



MOORE STEPHENS

REPORT TO THOSE CHARGED WITH GOVERNANCE
NOVEMBER 2015



City of London Corporation

City's Cash

DRAFT Audit Management Report on the 2014-15 Financial Statements Audit

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PRECISE. PROVEN. PERFORMANCE.

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1 Purpose of the report

International Standard on Auditing (UK & Ireland) 260, “Communication with those charged with governance” requires Moore Stephens to report to those charged with governance on the significant findings from our audit.

This report aims to provide the City of London Corporation with constructive observations arising from the audit process. We set out in this report details of:

- any expected modifications to our audit reports;
- any unadjusted items in the financial statements (except any unadjusted items which are clearly trivial) including the effect of unadjusted items related to prior periods on the current period;
- any material weaknesses in systems we have identified during the course of our audit work and our views about the quality of accounting practices and financial reporting procedures; and
- any other relevant matters.

Our procedures are carried out solely for the purpose of our audit so that we can form and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Our audit does not necessarily disclose every weakness and for this reason the matters referred to may not be the only shortcomings which exist.

We take this opportunity to remind you that:

- This report has been prepared for the sole use of the City of London Corporation;
- It must not be disclosed to any third party without our written consent; and
- No responsibility is assumed by us to any other person who may choose to rely on it for their own purposes.

The report has been discussed and agreed with the Chamberlain.

We would like to thank the Chamberlain, Dr Peter Kane, Caroline Al-Beyerty and the Finance Team for their co-operation and assistance during our audit.

2 Audit conclusion

Status of the audit

We have substantially completed our on-site audit work and subsequent completion. The remaining areas of work include:

- Clearance of points raised by the Audit Review Panel;
- Review of final annual report and accounts; and
- Review of subsequent events to the date of signing the financial statements.

Audit conclusion

In our opinion the financial statements give a true and fair view and comply with the UK GAAP.

We are pleased to report that our audit report, which is included in the financial statements, is unqualified. In our opinion, from information provided to us during the audit, no events or conditions appear to exist which cast doubt on the ability of City's Cash to continue as a going concern. We are therefore satisfied with the disclosures in the financial statements.

Our audit opinion is based on your approval of the financial statements and signing of the Letter of Representation, a draft of which has been included as an appendix to this report. Within the letter, you have confirmed that there are no subsequent events which require amendment to the financial statements.

3 Respective responsibilities

Responsibilities of Management

The City of London Corporation is responsible for preparing the City's Cash financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). It is also responsible for keeping proper accounting records and safeguarding assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibilities of the Auditor

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

The audit includes the consideration of internal controls relevant to the preparation of the financial statements but we do not express an opinion on the effectiveness of internal control. We are also required to communicate any significant matters arising from the audit of the financial statements that are relevant to those charged with governance in overseeing the financial reporting process. The matters being reported are limited to those deficiencies in control that we have identified during the audit and that we have concluded are of sufficient importance to merit being reported to those charged with governance.

International Standards on Auditing (UK and Ireland) do not require the auditor to design procedures for the purpose of identifying supplementary matters to communicate with those charged with governance.

Fee

The fee for the 2014-15 audit of City's Cash, Bridge House Estates, City's Cash Trusts and Sundry and Other Trusts amounts to £115,000. Of the total fee, £36,800 has been allocated to Bridge House Estates, with the remaining £78,200 being charged to City's Cash. A further £10,000 will be charged for audit verification work for the Guildhall School of Music and Drama.

In our Audit Planning Report we set out that the fee was dependent upon:

- City of London Corporation delivering a complete Annual Report and Accounts of sufficient quality that have been subject to appropriate internal review on the date agreed;
- City of London Corporation delivering good quality supporting evidence and explanations within the agreed timetable; and
- Appropriate City of London Corporation staff being available during the audit.

Following delays to and difficulties encountered during the 2013-14 final audit of Bridge House Estates and City's Cash, an additional fee of £9,500 was charged.

