


2681336

Humberside Partnership

Report and Financial Statements

31 March 2005

 **ERNST & YOUNG**



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COMPANIES HOUSE 30/09/2005

Humberside Partnership

Registered No: 2681336

Directors

J Perkins	(Appointed 30 June 2004)
W D Walsh	(Appointed 30 June 2004)
J M Whitfield	(Appointed 30 June 2004)

Secretary

G Parkinson

Auditors

Ernst & Young LLP
Lowgate House
Lowgate
Hull
HU1 1JJ

Bankers

Lloyds TSB Bank PLC
2 Silver Street
Hull
HU1 1HX

Solicitors

East Riding of Yorkshire Council
Director of Law, Administration, Policy and Property
County Hall
Beverley

Registered Office

24 Priory Tec Park
Saxon Way
Hessle
East Yorkshire
HU13 9PB

Directors' report

The directors present their report and the audited accounts for the year ended 31 March 2005.

Principal activities and review of business

Following changes to the VAT status of Connexions Partnerships it was concluded that the Connexions Humber Limited become a direct delivery service. In order to facilitate this, Connexions Humber Limited agreed to become the sole member and holding company of all the companies within the THP group and in addition accepted responsibility for all the liabilities incurred by the Company, including those prior to that date. The date of actual transfer of undertakings was 1 July 2004.

All previous directors resigned on 30 June 2004 and were replaced by directors nominated by Connexions Humber and the registered office was changed to 24 Priory Tec Park, Saxon Way, Hessle, East Yorkshire, HU13 9PB.

Since then it was agreed the activities of Humberside Partnership would cease as at 31 March 2005 and any transactions would be to finalise inter-company transactions and make the company dormant. Immediately following acquisition of the Company and the Group all employees of the Group transferred to Connexions Humber Limited under the Transfer of Undertakings (Protection of Employment) Regulations 1981 ("TUPE") on 1 July 2004. The contract between the Humberside Partnership and Connexions Humber Limited was consequently terminated by mutual consent on 30 June 2004.

The company is a non-profit making organisation. Any surpluses generated are applied solely towards the promotion of the company's objects, as contained within its Memorandum and Articles of Association and are therefore not available for distribution.

The Humberside Partnership (Group) Limited ("THPGL"), the immediate parent undertaking and Connexions Humber Limited, the ultimate parent undertaking, are also non-profit making organisations. As noted above, following the acquisition by Connexions Humber Limited, the company has not traded and is not expected to do so in the future. Any surpluses generated are applied solely towards the promotion of the THPGL's and Connexions Humber Limited's objects, as contained within its Memorandum and Articles of Association and are therefore not available for distribution.

Results and dividends

During the year the company made a surplus of £136,366 (2004 – deficit of £164,359). The directors do not recommend the payment of any dividends.

Directors

The directors of the company who served during the year are as follows:

J Perkins	(Appointed 30 June 2004)
W D Walsh	(Appointed 30 June 2004)
J M Whitfield	(Appointed 30 June 2004)
M J Bowman	(Resigned 30 June 2004)
A Butler	(Resigned 30 June 2004)
P W Carter	(Resigned 30 June 2004)
G E Clark	(Resigned 30 June 2004)
P R Greef	(Resigned 30 June 2004)
D Knibb	(Resigned 30 June 2004)
R A Newey	(Resigned 30 June 2004)
B E Roberts	(Resigned 30 June 2004)
J G W Roberts	(Resigned 30 June 2004)
J M Whitfield	(Resigned 30 June 2004)

Directors' report

Status

The company is limited by guarantee, not having a share capital.

Statement of directors' responsibilities in respect of the accounts

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business,

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Political & Charitable Donations

No political or charitable donations were made in the year (2004 - £nil).

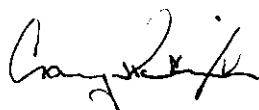
Auditors

A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

By order of the Board



G Parkinson
Secretary

8 September 2005

Independent auditors' report

to the members of Humberside Partnership

We have audited the company's financial statements for the year ended 31 March 2005 which comprise the Income and Expenditure Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 18. These financial statements have been prepared on the basis of the accounting policies set out therein and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

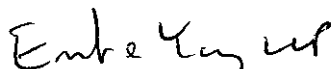
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of Humberside Partnership (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2005 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Hull

8 September 2005

Income and expenditure account

for the year ended 31 March 2005

	Notes	2005 £	2004 £
Operating income	2	2,168,711	7,882,526
Operating costs		2,222,726	8,019,011
Operating costs – exceptional items	6	90,737	31,863
		<u>(2,313,463)</u>	<u>8,050,874</u>
Operating deficit	3	(144,752)	(168,348)
Bank interest receivable		10,163	4,705
		<u>(134,589)</u>	<u>(163,643)</u>
Deficit on ordinary activities before taxation		(134,589)	(163,643)
Taxation charge on deficit on ordinary activities	7	1,777	716
		<u>(136,366)</u>	<u>(164,359)</u>
Deficit for the financial year	13	<u>(136,366)</u>	<u>(164,359)</u>

Statement of total recognised gains and losses

for the year ended 31 March 2005

There are no recognised surplus or deficits other than the deficit of £136,366 for the year ended 31 March 2005 (2004 – deficit of £164,359).

