

# **The Humber Economic Partnership Limited**

## **Report and Financial Statements**

31 March 2011

TUESDAY



\*A11QB95M\*

A55

31/01/2012

#28

COMPANIES HOUSE

---

## The Humber Economic Partnership Limited

---

### **Directors at 31 March 2011**

R Brough  
M Foers  
M Kirk  
E R C Lewis  
T Martin  
S Pamaby  
P Sewell  
C Minns  
G Lowis  
C Thomsett  
S Hudson  
A Brooke  
J Fitzgerald  
C Pistorius

### **Secretary**

N Pearson

### **Auditors**

Ernst & Young LLP  
PO Box 3  
Lowgate House  
Lowgate  
Hull  
HU1 1JJ

### **Bankers**

National Westminster Bank PLC  
PO Box 944  
34 King Edward Street  
Hull  
HU1 3YN

### **Registered Office**

21 Marina Court  
Castle Street  
Hull  
HU1 1TJ

## Directors' report (continued)

The directors present their report and the audited financial statements for the year ended 31 March 2011

### Results and dividends

The surplus position on the income and expenditure account of £332,690 (2010 – £172,729) is due to reduced past service costs from the pension fund. This is due to the Government's decision in June 2010 to rebase pension increases on the consumer price index rather than retail price index reducing the liability for future pensions. In accordance with the company's Memorandum of Association, no dividend payment can be made.

### Principal activities

In light of the rapidly changing environment, particularly the Government's announcement to abolish Yorkshire Forward, changes to the regional structures and the abolition of the Regional Spatial Strategy and significant budget reductions due to the Comprehensive Spending Review the Board agreed that the company cease operations from 31 March 2011.

The Board undertook a review of key risks and potential liabilities arising from the decision to close the company. The main issue being the potential liabilities arising from the company's Admitted Body status as a member of the Local Government Pension Scheme. A cessation report was commissioned from the Actuary which identified that no cessation payment was required.

The aim of the company was to act as an exclusive body in relation to the economic promotion of the Humber estuary and its area of economic influence, and as a consultative and advisory forum to local authorities and other partner organisations on strategic planning, strategic transportation and economic development and promotion. Funds were raised from local councils involved with the company to provide afore mentioned services and through other contractual arrangements (e.g. Yorkshire Forward, the regional development agency and the European Commission in Brussels), where these additional services complemented and contributed to the company's aim and purpose.

The purpose of the Humber Economic Partnership was to provide leadership to enable the realisation of sustainable economic development for the Hull and Humber Ports City Region area, concerning itself with those issues that were best tackled at a city region level, adding value to and providing appropriate co-ordination to existing activities of the four individual local authorities and other partners.

### Review of the business

There were no additions to, or resignations from the Board of Directors during the year, and the structure of the company's Council of Members remained mostly unchanged from the previous year end. There were 77 Members registered as at 31 March 2011, the private sector making up 45% of that total.

Members were invited to participate in a range of meetings, events and consultation exercises and also received HEP publications including the Annual Review and a number of economic, marketing and intelligence publications. All of these, and a wide range of other information, was also made available on the company's website. The structure of the Executive experienced a minor change, still totalling seven people, but with one member undertaking the second year of a two-year secondment to the Department of Communities and Local Government, London, and one member undertaking a three-month secondment from January 2011 to the Hull Children's University.

The company's activity in 2010-11 was directed by a set of seven 'Key Challenges' for the year, agreed at the AGM in December 2009. These were influenced by the conclusions of the successful three-year review of the performance of the company, undertaken in spring 2009, and the Development Panel (peer review) exercise, undertaken in September 2009. Progress on the Key Challenges was reported to Directors on an exception basis throughout 2010-11.

During 2010-11 the company benefited from a full level of core funding from the Humber Unitary Local Authorities and project funding from Yorkshire Forward, Yorkshire Futures, the Regional Improvement

## Directors' report (continued)

and Efficiency Partnership, in addition to in-kind support from a number of private sector partners. Consequently at the year-end the annual accounts showed an operating surplus of £332,690 before taxation.

In 2010-11 the company invested £587,607 of partnership funding in delivering its activities, including £105,218 of single pot funding from Yorkshire Forward and secured £84,500 of funding from the Regional Improvement and Efficiency Partnership for the period July 2009 to March 2011. This facilitated partnership activity that resulted in, inter alia, external projects including Humber Business Week 2010 and Business Education Day 2010, and a number of research publications including the Hull & Humber Ports City Region Relationships Study, the Hull & Humber Ports City Region Strategic Economic Assessment, the Hull & Humber Ports City Region Spatial Planning Assessment, the Humber Sub Region Water Cycle Scoping Study and Progress in the Humber 2010 triennial review. The funding also supported the development of the Integrated City Region Strategy and Local Economic Assessments.

