



KTS ACADEMY



Marshall Drive
Brotton
Saltburn
TS12 2UW
Tel: 01287 677265
Fax: 01287 201201
e-mail: office@ktsacademy.org.uk
website: www.kts-academy.org.uk

Headteacher: Kevin Thompson

1st December 2016

Baldwins Audit Services Limited
Wynyard Park House
Wynyard Park
Wynyard
TS22 5TB

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the academy's financial statements and as, relevant, your assurance engagement on regularity for the period ended 31 August 2016. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

General

- 1 We have fulfilled our responsibilities as trustees as set out in the terms of your engagement letter dated 23 September 2016, under the Companies Act 2006 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
- 2 All the transactions undertaken by the academy have been properly reflected and recorded in the accounting records.
- 3 All the accounting records have been made available to you for the purpose of your audit and regularity assurance engagement. We have provided you with unrestricted access to all appropriate persons within the academy, and with all other records and related information, including minutes of management meetings and correspondence with the Education Funding Agency, Department for Education and the Charity Commission.
- 4 The financial statements are free of material misstatements, including omissions.
- 5 The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

Internal control and fraud

- 6 We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error and which conform to the requirements both of propriety and good financial management. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.



- 7 We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
- 8 We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

Accounting policies

- 9 We are satisfied that our accounting policies have been formally adopted by the trust, are appropriate to our circumstances and have been consistently applied.

Assets and liabilities

- 10 The academy has satisfactory title to all assets and there are no liens or encumbrances on the academy's assets, except for those that are disclosed in the notes to the financial statements.
- 11 All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
- 12 We have no plans or intentions that may materially alter the carrying value and where relevant the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Accounting estimates

- 13 Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Loans and arrangements

- 14 The academy has not granted any advances or credits to, or made guarantees on behalf of trustees other than those disclosed in the financial statements.

Legal claims

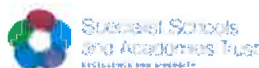
- 15 We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for, and disclosed in, the financial statements.

Law and regulations

- 16 We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

- 16 Related party relationships and transactions, comply with the academy's financial regulations, relevant requirements of the Academies Financial Handbook and have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements and guidance set out in the Companies Act 2006, the Charities SORP and the Annual Accounts Direction issued by the Education Funding Agency.



Subsequent events

- 17 All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

- 18 We believe that 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. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the academy's ability to continue as a going concern need to be made in the financial statements.

Grants and donations

- 19 Grants made by the Department of Education and Education Funding Agency have been applied for the purposes intended and the Accounting Officer has ensured regular and proper use and value for money of monies received from government.
- 20 All other grants, donations and other income, the receipt of which is subject to specific terms or conditions, have been notified to you. There have been no breaches of terms or conditions in the application of such income.

Transition to new financial reporting framework

- 21 We are satisfied that we have considered the changes to the financial reporting framework (SORP 2015/FRS102) and have made you aware of all relevant matters in connection with the preparation and audit of the financial statements.
- 22 We are satisfied that the restated comparative figures are accurate and comply with the requirements of the new financial reporting framework.
- 23 We are satisfied that we have considered exemptions and options on transition to the new financial reporting framework, have communicated our decisions to you and that these are appropriately reflected in the financial statements.

Defined benefit pension scheme

- 24 We have considered the actuarial assumptions made in connection with the defined benefit pension scheme (LGPS) and are satisfied that to the best of our knowledge the reflect the circumstances applicable to the trust.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.



We confirm that so far as we are aware, there is no relevant other information needed by you in connection with preparing your reporting accountant's assurance report on regularity of which you are unaware.

Each trustee has taken all the steps that he/she ought to have taken as a trustee in order to make themselves aware of any relevant audit/other information and to establish that you are aware of that information.

Yours faithfully



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Signed on behalf of the board of trustees

Date..... 1 December 2016



Ref.	Narrative	client code	Hyperlink	Balance Sheet DR	CR	Profit and Loss A/c DR	CR	Discussed with client (y/n)	Potential Effect on Profit/Loss	Adjustment	CCH Code	Explanation
1a	Other GAG - Year 7 Other DFE - Year 7 Other GAG - Reception baseline Other DFE - reception baseline Being reclassification of income	4017 4017	HO102.XLS			8,500.00 100.50 100.50	6,500.00 100.50	Yes	✓	Yes	007 020 007 020	
2a	Pupil premium Accrued income Being correction of closing accrued income (19692.52/3)	4018 1115	H08.xlsx	3,248.33			3,248.33	Yes	3,248.33	Yes	022 755	
3a	Other Government income Bursary - control Transfer bursary income out of SOFA to balance sheet	4041	HO102.XLS		3,540.00	3,540.00		Yes	- 3,540.00	Yes	020 875	
4a	Accruals Bursary Control Transfer bursary income out of SOFA	2120	HO102.XLS	357.96	357.96			yes	✓	Yes	882 875	ALREADY POSTED BY ACCOUNTS TEAM
5a	Private sponsorship Misc expenditure Being correction of treatment of payment for mini bus (£17k posted twice)	4060 7926				34,000.00	34,000.00	yes	✓	Yes	040 22101	
6a	Misc income Educational materials Unknown journal posted during the year	4060 7020	HO103.XLS			10,000.00	10,000.00	Yes	✓	Yes	059 15001	
7a	Building additions FFE - additions Building maintenance Depreciation charge FFE Depreciation SOFA Being capitalisation of improvements during the year		E18.xlsx	3,293.28 81,394.02			84,687.30	Yes	77,988.30	Yes	621 661 19,001 270 667	
8a	Accruals Accountancy/audit Being correction for closing accrual	2120 7550	J08.xlsx		2,565.62	2,565.62			- 2,565.62	Yes	882 18101	
9a	Accrual Land & Building addition Being accrual for new reception work, considered in use start of Sept 16	2120 0010	J08.xlsx	11,996.60	11,996.60			Yes	✓	Yes	882 621	
10a	Misc income Bank Interest Donations Being reclassification of Misc income	4060	HO103.XLS			9,382.62	27.57 9,355.05		✓	Yes	059 060 052	
14	Teacher Support Salaries Teacher supply Being reclassification of (Teacher Active and Interserve) Supply invoices	5030	HO103.xlsx			31,801.87	31,801.87	Yes	✓	Yes		

Profit after adjusted errors

75,131.00