

Yorkshire and Humberside
Development Agency
(A company limited by guarantee)

Directors' report and accounts

For the year ended 31 March 1999

Registered number: 2723120



Directors' report

For the year ended 31 March 1999

Accounts

The directors present their report and accounts for the year ended 31 March 1999.

Directors' responsibilities

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- 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.

Principal activities and review of the business

The company's principal activity is to promote foreign inward investment in the Yorkshire and Humberside region.

Results and dividends

The excess of income over expenditure for the year after taxation amounted to £77,817. The directors do not recommend payment of a dividend for the year as the company, being limited by guarantee, is prohibited from paying a dividend.

On 30 November 1998, the assets and liabilities of Regional Supply Network - Yorkshire and Humberside Office were transferred into the Agency. The transfer of assets and liabilities was made at book value.

Post balance sheet event

On 14 December 1998 a new body, Yorkshire Forward, was established under the provisions of the Regional Development Agencies Act 1998. The assets and liabilities of the Yorkshire and Humberside Development Agency were transferred to Yorkshire Forward on 1 April 1999.

Directors' report (continued)

Directors

The directors who served during the year were as follows:

E Wright	(Chairman)	(resigned 1 April 1999)
Cllr DJ Ashton		
Cllr R Fisher		(resigned 1 April 1999)
Cllr G Phelps		
PE Jagger		(resigned 1 April 1999)
J Siddall		(resigned 15 May 1999)
CW Leach		(resigned 1 April 1999)
B Greenwood		(resigned 1 April 1999)
S Tonkin		(resigned 1 April 1999)
A Walker		(resigned 1 April 1999)
S Parnaby		(resigned 16 July 1998)
S Mullgrove		(appointed 16 July 1998, resigned 1 April 1999)
J Moore		(appointed 14 July 1999)

This report was approved by the Board on 28 October 1999



Director

Auditors' report

Leeds

To the members of Yorkshire and Humberside Development Agency

We have audited the accounts on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 March 1999 and of its excess of income over expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors

1 City Square
Leeds LS1 2AL

28 October 1999

Income and expenditure account

For the year ended 31 March 1999

	Notes	1999 £	1998 £
Income			
Operating income	2	2,887,166	2,698,054
Interest receivable		27,019	37,796
Other income		121,170	57,953
		<u>3,035,355</u>	<u>2,793,803</u>
Expenditure			
Promotional expenses		(1,944,436)	(1,670,313)
Office administration costs		(1,008,772)	(1,137,075)
		<u>(2,953,208)</u>	<u>(2,807,388)</u>
Excess/(deficit) of income over expenditure before taxation	3	82,147	(13,585)
Taxation	4	(4,330)	(8,692)
Excess/(deficit) of income over expenditure for the year transferred to/(from) reserves	9	<u>77,817</u>	<u>(22,277)</u>

There were no recognised gains or losses other than the excess of income over expenditure for the financial year. All of the above results derive from continuing activities and there were no acquisitions in the period.

Balance sheet

As at 31 March 1999

	Notes	1999 £	1998 £
Fixed assets			
Tangible assets	5	153,755	97,320
Investments	6	1	1
		<u>153,756</u>	<u>97,321</u>
Current assets			
Debtors	7	612,311	587,302
Cash at bank and in hand		375,394	503,206
		<u>987,705</u>	<u>1,090,508</u>
Creditors: amounts falling due within one year	8	<u>(607,513)</u>	<u>(731,698)</u>
Net current assets		<u>380,192</u>	<u>358,810</u>
Net assets		<u>533,948</u>	<u>456,131</u>
Reserves			
Income and expenditure account	9	496,690	418,873
Other reserves	9	37,258	37,258
		<u>533,948</u>	<u>456,131</u>

The accounts on pages 4 to 12 were approved by the Board on 28 October 1999.



Director

Notes to the accounts

1 Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Consolidation

The company and its subsidiary undertakings form a small group as defined by statute and, therefore, the company has availed itself of the exemption under Section 248 of the Companies Act 1985 not to prepare group accounts.

Constitution

The company is a company limited by guarantee, the liability of each member not exceeding £1. The company has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act 1985 and adapted the order, arrangement and headings of the Income and Expenditure account to reflect the special nature of the company's business.

Government grants

Government grants are credited to the income and expenditure account in the year in which they are receivable.