The arrival of the new Coalition Government in May 2010 heralded a raft of major policy and funding changes to the world of economic development, ultimately resulting in the company ceasing operations in March 2011. However, up until that point a major focus of the company's activity continued to be helping to strategically shape the national economic development policy agenda. In 2010/11 this included coordinating and submitting agreed, sub regional, responses to two national and three regional policy consultations. The company also continued as the sub regional representative on the Northern Way City Regions Forum, Northern Way Research Forum, Y&H City Regions Network, Y&H ERDF Programme Management Board (PMB), Y&H ESF Regional Committee, Regional Transnational European Funding Group, Regional Rural Affairs Forum (RAF), Regional Business Support Partnership (BSP), Regional Work & Skills Partnership (RWSP) Board Officer Group, Yorkshire Futures Steering Group, plus sub-groups for the Regional Econometric Model and Acxiom Lifestyle Database, World Trade Centre Hull & Humber Partnership Board and the Humber Education Business Partnership (EBP) Board, in each instance ensuring that the sub region plays a full part in regional affairs. Additionally the company is invited from time to time to represent the sub region on various regional project management groups, in 2010/11 these included the Y&H Regional Improvement and Efficiency Partnership (RIEP) Economic Growth Strand Group, Y&H Sub National Review Officer Working Group, the Y&H Integrated Regional Strategy (IRS) Coordination Group and the Yorkshire Forward and City Regions Transition Group.

In previous years the company's Executive established Hull & Humber Ports city region Boards for Employment, Enterprise & Skills (renamed in 2010 as Humber Compass), Transport, Planning and Housing, and a number of officer groups to support these. The Housing Board was an evolution of the existing Humber Housing Partnership Executive, which was, and remains, supported by a Humber Housing Partnership Action Group. These arrangements were viewed by Yorkshire Forward and Local Government Yorkshire & Humber as regional best practice, and up until March 2011 the Boards undertook various activities including consultation responses, input to the Regional Funding Advice 2008 (RFA 2) exercise and 2009 review, and advocacy work. The Executive's continued to provide policy support to all Boards and secretariat support to Humber Compass and the Transport and Planning Boards. At each of its meetings the company's Board of Directors considered a resumé of activity for each of the Boards, prepared by the Executive, this was presented in the form of a summary of decisions made, compared to the objectives of each Board, as noted in its Terms of Reference and served as a form of performance management. The same paper was copied to each of the thematic Boards, enabling them to keep updated with each others' activities.

The Directors also previously agreed that the company would lead on the re-refresh of the City Region Development Programme 2006 and its evolution into an Integrated City Region Strategy (ICRS). The new document would have an advocacy purpose for the Hull and Humber Ports City Region and aim to have a greater influence at the regional and national level, setting out the overarching strategic framework for sustainable economic growth in the area, informed and shaped by region, sub-regional and local partners.

A review of the city region's challenges and issues was undertaken by the ICRS Policy Working Group, led by the company's Executive, and used the latest available evidence. This exercise provided an insight

## Directors' report (continued)

into the gaps that existed in the evidence base, at local and city regional levels. A budget for supporting the Local Authority-led Local Economic Assessments was established following a successful bid by the company to the Regional Improvement and Efficiency Partnership (RIEP) and this was used throughout 2010/11 to fill the gaps in the evidence identified by the review. The new research was also used to deepen the breadth of intelligence available to local authorities.

The company continued to enjoy recognition as the leading and respected authority in the area for research, intelligence and evidence, securing in excess of £250,000 from Yorkshire Futures, the regional intelligence network, including almost £63,673 for the three-year period from April 2008 to March 2011 (£21,218 in 2010-11) to provide a research and intelligence service. The company published in spring 2010 the well-respected Progress in the Hull & Humber Ports City Region 2010 and the City Region's first Strategic Sub-regional Economic Assessment. Other intelligence services provided in 2010/11 included the monthly electronic Market Intelligence Bulletin and Humber Intelligence Updates, the printed quarterly Economic Bulletin and the bi-monthly electronic Humber Economic Monitor.