Materiality

The concept of materiality recognises that financial statements are rarely absolutely correct, and that an audit is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. A matter is material if its omission or misstatement would reasonably influence the decisions of users of the financial statements. The assessment of what is material is a matter of the auditor's professional judgement and includes consideration of both the amount and the nature of the misstatement. In determining materiality, we consider a range of measures relevant to the account.

Materiality levels are generally set as percentages of income or assets. Our initial calculation of materiality, as set out in our Audit Planning Report, was £1.5m, which was based on a percentage of income. Following receipt of the draft 2014-15 accounts, there was a significant difference in value between income at £199.3m and net assets at £2,074m. We therefore assessed materiality based on net assets, which was set at £13m. Recognising that this was a high level of materiality in the context of the income and expenditure account, we treated the income and expenditure account as a sensitive area of testing, and assessed materiality as £2m for income and expenditure transactions.

Independence

International Standard on Auditing (UK & Ireland) 260, “Communication with those charged with governance” requires us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

We can confirm that we have complied with the APB’s Ethical Standard 1 – “Integrity, Objectivity and Independence”. In our professional judgement the audit process has been independent and our objectivity has not been compromised.

4 Significant audit risks and risk factors

Significant audit risks

As noted in our audit planning report submitted to the Audit and Risk Management Committee in December 2014 the following audit risk areas were identified as significant matters and therefore considered in detail during our audit fieldwork.

Audit risk areas	Audit findings
<p>Revenue recognition (All funds and entities)</p> <p>Under International Standard on Auditing (UK and Ireland) 240, there is a presumed, albeit rebuttable, significant risk of fraud in revenue recognition. We consider this risk cannot be rebutted for income in all organisations.</p>	<p>We have documented, evaluated and tested the controls which ensure income is completely and accurately recorded in the City's Cash accounts. No significant weaknesses in controls have been identified.</p> <p>We have substantively tested material income streams across all entities and funds and performed procedures to ensure income is complete. Investment property income procedures on City's Cash included confirming the amounts received on a sample of properties to rent agreements as well as performing analytical procedures to gain assurance on the completeness of income. Managed investment income procedures included agreeing dividend income obtained as well as confirming realised investments from pooled investment vehicles. We have also considered the movement in fair value on investments and the unrealised gain on investments by comparing yields obtained by the funds to fund manager reports and benchmarks.</p> <p>Conclusion:</p> <p>Satisfactory assurance has been gained in respect of the presumed risk of fraud in revenue recognition.</p>
<p>Management override</p> <p>Under International Standard on Auditing (UK and Ireland) 240, there is a presumed significant risk of material misstatement owing to fraud arising from the potential for management to override controls.</p>	<p>We carried out focused testing on journals, estimation techniques and any significant/unusual transactions. We reviewed significant estimates and judgements made in the financial statements for evidence of bias. Journal testing focused on transactions that were perceived to be of higher risk and more likely to indicate a management override of controls. No significant issues were noted in our testing.</p> <p>Investment property valuations for City's Cash comprise a significant judgement in the financial statements. The value of property held at 31 March 2015 is £1,298m and has increased 16% on the value held at 31 March 2014 (including additions and disposals). Investment property valuations are conducted internally by the City Surveyor's team and by an external firm of property valuers. We have met with representatives of the City Surveyor and the external firm of property valuers to discuss the methodology of the valuations overall and to review individual property valuations that were significantly above or below the average increase. We did not identify any indication of management bias in the valuations applied. Further analysis of the investment property values is on page 11 of this report.</p> <p>Conclusion:</p> <p>Satisfactory assurance has been gained in respect of the presumed risk of management override.</p>

During the audit we identified a further significant audit risk, related to investment property transactions, which we now bring to your attention.

