

REGISTRAR

Registered No 2784165

# **The Humber Economic Partnership Limited**

## **Report and Financial Statements**

31 March 2009

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COMPANIES HOUSE

# The Humber Economic Partnership Limited

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Registered No: 2784165

## **Directors**

R Brough  
M Foers  
M Kirk  
E R C Lewis  
T Martin  
S Parnaby  
P Sewell  
C Minns  
G Lowis  
S Taylor  
C Thomsett  
S Hudson  
A Brooke  
J Fitzgerald  
C Pistorius (appointed 21 September 2009)  
D Drewry

## **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

The directors present their report and the audited financial statements for the year ended 31 March 2009.

### Principal activities and review of business developments

The aim of the company is 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 are 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 complement and contribute to the company's aim and purpose.

The purpose of the Humber Economic Partnership is 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 are 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.

### Summary review of business 2008/2009 (from the Executive Manager)

Additions to the Board of Directors during the year comprised, Simon Taylor, Stephen Hudson and Carol Thomsett who were all appointed as Directors on 12 May 2008 and also John Fitzgerald and Alan Brookes who were appointed as Directors on 15 September 2008. Since the year end, David Drewry retired on 31 August 2009 after 8 years of valued board membership, and Calie Pistorius was appointed as a Director on 21 September 2009.

The company's Council of Members experienced a slight turnover during the year, after which there were 87 Members registered as at 31 March 2009; the private sector making up 41% of that total. Members were invited to participate in a range of meetings, events and consultation exercises and also received HEP publications including the InFocus newsletter, Annual Report and a number of economic and intelligence publications. All of these, and a wide range of other information, was also made available on the company's website. The Executive totalled eight people by the end of the year from the previous year-end total of nine. This was due to the retirement of the Project Director in March 2008.

The medium term-certainty resulting from the signing in 2007 of a five-year Funding Agreement, covering 2006 to 2011, between the Humber Unitary Local Authorities and the company continues to have a very stabilising effect on both the company's Executive and its relationship with key partners. The Agreement ties in its signatories to the delivery of a sequence of three-year Strategic Plans, including their strategic outcomes and operational objectives, whilst guaranteeing to make available sufficient core financial resources to enable this to happen. The first medium-term Strategic Plan (2006 to March 2009) was delivered through the year via a second annual Operating Plan (April 2008 to March 2009) with progress reported to Directors on an exception basis. The strategic outcomes in the Strategic Plan are mainly of an on-going nature, and the second Operating Plan (2008/2009) contains for the first time key-performance indicators (KPIs). In March 2009, in line with the requirements of the Funding Agreement, the North East Lincolnshire Council Chief Executive commenced, on behalf of the four Humber Unitary Local Authorities, a three-year review of the performance of the company, covering: maintaining its purpose; meeting its aims and objectives; effectively managing its financial plan. This review was reported to Directors in May 2009.

During 2008/2009 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 and Efficiency Partnership, in addition to in-kind support from a number of private sector partners. At the year-end the annual accounts showed an operating deficit of £47,066 before taxation.

## Directors' report (continued)

### Summary review of business 2008/2009 (from the Executive Manager) (continued)

In 2008/2009 the company invested £647,000 of partnership funding in delivering its activities, including £151,000 of single pot funding from Yorkshire Forward and £45,000 of funding from the Regional Improvement and Efficiency Partnership. This facilitated partnership activity that resulted in, inter alia, a number of external projects including Northern Maritime Corridor, Humber Business Week 2008, Business Education Day 2008, Progress in the Humber and development of a Multi Area Agreement for Employment, Enterprise and Skills.