The company held at least one event each year for its Members. In June 2010 "The Humber's Economy – The Shape We're In" was attended by over 130 delegates and the keynote speaker was Nick Parsons, Head of Research, UK & Europe with the National Australia Bank (Yorkshire & Clydesbank Banks) and a member of the Sky TV Money Panel. This was followed by a lively debate with a business panel comprising of Nick Parsons, Julian Wild, Partner at Rollits, Richard Brough, Managing Director of Jenkins Port and Shipping Services and Carolyn Burgess, Chair of Language is Everything. In February 2011 over 30 people including Members also attended the company AGM.

The company contracted with Yorkshire Forward to coordinate Humber Business Week 2010, making it for the third year running a successful pan-Humber initiative. Over the week 34 events took place, with an estimated 15,000 delegates participating in the various events. These included Business Education Day, which the company also contracted with Yorkshire Forward to manage, and which involved 16 secondary schools and 30 invited guests. The culmination of Humber Business Week 2010 was provided by the Yorkshire International Business Convention (YIBC) in Bridlington. The company continued to sponsor Humber YIBC, having been a founder sponsor. There were over 650 delegates at the June 2010 Convention including, as guests of the Executive, a number of company members from both banks of the Humber along with local, senior guests from the wider business community.

In September 2009 the company's Executive successfully bid to hold the UK Economic Development Conference 2010 (the Institute of Economic Development (IED)'s annual conference) in Hull. The conference was held on 6<sup>th</sup> and 7<sup>th</sup> October 2010 at the Royal Hotel in Hull, and included field trips to all parts of the Hull and the Humber Ports City Region. The conference was the second highest attended in the IED's 26-year history of holding conferences and brought over 120 industry professionals from across the UK to the area, providing an excellent showcasing opportunity. This was in large part due to the development and promotional activities of the company's Executive.

### Principal risks and uncertainties

The company's operations exposed it to a variety of environmental legislation and financial risks that include credit risk, liquidity risk and interest rate risk. The company had in place a risk management programme that sought to limit adverse effects on the financial performance of the company.

Given the size of the company, the directors did not delegate the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board were implemented by the company's management.

### Environmental legislation

The company was subject to environmental laws and regulations. We have incurred costs to comply with environmental legislation.

## **Directors' report (continued)**

### **Price risk**

The company was exposed to price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to price risk exceeded any potential benefits.

### **Liquidity risk**

The company retained sufficient cash.

### **Interest rate cash flow risk**

The company had interest bearing assets, which include only cash balances earning interest at a floating rate. The company did not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

### **Going concern**

In light of the rapidly changing environment, particularly the Government's announcement to abolish Yorkshire Forward, changes to the regional structures and the abolition of the Regional Spatial Strategy and significant budget reductions due to the Comprehensive Spending Review the Board agreed that the company cease operations from 31 March 2011.

The Board undertook a review of key risks and potential liabilities arising from the decision to close the company. The main issue being the potential liabilities arising from the company's Admitted Body status as a member of the Local Government Pension Scheme. A cessation report was commissioned from the Actuary which identified that no cessation payment was required.

Once all closure issues have been resolved the distribution of any residual funds will be made according to an agreed formula to the local authorities of East Riding of Yorkshire Council, Kingston Upon Hull City Council, North East Lincolnshire Council and North Lincolnshire Council.

As the company has sufficient cash to settle all closure obligations, the accounts have been prepared on a going concern basis. The company will remain active until all liabilities have been settled and the residual funds distributed.

### **Directors**

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

R Brough  
M Foers  
M Kirk  
E R C Lewis  
T Martin  
S Parnaby  
P Sewell  
C Minns  
G Lewis  
C Thomsett  
S Hudson  
A Brooke  
J Fitzgerald  
C Pistorius

All directors are guarantors of the company.

## Directors' report (continued)

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

Ernst & Young LLP have expressed their willingness to continue in office as the Company's auditors.

### Special provisions relating to small companies

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board



Nigel Pearson  
Secretary

27 January 2012

## Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements 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 that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## **Independent auditors' report**

### **to the members of The Humber Economic Partnership Limited**

We have audited the financial statements of The Humber Economic Partnership Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its surplus for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

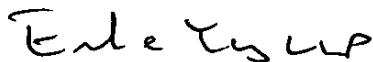
## **Independent auditors' report**

**to the members of The Humber Economic Partnership Limited**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Richard Frostick (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

