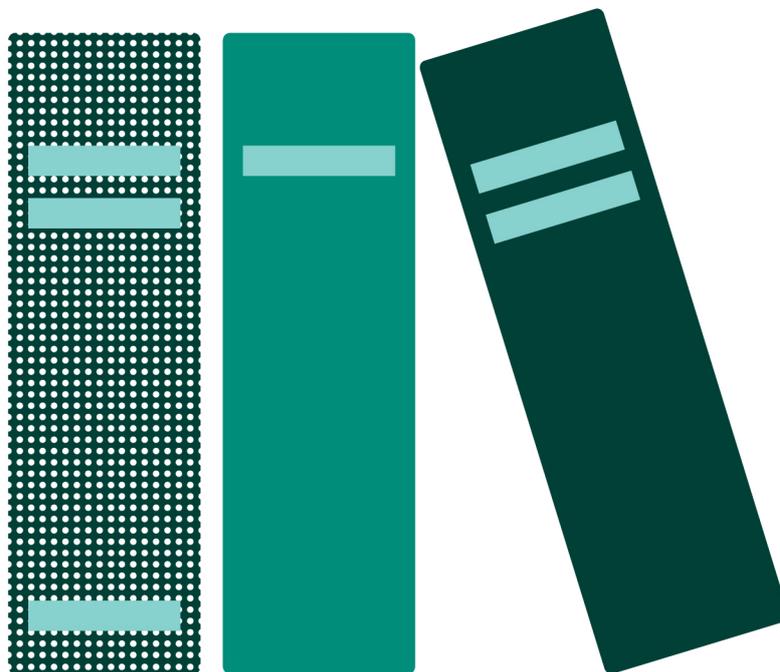


Stamp Education Trust
(Thomson House School)
Audit Committee Report
Year ended 31 August 2016



Contents

	Pages
1. Introduction	2
2. Audit independence	5
3. Conduct of the audit	7
4. The risks of error in your financial statements	10
5. Deficiencies in control and our recommendations	15
6. Summary, adjustments and audit report	18

Appendices

Appendix I	Audit adjustments
Appendix II	Draft letter of representation

Strictly Private and Confidential

The matters raised in this and other reports that will flow from the audit are only those which have come to our attention arising from or relevant to our audit that we believe need to be brought to your attention. They are not a comprehensive record of all the matters arising, and in particular we cannot be held responsible for reporting all risks in your business or all internal control weaknesses. This report has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared for and is not intended for, any other purpose.

1. Introduction

1.1 Purpose of this report

The purpose of this report is to bring to your attention the salient points which have arisen from our audit of the financial statements of Thomson House School ('The School') for the year ended 31 August 2016. This report also provides a framework for discussion at the Finance and General Purposes Committee meeting on 2 December 2016.

Our Audit Service Plan was circulated to the governors. This report provides an update to the significant matters raised in that report and highlights any other matters which arose during the course of our audit.

During the course of our audit work, a number of issues came to our attention which have either been resolved subsequently or are not material in the context of the consolidated financial statements. We have not detailed all such issues in this report but have concentrated upon the more significant areas of the financial statements and the audit thereof.

Our audit and assurance procedures, which have been designed to enable us to express an opinion on the financial statements and provide a limited assurance conclusion on regularity, have included an examination of the transactions and controls thereon of the company.

The work we have done was not primarily directed towards identifying weaknesses in the company's accounting systems, other than those that would affect our audit or assurance opinions, nor to the detection of fraud. We have, however, designed our audit and assurance procedures in such a way that we felt would increase our chance of detecting any fraud.

We have included in this report only those matters that have come to our attention as a result of our normal audit and assurance procedures and, consequently, our comments should not be regarded as a comprehensive record of all weaknesses that may exist or improvements that could be made.

This report is to be regarded as confidential to the governors of the School and is intended only for use by them, and the staff of the academy. No responsibility is accepted to any other person in respect of the whole or part of its contents. Before this report, or any part of it, is disclosed to a third party, other than to the Education Funding Agency, our written consent must be obtained.



1.2 Audit scope, roles and responsibilities

Our terms of engagement with the School are set out in our letter of engagement dated 8 November 2013. That letter sets out our audit responsibilities and their limitations and the responsibilities of the governors in relation to the financial statements.

