

9 December 2025

The Emmanuel School Trust  
The Drive  
Walthamstow  
London  
E17 3BN

Our Ref : RC/ CF/THEEM/L

Dear Sirs

**Financial Statements year ended 31 August 2025**

We are writing to draw your attention to various matters that arose during the course of our audit of the company's financial statements for the year ended 31 August 2025.

**Expected Modifications to the Audit Report**

There are no expected modifications to the audit report.

**Letter of Representation**

A draft of our proposed letter of representation is attached. In all respects the letter is routine.

**Adjusted and Unadjusted Misstatements**

A number of adjustments were made during the course of the audit which were discussed and agreed with the School Business Manager. The main adjustments were in relation to depreciating assets, in line with the Trusts depreciation accounting policy and posting the adjustment to the LGPS defined pension contribution scheme. None of these adjustments were identified as a material deficiencies in the underlying day-to-day record keeping on the SAGE accounting system.

As noted in the accompanying letter of representation there were a number of non-material unadjusted misstatements which it was agreed not to adjust for as they were both individually and in total not material.

**Significant Deficiencies in the Accounting and Internal Control Systems**

During the course of the audit we identified the following significant deficiency:

- Our audit work involves sample checking expenditure to confirm that it has been incurred in line with the Trust's activities and that it has been authorised in line with the Financial Procedures in place. The Financial Procedures referred to their being purchase orders needing to be in place, as well as invoices marked as authorised. We found no evidence of purchase orders and only a few invoices had been authorised. This lack of control could mean that payments are being made that are not in line with the Trust's activities though we can confirm that despite the lack of controls the underlying expenditure was bona fide.

As well as carrying out the statutory audit on the financial statements we also have to issue an assurance report on regularity regarding compliance with the Academy Trust Handbook. During the course of the year the following two breaches were identified:-

- Control issues in relation to not complying with the Delegated Financial Authorities in regard to the authorisation of invoices as noted above. This is a breach of paragraph 2.7 of the Handbook. We have had to report on this in our assurance report but note that there was no financial loss to the Trust.
- There is a requirement for monthly management accounts to be prepared and shared with the chair. These management accounts should also have included a cashflow forecasts and balance sheet plus appropriate commentary and in both cases this was not always the case. Therefore this is a breach of paragraph 2.18 and 2.19 of the Handbook. Again we have reported this in our assurance report but note that there was no financial loss to the Trust.

We also refer to the internal audit checks undertaken in the year which is noted in 'The risk and control framework' in the Governance Statement in the Financial Statements. These identified some errors at the time the checks were carried out by the consultants who undertook this task. We have noted the issues with the management accounts and expenditure system above but consider that the other issues do not warrant us to separately comment on but that these need to be followed up by the Trust. We will review to see if this is still an issue in next years audit. One of the points raised was that the consultants had not seen a asset register being in place though we were able to obtain the register as part of our audit work. Therefore no further action needed at present.

In making our recommendations, we have considered the size of the Trust and the number of staff you employ. We shall be glad if you will let us know what steps have been taken in connection with the above.

Our audit work did not include a detailed review of all aspects of your company's systems, and therefore this letter does not necessarily include all weaknesses which might exist in your accounting systems.

#### **Significant Findings from the Audit**

We have no comments to make concerning these matters.

#### **Significant Qualitative Aspects of the Entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures**

We have no comments to make concerning these matters.

#### **Significant Difficulties encountered during the Audit**

We have no comments to make concerning these matters.

#### **Other Matters required by Auditing Standards to be communicated**

There are no other matters that we are required by auditing standards to communicate to you.

#### **Other Matters significant to the oversight of the Financial Reporting Process**

We have no comments to make concerning these matters.

**Independence Issues**

The audit engagement team and the firm have complied with relevant ethical requirements regarding independence and have appropriate safeguards in place to mitigate the risks identified being:-

- The provision of non-audit services. The audit team are not involved in the preparation of the accounts.
- Long service. A hot file review has been conducted by a local auditor which reviewed the audit work on significant risk areas.

This letter has been prepared for your private use. It should not be disclosed to a third party, quoted or referred to, without our prior written consent, nor will we accept any responsibility whatsoever in respect of its contents to any other person.

May we take this opportunity of thanking you and your staff for their assistance and co-operation during the conduct of our audit.

Yours faithfully

**Caton Fry & Co Ltd**