

Public Sector Audit Appointments Limited

Company Registration number: 09178094

**Report of Directors and Unaudited Financial
Statements**

Period of accounts

Start date: 14 August 2014

End date: 31 March 2015

THURSDAY



L4ZL08FL

LD2

28/01/2016

#103

COMPANIES HOUSE

Public Sector Audit Appointments Limited

Contents

	Page
Company Information	3
Directors' Report	4-5
Profit and Loss Account	6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the financial statements	10-14

Public Sector Audit Appointments Limited

Company Information for the Period Ended 31st March 2015

Directors: Steve Freer
Caroline Gardner
Clive Grace
Stephen Sellers
Dennis Skinner

Company secretary: Thelma Stober

Registered office address: 3rd floor,
Local Government House,
Smith Square,
London,
SW1P 3HZ

Company Registration Number: 09178094 (England and Wales)

Bank Account: Barclays Plc – set up 1 April 2015

Public Sector Audit Appointments Limited

Directors' Report for the period ended 31 March 2015

Background and Principal Activities

Public Sector Audit Appointments Limited (PSAA) is a company limited by guarantee without any share capital and is a subsidiary of the Improvement and Development Agency (IDeA) which is wholly owned by the Local Government Association (LGA).

The company was registered on 14 August 2014. The period from 14 August 2014 to 31 March 2015 was concerned with setting up the company in readiness for it to open for business on 1 April 2015. The sole director of PSAA from 14 August 2014 to 9 February 2015 was Dennis Skinner, during which time a shadow board operated. On 10 February 2015 the shadow board members became directors of the company, and the PSAA Board replaced the shadow board.

The Secretary of State for Communities and Local Government delegated statutory functions (from the Audit Commission Act 1998) to PSAA by way of a letter of delegation issued under powers contained in the Local Audit and Accountability Act 2014.

The company is responsible for appointing auditors to local government, police and local NHS bodies, for setting audit fees and for making arrangements for the certification of housing benefit subsidy claims.

PSAA took over these functions and powers on 1 April 2015. Before this date, these responsibilities were discharged by the Audit Commission.

PSAA Board

In order for PSAA to carry out effectively the responsibilities transferred, various set up costs were incurred. These included the costs required to set up a shadow board to ensure that adequate governance arrangements were in place.

The shadow board comprised a Chairman and four directors.

The Director(s) shown below have held office for the whole of the period from 14 August 2014 to 31 March 2015

Dennis Skinner

The Director(s) shown below joined the company during the period

Chairman: Steve Freer on 10 February 2015

Non-Executive Director: Caroline Gardner on 10 February 2015

Non-Executive Director: Stephen Sellers on 10 February 2015

Non-Executive Director: Clive Grace on 10 February 2015

Public Sector Audit Appointments Limited

The Director(s) shown below resigned from the company during the period

Dennis Skinner on 31 March 2015

The Shadow Board provided strategic advice on the setting up and running of PSAA and assurance on the effectiveness of PSAA's corporate governance arrangements.

On 10 February 2015, the PSAA Board replaced the Shadow Board. From 1 April 2015 the Board comprises of a Chairman and three non-executive directors (as shown above). More information is available on the PSAA website (www.psaa.co.uk).

Register of interests

Board members are required to notify and register any issues on which they might have had a conflict of interest. Declarations of interest are invited at each Board meeting. A register of members' interests is maintained, and is publicly available on the PSAA website (www.psaa.co.uk).

Remuneration of Shadow Board members

The IDEA sponsored the setting up of PSAA and agreed to cover any directors' fees for 2014/15. PSAA was not charged for these fees, shown below.

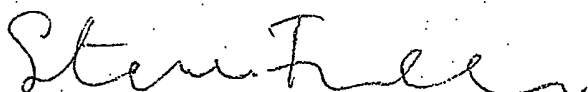
Shadow Board Members' Fees	2015 £
Steve Freer	16,887
Clive Grace	2,852
Stephen Sellers	2,943
Total	22,682

Any amounts paid by PSAA to Board members were a reimbursement of expenses directly incurred in the performance of the individual's duties.