Balance sheet

at 31 March 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	8	53,669	147,130
Current assets			
Debtors	9	481,542	1,154,588
Cash at bank and in hand		307,482	333,055
		<u>789,024</u>	<u>1,487,643</u>
Creditors: amounts falling due within one year	10	254,529	792,592
		<u>534,495</u>	<u>695,051</u>
Net current assets			
		<u>588,164</u>	<u>842,181</u>
Total assets less current liabilities			
Creditors: amounts falling due after one year	11	-	25,367
Accruals and deferred income			
Deferred government grants	12	10,541	102,825
		<u>577,623</u>	<u>713,989</u>
Reserves			
Income and expenditure account	13	577,623	713,989
		<u>577,623</u>	<u>713,989</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

J Perkins
Director

W D Walsh
Director

8 September 2005

Notes to the financial statements

at 31 March 2005

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the financial Reporting Standard for Smaller Entities (effective June 2002).

The presentation of the financial statements has been adapted in accordance with Schedule 4 to the Companies Act 1985 in that headings and sub-headings of an income and expenditure account have been presented rather than those of a profit and loss account, since the company does not carry on business with a view to profit.

Depreciation

The cost of tangible fixed assets is depreciated over the expected useful lives of the assets as follows:

Computer equipment	3 years
Fixtures and fittings	3 years
Motor vehicles	3 years

Taxation

The company is run as a not-for-profit company. The charge for taxation is based only on its income derived from investments such as bank interest receivable, rental income and chargeable gains. Any surplus/ deficit on operating activities is not chargeable to tax/ allowed as a deduction for corporation tax purposes.

The tax charge takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned.
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Leasing

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Notes to the financial statements

at 31 March 2005

1. Accounting policies (continued)

Pensions costs

The company participates in the Local Government Superannuation Scheme. Contributions to this fund are charged to the profit and loss account so as to spread the costs of pensions over the employees' working lives. The regular cost is attributed to individual years using the projected unit method. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amounts charged to the profit and loss account are treated as either accruals or prepayments in the balance sheet.

Government grants

Government Grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Related party transactions

The company has taken advantage of the exemption in FRS8 from disclosing transactions with members or investees of The Humberside Partnership Group Limited group.

2. Operating income

Operating income comprises the amount of funding income receivable by the company during the year and can be analysed by business sector as:

	2005 £	2004 £
Connexions	1,647,138	5,936,884
Adults	240,054	720,656
Work experience	91,426	334,222
Grants	31,937	326,540
Training	6,477	59,729
Other	151,679	504,495
	<u>2,168,711</u>	<u>7,882,526</u>

3. Operating deficit

(a) Operating deficit is stated after charging/(crediting):

	2005 £	2004 £
Operating lease rentals - land and buildings	43,550	184,200
Auditors' remuneration	-	8,750
Depreciation of tangible fixed assets - owned	93,461	103,775
Amortisation of Government Grants	-	(24,756)
Profit on sale of fixed assets	-	(265)
	<u></u>	<u></u>

Notes to the financial statements

at 31 March 2005

4. Directors' emoluments

	2005	2004
	£	£
Fees	15,705	50,485

	2005	2004
	No.	No.
Members of defined benefit pension schemes	-	1

5. Staff costs

	2005	2004
	£	£
Wages and salaries	1,318,843	5,325,809
Social security costs	91,287	442,345
Other pension costs (note 15)	171,953	645,016
	<u>1,582,083</u>	<u>6,413,170</u>

The average weekly number of full time equivalent employees of the company, including secondees, was as follows:

	2005	2004
	No.	No.
Operational, administration and management	77	320

6. Exceptional items

These have arisen in the year as a result of the reorganization programme and relate to redundancy costs.

7. Taxation charge

(a) Tax on profit on ordinary activities

The tax (credit)/charge is made up as follows:

	2005	2004
	£	£
Current tax:		
UK corporation tax	2,493	722
Adjustments in respect of previous periods	(716)	(6)
Total current tax (note 7(b))	<u>1,777</u>	<u>716</u>

Notes to the financial statements

at 31 March 2005

7. Taxation charge (continued)

(b) Factors affecting current tax charge

The differences are reconciled below:

	2005 £	2004 £
Deficit on ordinary activities before taxation	(134,589)	(163,643)
Deficit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%(2004 – 19%)	(25,572)	(31,092)
Net expenses not deducted for tax purposes	28,065	31,986
Adjustments in respect of previous periods	(716)	(6)
Rate differences	-	(172)
Total current tax	1,777	716