Audit risk areas	Audit findings
<p>Investment Property transactions</p> <p>The City Fund audit highlighted the need for a change to the accounting treatment for the sale of investment property where a land element was included in the sale. As land generally has an indefinite life, it is unlikely that the sale of a land leasehold will be for the majority of its economic life and therefore, the sale of land should be treated as an operating lease.</p> <p>During the 2014-15 year, City's Cash disposed of a head lease for land for the period of the lease – 155 years. At the point of sale a profit of £6.4m was recognised and the asset was disposed of in the financial records.</p> <p>An adjustment was made to reverse the profit recognised, reinstate the land as an asset of City's Cash and to recognise the total receipt for the sale of the lease as deferred income. The £20m receipt will now be released to the income and expenditure account over the life of the lease. As these adjustments reflect a reclassification, the net impact is that total net assets and total capital employed are unchanged.</p>	<p>We have reviewed all investment property disposals made by City's Cash during the year and confirmed that only the disposal referred to opposite would have a material impact on the financial statements with the updated accounting treatment. We have audited the adjustment raised in the final accounts, confirming valuations used and are satisfied that the adjustment made is complete and accurate.</p> <p>Conclusion:</p> <p>Satisfactory assurance has been gained in respect of the mitigation of the risk of investment property transactions being materially misstated.</p>

Other risk factors

As noted in our audit planning report submitted to the Audit and Risk Management Committee in December 2014 the following audit risk areas were identified as risk factors which could potentially result in a material misstatement. The table below sets out our approach and conclusions to these risk factors.

Audit risk areas	Audit findings
<p>Managed Funds Transfer</p> <p>We understand that the City of London Corporation intends to make a number of changes to managed funds. Segregated funds held by City's Cash are being transferred to pooled vehicles.</p>	<p>During the year a transfer was made from the existing segregated account held with Ruffer to a new pooled fund operated by Pyrford. The aim of this was to achieve a more balanced split across the fund managers used by the Corporation. We reviewed supporting documentation to assess and agree the accounting treatments applied and the adequacy of disclosures made in the financial statements. Audit testing confirmed that the transactions pre and post transfer have been accounted for appropriately.</p> <p>Conclusion:</p> <p>Satisfactory assurance has been gained in respect of the risk factor identified on the managed funds transfer.</p>

Audit risk areas	Audit findings
<p>Crossrail Contribution</p> <p>The 2013-14 City's Cash accounts recognised a contingent liability on the basis that the City of London Corporation was in discussions with Government concerning a possible contribution of £50m from City's Cash upon completion of the Crossrail project. While the timing of the payment is projected to be 2018 and 2019, discussions during the year may clarify the liability further, which could impact the accounting treatment.</p>	<p>The City's Cash contribution to Crossrail of £50m has been recognised as a commitment in the financial statements, with expected payment in the 2018-19 and 2019-20 financial years. We held discussions with officers and reviewed supporting documentation to assess and agree the accounting treatments and disclosures made in the financial statements. The agreement is classified as an executory contract and provision will be made once all milestones have been reached. We consider that the disclosures made in the financial statements are appropriate, materially correct and in line with UK GAAP.</p> <p>Conclusion:</p> <p>Satisfactory assurance has been gained in respect of the risk factor identified on the Crossrail contribution.</p>

Going concern and subsequent events

We are required under International Standard on Auditing (UK & Ireland) 570, "Going concern" to consider the appropriateness of the going concern assumption in the preparation of the financial statements, and to consider whether there are material uncertainties about the organisation's ability to continue as a going concern which need to be disclosed in the financial statements.

The term "subsequent events" is used to refer to events occurring between the period end date of the financial statements and the date of the auditor's report. International Standard on Auditing (UK & Ireland) 560, "Subsequent events" requires us to assess all such matters before signing our audit report.

In order to gain assurance on these matters our work has included:

- performing a review of budgets and cash flow projections covering a period of 12 months from the expected signing of the audit report, together with management accounts for 2015-16;
- reviewing minutes of relevant City of London Corporation sub-committees held since 31 March 2015;
- enquiring of senior management and the organisation's solicitors concerning litigation, claims and assessments; and
- performing sample testing of post reporting date transactions.

Conclusion

Our work has not highlighted any concerns or issues affecting the ability of City's Cash to continue as a going concern.