Our Audit Service Plan sets out in detail the key issues and risks identified at the planning stage and the related planned audit responses. It also explained that our audit approach concentrates on areas of material risk of misstatement in the financial statements to allow us to reach our opinion in accordance with auditing standards.

The governors are responsible for the preparation of the financial statements and for making available to us all of the information and explanations we consider necessary. Therefore, it is essential that the governors confirm that our understanding of all of the matters referred to in this report are appropriate, having regard to their knowledge of the particular circumstances.

1.3 Communication with those charged with governance

International Standard on Auditing 260 “Communication of audit matters with those charged with governance” (“ISA 260”) is an auditing standard designed to ensure that there is effective two-way communication between auditors and those charged with governance. In the context of ISA 260, “those charged with governance” means the board of directors/governors and the resources committee.

Matters relating to the planning, conduct, and results of the audit are communicated to those charged with governance on a sufficiently prompt basis to enable the recipients to take appropriate action.

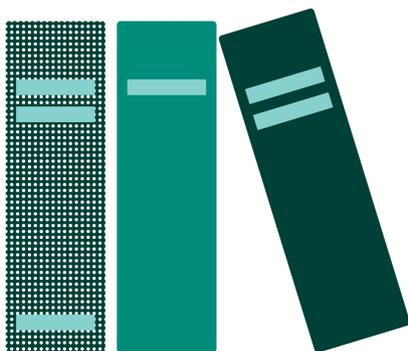
We enhanced our planning communication to the directors by preparing an “Audit Service Plan” which was submitted to you before the commencement of the audit. We met with Cathy Tilley to discuss and plan the audit. The Audit Service Plan detailed our approach to the 2016 audit, including:

- the nature and scope of the audit;
- any limitations in the work we plan to undertake;
- the impact of any new accounting or auditing standards;
- the expected level of materiality and how it is applied;
- risk areas and our approach to those areas; and
- assessment and reliance on internal controls.

We confirm that there were no substantial changes in our approach to the audit or risk areas following the issue of this plan, which need to be brought to your attention.

During the audit, regular communications were made by us to Cathy Tilley. These communications are generally made informally, either by telephone, electronic mail or face to face.

After the completion of the audit, important matters requiring the attention of those charged with governance are communicated by way of this report. This report is addressed to the Board, although it may also be made available to the other persons noted above. Less significant matters are communicated informally to the finance team at the School, whilst those not deemed worthy of attention are not communicated at all.



2. Audit independence

In accordance with the requirements of ISA 260 and the UK Ethical Standard 1 “Integrity, objectivity and independence” issued by the UK Auditing Practice Board (APB), we are required as auditors to confirm our independence to “those charged with governance” i.e. the governors/directors.

Our internal procedures are designed to ensure that all partners and professional staff are aware of relationships that may be considered to bear on our objectivity and independence as auditors.

The procedures require that audit engagement partners are made aware of any matters which may reasonably be thought to bear on the firm’s independence and the objectivity of the audit engagement partner and the audit staff. This document considers such matters in the context of our audit for the year ended 31 August 2016.

We confirm the following:

- We have not carried out any other significant advisory or taxation work in the year ended 31 August 2016;
- We have not identified any potential issues in respect of: i) personal relationships with the school; ii) gifts or hospitality received from either school or its senior management or directors; iii) contingent fee arrangements; and
- The lead audit engagement partner has not acted for more than ten years and therefore is required to be “rotated”.

We have not identified any potential threats to our independence as auditors. In addition to performing the statutory audit, we also provide the following non-audit services:

1. Preparation of the statutory financial statements;
2. Certification of the Teachers’ Pension End of Year Certificate (“EOYC”);
3. Completion of the Accounts Return and providing an assurance thereon;
4. Provide general advice throughout the year as required; and
5. We carry out internal audit procedures to assist the board in their internal risk reviews.