Hull

27 January 2012

## Income and expenditure account

for the year ended 31 March 2011

	Notes	2011 £	2010 £
<b>Operating income</b>	2	588,398	695,814
Operating costs		(273,011)	(517,299)
<b>Operating surplus</b>	3	315,387	178,515
Interest receivable		384	271
Other finance costs	5	17,000	(6,000)
<b>Surplus on ordinary activities before taxation</b>		332,771	172,786
Taxation	6	(81)	(57)
<b>Surplus retained for the financial year attributable to members</b>	10	332,690	172,729

All amounts relate to discontinued activities

## Statement of total recognised gains and losses

for the year ended 31 March 2011

	2011 £	2010 £
Surplus for the financial year	332,690	172,729
Actuarial gains/(losses) recognised in the pension scheme	112,000	(461,000)
<b>Total recognised gains and losses relating to the year</b>	<b>444,690</b>	<b>(288,271)</b>

# The Humber Economic Partnership Limited

## Balance sheet

at 31 March 2011

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Tangible assets	7	–	11,519
<b>Current assets</b>			
Debtors	8	59,716	34,910
Cash at bank and in hand		572,994	640,111
		632,710	675,021
<b>Creditors amounts falling due within one year</b>	9	(183,119)	(221,639)
<b>Net current assets</b>		449,591	453,382
<b>Total assets less current liabilities excluding pension liability</b>		449,591	464,901
Pension asset / (liability)	12	–	(460,000)
<b>Total assets less current liabilities including pension liability</b>		449,591	4,901
<b>Reserves</b>			
Income and expenditure account	10	449,591	4,901

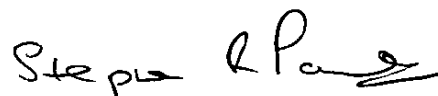
The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities

Approved by the Board on 27 January 2012

E R C Lewis  
Director



S R Parnaby  
Director



## Notes to the financial statements

at 31 March 2011

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities

#### *Going Concern*

The company faced significant challenges ahead as a result of directives from Government in respect of the abolition of Regional Development Agencies and the proposals to establish Local Enterprise Partnerships. In addition, other significant public expenditure reductions announced in the Comprehensive Spending Review in October 2010 affected all local authorities who funded The Humber Economic Partnership Limited. A review of the future operations and funding of The Humber Economic Partnership was undertaken including all options available to the company. The funders of the Humber Economic Partnership have indicated that there will be no new funding beyond 31<sup>st</sup> March 2011.

At the Board meeting on 15<sup>th</sup> November 2010, the Directors therefore resolved that the company cease operations on 31<sup>st</sup> March 2011. The company had sufficient funds to discharge all of its liabilities past 31 March 2011. As the company has sufficient funds to settle all its liabilities, the accounts have been prepared on a going concern basis.

#### *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 relevant assets by equal annual instalments. Grants of a revenue nature are credited so as to match them with the expenditure to which they relate.

#### *Depreciation*

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its useful economic life, as follows:

Computer equipment	3 years
Furniture and fittings	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 profit/loss 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 account purposes. Deferred tax is recognised when required in respect of all timing differences that have originated but not reversed at the balance sheet date.

#### *Foreign currencies*

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction.

Balances at the year end denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date.

#### *Pensions*

The company participates in the Local Government Superannuation Scheme. Contributions are made to a separately administrated fund. Pension scheme assets are measured at fair value and scheme liabilities are measured on an actuarial basis using the projected unit method and discounted at an interest rate equivalent to the current rate of return on a high quality corporate bond.

The service cost of providing pension and other post-retirement benefits to employees for the year is

## Notes to the financial statements

at 31 March 2011

charged to the operating profit or loss in the year. The full cost of providing amendments to benefits in respect of past service is also charged to the operating surplus or deficit in the year.

The expected return on defined benefit pension scheme assets based on the market value scheme assets at the start of the financial year is included within other finance costs. This also includes a charge representing the expected increase in liabilities of the scheme during the year, arising from the liabilities being one year closer to payment. Differences between actual and expected returns on assets during the year are recognised in the statement or recognised gains and losses in the year, together with differences from changes in assumptions. The net surplus or deficit on defined benefit schemes is reported on the balance sheet within the person liability.

### 2. Operating income

Operating income represents the amount of subscriptions, contributions and fees receivable, exclusive of VAT, during the year in relation to the company's principal activity.

