

Our Ref  
Your Ref PD/TF/LBC/2009/10

Grant Thornton UK LLP  
Grant Thornton House  
Melton Street  
LONDON  
NW1 2EP

22 September 2010

Dear Sirs

## Financial Statements for the Year Ended 31 March 2010

We confirm to the best of our knowledge and belief that the following representations are made on the basis of appropriate enquiries of other members, related parties, controlling bodies, management and staff of Luton Borough Council ('the authority'), 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 following representations to you in respect of your audit of the above financial statements, in accordance with the terms of your audit plan for 2009/10.

- i We acknowledge our responsibility for ensuring that financial statements are prepared which present fairly the financial position of the authority and for making accurate representations to you.
- ii As far as we are aware:
  - there is no relevant audit information (including that related to post balance sheet events) of which you are unaware; and
  - we have taken all steps that we ought to have taken to make ourselves aware of any relevant audit information and to establish that you are aware of that information.
- iii All the accounting records of the authority have been made available to you for the purpose of your audit and all the transactions undertaken by the authority have been properly recorded in the accounting records and reflected in the financial statements.
- iv All other records and related information, including minutes of all management and Committee meetings, have been made available to you.
- v We acknowledge our responsibilities for making the accounting estimates included in the financial statements. Where it was necessary to choose between estimation techniques that comply with the 2009 local government Statement of Recommended Practice, we selected the estimation technique considered to be the most appropriate to the authority's particular circumstances for the purpose of giving a presents fairly view. Those estimates, whose basis are clearly disclosed in our financial statements, reflect our judgement based on our knowledge and experience about past and current events and are also based on our assumptions about conditions we expect to exist and courses of action we expect to take. In that regard, adequate provisions have been made:
  - i. to reduce debtors to their estimated collectable amounts;
  - ii. for any impairment losses or other write downs identified in relation to tangible fixed assets.

- vi The financial statements are free of material misstatements, including omissions.
- vii We confirm that the value of land and buildings are not materially different to the values in the financial statements.
- viii We confirm that the value of the fixed asset investment in London Luton Airport Limited is not materially different to the values in the financial statements.
- ix We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud.
- x 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.
- xi We have disclosed to you our knowledge of fraud or suspected fraud affecting the entity involving:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- xii We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
- xiii Except as stated in the accounts:
  - there are no unrecorded liabilities, actual or contingent
  - none of the assets of the authority have been assigned, pledged or mortgaged
  - there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- xiv There were no transactions, arrangements or agreements to provide credit facilities, (including loans, quasi-loans or credit transactions and guarantees to provide security for such matters), involving directors or officers that should be disclosed in the financial statements.
- xv All related parties have been identified to you and there were no transactions with related parties nor details of controlling interests which should be disclosed in the financial statements, that are not all ready disclosed in the notes to the accounts.
- xvi There are no claims, legal proceedings or other matters which may lead to a loss falling on the authority or which could result in the creation of an unrecorded asset, that should be disclosed in the financial statements except as disclosed in the notes to the accounts.
- xvii The authority has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- xviii We are not aware of any instances of actual or possible non-compliance with laws and regulations which might affect the view given by the financial statements.

- xix We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xx No inventory is stated at an amount in excess of net realisable value.
- xxi No significant events having an effect on the financial position of the authority have taken place since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto except as disclosed in the financial statements.
- xxii We believe that the authority'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 authority's needs. We believe that as at 22 September 2010 no further disclosures relating to the authority's ability to continue as a going concern need to be made in the financial statements.

The financial statements have been fully explained to and discussed with us.

### **Approval**

The approval of this letter of representation was minuted by the Audit and Governance Committee at its meeting on 22 September 2010.

Signed on behalf of Luton Borough Council.

Council.

Name .....	Name .....
Position .....	Position .....
Date .....	Date .....