The following ‘safeguards’ are in place for the non-audit services to ensure our audit independence:

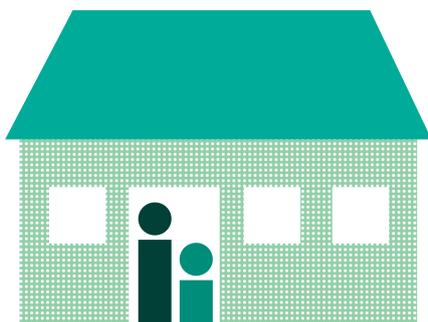
1. The preparation of the financial statements from your own draft accounts is largely a mechanical function to present the results in the necessary format required by the EFA’s Annual Accounts Direction, UK GAAP and relevant laws. Any adjustments required, have been made following approval, and are listed in Appendix I to this report;
2. The certification of the Teachers’ Pension EOYC does not affect our audit;

3. The completion of the August Accounts Return is largely an exercise involving the extraction of the relevant numbers from the financial statements and supporting accounting records, and the provision of an assurance report confirming that the Return has been completed consistently with the financial statements and other supporting records is not considered to affect our audit;
4. General advice and assistance with accounting queries arising throughout the year are not considered significant.
5. We did not place reliance on our internal audit work performed during the year for our external audit work.

We therefore confirm that, in our professional judgement, at the date of this report:

- UHY Hacker Young LLP is independent within the meaning of the applicable regulatory and professional requirements;
- The objectivity of the audit engagement partner and audit staff is not impaired; and
- We are able to express an objective opinion on the financial statements.

Should you have any comments or queries regarding this confirmation we would welcome their discussion in more detail.



3. Conduct of audit

3.1 Audit structure

We carried out the audit of the school and the audit working papers and financial statements have been reviewed by our audit manager and audit partner. Any significant issues arising during our audit were discussed with Cathy Tilley and are in this report if deemed necessary.

The audit was planned and conducted to concentrate on the high risk areas in the financial statements, as noted in our Audit Service Plan. The key audit issues arising in these areas are expanded on in sections 4 to 6 below.

The systems for income, costs, overheads, assets and payroll were documented and the controls over these systems evaluated. Using these assessments we designed and conducted detailed tests of transactions and balances.

3.2 Current position

The audit of the school is substantially complete. We set out below matters that are outstanding and to be discussed at the meeting on 2 December. We have received full co-operation from the accounts staff and wish to thank Cathy Tilley, for her assistance during the course of the audit. All problems encountered during the audit were dealt with as the audit progressed. There have been no limitations on the scope of our audit work completed to date. There are, however, at the time of writing some outstanding unresolved audit matters which are set out below which may or may not have an impact on our audit opinion on the school's financial statements:

- Further discussion of the related party transaction that occurred during the year;
- Final review and approval by you of the financial statements;
- Signed letter of representation from the directors/governors;
- Final signed governors' report, governance statement, statement of regularity, propriety and compliance, statement of governors' responsibilities and financial statements;
- Completion of our subsequent events review to the date of our audit opinion (including discussion with the Audit Committee);
- We are waiting on a few minor items of audit evidence (such as the bank letter) to complete the documentation on our audit files.

We expect to be in a position to sign our audit report as soon as practicable after clearing the outstanding matters and the approval of the directors' report and accounts by the directors.

The timetable for the completion and release of the financial statements and this report to the EFA will be discussed at the audit committee meeting.

3.3 Our audit scope

Our statutory audit of the financial statements is carried out in accordance with International Standards on Auditing (UK and Ireland), with the aim of forming an opinion whether:

The financial statements give a true and fair view of the state of the school's affairs as at 31 August 2016 and of the school's results for the year then ended

The financial statements have been properly prepared in accordance with UK GAAP

The financial statements have been prepared in accordance with the Companies Act 2006 and the Academies Accounts Direction issued by the EFA

The information given in the Governor's Report for the financial year is consistent with the financial statements

We are also required to report on whether:

The school has kept adequate accounting records and that they are in agreement with the financial statements

Other information contained in the annual report is not consistent with the audited financial statements

Certain disclosures of governors' remuneration specified by law are not made

We have not received all the information and explanations we require for our audit

3.4 Risk-based audit

We performed a risk-based audit, focusing our work on key audit areas. We began by developing further our understanding of the school's activities and the specific risks it faces. We held an initial planning meeting with key management and finance staff to ascertain management's own view of potential audit risk, and to gain an understanding of the school's activities. We have also developed an in depth understanding of the accounting systems and controls so that we may ensure their adequacy as a basis for the preparation of the financial statements, and that proper accounting records have been maintained.

