The management representation letter

United Kingdom edition

[Client letterhead]

[Date: as near as practicable to, but not after, the date of the auditor's report]

[Audit firm name]
[Audit firm address]

PURPOSE OF THIS LETTER

This letter of representation is provided in connection with your audit of the financial statements of [Company name] Limited for the year ended [date], for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with [FRS 102 / UK-adopted international accounting standards] and have been properly prepared in accordance with the Companies Act 2006.

[Only if agreed with you: in the representation that all transactions have been recorded, we have not treated as exceptions items below £[amount], the threshold agreed with you. This amount is not the materiality used for the financial statements.]

The board confirms, to the best of its knowledge and belief, having made such enquiries as it considered necessary for the purpose of appropriately informing itself:

THE FINANCIAL STATEMENTS

1. As directors, we have fulfilled our responsibilities, as set out in the terms of the audit engagement dated [date], for the preparation of the financial statements in accordance with [the applicable framework] and the Companies Act 2006; in particular, the financial statements give a true and fair view in accordance with them.

2. The methods, the data and the significant assumptions we used in making accounting estimates, and the related disclosures, are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of [the applicable framework].

3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with [the applicable framework].

4. All events after the date of the financial statements for which [the applicable framework] requires adjustment or disclosure have been adjusted or disclosed.

5. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached.

INFORMATION PROVIDED

6. 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 you have requested for the purpose of the audit; and unrestricted access to persons within the company from whom you determined it necessary to obtain audit evidence.

7. All transactions have been recorded in the accounting records and are reflected in the financial statements.

8. So far as each director is aware, there is no relevant audit information of which you are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that you are aware of it.

9. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud, and we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

10. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the company and involves management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the financial statements.

11. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.

12. 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.

13. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

14. We have disclosed to you the identity of the company's related parties and all the related party relationships and transactions of which we are aware.

MATTERS SPECIFIC TO THIS AUDIT

[Add any further representations the auditor has requested, for example on going concern, on other information in the annual report, or on the intended use of particular assets. Delete this section if there are none.]

APPROVAL

This letter was approved by the board of directors at its meeting on [date] and is signed on its behalf.

[Name], Director

Signature _____

[Name], [Finance Director]

Signature _____

Attachment: schedule of uncorrected misstatements

Supplied as-is, with no guarantee. This template is provided for general information only. It is not legal advice and it is not a substitute for it. Have your own legal adviser review it, and adapt it to your practice and your jurisdiction, before you use it with a client. FirmHello accepts no responsibility or liability for any use made of this document.