

1 April 2005 to 31 March 2006
My Annual Accounts

Annual Accounts 2005-2006

STATEMENT OF ACCOUNTING OFFICER'S AND COMMISSIONER'S RESPONSIBILITIES

HM Treasury has appointed the Permanent Secretary of the Department for Constitutional Affairs (DCA) as Principal Accounting Officer.

The Principal Accounting Officer's responsibilities are defined in an HM Treasury Memorandum and include responsibility for preparing the accounts of the DCA and for transmitting them to the Comptroller and Auditor General.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the DCA's assets, are set out in the Accounting Officers' Memorandum, issued by HM Treasury and published in Government Accounting.

The Secretary of State and Lord Chancellor has appointed the Legal Services Complaints Commissioner for England and Wales (Commissioner) to oversee the day to day operations of the Office of the Legal Services Commissioner (OLSCC). Details of the division of responsibilities are set out in a Memorandum of Understanding between DCA and OLSCC. This

OPERATING COST STATEMENT

For the YEAR ENDED 31 MARCH 2006

Fig. 17 Operating cost statement for the year ended 31 March 2006

	Notes	2005-06 £	2004-05 £
Income		(1,038,076)	(575,848)
Staff costs	2	812,881	389,002
Other direct costs	3	260,093	367,150
Accommodation costs	4	161,740	193,341
DCA overhead charge		254,298	86,969
Other non cash costs	5	17,083	8,945
Total costs		1,506,095	1,045,407
Net expenditure		468,019	469,559

All Income/expenditure is derived from continuing operational activities.
There are no other gains/losses for the year.

The "Notes to the Accounts" which are shown in this chapter also form part of the Annual Accounts.

BALANCE SHEET AS AT 31 MARCH 2006

Fig. 18 Balance sheet as at 31 March 2006

	Notes	2005-06 £	2004-05 £
Fixed assets			
Tangible fixed assets	6	74,713	70,531
Current assets			
Debtors/Prepayments	7	947,148	6,750
Current liabilities			
Creditors	8	(1,031,493)	(136,443)
Net current assets/(liabilities)		(84,345)	(129,693)
Total assets less current liabilities		(9,632)	(59,162)
Taxpayers equity			
General Fund	10	(9,632)	(59,162)
		(9,632)	(59,162)

The "Notes to the Accounts" which are shown in this chapter also form part of the Annual Accounts.

Alex Allan
Accounting Officer.
Date: 28/06/06

Zahida Manzoor CBE
The Legal Services Complaints Commissioner.
Date: 28/06/06

NOTE 5 Other non cash costs

	2005-06	2004-05
	£	£
Depreciation	5,919	980
Cost of capital	(1,203)	(1,035)
Impairment of asset	2,867	–
External audit fees	9,500	9,000
Total	17,083	8,945

The external audit fees relate only to the audit of these annual accounts

NOTE 6 Tangible fixed assets

	Furniture	Computer and Other Equipment	Total
	£	£	£
Cost or valuation			
At 1 April 2005	59,005	12,506	71,511
Additions	10,743	2,225	12,968
Impairment of asset	(2,867)	–	(2,867)
At 31 March 2006	66,881	14,731	81,612
Depreciation			
At 1 April 2005	738	242	980
Charge for the year	3,344	2,575	5,919
At 31 March 2006	4,082	2,817	6,899
Net book value			
At 31 March 2006	62,799	11,914	74,713
At 31 March 2005	58,267	12,264	70,531

NOTE 9 Reconciliation of operating cost to operating cash flows

	Note	2005-06 £	2004-05 £
Net operating cost		(468,019)	(469,559)
Departmental overhead charge		254,298	86,969
Other non cash costs	5	17,083	8,945
Increase in prepayments	7	(940,398)	(6,750)
(Decrease)/Increase in creditors	8	895,050	136,443
Net cash outflow from operating activities		(241,986)	(243,952)

NOTE 10 General fund

	2005-06 £	2004-05 £
Net expenditure for year	(468,019)	(469,559)
Financing from DCA	254,954	315,463
Departmental overhead charge	254,298	86,969
Cost of capital	(1,203)	(1,035)
Auditors' remuneration	9,500	9,000
Net (decrease)/increase in General Fund	49,530	(59,162)
General Fund at start of year	(59,162)	–
General Fund at end of year	(9,632)	(59,162)

NOTE 11 Commitments under leases

At 31 March 2006 DCA was committed to making the following payments during the year in respect of operating leases on assets used by OLSCC expiring:

	2005-06		2004-05	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Within one year	-	-	-	-
Two to five years	96,079	15,954	-	16,000
After five years		-	56,000	-
	<u>96,079</u>	<u>15,954</u>	<u>56,000</u>	<u>16,000</u>

NOTE 12 Contingent liabilities

There are no contingent liabilities.

NOTE 13 Related parties

DCA is a related party with which OLSCC had various material transactions during the year. OLSCC staff has not entered into any material transactions with OLSCC or with DCA.

Zahida Manzoor, the Legal Service Complaints Commissioner, also holds the role of the Legal Services Ombudsman. There have not been any material transactions between the two Offices.

NOTE 14 Capital commitments

There are no capital commitments.

NOTE 15 Post balance sheet events

There are no post balance sheet events.

NOTE 16 Liquidity risk

OLSCC's net resource requirements are met from resources voted annually by Parliament to DCA. DCA then settles all OLSCC's financial transactions irrespective of when the income from the Law Society is received and remitted to DCA. OLSCC is not therefore exposed to significant liquidity risk.

Also, OLSCC has no deposits, as cash at bank is held in DCA's bank accounts and not included in these accounts. All material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