Our audit procedures were carried out, and then we ensured the presentation and disclosure in the accounts meet all the necessary requirements.

3.5 Risk-based limited assurance engagement

In addition to our audit opinion we are also required to perform a limited scope assurance engagement, reporting both to you and to the Education Funding Agency ("EFA"), considering whether the expenditure disbursed and the income received by the school during the year 1 September 2015 to 31 August 2016 has been applied to the purposes identified by Parliament and that the financial transactions undertaken by the school conform to the authorities which govern them. This latter point is concerned with looking at compliance with the requirements of the various frameworks that apply to the School, including your memorandum and articles, your funding agreements, the Academies Financial Handbook(s) extant for the relevant year, the Accounts Direction 2015/2016, the Charities Act 2011 and the Companies Act 2006.

Our approach was once again risk-based. We began by developing our understanding of the school's own approach to ensuring the proper application of funds received and to ensuring compliance with relevant legal and contractual frameworks. We developed an understanding of the school's governance arrangements and internal control procedures, planning our work accordingly to allow us to gain sufficient evidence to give the required limited assurance opinion. Our assurance procedures included reviewing and commenting on the Accounting Officer's Statement on Regularity, Propriety and Compliance, and the governors' report and governance statement. We also discussed with the Accounting Officer the procedures performed so that she may sign the Regularity report.

4 The risks of error in your financial statements

4.1 Key risks

International Standards on Auditing require us to consider:

- Whether there is a risk of fraud;
- Whether the risk is related to recent significant economic, accounting or other developments and, therefore, requires specific attention;
- The complexity of transactions;
- Whether the risk involves significant transactions with related parties;
- The degree of subjectivity in the measurement of financial information related to the risk, especially those measurements involving a wide range of measurement uncertainty; and
- Whether the risk involves significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual.

The identified significant audit risks were communicated to you in our Audit Service Plan. We now note the work performed and conclusions.

Aspects of the financial statements that are more likely to give rise to errors	An outline of our audit work in response to those risks and conclusions
Revenue recognition and deferred income	
The grant income received during the year is subject to restrictions contained in the grant/funding agreements and our work will be focused to ensure that the terms of these agreements have been met and that the income is recorded in the correct financial year in accordance with requirements of the Charities SORP.	Our audit testing involved sampling income balances and the associated funding agreements, verifying to supporting documentation to ensure income has been recognised in the correct year. We also considered whether income had been correctly classified between restricted and unrestricted funds, reviewing any terms and conditions of, for example, grant income. There were no significant issues that need to be brought to the attention of the Board.
Fixed Assets - treatment and depreciation	
Through our discussions with management, we are aware that there has been significant expenditure on capital projects during the year and our work will focus on ensuring that the value of work carried out to date is recorded correctly and an appropriate depreciation policy is in place. The carrying value of land and buildings is a	We have vouched capitalised expenditure to supporting invoices. We have re-performed depreciation calculations. The following issues have arisen: The Vernon road refurbishments were incorrectly inflated by approximately £500k during the year. After realising the error, Cathy soon reversed this entry out of the

significant balance in the financial statements.

nominals. However, the depreciation charge for the year included the depreciation of this amount, resulting in the asset being over-depreciated by approximately £20k.

The Sheen Lane leasehold (cost of approximately £2.3m) had not been depreciated at all. This led to an under-depreciation of approximately £45k.

Treatment of pension scheme assets and liabilities

The fair value of the trust's share of the LGPS pension liability will need to be recorded in the financial statements.

Due to the number of assumptions and the complexities of the valuation, there is a risk of error in the calculation.

We have obtained and reviewed the actuarial valuations for the school and reviewed the assumptions for reasonableness. We have processed the appropriate journals to recognise the movements on the actuarial provisions in the year.

Restricted and unrestricted fund accounting

The majority of grants provided are subject to restrictions on their use. It is therefore important that these funds are ring-fenced and expenditure is carefully monitored.

As part of our audit procedures, we have carried out a review of a sample of both restricted and unrestricted income and expenditure to ensure that the items have been treated correctly and were in line with the funding agreement or related grants agreement.