Subscription income

Subscription income is credited to the income and expenditure account in the year in which it is receivable.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Fixtures, fittings and office equipment	-	over 5 years
Computer equipment	-	over 3 years
Mobile office	-	over 3 years
Motor vehicles	-	over 3 years

Leasing commitments

Assets obtained under leases which result in the transfer to the company of substantially all the risks and rewards of ownership (finance leases) are capitalised as tangible fixed assets at the estimated present value of the underlying lease payments and are depreciated in accordance with the above policy. Obligations under such agreements are included in creditors net of finance charges allocated to future years. The finance element of the rental payments is charged to the profit and loss account over the year of the lease so as to produce a constant periodic rate of charge on the outstanding balance of the net obligation in each year.

Rentals paid under operating leases are charged against income on a straight line basis over the lease term.

Notes to the accounts (continued)

1 Accounting policies (continued)

Foreign currency transactions

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income and expenditure account.

Pension costs

The regular cost of providing retirement pensions is charged to the income and expenditure account over the employees' service lives on the basis of a constant percentage of earnings. Variations from regular cost, arising from periodic actuarial valuations, are allocated over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings. The difference between the charge to the income and expenditure account and the contributions payable to the scheme is shown as an asset or a liability in the balance sheet.

Cash flow statement

The company is exempt from the requirement of FRS 1 to include a cash flow statement as part of its accounts as it is entitled to the exemptions available in Sections 246 to 249 of the Companies Act 1985 for small reporting entities.

2 Operating income

	1999 £	1998 £
Grant from Department of Trade and Industry	1,607,626	1,415,000
Grant from the European Commission	448,808	359,766
Grant from Barnsley & Doncaster Tec Limited	6,179	-
Subscriptions from Local Authorities	283,224	283,224
Subscriptions from Business and Commercial Community	325,500	312,307
Promotional and advertising revenue	17,101	20,980
Joint ventures	198,728	306,777
	<u>2,887,166</u>	<u>2,698,054</u>

3 Excess/(deficit) of income over expenditure before taxation is stated after charging/(crediting):

	1999 £	1998 £
Directors emoluments (note 11)	90,633	158,559
Depreciation of owned assets	64,779	91,744
Auditors' remuneration (including non-audit fees)	6,850	8,200
Exchange gains	(7,072)	(4,618)
	<u></u>	<u></u>

Notes to the accounts (continued)

4 Taxation

	1999	1998
	£	£
UK current year taxation		
UK Corporation tax at 21%	<u>4,330</u>	<u>8,692</u>

5 Tangible fixed assets

	Fixtures, fittings and office equipment £	Computer equipment £	Mobile office £	Motor vehicles £	Total £
Cost					
1 April 1998	42,015	261,667	16,500	34,944	355,126
Transfer from subsidiary undertaking	24,762	98,065	-	41,292	164,119
Additions	4,297	82,461	-	-	86,758
Disposals	(1,513)	(3,810)	-	(16,000)	(21,323)
31 March 1999	<u>69,561</u>	<u>438,383</u>	<u>16,500</u>	<u>60,236</u>	<u>584,680</u>
Depreciation					
1 April 1998	22,010	195,399	16,500	23,897	257,806
Transfer from subsidiary undertaking	17,666	89,989	-	19,349	127,004
Charge for the year	9,662	47,084	-	8,033	64,779
Disposals	(884)	(3,089)	-	(14,691)	(18,664)
31 March 1999	<u>48,454</u>	<u>329,383</u>	<u>16,500</u>	<u>36,588</u>	<u>430,925</u>
Net book value					
31 March 1999	<u>21,107</u>	<u>109,000</u>	<u>-</u>	<u>23,648</u>	<u>153,755</u>
1 April 1998	<u>20,005</u>	<u>66,268</u>	<u>-</u>	<u>11,047</u>	<u>97,320</u>

6 Fixed asset investments

(1) Investment in subsidiary undertakings

Cost and net book value

1 April 1998 and 31 March 1999	Shares £
	<u>1</u>

Notes to the accounts (continued)

6 Fixed asset investments (continued)

(2) Subsidiary undertakings

Name	Principal country of operation	Country of incorporation or registration	Company holding	Nature of business
Yorkshire Development Agency Limited	Great Britain	England and Wales	100%	Dormant
Yorkshire & Humberside International Limited	Great Britain	England and Wales	**	Dormant
Yorkshire & Humberside Development International Limited	Great Britain	England and Wales	**	Dormant
Regional Supply Network - Yorkshire & Humberside Office	Great Britain	England and Wales	*	***

* The Regional Supply Network - Yorkshire & Humberside Office is a company limited by guarantee. Yorkshire and Humberside Development Agency is the sole guarantor of £1 in the event of a liquidation.

** The Yorkshire & Humberside International Limited and Yorkshire & Humberside Development International Limited are companies limited by guarantee. The Yorkshire & Humberside Development Agency is the sole guarantor of £1 in the event of a liquidation.

