

[LETTER TO BE WRITTEN ON CLIENT HEADED PAPER]

Grant Thornton UK LLP
Royal Liver Building
Liverpool
L3 1PS

[Date] – [TO BE DATED SAME DATE AS DATE OF AUDIT OPINION]

Dear Grant Thornton UK LLP

Merseyside Waste Disposal Authority
Financial Statements for the year ended 31 March 2019

This representation letter is provided in connection with the audit of the financial statements of Merseyside Waste Disposal Authority and its subsidiary undertakings, MerseyWaste Holdings Ltd and Bidston Methane Ltd or the year ended 31 March 2019 for the purpose of expressing an opinion as to whether the group and Authority financial statements give a true and fair view in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

The Authority and Group Financial Statements

- i. We have fulfilled our responsibilities for the preparation of the group and Authority's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the group and Authority and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Authority has complied with all aspects of contractual agreements that could have a material effect on the group and Authority financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include valuation of land and buildings. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements.
- vi. We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- vii. The Authority does not have its own bank account. All transactions are done through St Helen's Council bank account and these are posted to a specific general ledger code allocated to the

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- Authority. The Authority's bank balances have been confirmed to ensure the correct year end balance has been used in the balance sheet.
- viii. A number of year-end accounts payable and receivable balances are based on estimates due to the relevant reconciliation process taking place later in the year. We confirm that we are satisfied with the estimates and assumptions in relation to accounts payable and accounts receivable balances.
 - ix. For the Knowsley and Wilton RRC assets, we changed the asset life from 31 in the prior year to 24.5 years as at 31 March 2019. This has resulted in a significant change in the valuer's original valuation at the year end. We confirm that we are satisfied with the valuation assumptions used in relation to the RRC assets and the related accounting entries, especially the useful economic lives of the assets concerned.
 - x. Except as disclosed in the group and Authority financial statements:
 - a. there are no unrecorded liabilities, actual or contingent
 - b. none of the assets of the group and Authority has been assigned, pledged or mortgaged
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
 - xi. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
 - xii. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
 - xiii. We have considered the adjusted misstatements and misclassification and disclosures changes schedules included in your Audit Findings Report. The group and Authority financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
 - xiv. We have considered the unadjusted misstatements schedule included in your Audit Findings Report. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Authority and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.
 - xv. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
 - xvi. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
 - xvii. The prior period adjustments disclosed in Note 33 to the financial statements are accurate and complete. There are no other prior period errors to bring to your attention.
 - xviii. We have updated our going concern assessment and cash flow forecast. We continue to believe that the group and Authority's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that [current and future sources of funding or support will be more than adequate for the group and Authority's needs We believe that no further disclosures relating to the group and Authority's ability to continue as a going concern need to be made in the financial statements

Information Provided

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

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- xx. We have disclosed to you the identity of the group and Authority's related parties and all the related party relationships and transactions of which we are aware.
- xxi. On 5 September 2024 parliament approved the Accounts and Audit (Amendment) Regulations 2024. These Regulations set a publication date for financial statements in respect of 31 March 2019 of 30 September 2024. The new National Audit Office Code which was approved on 14 November 2024 also requires that where auditors are unable to conclude their work, they should issue either a qualified audit opinion or a disclaimer of opinion by this date, known as the 'statutory backstop date'. It has not been possible to provide you with the all the required information for you to complete your audit for year ending 31 March 2019 by the statutory backstop date. This includes the following:
 - a. providing you with:
 - i. access to all information of which we are aware that is relevant to the preparation of the group and Authority's financial statements such as records, documentation and other matters;
 - ii. additional information that you have requested from us for the purpose of your audit; and
 - iii. access to persons within the Authority via remote arrangements, from whom you determined it necessary to obtain audit evidence.
 - b. communicating to you all deficiencies in internal control of which management is aware.
 - c. disclosing to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - d. disclosing to you all information in relation to fraud or suspected fraud that we are aware of and that affects the group and Authority, and involves:
 - i. management;
 - ii. employees who have significant roles in internal control; or
 - iii. others where the fraud could have a material effect on the financial statements.
 - e. disclosing 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.
 - f. disclosing to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
 - g. disclosing to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

- xxii. We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

- xxiii. The disclosures within the Narrative Report fairly reflect our understanding of the group and Authority's financial and operating performance over the period covered by the financial statements.

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Approval

The approval of this letter of representation was minuted by the Authority at its meeting on 6 December 2024.

Yours faithfully

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

Signed on behalf of the Authority