5 Significant audit and accounting matters

Audit adjustments

To enable those charged with governance to assess the extent to which the draft financial statements presented for audit have been subject to change as a result of the audit process and ongoing management review, we present below the adjustments made to the accounts during the audit process.

As a result of our audit, management review and similar transactions recorded in the City Fund accounts, adjustments were made to the draft financial statements presented for audit.

	Income and Expenditure Account/Statement of Gains and Losses		Balance Sheet	
	DR £'000	CR £'000	DR £'000	CR £'000
Profit on sale of Investment Property	6,350			
Gain on Revaluation of Investment Properties		6,350		
Investment Property Assets			20,000	
Deferred Income				20,000
Working Capital Fund			20,000	
Investment Property Revaluation Reserve				20,000
<i>A 155 year lease granted for a premium was originally classified as a 'finance' lease. This has now been reclassified as an 'operating' lease.</i>				
	6,350	6,350	40,000	40,000

All audit adjustments have been discussed and agreed with the Chief Accountant and Group Accountant.

Unadjusted items

We are obliged to bring to your attention the errors found during the audit that have not been corrected as not material, unless they are 'clearly trivial', which we have identified as below 1% of assessed materiality, subject to a de-minimis reporting level of £20,000. We have identified no such errors during our audit.

Qualitative aspects of accounting practices and financial reporting

During the course of our audit, we consider the qualitative aspect of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided by the financial statements. The following observations have been made:

Qualitative aspect considered	Audit conclusion
The appropriateness of the accounting policies used.	We have reviewed the significant accounting policies, which are disclosed in the financial statements, and we consider these to be appropriate to City's Cash.
The timing of the transactions and the period in which they are recorded.	We did not identify any significant transactions where we had concerns over the timing or the period in which they were recognised.
The appropriateness of the accounting estimates and judgements used.	We are satisfied with the appropriateness of accounting estimates or judgements used in the preparation of the financial statements. We met with representatives of the City Surveyor and the external firm of property valuers to assess the judgements applied in the valuation of investment properties. We consider the judgements used to be appropriate.

Qualitative aspect considered	Audit conclusion
The potential effect on the financial statements of any uncertainties, including significant risks and disclosures such as pending litigation, that are required to be disclosed in the financial statements.	We did not identify any uncertainties including any significant risk or required disclosures that should be included in the financial statements. Disclosures made in the Hampstead Heath accounts regarding future commitments relating to the Hampstead Heath Ponds project have been appropriately included in the City's Cash accounts.
The extent to which the financial statements have been affected by unusual transactions during the period and the extent that these transactions are separately disclosed in the financial statements.	From our testing performed, we identified no unusual transactions in the period.
Apparent misstatements in the annual reports or material inconsistencies within the financial statements.	Our review of the annual report identified no misstatement or material inconsistency with the financial statements.
Any significant financial statement disclosures to bring to your attention.	There are no significant financial statement disclosures that we consider should be brought to your attention. All disclosures made are required by relevant legislation and applicable accounting standards.
Disagreement over any accounting treatment or financial statement disclosure.	There was no disagreement during the course of the audit over any accounting treatment or disclosure.
Difficulties encountered in the audit.	<p>The unexpected and protracted discussions on the classification and accounting treatment of the granting of long leases for premiums in relation to City Fund investment properties had a knock on effect to the preparation and auditing of the City's Cash financial statements. Although we were kept informed of progress, the City's Cash audit began a week late on 10 August and we did not receive a full set of accounts until Monday 21 August, after the majority of our fieldwork had been completed.</p> <p>As part of our recommendations on the 2013-14 audit, it was suggested and agreed that a managed investment note, using a new format would be provided for audit review as at 31 December 2014. This was started but not fully completed by the finance team. However, the work that was undertaken did have positive benefit as no significant issues were encountered in this area during the 2014-15 audit - albeit the notes did take longer to complete.</p>