The above report has been prepared in accordance with the special provisions in part 15 of the Companies Act 2006.

This report was approved by the board of directors on 17 December 2015 and signed on behalf of The Board by:

Name: Steve Freer Status: Chairman



Public Sector Audit Appointments Limited

The Director(s) shown below resigned from the company during the period

Dennis Skinner on 31 March 2015

The Shadow Board provided strategic advice on the setting up and running of PSAA and assurance on the effectiveness of PSAA's corporate governance arrangements.

On 10 February 2015, the PSAA Board replaced the Shadow Board. From 1 April 2015 the Board comprises of a Chairman and three non-executive directors (as shown above). More information is available on the PSAA website (www.psaa.co.uk).

Register of interests

Board members are required to notify and register any issues on which they might have had a conflict of interest. Declarations of interest are invited at each Board meeting. A register of members' interests is maintained, and is publicly available on the PSAA website (www.psaa.co.uk).

Remuneration of Shadow Board members

The IDEA sponsored the setting up of PSAA and agreed to cover any directors' fees for 2014/15. PSAA was not charged for these fees, shown below.

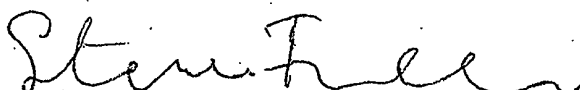
Shadow Board Members' Fees	2015 £
Steve Freer	16,887
Clive Grace	2,852
Stephen Sellers	2,943
Total	22,682

Any amounts paid by PSAA to Board members were a reimbursement of expenses directly incurred in the performance of the individual's duties.

The above report has been prepared in accordance with the special provisions in part 15 of the Companies Act 2006.

This report was approved by the board of directors on 17 December 2015 and signed on behalf of The Board by:

Name: Steve Freer Status: Chairman



Public Sector Audit Appointments Limited

Profit and Loss Account

For the year ended 31 March 2015

	Note	Year ended 2015 £'000
Administrative expenses	2	(371)
Loss on ordinary activities before taxation		(371)
Tax on loss on ordinary activities	3	
Loss for the financial year		(371)

Public Sector Audit Appointments Limited

Statement of Comprehensive Income

For the year ended 31 March 2015

	Year ended 2015 £'000
Loss for the year	(371)
Total Comprehensive income for the period attributable to Owners of the Company	(371)

Public Sector Audit Appointments Limited

Balance Sheet

As at 31 March 2015

	Note	2015 £'000
Creditors : amounts falling due within one year	4	(371)
Net current liabilities		<u>(371)</u>
Net liabilities		<u>(371)</u>
Capital and Reserves		
Share Capital		
Profit and Loss Account	5	(371)
Total Capital and Reserves		<u>(371)</u>

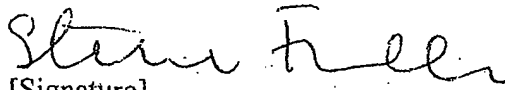
These accounts have been prepared in accordance with the special provisions in part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2015). The accounts for 2015/16 are not expected to be prepared using the small companies' provisions.

For the year ending 31 March 2015 the company was entitled to exemption from audit, in accordance with sections 475 and 477 of the Companies Act 2006 relating to small companies and no notice has been deposited under Section 476 of the Act.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing accounts which give a true and fair view of the state of affairs of the company as at the 31 March 2015 and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board of Directors and authorised for issue on 17 December 2015. They were signed on its behalf by:

SIGNED ON BEHALF OF THE BOARD BY:


[Signature]

Steve Freer (Chairman)

Public Sector Audit Appointments Limited

Statement of Changes in Equity

	Retained Earnings £'000	Total £'000
Deficit for the period	(371)	(371)
Other comprehensive income for the period		
Balance at 31 March 2015	(371)	(371)

Public Sector Audit Appointments Limited

Notes to the financial statements

For the year ended 31 March 2015

1. General Accounting Conventions and Policies

Basis of accounts preparation

Public Sector Audit Appointments Limited (PSAA) prepares its accounts in accordance with the requirements of the Companies Act 2006.

Accounts for financial year 2014/15

PSAA prepares its accounts in accordance with the small entities regime for financial year 2014/15.