### 3. Operating gain

This is stated after charging/(crediting)

	2011	2010
	£	£
Auditors' remuneration	10,000	5,000
Receipt of other grant income	(588,398)	(695,814)
Depreciation	7,760	6,832
Difference on foreign exchange	57	(78,488)
	<u>          </u>	<u>          </u>

### 4. Staff costs

	2011	2010
	£	£
Wages and salaries	238,083	157,856
Social security costs	16,224	15,878
Pensions	(331,001)	46,482
	<u>          </u>	<u>          </u>
	(76,694)	220,216
	<u>          </u>	<u>          </u>

Directors' emoluments for the year were £6,147 (2010 – £6,147)

The average number of persons employed by the company during the year was as follows

	2011	2010
	No	No
Management	1	1
Administration	2	2
Operations	5	5
	<u>          </u>	<u>          </u>
	8	8
	<u>          </u>	<u>          </u>

## Notes to the financial statements

at 31 March 2011

### 5. Other finance costs

	2011 £	2010 £
Expected return on pension scheme assets	119,000	74,000
Interest on pension scheme liability	(102,000)	(80,000)
	<u>17,000</u>	<u>(6,000)</u>

### 6 Tax

(a) Tax on surplus on ordinary activities

The tax charge is made up as follows

	2011 £	2010 £
<i>Current tax</i>		
UK corporation tax	81	57
Adjustment in respect of previous period	—	—
Total current tax (note 6(b))	<u>81</u>	<u>57</u>

(b) Factors affecting current tax charge

The differences are reconciled below

	2011 £	2010 £
Surplus on ordinary activities before taxation	332,771	172,786
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2010 – 21%)	<u>69,882</u>	<u>36,285</u>
<i>Effects of</i>		
Net income not chargeable to tax	(69,801)	(36,228)
Total current tax allowable/charge (note 6(a))	<u>81</u>	<u>57</u>

## Notes to the financial statements

at 31 March 2011

### 7. Tangible fixed assets

	<i>Computer equipment</i> £	<i>Furniture and fittings</i> £	<i>Total</i> £
Cost			
At 1 April 2010	60,485	40,277	100,762
Disposals	667	3,092	3,759
At 31 March 2011	59,818	37,185	97,003
Depreciation			
At 1 April 2010	55,624	33,619	89,243
Charge for year	4,194	3,566	7,760
At 31 March 2011	59,818	37,185	97,003
Net book value			
At 31 March 2011	—	—	—
At 1 April 2010	4,861	6,658	11,519

### 8. Debtors

	<i>2011</i> £	<i>2010</i> £
Other debtors	52,485	10,186
Prepayments and accrued income	7,231	24,724
	59,716	34,910

### 9. Creditors: amounts falling due within one year

	<i>2011</i> £	<i>2010</i> £
Corporation tax	81	57
Other taxes	207	10,527
Other creditors	106,442	62,557
Accruals	76,389	148,498
	183,119	221,639



## Notes to the financial statements

at 31 March 2011

### 10. Reserves

	2011	2010
	£	£
At 1 April	4,901	293,172
Gain for the year	332,690	172,729
Actuarial gains / (losses) recognised in the pension scheme	112,000	(461,000)
At 31 March	449,591	4,901

### 11. 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 with each member undertaking to contribute such amounts as may be required to the assets of the company. On the winding up of the company each member is liable whilst a member, and for up to twelve months after ceasing to be a member, for the payment of the debts and liabilities of the company contracted before they ceased to be a member. As at 31 March 2011 there were 77 full members upon whom calls can be made, each member being liable whilst a member and for up to 12 months after ceasing to be a member (2010 – 87).

### 12. Pension commitments

#### SSAP 24 disclosures

The company is a member of the multi-employer local government pensions scheme, East Riding pension Fund, operated by the East Riding of Yorkshire Council. The scheme is funded defined benefit scheme and the pension cost and provision are assessed in accordance with the advice of a professionally qualified actuary. The results of the most recent actuarial valuation of the scheme, as at 31 March 2007, are contained in the East Riding of Yorkshire Council financial statements.

The pension cost charged to the company for the year amounted to £84,676 (2010 – £46,482).

#### FRS 17 disclosures

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation at 31 March 2007 and updated by Hymans Robertson to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 March 2011, 31 March 2010 and 31 March 2009. Scheme assets are stated at their market values at the respective balance sheet dates.