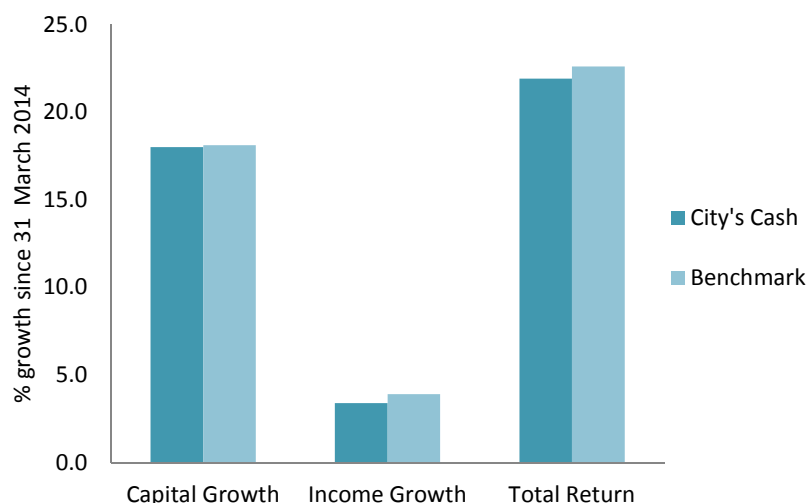
Investment Property Valuations

City's Cash holds a significant investment property portfolio, totalling £1,298m as at 31 March 2015. Properties are valued annually in line with accounting standard requirements for investment properties. All properties are valued in accordance with the RICS Red Book. The valuation process is split between internal valuations, performed by the City Surveyor's department and a firm of external valuers. In 2014-15, Cushman Wakefield were appointed on a three year contract to perform the property valuations for City's Cash. The split of valuations performed as at 31 March 2015 is outlined below:

	External Valuation	Internal Valuation	Total
Number of properties	55	89	139
Value of properties	£428m	£890m	£1,318m

As part of our audit work, we have met with representatives of the City Surveyor and the external firm of property valuers to discuss the methodology of the valuations overall and to review individual property valuations that were significantly above or below the average increase.

The chart below demonstrates the growth of the fund in the 2014-15 financial year.

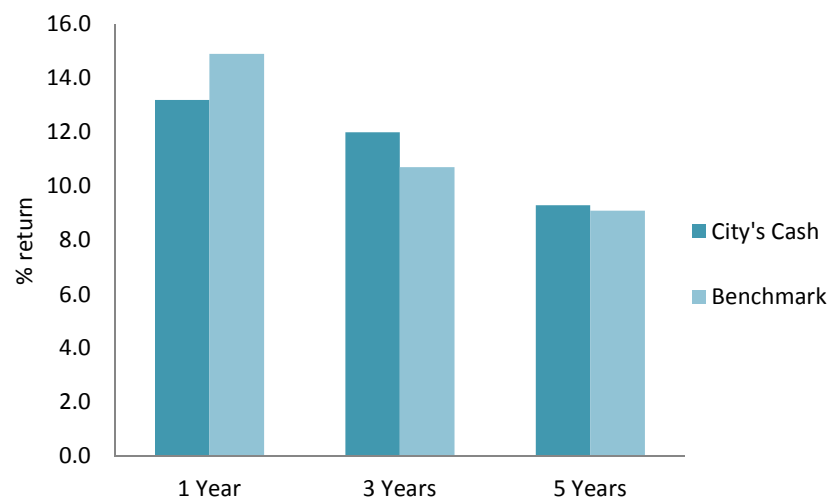


Income growth is broadly in line with the benchmark due to increasing rents as properties have refurbishments completed and as a consequence are able to be marketed at a higher rate than prior valuations expected. This has been noted on a number of properties where significant valuation increases have been recorded.

Capital growth remains strong, with City's Cash being in the top quartile of London properties, as monitored by an independent benchmarking exercise.

