

Audit Exemption Consultation and Accounting Framework - Response 1

From: Deborah Richards [mailto:deborah.richards@garbetts.com] **On Behalf Of** Paul Garbett

Sent: 18 October 2011 13:18

To: Audit Exemptions Consultation

Subject: AUDIT EXEMPTIONS AND ACCOUNTING FRAMEWORK - CONSULTATION

A8102g PRG

18 October 2011/PRG

Rufus Rottenberg

Audit & Accounting Team

By email to audconsult@bis.gsi.gov.uk

AUDIT EXEMPTIONS AND ACCOUNTING FRAMEWORK – CONSULTATION

With reference to the consultation above the response of Garbetts Limited is herewith.

Using the numbered questions in the document itself:

- 1 Sensible and will promote economic development.
- 2 A and B yes – C no – no for C because audit does take up significant management time.
- 3 Strongly agree.
- 4 Agree.
- 5 Although sensible in principle, this would undermine the principle of disclosure for all corporate entities – we would tend to think that filing of subsidiary accounts on the public record at Companies House is probably a good idea.
- 6 Agreed no significant effect.
- 7 Agreed, sensible de-regulation.
- 8 There probably is little consequence of allowing qualifying financial services subsidiaries to take advantage of these rules as they are unlikely to be public interest entities. It may be sensible rather than to look at size to adopt a public interest test.
- 9 Strongly agree.
- 10 (a) and (b) agree, (c) it is likely that the whole audit costs would be saved pre supposing that the accounting and audit could be differentiated.
- 11 Agreed.
- 12 Agreed.
- 13 Agreed.
- 14 Probably not.
- 15 Disagree – the costs would not exceed the benefits, however we would still support preparation and filing of accounts in such circumstances from a disclosure perspective.
- 16 Agree – most small audit firms have either withdrawn from the market or are considering doing so.
- 17 Agree.
- 18 Agree.
- 19 The guarantee should extend to all liabilities.
- 20 Agree.
- 21 Agree.
- 22 Agree.

- 23 Five years.
- 24 Agree.
- 25 Agree.
- 26 Unlikely.
- 27 Unlikely.
- 28 Agree.
- 29 Strongly agree although if possible earlier.

Yours faithfully

Garbetts

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Garbetts Limited Chartered Certified Accountants and Registered Auditor Registered in England Number 2988424

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