During the period to 31 March 2015 PSAA had no trading activities and was below the small entities threshold in the Companies Act 2006.

Accounting convention

PSAA prepares its accounts using the historical cost convention, adjusted to account for the valuation of financial instruments at fair value.

Going concern

PSAA accounts have been prepared on the basis of going concern.

The Board of directors has assessed PSAA's future and is satisfied with the accounts being prepared on a going concern basis. The Board expects PSAA to stay in business for the foreseeable future and is able to realise its assets and discharge its liabilities during the normal course of business.

The government has announced its intention to extend the transitional audit arrangements for principal local government bodies by one year to include audits for 2017/18. The last year of audit for NHS bodies will be for audit year 2016/17. The accounts are therefore prepared on the basis of a going concern. PSAA currently expects to remain in business until at least the end of 2018.

Transfer of property, rights and liabilities from the Audit Commission

As a result of provisions of the Local Audit and Accountability Act 2014 and the closure of the Audit Commission, certain Audit Commission retained earnings, assets and liabilities were transferred to PSAA on 2 April 2015 and 27 July 2015. All assets and liabilities were transferred at book value for nil consideration.

Public Sector Audit Appointments Limited

Notes to the financial statements

For the year ended 31 March 2015

Accounting conventions and policies relating to the Statement of Financial Position

Financial Instruments

Financial instruments are shown at fair value. PSAA uses the following criteria to assess the fair value of financial instruments:

- trade and other payables – their nominal amount.

Taxation

PSAA income tax status is currently under review by HMRC. PSAA has applied for exemption from income tax on all its transactions except for investment interest. Should authorities decide not to grant the exemption, the tax loss will be brought into 2015/16 to offset against any tax arising in that year.

Public Sector Audit Appointments Limited

Notes to the financial statements

For the year ended 31 March 2015

2. Administrative expenditure (Corporate set-up costs)

	2015 £
Service Charges	18,300
Computer Costs	10,380
Minor Assets - Computer System	25,873
Recruitment Costs	3,031
Shared Services Additional - Costs	281,502
Printing - Internal	1,360
Design Work For Publications	985
Shadow Board Costs	3,179
Internal Catering	547
Legal & Professional Fees	25,748
	<u>370,905</u>

Staff costs

Staff did not transfer to PSAA until 1st April 2015 and therefore no staff costs were incurred during 2014/15.

3. Taxation

PSAA is awaiting a decision from HMRC on its tax status. PSAA made a net loss and therefore there is no tax liability for 2014/15.

Public Sector Audit Appointments Limited

Notes to the financial statements

For the year ended 31 March 2015

4. Creditors: amounts falling due within one year

	2015 £'000
Other creditors	(371)
Balance at 31 March 2015	<u>(371)</u>

5. Reserves/Retained loss

	2015 £'000
Net loss for the year	(371)
Balance at 31 March 2015	<u>(371)</u>

6. Cash flow statement

	2015 £'000
Deficit for the year	(371)
Operating cash flows before movements in working capital	
Increase in inventories	
Decrease/(increase) in receivables	
Increase/(decrease) in payables	371
Cash generated by operations	<u>-</u>
Net cash from operating activities	<u>-</u>

Public Sector Audit Appointments Limited

Notes to the financial statements

For the year ended 31 March 2015

7. Related party transactions

PSAA is a subsidiary of the Improvement and Development Agency (IDeA), which is wholly owned by the Local Government Association (LGA). The IDeA and the LGA are regarded as related parties. During the year, the LGA incurred various expenditures on behalf of PSAA, these totalled £371k. In addition, LGA and IDeA incurred other expenditures themselves to facilitate the setting up of the company.

During the year ended 31 March 2015, no Board members or other parties related to them have undertaken any transactions with PSAA except for the following:

Related Party	Name of PSAA Board Member	PSAA/related party appointment	Value of goods and services provided to related party £000	Value of goods and services purchased from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Wragge Lawrence and Graham & Co LLP	Stephen Sellers	Director of PSAA and consultant to Wragge Lawrence Graham & Co LLP.	-	10	10	-