Non-Property Investment Valuations

In addition to investment property, City's Cash holds a significant portfolio of non-property investments totalling £732.4m as at 31 March 2015. Investments are held across a number of fund managers who all invest according to the Investment Strategy set by the Corporation. The chart below demonstrates the performance of the City's Cash investment funds, against benchmark over a five year period.



Fund returns obtained by the City's Cash investment funds have been higher than the benchmark (as calculated by WM Fund) over a five and three year period. While the benchmark has not been met or exceeded in the last financial year, we note that the performance of the fund in the final quarter of 2014-15 was higher than benchmark, with City's Cash recording a return of 5.6% against a benchmark of 5.1%.

Management representations

We have requested that a signed representation letter, covering a number of issues, be presented to us at the date of signing the financial statements. A copy of this letter is included in appendix 1 to this report.

Fraud and irregularity

Responsibility for preventing and detecting fraud and other irregularities lies with management. We are not required to search specifically for such matters and our audit should not be relied upon to disclose them. However, we planned and conducted our audit so as to give a reasonable expectation of detecting any material misstatements in the financial statements resulting from improprieties or breach of regulations.

We are pleased to report that we did not identify any issues of concern in relation to fraud and irregularity.

Legality

We planned and performed our audit recognising that non-compliance with statute or regulations may materially affect the financial statements.

We are pleased to report that we did not identify any instances of concern with regard to the legality of transactions or events.

6 Accounting systems and internal controls

During the course of our audit of the financial statements, we examined the principal internal controls which have been established to enable them to ensure, as far as possible, the accuracy and reliability of the organisation's accounting records and to safeguard the organisation's assets.

It should be noted that our audit was planned and performed in order to allow us to provide an opinion on the financial statements and it should not be relied upon to reveal all errors and weaknesses that may exist.

Our work did not identify any system weaknesses.

Action plan – audit recommendations

We identified a number of observations which we consider require management action. Recommendations to address the observations are detailed in the action plan below, together with management responses.

Grade	Definition
1	major issues for the attention of senior management which may have the potential to result in a material weakness in internal control
2	important issues to be addressed by management in their areas of responsibility
3	problems of a more minor nature which provide scope for improvement.

No priority 1 points have been raised during our audit of the 2014-15 City's Cash accounts. A number of priority 2 and priority 3 findings were raised directly with Management following our audit of Bridge House Estates, City's Cash Trusts and Sundry and Other Trust accounts, a summary of which was provided to the Audit and Risk Management Committee in July 2015. We have no further points to raise.

7 Future financial reporting developments relevant to City's Cash

FRS 102

Entities that currently prepare their financial statements under UK GAAP, will be applying FRS from accounting periods beginning on or after 1 January 2015. For City's Cash, this means that the 2015-16 financial statements will be presented under the new accounting framework.

Section 35 of FRS 102 sets out the transitional requirements. The basic rule is full retrospective application as at the date of transition. This means that the financial statements will need to be prepared as if FRS 102 had always been applied by City's Cash. To facilitate this change, we provided a training session in March 2015, to the City of London Corporation finance team to appraise them of the changes to be expected in the new accounting framework.

The most significant changes under the new accounting framework are:

Managed Investments and Investment Properties

Gains or losses on these items will be shown as 'Fair Value through Profit and Loss', meaning that they are shown as an 'incoming resource' and will therefore affect the 'Net Incoming Resources' for the year. Under current UK GAAP, such gains or losses are shown below this line. This will increase volatility in the income statement year on year as the property and investment markets fluctuate.

Using the 2014-15 figures, City's Cash actually recorded an operational deficit of £27.7m (before profits on the sales of fixed assets), however the inclusion of the gain in fair value of non-property investments means that an operating surplus of £44.9m is shown on the face of the Income and Expenditure account. Under FRS102, the gain in fair value on property investments will also require to be shown on the face of the Income and Expenditure account, meaning that the operating 'surplus' recorded for the 2014-15 accounts (as restated in the 2015-16 accounts) will be over £200m.

Statement of cash flows

Renamed, to match the IFRS equivalent, the Statement of Cash Flows has been reduced in size with three mandatory headings of Operating, Investing and Financing activities.