*** To help purchasers find the most competitive source of supply and to provide opportunities for competitive suppliers whilst encouraging best practice.

On 30 November 1998 the assets and liabilities of the company were transferred to the Yorkshire and Humberside Development Agency. The company is to be retained by the Yorkshire and Humberside Development Agency as a dormant subsidiary undertaking.

(3) Financial information relating to subsidiaries

	Capital and reserves £	(Deficit) for the period £
Yorkshire Development Agency Limited	1	-
Regional Supply Network - Yorkshire and Humberside Office	48,438	(30,334)

Notes to the accounts (continued)

7 Debtors

	1999 £	1998 £
Trade debtors	107,395	83,942
Amount due from subsidiary undertaking	-	117,978
Other debtors	61,022	58,395
Prepayments and accrued income	443,894	326,987
	<u>612,311</u>	<u>587,302</u>

8 Creditors: amounts falling due within one year

Trade creditors	141,089	162,179
Amounts due to subsidiary undertaking	48,438	-
Other taxation and social security costs	-	4,500
Corporation tax	6,085	8,692
Other creditors	99,066	152,328
Accruals and deferred income	312,835	403,999
	<u>607,513</u>	<u>731,698</u>

9 Reserves

	Income and expenditure account £	Other reserves £	Total £
1 April 1998	418,873	37,258	456,131
Surplus of income over expenditure for the year	77,817	-	77,817
31 March 1999	<u>496,690</u>	<u>37,258</u>	<u>533,948</u>

Other reserves represent the excess of the fair value of the net assets acquired from the Yorkshire and Humberside Development Association on 1 August 1992 over their cost to the company.

Notes to the accounts (continued)

10 Employees

The average monthly number of persons employed by the company during the year was:

	1999 Number	1998 Number
United Kingdom	53	42
USA	5	3
Japan	2	1
Taiwan	2	1
	<u>62</u>	<u>47</u>

Their aggregate remuneration comprised:

	£	£
Wages and salaries	1,091,035	969,389
Social security costs	74,677	70,308
Other pension costs	30,711	33,185
	<u>1,196,423</u>	<u>1,072,882</u>

Certain of the company's employees are members of the West Yorkshire Superannuation Fund (the 'Fund'), a defined benefit pension scheme operated on behalf of a number of separate organisations. The assets of the West Yorkshire Superannuation Fund are held in separate trustee administered funds.

An actuarial valuation of the Fund was carried out as at 31 March 1998. Based on the results of that valuation the Fund's actuaries have advised that the cost of pensions to be charged to the company's income and expenditure account should be 7% of pensionable remuneration per annum. This pensions cost has been determined after allowing for the amortisation of the surplus over the average remaining service lives of the current members of the Fund.

In determining this pensions cost, the most significant assumptions are the differentials between the assumed rate of return from investments and the assumed rates of increase in salaries and pensions. The assumptions used are that the investment return will be 2.5% higher than the rate of annual salary increase and 4.5% higher than the rate at which present and future pensions will increase. The pensions cost was determined using the projected unit method of funding.

There were no contributions outstanding to the scheme at 31 March 1999 (31 March 1998: £nil).

Notes to the accounts (continued)

11 Directors

Emoluments

The emoluments of directors of the company were:

	1999 £	1998 £
Emoluments	86,409	122,578
Pension contributions	4,224	6,437
	<u>90,633</u>	<u>129,015</u>
Compensation for loss of office	-	29,544
	<u>90,633</u>	<u>158,559</u>

Pensions

The number of directors who were members of pension schemes was as follows:

	Number	Number
Defined benefit schemes	<u>1</u>	<u>2</u>

12 Financial commitments

At 31 March 1999 the company had annual commitments under non-cancellable operating leases as follows:

Expiry date	Land and buildings		Other operating leases	
	1999 £	1998 £	1999 £	1998 £
Between two and five years	-	-	47,485	12,718
Over five years	95,184	95,184	-	-
	<u>95,184</u>	<u>95,184</u>	<u>47,485</u>	<u>12,718</u>

13 Going concern and post balance sheet event

On 14 December 1998 a new body, Yorkshire Forward, was established under the provisions of the Regional Development Agencies Act 1998. The assets and liabilities of the Yorkshire and Humberside Development Agency were transferred to Yorkshire Forward on 1 April 1999. Assets were transferred at book value and all the liabilities were taken over. Therefore the accounts do not include any provisions to write down assets to their recoverable value.

14 Related party transactions

At 31 March 1999, an amount of £48,438 was due to the Regional Supply Network - Yorkshire and Humberside Office.