FRS 102 Translation

This is the first year that the Trust is required to report under FRS 102 and charity SORP 2015. There may be material disclosures and adjustments required under the new reporting framework.

We have paid close attention to the charity SORP and FRS 102 when preparing the accounts. We have used accounting software to complete a disclosure checklist, as well as undertaking a second manager review of the accounts.

We have not identified any material transition adjustments and therefore have not proposed a restatement of comparative amounts.

Related / connected party transactions

Related party transactions are closely reviewed by the EFA and the wider public. Under the Charities SORP and UK GAAP academy schools are required to disclose all related or connected party transactions. Since November 2013 there are additional 'no profit' rules for related parties, where the onus is on the School to ensure that goods and services procured

After conducting our audit, the only related party transaction that we identified was in relation to the consulting work done by one of the Governors, Matteo Rossetti.

The School notified us about this transaction before it occurred, seeking advice from the audit partner. Advice was given, but not

from related parties have been provided at cost. Due to the high level of scrutiny and regulation in the area, it represents a risk area.

fully followed. In particular, the EFA was not notified of the transaction.

Management override of controls

Due to the nature of management's position and the controls in place, it is always considered a risk that management could override the controls in place in order to manipulate the figures provided.

We reviewed a sample of journals processed in the year and discussed why they had been raised with management.

Completeness of liabilities and accruals

There is a risk that expenditure is not recorded in the correct year where goods and services have been supplied in the year but where an invoice has not yet been received.

As part of our audit procedures, we performed a search for unrecorded liabilities in which we reviewed the post year end bank statements, nominal ledgers and invoices, to identify expenses which relate to the 2015/16 year but may not have been included in the financial statements.

4.2 Regularity opinion

Regularity is an assurance that public money is used for purposes approved by Parliament. It can be defined as the requirement that a financial transaction is in accordance with indications of Parliament's intention such as funding agreements, specific statutory agreements and directions issued by government bodies.

As part of the EFA requirements, we are required to provide an opinion on regularity and during the course of the audit, we carried out additional work to understand and document how the school and in particular the accounting officer ensures that funds are used for the approved purposes.

The EFA's Academy Accounts Direction 2015/16 lists the following matters which may be potential triggers for an increased likelihood of irregularity in an established academy school:

- culture (attitude and values) within the academy school;
- a change in accounting officer, principal finance officer or significant changes in the board of governors;
- an expansion of the number of academies within the academy school; and changes to the scheme of delegation or major accounting systems.

The Accounts Direction 2015/16 highlights that a recently established academy school will have a heightened risk profile, which may be due to controls and procedures not being in place for the full governance procedures, which are still, to some extent, under development.

We planned to carry out a review of a sample of both restricted and unrestricted income and expenditure to ensure that the items have been treated correctly and are in line with the funding agreement.

We also reviewed and assessed the adequacy of the procedures and policies in place to ensure that they meet the requirements set by the government. This included appropriate delegations and risk assessments.

We documented income systems and carried out audit procedures to gain assurance over the operation of financial controls in place to prevent the loss of income and to ensure that income is recorded in the correct year.

We discussed with the governors and academy finance staff whether they are aware of any cases of fraud occurring during the year. We also reviewed FGB and Committee minutes, and Responsible Officer reports. We have not been made aware of any frauds that occurred during the year.

Our audit testing involving sampling income balances and the associated funding agreements, verifying to supporting documentation to ensure income has been recognised in the correct year.

We also considered whether income had been correctly classified between restricted and unrestricted funds, reviewing any terms and conditions of, for example, grant income.

5 Deficiencies in internal control and our recommendations

5.1 Significant deficiencies in internal control

We are required to report to you, in writing, significant deficiencies in internal control that we have identified during the audit. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to you. As the purpose of the audit is for us to express an opinion on the school's financial statements, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist. As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

We confirm that we have not identified any significant deficiencies in internal control during the 2016 audit. We did note some areas where minor improvements could be made and these are listed later in this report.



These are areas that the Board may wish to consider as part of their annual review of internal controls and in aiming to meet best practice guidelines.



These recommendations should be considered by the Board to ensure that they are in compliance with the EFA guidelines.



