

**[\*\*Prepare on client letterhead\*\*]**

Grant Thornton UK LLP  
8 Finsbury Circus  
London  
EC2M 7EA

**[\*\*Click here and enter date of letter\*\*]**

Dear Grant Thornton UK LLP

## **Brent Pension Fund**

### **Financial Statements for the year ended 31 March 2025**

This representation letter is provided in connection with the audit of the financial statements of Brent Pension Fund ("the Fund") for the year ended 31 March 2025 for the purpose of expressing an opinion as to whether the Fund 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 2024-25 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:

#### **Financial Statements**

- i. We have fulfilled our responsibilities, as set out in the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited, for the preparation of the Fund's financial statements in accordance with the Accounts and Audit Regulations 2015, International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024-25 ("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 Fund and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Fund 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 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 the valuation of Level 3 investments, Level 2 investments and the Valuation of Pension Liability. 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. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related

disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements.

- vi. Except as disclosed in the financial statements:
  - a. there are no unrecorded liabilities, actual or contingent;
  - b. none of the assets of the Fund has been assigned, pledged or mortgaged; and
  - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- vii. 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.
- viii. 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.
- ix. We have considered the unadjusted misstatements schedule included in your Audit Findings Report and attached to this letter. We have not adjusted the financial statements for these misstatements brought to our attention as they are immaterial to the results of the Fund and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.
- x. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xi. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xii. We have updated our going concern assessment. We continue to believe that the Fund'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 that:
  - a. the nature of the Fund means that, notwithstanding any intention to liquidate the Fund or cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements;
  - b. the financial reporting framework permits the Fund to prepare its financial statements on the basis of the presumption set out under a) above; and
  - c. the Fund's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Fund's ability to continue as a going concern need to be made in the financial statements.

### **Information Provided**

- xiii. We have provided you with:
  - a. 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;
  - b. additional information that you have requested from us for the purpose of your audit; and
  - c. access to persons within the Fund from whom you determined it necessary to obtain audit evidence.

- xiv. We have communicated to you all deficiencies in internal control of which management is aware.
- xv. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xvi. 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.
- xvii. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Fund, and involves:
  - a. management;
  - b. employees who have significant roles in internal control; or
  - c. others where the fraud could have a material effect on the financial statements.
- xviii. 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.
- xix. 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 financial statements.
- xx. There have been no communications with The Pensions Regulator or other regulatory bodies during the year or subsequently concerning matters of non-compliance with any legal duty.
- xxi. We are not aware of any reports having been made to The Pensions Regulator by any of our advisors.
- xxii. We have disclosed to you the identity of the Fund's related parties and all the related party relationships and transactions of which we are aware.
- xxiii. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

### Approval

The approval of this letter of representation was minuted by the Fund's Audit and Standards Committee at its meeting on [\*\*date\*\*].

Yours faithfully

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

**Signed on behalf of the Fund**

Unadjusted misstatements schedule

Unadjusted misstatements

This is a summary of unadjusted misstatements identified during the audit. We are required to report all non-trivial misstatements to those charged with governance.

Adjustment ref.	Detail	Pension Fund Account		Net Asset Statement £'000		Impact on total net assets £'000	Reason for not adjusting
		Debit £'000	Credit £'000	Debit £'000	Credit £'000		
	Total net assets per final accounts					1,312,800	
1	Differences identified between the value of level 3 investments disclosed in the financial statements and the capital statements as at 31 March 2025.						The Pension Fund has not adjusted the error as below Performance Materiality
1	Level 3 investments: LCIV Infrastructure Fund is understated by £3,507,688; Alinda Infrastructure Parallel Fund III, is understated by £236,074; and Capital Dynamics: the investments are understated by an aggregate variance of £25,842.			3,718			
1	Profit and loss on disposal of investments and changes in value of investments				(3,718)		
	Total net assets – recalculated to include unadjusted misstatements					1,316,518	

Unadjusted misstatements

Commercial in Confidence

This is a summary of unadjusted misstatements identified during the audit. We are required to report all non-trivial misstatements to those charged with governance.

Adjustment ref.	Detail	Pension Fund Account		Net Asset Statement £'000		Impact on total Net Assets Account£'000	Reason for not adjusting
		Debit £'000	Credit £'000	Debit £'000	Credit £'000		
	Total Net Assets per Final Accounts					1,312,800	
2	Within our testing of Transfers Out, two errors were identified. Both were in relation to amounts the fund received in error and subsequently refunded to the relevant individuals. These were not genuine Transfers Out, but were reversals of Transfers Ins. The sum of the errors has been extrapolated over the absolute population of Transfers out, which resulted in a projected misstatement of £1,214k. This is a classification error and has nil impact on the closing Net Assets figure.						The Pension Fund has not adjusted the error as below Performance Materiality
2	Transfers In	1,214					
2	Transfers Out		(1,214)				
	Total Net Assets– recalculated to include unadjusted misstatements					1,312,800	

# Unadjusted misstatements

This is an unadjusted misstatement identified during the audit. We are required to report all non-trivial misstatements to those charged with governance.  
This unadjusted misstatements does not impact upon the balances reported in Net Assets Statements and Fund Account.

Disclosure misstatement	Auditor recommendations
<p><b>Note 9 – Benefits Payable</b></p> <p>As per CIPFA Code <b>6.5.5.1 (q)</b> guidance Benefits Payable should be disclosed separately on the Note for the Administering authority, Scheduled bodies and admitted bodies.</p>	<p>We recommend that management update Note 9 to ensure the total benefits payable are presented separately for the administering authority, scheduled bodies and admitted bodies .</p> <p><b>Management response</b></p> <p>The management has confirmed that the Oracle Payroll system has prevented them to be able to separate the Administering Authority and the Scheduled bodies Benefits payables until December 2024. As they had made transition from the Oracle Payroll to LPPA system, this is now possible from January 2025 onwards. The management is confirming that for 25/26 accounts, the Benefits payable will be provided on separate lines on Note 9 for Administering authority, scheduled bodies and admitted bodies.</p> <p>Target date: 01 – Apr - 2025</p>