	2011	2010
	%	%
<b>Main assumptions</b>		
Rate of salary increase	5.1	5.3
Rate of increase in pensions in payment	2.8	3.8
Discount rate	5.5	5.5
Inflation assumption	2.8	3.8
Mortality		
Current Pensioners at 65 – male	22.9	22.7
Current Pensioners at 65 – female	25.7	22.7
Future Pensioners at 65 – male	24.9	24.8
Future Pensioners at 65 – female	27.7	28.3

## Notes to the financial statements

at 31 March 2011

### 12. Pension commitments (continued)

*Assets – company share*

	2011		2010	
	Expected		Expected	
	long-term		long-term	
	rate of return		rate of return	
	Value		Value	
	%	£000	%	£000
Equities	7.5	1,375	7.8	1,302
Bonds	4.9	176	5.0	161
Property	5.5	88	5.8	64
Cash	4.6	123	4.8	80
Total market value of assets		1,762		1,607

*Net pension assets / (liabilities) – company share*

	2011	2010
	£000	£000
Estimated company share of assets	1,762	1,607
Present value of scheme liabilities	(1,421)	(2,067)
Net pension surplus / (liability)	341	(460)
Restriction of pension asset recognition	(341)	–
Net pension surplus / (liability) recognised	–	(460)

## Notes to the financial statements

at 31 March 2011

### 12. Pension commitments (continued)

#### *Analysis of the defined benefit cost*

	2011 £000	2010 £000
Current service cost	(40)	(14)
Past service gain	281	–
Total operating charge	241	(14)
Expected return on company's share of pension scheme assets	119	74
Interest on company's share of pension scheme liabilities	(102)	(80)
Total other finance income	17	(6)
Actuarial (loss) / gain on fair value of employer assets	(24)	371
Actuarial gain / (loss) on defined benefit obligation	477	(832)
Restriction of pension asset recognition	(341)	–
Actuarial gain / (loss) recognised in the statement of total recognised gains and losses	112	(461)

#### *Analysis of movement in surplus/(deficit) during the year*

	2011 £000	2010 £000
(Deficit) at 1 April	(460)	(41)
Change in accounting standard	–	–
Total operating charge	241	(14)
Total other finance income	17	(6)
Actuarial gains / (losses)	453	(461)
Employer contributions	90	62
Past service costs	–	–
Losses on curtailments	–	–
Gain / (deficit) at 31 March	341	(460)
Restriction of pension asset recognition	(341)	–
Gain / (deficit) at 31 March	–	(460)

## Notes to the financial statements

at 31 March 2011

### 12. Pension commitments (continued)

#### *Changes in the fair value of plan assets*

	<i>2011</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Fair value of employer assets	1,762	1,607	1,126	1,441	1,189
Present value of defined benefit obligation	(1,421)	(2,067)	(1,167)	(1,149)	(1,021)
Surplus / (deficit)	341	(460)	(41)	292	168
Experience gains / (losses) on assets	(24)	371	(461)	112	8
Experience gains / (losses) on liabilities	225	–	–	(38)	–

The actuarial valuation at 31 March 2011 has taken account of the change for future public sector pension increases from 6 April 2011 to the consumer prices index. This creates a past service gain of £281,000 which has been recognised in the current year's profit and loss account, staff costs, with the closure of the company's activities future pension obligations transferring to the four unitary authorities. A cessation valuation report was completed at June 2011 which recommended a cessation payment of £nil from the company.

## Notes to the financial statements

at 31 March 2011

### 13. Related party transactions

Throughout the year Directors G Lewis, C Minns, S Parnaby and M Kirk were councillors for North East Lincolnshire Council, Kingston Upon Hull City Council, East Riding of Yorkshire Council and North Lincolnshire Council respectively. During the year the company received the following core funding from the Councils

	2011 £	2010 £
North East Lincolnshire Council	99,382	95,468
Kingston upon Hull City Council	127,168	122,159
East Riding of Yorkshire Council	156,342	150,185
North Lincolnshire Council	99,498	95,579

In addition the company purchased services from each of the councils amounting to

	2011 £	2010 £
North East Lincolnshire Council	8,333	160
Kingston upon Hull City Council	7,333	7,011
East Riding of Yorkshire Council	860	671
North Lincolnshire Council	760	4,516

During the year S Parnaby was a Director of Arvato Government Services. The company purchased services from Arvato Government Services amounting to £7,679 (2010 – £14,491). Amounts owed to Arvato Government Services at the year end were £592 (2010 – £592).

During the year P Sewell was a Director of Hull & Humber Chamber of Commerce. The company purchased services from Hull & Humber Chamber of Commerce amounting to £190 (2010 – £740). Amounts owed to Hull & Humber Chamber of Commerce at the year end were £nil (2010 – £nil).

During the year C Pistorius was Vice Chancellor of the University of Hull. The company purchased services from the University of Hull amounting to £454 (2010 – £740). Amounts owed to the University of Hull at the year end were £nil (2010 – £nil).