These recommendations should be considered by the Board as a matter of urgency and steps taken to implement appropriate measures to address the deficiency.

5.2 Other deficiencies in internal control

We are also required to communicate other significant audit findings such:

- where we consider a significant accounting practice, that is acceptable under the applicable financial reporting framework, not to be most appropriate in the particular circumstances of the entity;
- significant difficulties, if any, encountered during the audit; and/or
- other matters, if any, arising from the audit that, in our professional judgement, are significant to the oversight of the financial reporting process are communicated to those charged with governance;

The following other deficiencies were identified during our audit work, and we note our recommendations below, along with the response we have received from the school and the timescale involved in addressing the issues:

Risk	Area	Observation	Recommendations	Management response
	Related Party	During the year, the School transacted with one of its governors regarding consultation work done in regards to the application of two additional schools. Although some measures were taken, there was no approval sought from the EFA (nor were they notified).	The EFA should be notified of potentially contentious payments.	The process for appointing the supplier to carry out the consultation work was agreed by the Headteacher and Governors at a meeting that was not attended by any Director of Lonsdale Education. All tenders received and the criteria against which they were evaluated was circulated to the full Governing Body. All Governors were asked for approval to appoint Lonsdale Education. Matteo Rosetti resigned from the Governing Body whilst the consultancy work was conducted so that he remained 'at arm's length'.

				The governing body did not believe this was a 'contentious payment' and so the EFA were not notified. The leadership team is now aware that all such third party payments should be reported to the EFA in future.
L	Fixed Assets	There were a few issues regarding the fixed assets, as discussed earlier in this report.	We recommend that extra care is taken in regards to maintaining the fixed asset register. This is particularly important when it comes to calculating the annual depreciation charge correctly.	These errors have now been corrected.
L	Accrued income	Pupil premium had not been accrued for at the year end.	Although this was only for a small amount, there should be a check at the year end to ensure that all streams of income are recorded for the correct period. A focus here may prevent larger amounts from not being treated incorrectly in the future. We recommend starting at a complete list of all the sources of income at the year end, and working through each one to determine if the income needs to be accrued (or deferred).	This has been noted and this new procedure will be implemented at year end 16/17.
L	Accruals	An accrual for the rental of the Mortlake Scout Hall had not been included in the accounts.	As above, this was only a small amount, however extra care should be taken when determining what should and should not be accrued for at the year end.	This has been noted and this new procedure will be implemented at year end 16/17.

6 Summary, adjustments and audit report

6.1 Audit adjustments

It is considered good practice to inform you of any material misstatements within the financial statements presented for audit that have been discovered during the audit. A material misstatement is one where the auditors believe that the misstatement is such as to affect the reader's understanding of the accounts. Materiality is considered in relation to the value of the misstatement and also its context and nature.

It is generally not practicable to make accounts completely accurate because judgements need to be made and it is difficult to obtain 100% of information about all transactions. Our role is to ensure that deviations from complete accuracy are not material to the reader of the accounts. During the course of our audit we have come up with various proposed adjustments to make the accounts more accurate.

A summary of the main audit adjustments and their effect on the school's surplus is shown in Appendix I.

6.2 Unadjusted journals or errors

We are required by Auditing Standards to inform you of any such adjustments which have not been made, other than those deemed to be clearly trivial.

There are no unadjusted journals or errors other than those which are clearly trivial.

We are required to request that you review these adjustments and consider amending the financial statements accordingly, and to confirm your reasons for not making the adjustments, if this is your decision.

In assessing the key areas of audit judgement we have had full regard to our assessed level of materiality. We acknowledge the subjectivity and scope for differing viewpoints over some of our concerns. By the same token, the audit committee and the Board in deciding to approve the accounts as currently drafted will also be exercising subjective judgement.

6.3 Significant subsequent events

Our audit procedures and discussions with management carried out to date have not identified any significant post balance sheet events, either adjusting or non-adjusting events. This matter will be discussed further with the audit committee. We will complete our audit procedures in this area at the point of approval of the financial statements, at which time we will require suitable representations from the directors.

