non audit service provided by the auditor was for the interim review.

10. Auditor's remuneration

The Group paid the following amounts to its auditor, Ernst & Young LLP, and its member firms in respect of the audit of the financial statements and for other services provided to the Group:

	2020 £000	2019 £000
Audit services		
Fees for the audit of the parent and Group financial statements	211	196
Fees for local statutory audits of subsidiaries	385	319
Non-audit services		
Fees payable for interim review	35	45
Total	631	560

3. Non-audit services which are prohibited

The Group's external auditor will not directly or indirectly provide to the Group any of the below prohibited non-audit services:

- Tax services and compliance;
- Services that involve playing any part in the management or decision-making process of the Company;
- Bookkeeping and preparing accounting records and financial statements/payroll services;
- Due diligence work on potential acquisitions or disposals;
- Designing and implementing internal controls related to financial information or designing and implementing financial information technology systems;
- Valuation services;
- Legal services;
- Internal audit;

- Human Resource services;
- Services linked to financing, capital structure and allocation, and investment strategy of the Company;
- Promoting, dealing in or underwriting shares in the Company; and
- Any other service that the Audit Committee determines is not permissible.

4. Procedures

The following annual limits will apply to fees for all permitted non-audit services – whether exempt or subject to non-audit services cap:

- The Chief Financial Officer has the authority to approve projects which in aggregate do not exceed £25,000 in approved or anticipated fees;
- The Audit Committee Chair has the authority to approve projects which in aggregate exceed £25,000 but do not exceed £100,000 in approved or anticipated fees; and
- Where in aggregate the anticipated and approved fees in any given financial year exceed £100,000, the projects must be approved in advance by the Audit Committee.

Details of all non-audit services including those approved by the Chief Financial Officer or the Audit Committee Chair will be reported to the Audit Committee, prior to such work being undertaken. The amount of fees paid for non-audit services will be disclosed in the Annual Report.

Approval

This policy was approved by the Audit Committee of Volution Group plc on 9 September 2021.

¹ *A cap on permissible non-audit services of maximum 70% of the average of the fees paid in the last three consecutive financial years for the statutory audit(s) of the audited entity and, where applicable, of its parent undertaking, its controlled undertakings and of the consolidated financial statements of that group of undertakings.*