

MGI Midgley Snelling LLP
Chartered Accountants
Ibex House
Baker Street
Weybridge
Surrey
KT13 8AH



18 October 2023

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 company's financial statements for the year ended 31 March 2023. These enquiries have included inspection of supporting documentation, where appropriate, and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

General

1. We have fulfilled our responsibilities as directors, as set out in the terms of your engagement letter dated 31 March 2023 under the Companies Act 2006, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK 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 company 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. We have provided you with unrestricted access to all appropriate persons within the company, and with all other records and related information requested, including minutes of all management and shareholder meetings.
 4. The financial statements are free of material misstatements, including omissions.
 5. We have considered the adjustments in Appendix 1. We confirm that, in our judgement, these adjustments are appropriate given the information available to us. We further confirm that we have now made these adjustments to the financial statements.
 6. The effects of uncorrected misstatements (as set out in the Appendix 2 to this letter) are immaterial both individually and in total.
- Internal control and fraud

Knowle Green Estates Ltd, Council Offices, Knowle Green, Staines-upon-Thames, TW18 1XB

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7. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe that we have appropriately fulfilled these responsibilities. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
8. 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 where fraud could have a material effect on the financial statements.
9. 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.
- Assets and liabilities.
10. The company has satisfactory title to all assets and there are no liens or encumbrances on the company'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.
13. We confirm that the value of the properties owned by Knowle Green Estates Ltd are as follows;

Property name	Amount (£)
Churchill Way	£1,008,987
Bugle House	£3,084,781
82 Cranford Road	£521,586
42 Kingston Road	£411,556
West Wing	£9,689,000
Benwell Phase 1	£20,762,500

Accounting estimates

14. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

**Loans and arrangements**

15. The company has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

Legal claims

16. 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.

Laws and regulations

17. 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

18. Related party relationships and transactions 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 of company law or accounting standards.

Subsequent events

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

Going concern

20. We believe that the company'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 company's needs. We also confirm our plans for future action(s) required to enable the company to continue as a going concern are feasible. 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 company's ability to continue as a going concern need to be made in the financial statements.

Specific matters

21. In particular, we make the following representations in relation to the financial statements for the year ended 31 March 2023:



Knowle Green
Estates Ltd

a. We confirm that a balance of £29,574,290 is due to the parent, Spelthorne Borough Council as at 31 March 2023.

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.

Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

.....
[Redacted signature]

Signed on behalf of the board of directors

Dated 18/10/23



Knowle Green Estates Ltd

Appendix 1

	Profit increase /(decrease)	Assets increase /(decrease)	Liabilities increase /(decrease)	Shareholders' funds
	£	£	£	£
Profit/(Loss) per draft financial statements	<u>(778,599)</u>			
Deferred tax liability	(718,964)		718,964	
Westwing loan adjustment to principal and interest	(5,948)	(8,036)	(2,088)	
Benwell House loan adjustment to principal and interest	50,809	75,305	24,496	
Reversing accruals	61,330		(61,330)	
Accruals adjustments	(150,227)		150,227	
Reallocating principal loan repayments to SBC	252,893		(252,893)	
Depreciation adjustment	(39,990)	(39,990)		
Bank difference corrected	(7,080)	(7,080)		
Electricity recharge to SBC	47,000		(47,000)	
Revaluation of property	2,521,500	2,521,500		
Total adjustments	<u>2,011,323</u>	<u>2,541,699</u>	<u>530,376</u>	
Revised profit/(loss) per the financial statements	<u>1,232,724</u>			-

Appendix 2

	Profit increase /(decrease)	Assets increase /(decrease)	Liabilities increase /(decrease)	Shareholders' funds
	£	£	£	£
Revised profit/(loss) per financial statements as presented to the Board	<u>1,232,724</u>			
Over accrual of Smith & Byford repairs	1,159		(1,159)	
Late posted invoices	(3,115)		3,115	
Total adjustments	<u>(1,956)</u>	-	<u>1,956</u>	-
Potential revised profit/(loss) per the financial statements	<u>1,230,768</u>			

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Knowle Green Estates Ltd is a local authority company registered in England and Wales (number 10170860) controlled by Spelthorne Borough Council
Registered office at Council Offices, Knowle Green, Staines-upon-Thames, TW18 1XB.