6.4 Consideration of fraud

Our Audit Service Plan set out the key areas of fraud risk along with the procedures we planned to carry out. During the course of our work we found no evidence of fraud and corruption. We must emphasise, however, that the responsibility for the prevention of and detection of fraud lies with management, and our work does not remove the possibility that fraud and corruption may have occurred and remain undetected especially as fraud may involve collusion and management override of control systems and be supported by carefully organised schemes designed to conceal the fraudulent activity for which it would be unreasonable to expect a normal audit to uncover.

6.5 Audit report

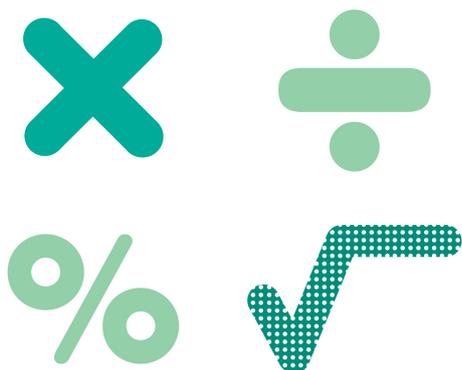
At the current date, if all the outstanding matters discussed in this report are resolved satisfactorily, we expect to be in a position to issue an unqualified audit report on the financial statements of the school.

6.6 Letter of representations

A draft of the proposed letter of representations is attached in appendix III. We draw your attention to the significant representations, judgements and intentions.

6.7 Going concern

The governors need to give consideration to the level of reserves maintained, and consider going concern for the year to 31 December 2017, being at least 12 months from the approval of the accounts and ensure they agree with the assessment. The governors have confirmed that they believe the academy's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the academy's needs. Our review supports the going concern status of the academy school.



Appendix I
Audit Adjustments

	SOFA		BALANCE SHEET	
	dr	cr	dr	cr
Accrued Income			2,517	
Pupil Premium		2,517		
<i>Pupil Premium for July/August received after the year end</i>				
Fixed assets				
Other Creditors			2,946	
VAT other liabilities				491
Fixtures & Fittings cost b/f				2,455
<i>Late client journal</i>				
Fixed assets				
Other Creditors			1,200	
VAT other liabilities				200
Land & Buildings: additions				1,000
<i>Late client journal</i>				
Depreciation charge	25,256			
Accumulated depreciation			25,256	
<i>Net correction of depreciation charges.</i>				
Rental expense				
Accruals				4,167
Rental expense			4,167	
<i>Accrual of the rental expense for The Mortlake Scout Hall</i>				
LGPS Pension Cost	108,000			
LGPS Pension Liability			108,000	
<i>Adjustment for actuarial pension valuation</i>				

Appendix II

Draft Letter of Representation

TO BE PRINTED ON ACADEMY TRUST LETTERHEAD

..... 2016

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London
E1W 1YW

Dear Sirs,

Representations in respect of the financial statements for the period ended 31 August 2016

We acknowledge as trustees, and confirm that we have fulfilled, our responsibility for the preparation of financial statements for the period ended 31 August 2016 that show a true and fair view and are in accordance United Kingdom generally accepted accounting practice (UK GAAP), the Accounts Direction 2015/16 issued by the Education Funding Authority and the Companies Act 2006.

We also acknowledge as trustees our responsibility for the design and implementation of internal control to prevent and detect both error and fraud.

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other trustees and officials of the trust, the following representations given to you in connection with your audit of the trust's financial statements for the period ended 31 August 2016.

1. Completeness of audit information.

We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

Specifically we confirm that:

- All accounting records have been made available to you for the purpose of your audit.
- All other records and related information, including minutes of all board and other Committees relevant to audit in the financial period to 31 August 2016 and to date have been made available to you.

2. **Completeness of accounting records and financial statements**

All the transactions undertaken by the trust have been properly reflected and recorded in the accounting records, and in the financial statements.

3. **Significant assumptions and intentions**

In preparing the financial statements the board has made the following significant assumptions relating to amounts included in or disclosed in the financial statements:

- The trustees have reviewed the assumptions included in the pension valuation provided for the purpose of the FRS 102 disclosures and consider them to be reasonable.
- The trustees have reviewed the communications and agreements with the EFA and consider that it is the understanding of both parties that the EFA will provide, in full, any necessary funding resulting from the decanting of pupils and staff during the construction of the new school building.