8. Tangible fixed assets

	Leasehold improvements £	Motor vehicle £	Office fixtures & fittings £	Computer equipment £	Total £
Cost:					
At 1 April 2004 and 31 March 2005	122,634	9,940	164,004	395,103	691,681
Depreciation:					
At 1 April 2004	24,471	6,901	143,488	369,691	544,551
Charge for the year	51,353	3,039	14,094	24,975	93,461
At 31 March 2005	75,824	9,940	157,582	394,666	638,012
Net book amounts:					
At 31 March 2005	46,810	-	6,422	437	53,669
At 1 April 2004	98,163	3,039	20,516	25,412	147,130

9. Debtors

	2005 £	2004 £
Trade and other debtors	31,027	753,455
Amounts owed by group undertakings	450,515	207,805
Prepayments and accrued income	-	193,328
	481,542	1,154,588

Notes to the financial statements

at 31 March 2005

10. Creditors: amounts falling due within one year

	2005	2004
	£	£
Trade creditors	183,226	271,766
Amounts owed to group undertaking	-	28,860
Other taxes and social security costs	92	323,614
Other creditors	33,164	79,749
Accruals and deferred income	36,270	87,887
Corporation tax	1,777	716
	<u>254,529</u>	<u>792,592</u>

11. Creditors: amounts falling due after more than one year

	2005	2004
	£	£
Accruals and deferred income	-	25,367
	<u>-</u>	<u>25,367</u>

12. Accruals and deferred income – deferred government grants

	£
Balance at 1 April 2004	102,825
Released during the year	(92,284)
Balance at 31 March 2005	<u>10,541</u>

13. Income and expenditure account

	£
At 1 April 2004	713,989
Deficit for the year	(136,366)
At 31 March 2005	<u>577,623</u>

Notes to the financial statements

at 31 March 2005

14. Financial commitments

At 31 March 2005 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>2005</i>	<i>2004</i>
	<i>£</i>	<i>£</i>
Operating leases which expire:		
In one to two years	43,550	15,550
In two to five years	-	116,500
In more than five years	-	57,700
	<u>43,550</u>	<u>189,750</u>

15. Pension commitments

The company was a member of the multi-employer local government pension scheme, East Riding Pension Fund, operated by the East Riding of Yorkshire Council. Immediately following the acquisition of the Company and the Group, the business was transferred to Connexions Humber Limited, and as a consequence all employees of the Group transferred to Connexions Humber Limited under the Transfer of Undertakings (Protection of Employment) Regulations 1981 ("TUPE") on 1 July 2004.

The pension cost charged to the company for the year up to the date of the amounted to £171,953 (2004 - £645,016).

16. Members' liability

The company was incorporated as a company limited by guarantee and therefore it has no share capital. The liability of the members is limited to £1 each on the winding up of the company, each member being liable whilst a member and for up to 12 months after ceasing to be a member. The directors of the company are also its members.

17. Related party transactions

The following companies who are considered to be subsidiary undertakings of The Humberside Partnership Group Limited and therefore related parties to Humberside Partnership:

- The Loft (Grimsby) Limited – by virtue of 100% of the voting rights being controlled by The Humberside Partnership Group Limited as the principal member; and
- The Humberside Partnership (Adults) Limited, The Humberside Partnership (Work Experience) Limited, The Humberside Partnership (Training) Limited and Purple Spider Limited – by virtue of 100% ownership of the companies' shares.

In addition to the amounts due to or from group undertakings disclosed above, the transactions with these related parties can be summarised as follows:

- Sales to group undertakings £2,508; and
- Purchases from group undertakings £661.

No amounts have been written off in the year in respect of debts due to or from group undertakings.

Notes to the financial statements

at 31 March 2005

17. Related party transactions (continued)

These transactions have been entered into on an arm's length basis in the ordinary course of business and have been approved by the board of directors.

Connexions Humber Limited is also considered a related party, being the company's ultimate parent undertaking. Connexions Humber Limited provided the company's primary source of funding prior to the acquisition of the company and the group, after which the business was transferred to Connexions Humber Limited. The funding provided in the period to the acquisition was £1,647,138 (year to 31 March 2004 - £5,936,884).

18. Ultimate parent company

The company's immediate parent undertaking is The Humberside Partnership Group Limited, a company registered in England and Wales. Copies of the accounts are available from the registered office, 24 Priory Tec Park, Saxon Way, Hessle, East Yorkshire, HU13 9PB.

A deed of exchange was entered into between Connexions Humber Limited and the members of The Humberside Partnership Group Limited on 30 June 2004 and as a result all directors of the company resigned and were replaced by directors nominated by Connexions Humber Limited. From that date Connexions Humber Limited became the ultimate parent undertaking and controlling party of the company. Copies of the accounts are available from the registered office, 24 Priory Tec Park, Saxon Way, Hessle, East Yorkshire, HU13 9PB.