

PRIVATE & CONFIDENTIAL

1 December 2014

LWS Academy Trust
Montefiore Way
Sarisbury Green
Hampshire
SO13 7LN

Dear Sirs

Management letter

We have now completed our audit of the financial statements of the company for the period ended 31 August 2014. We are writing to bring to your attention certain matters that arose during the course of our work. We hope you will find our comments helpful and constructive.

Scope of work

Our work was planned and performed in order to issue an audit opinion on the financial statements of LWS Academy Trust in accordance with International Standards on auditing and the terms of our letter of engagement.

Our work during the audit included an examination of a sample of the organisation's transactions, procedures and controls. This work was not directed primarily towards discovering weaknesses other than those that would affect our audit opinion or towards the detection of fraud. We have included in this letter only matters that have come to our attention as a result of our normal audit procedures and consequently our comments should not be regarded as a comprehensive record of all weaknesses that may exist or of all improvements that might be made.

Auditing and accounting matters

Following completion of our audit work, we confirm that we expect to issue an unqualified audit report on the accounts and Accountant's Assurance Report on Regularity and that there were no limitations in the scope of our work.

Other matters to report:

The Academies Financial Handbooks requires you to have in place a process for independent checking of financial controls, systems, transactions and risks. Independent checking should be undertaken on a termly basis. No independent checking has occurred to date.

Management comment:

The board of trustees has considered the need for a specific internal audit function and is in the process of agreeing the most efficient method for LWS as an organisation.

Our review of the VAT126 claims submitted during the period found that these claims were delayed in submission to HMRC. With increased pressure being put on cash-flow going forward claiming amounts due to the academy as early as possible would be beneficial.

Management comment:

This issue has been addressed with Bay House who provide our financial support. We are happy that systems are now in place to address this issue.

Accounting policies

We are satisfied that the accounting policies adopted by the directors are appropriate.

Unadjusted misstatements

There are no unadjusted misstatements which were noted as part of our audit other than clearly trivial items.

Letter of representation

We enclose our letter of representation containing those matters which International Standards on Auditing require us to obtain from directors when you approve the accounts. The letter contains only standard matters.

Emerging Issues

Please ensure you are familiar with the Academies Financial Handbook 2014 which was published in August. It becomes effective from 1st September 2014.

Charities SORP 2015 – becomes effective for the year ended 31st August 2016.

Conclusion

We would like to thank you and your staff for the assistance and co-operation we have received during the course of our work and Bay House School for the audit file and assistance with queries.

This report has been prepared for the private use of LWS Academy Trust. Its contents should not be disclosed to third parties without our written consent and no responsibility is accepted to any other person.

Yours faithfully



Clifford Fry & Co