We have no plans or intentions that would, if taken into account, materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Aside from normal commercial constraints, we are not aware of any factor that will significantly reduce the likelihood of the trust achieving those of its plans or intentions that are material to the determination of the carrying value or classification of assets and liabilities reflected in the financial statements.

We confirm that the above representations are our assumptions and intentions on these matters and that we consider them reasonable.

4. **Unadjusted errors in the financial statements**

There have been no errors identified that have been left as unadjusted.

5. **Compliance with EFA regulatory obligations**

Other than the matters disclosed to you, we are not aware of any significant instances of actual or possible non-compliance with these obligations which could have a material effect on the financial statements.

6. **Compliance with other statutory or regulatory obligations, including tax legislation**

We are not aware of any instances of possible non-compliance with statutory or regulatory obligations or tax legislation which could have a material effect on the financial statements.

7. **Significant agreements**

We have disclosed to you all the agreements and commitments (and any related side letters) that the trust has entered into that could have a material impact on the amounts or disclosures included in the financial statements, or are relevant to an assessment of whether the trust remains a going concern.

We are not aware of any instances of non-compliance with our contractual obligations which could have a material effect on the financial statements.

8. **Going concern**

In our opinion the trust will have sufficient resources to meet its liabilities as they fall due for the reasonably foreseeable future, and is therefore a going concern. In forming this conclusion we have expressly considered the period from the date of approval of the financial statements to at least 31 December 2017. In addition, we are not aware of any likely events, conditions or business risks beyond this period that may cast significant doubt on the trust's ability to continue as a going concern.

The disclosure included in note 1 to the financial statements and included within the auditors emphasis of matter paragraph are sufficient to provide users of the accounts with a proper appreciation of the facts and assumptions on which this opinion is based.

9. **Contingent liabilities (including litigation or claims against the trust) and events arising subsequent to the balance sheet date**

All material contingencies (including all known, actual or potential litigation or claims against the trust) that are more likely than not to result in a loss to the trust have been provided for in the financial statements.

Except for matters for which there is only a remote possibility of occurrence, the trust is not affected by any such contingency which existed at the balance sheet date and which could possibly result in material loss to the trust.

There have been no events since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto. Should any such events occur, we will advise you accordingly.

10. Transactions with and interests of the trustees

We acknowledge that the trust's financial statements are required by the Companies Act 2006 and the applicable accounting standard and the Charity SORP to include specified disclosure of the nature, extent and amount of its transactions that are with, or for the benefit of, any of its trustees (or, in certain circumstances, members of their families and trusts, partnerships and other companies in which they have an interest).

We have identified and discussed with you all the transactions of the trust with its trustees and their connected persons. Consequent upon these procedures, we are able to make the following representation.

The trust has at no time during the period granted any advances or credits to, nor entered into any guarantees of any kind on behalf of, its trustees or persons connected with them.

Apart from remuneration arrangements, and reimbursement of trustee expenses, the trust has had at no time during the period entered into any other transactions with its trustees or persons connected with them.

11. Related parties other than the trustees

We acknowledge that, subject to certain specific exemptions, the trust's financial statements are required to disclose comprehensive details of transactions and relationships with its "related parties" in order to give a true and fair view. Accordingly we confirm that:

- a) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware; and
- b) We have properly accounted for and disclosed all such relationships and transactions in the financial statements.

In making that confirmation we acknowledge:

- a) the following broad definition of related parties, being: those individuals, companies and other entities connected or linked with the trust or its trustees in such a way as to make feasible the negotiation of mutual contracts on a non-arm's length basis; and
- b) the formal definition[s] of "related parties" given in the applicable accounting standard.

12. Control of the trust

So far as we are aware, the trust is not under the control of any other party.

13. Risks, occurrences and allegations of fraud

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. Our assessment was conveyed to you in the audit planning meeting held on 21 October 2016.

We are not aware of any fraud (or suspected fraud) affecting the trust involving:

- the trustees; or
- senior management and other employees that have significant roles in internal control; or
- others where the fraud (or suspected fraud) could have a material effect on the financial statements.

We are not aware of any allegations of fraud (or suspected fraud) affecting the trust's financial statements communicated by employees, former employees, regulators or others.

Yours faithfully