We will continue to work with the Corporation finance team to establish an agreed program for the restatement exercise, which we would wish to be completed by 31 December 2015. We will keep the Audit and Risk Management Committee appraised of progress.

Appendix 1 – Management representation letter for City’s Cash

Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

Dear Sirs

City of London Corporation - City's Cash

This representation letter is provided in connection with your audit of the financial statements of City’s Cash for the year ended 31 March 2015 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with UK Generally Accepted Accounting Practice.

By a resolution of the Finance Committee, passed today, we are directed to confirm to you, in respect of the financial statements of City’s Cash (and its subsidiaries) for the year ended 31 March 2015, the following:-

1. We have fulfilled our responsibilities for preparing financial statements which give a true and fair view in accordance with UK Generally Accepted Accounting Practice and for making accurate representations to you.
2. 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.
3. All transactions have been recorded in the accounting records and are reflected in the financial statements.
4. We acknowledge our responsibilities for the design and implementation of internal control in order to prevent and detect fraud and to prevent and detect error.
5. We confirm that we have disclosed separately to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
6. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management
 - employees who have significant roles in internal control
 - others where the fraud could have a material effect on the financial statements.
7. We are not aware of any allegations of fraud or suspected fraud with a potential effect on the financial statements which have been communicated to us by employees, former employees, analysts, regulators or other third parties.
8. 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.
9. In our opinion, the significant assumptions that have been used in determining fair values, whether such values are disclosed or applied in the financial statements, are reasonable and reflect the ability and intent to carry out specific courses of action, where this is relevant to the determination of those values.
10. In our opinion the significant assumptions used in making accounting estimates are reasonable.
11. We have disclosed to you the identity of City’s Cash related parties and all related party relationships and transactions of which we are aware.

12. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of UK Generally Accepted Accounting Practice.
13. In particular, no director, shadow director, their connected persons or other officers had any indebtedness, agreement concerning indebtedness or disclosable interest in a transaction with the group at any time during the year, other than as indicated in the financial statements.
14. There are no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
15. There are no plans to abandon activities or other plans or intentions that will result in any excess or obsolete stocks, and no stock is stated at an amount in excess of net realisable value.
16. The group has satisfactory title to all assets and there are no liens or encumbrances on City's Cash assets, other than as disclosed in the financial statements.
17. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and all guarantees that we have given to third parties.
18. All events subsequent to the date of the financial statements and for which UK Generally Accepted Accounting Practice require adjustment or disclosure have been adjusted or disclosed. Should any material events occur which may necessitate revision of the figures included in the financial statements or inclusion in the notes thereto, we will advise you accordingly.
19. The group has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
20. Except as disclosed in the financial statements, the results for the year were not materially affected by:
 - any change in accounting policies;
 - transactions of a type not usually undertaken by the group;
 - circumstances of an exceptional or non-recurrent nature; or
 - charges or credits relating to prior periods.
21. We have disclosed to you all known actual or possible litigation or claims whose effects should be considered when preparing the financial statements and that they have been accounted for and disclosed in accordance with UK Generally Accepted Accounting Practice.
22. We have reviewed the reasoning for the classification of the proposed contribution by City's Cash to Crossrail as a commitment and consider that given the uncertainties surrounding the finalisations of an agreed contribution, this is the most appropriate classification of the likely costs.
23. We have reviewed going concern considerations and are satisfied that it is appropriate for the financial statements to have been drawn up on the going concern basis. In reaching this opinion we have taken into account all relevant matters of which we are aware and have considered a future period of at least one year from the date on which the financial statements were approved.
24. We confirm the financial statements are free of material misstatements, including omissions. We believe that those uncorrected misstatements identified during the audit are immaterial both individually and in aggregate to the financial statements as a whole. A list of these items is attached to this letter of representation, together with our reasons for not correcting them.

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

.....
The Chamberlain of London
Signed on behalf of the City of London Corporation
On (date)