

29 January 2015

Apex Plaza  
Forbury Road  
Reading  
Berkshire  
RG1 1YE

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Brighton and Sussex Universities Hospitals NHS Trust Charitable Funds ("the Charity") for the year ended 31 March 2014.

We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of Brighton and Sussex Universities Hospitals NHS Trust Charitable Funds as of 31 March 2014 and of its financial performance for the year then ended in accordance with Accounting and reporting by Charities; Statement of Recommended Practice (SORP 2005), issued in March 2005 and applicable UK Accounting Standards and Charities Act 1993 and 2006.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

#### **Financial Statements and Financial Records**

1. We have fulfilled our responsibilities, as set out in the financial statements, for the preparation of the financial statements in accordance with Accounting and reporting by Charities; Statement of Recommended Practice (SORP 2005), issued in March 2005 and applicable UK Accounting Standards and Charities Act 1993 and 2006.

2. We acknowledge, as members of the corporate trustee, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance and cash flows of the Charity in accordance with Accounting and reporting by Charities; Statement of Recommended Practice (SORP 2005), issued in March 2005 and applicable UK Accounting Standards and Charities Act 1993 and 2006 and are free of material misstatements, including omissions. We have approved the financial statements.
3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of the corporate trustee of the Charity, we believe that the Charity has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with Accounting and reporting by Charities; Statement of Recommended Practice (SORP 2005), issued in March 2005 and applicable UK Accounting Standards and Charities Act 1993 and 2006 are free from material misstatement, whether due to fraud or error.
5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We have therefore not corrected these differences.

#### **Fraud**

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
2. 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.
3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Charity's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Charity.

#### **Compliance with Laws and Regulations**

We have disclosed to you all known actual or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.

#### **Information Provided and Completeness of Information and Transactions**

1. 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 as agreed in terms of the audit engagement.

- 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.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
  3. We have made available to you all minutes of the meetings of trustees and sub-committees of trustees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: 22 September 2014.
  4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Charity's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.
  5. We have disclosed to you, and the Charity has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

#### **Liabilities and Contingencies**

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent. No guarantees have been given to third parties.

#### **Specific Representation:**

In connection with your audit of the creditors balance included within the financial statements year ending 31 March 2014, we represent to the best of our knowledge and belief, the following:

The accrued expenditure of £94,748 in relation to a benefit in kind provision made in the financial statements for an expected voluntary disclosure to HMRC for staff who have received entertainment benefits from the Charity. The accrual was first created in 2011/12 and has increased for the last two years, and each year we expected the voluntary disclosure to be made, hence the disclosure as a current liability. We believe that the voluntary disclosure will be made by the end of 2014/15 and therefore the inclusion of this provision as current is correct to the best of our knowledge.

## Subsequent Events

There have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

## Accounting estimates

We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

## Restricted and Endowed Funds

We have identified whether any income or assets received is for restricted or endowed purposes. In such cases this income/these assets have been ring fenced and matched with related expenditure and disclosed separately as such funds in the financial statements.

## Ownership of investment assets

1. The Charity has satisfactory title to all assets appearing in the balance sheet(s), and there are no liens or encumbrances on the Charity's assets, nor has any asset been pledged as collateral. All assets to which the Charity has satisfactory title appear in the balance sheet(s).
2. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts.

## Contingent Liabilities

1. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the financial statements).
2. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.

Yours Faithfully,

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Trustee

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Trustee