Much of the company's activity is concerned with helping to strategically shape the national economic development policy agenda. In 2008/2009 this included coordinating and submitting agreed, sub regional, responses to two national policy consultations. The company is 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 Interreg Group (RIG), Regional Rural Affairs Forum (RAF), Regional Business Support Partnership (BSP), Yorkshire Futures Steering Group, plus sub-groups for the Regional Econometric Model and Acxiom Lifestyle Database, World Trade Centre Hull & Humber Partnership Board, the Humber Education Business Partnership (EBP) Board and the Yorkshire & Humber East Lifelong Learning Network (YHELLN) Steering Group, 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 2008/2009 these included the Y&H Regional Funding Advice Coordinating Group.

On a regional and sub regional level, following directors' agreement of new strategic governance arrangements and strategic architecture for the Humber's sustainable economic development activity, the company and its partners established three thematic Boards for Planning, Transport, and Enterprise, Employment and Skills, all of which now meet quarterly. Additionally, partners agreed for the existing Humber Housing Partnership Executive to take on the additional role and designation of the Humber Housing Board, thereby becoming the sub region's fourth thematic Board; these arrangements are viewed by Yorkshire Forward and Local Government Yorkshire & Humber as regional best practice. Coordination between the Boards is managed by the company, which also provides policy support to all four Boards and secretariat support to the former three.

Utilising the new governance arrangements the company co-ordinated sub regional partners' efforts on developing proposals for a Multi Area Agreement (MAA) in the field of employment, enterprise and skills. Subsequently the MAA was not pursued but the development work was mainstreamed into the work of the Employment, Enterprise & Skills Board.

Following in late 2007 the company taking on the coordination and servicing of the Hull and Humber Ports City Region Development Programme (CRDP) Policy Working Group, during 2008/2009 the company led on the re-fresh of the CRDP and its evolution into an Integrated City Region Strategy (ICRS). Following an exploratory meeting in May 2008 a stakeholder workshop was held in July, resulting in an ICRS Project Plan and this developed through the year in response to emerging regional and national guidance on the new Integrated Regional Strategies, which the ICRS is being designed to influence. The first major stage of the ICRS evidence base, Progress in the Hull & Humber Ports City Region 2009, was completed by the company in March 2009.

During the year the company's Executive was a member of the Hull Employment Land Review Group, which forms part of the Hull Local Development Framework. Consultants, ARUP, were commissioned in late 2007 to assist with the development of a strategy for bringing forward employment land in Hull. East Riding of Yorkshire Council is also represented on the group given the clear linkages on this issue between the neighbouring authorities.

## Directors' report (continued)

### Summary review of business 2008/2009 (from the Executive Manager) (continued)

Through 2008/2009 the company was involved in the development of the Learning & Skills Council Humberside led Humber Skills Action Plan. The Plan has four priorities: Employer Engagement and effective and responsive provision; Improve basic skills; Higher level skills and graduate retention; Support key sectors and enterprise.

Providing the UK and international face of the Humber through agreed, external and targeted City Region activities is a key area of partnership working. For the past two years the focus has been on establishing the new World Trade Centre Hull & Humber (WTCHH) as a City Regional asset and as one of the key delivery mechanism for Humber trade and investment activities in the CRDP's priority product sectors. The Company's Executive and all other members of the HEP Strategy Team are represented on the WTCHH Partnership Board which oversees the development and operation of the WTCHH. Marketing focus also included maximising the Clipper project and Transnational European links.

The company has established itself 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 current three-year period from April 2009 to March 2011 (including £20,000 in 2008/2009) to produce a research and intelligence service. The company published in March 2009 the well-respected Progress in the Hull & Humber Ports City Region 2009. Other intelligence services provided in 2008/2009 included the monthly electronic Market Intelligence Bulletin and Intelligence Updates, the printed, quarterly Economic Bulletin and the printed, annual Humber Ports update booklet.

The company holds two events each year for its Members and both events in 2008/2009 were popular successes. In June 2008 "It's The Economy, Stupid" was attended by around 90 delegates and the keynote speaker was Professor Peter Spencer, University of York, and Economic Adviser to the Ernst and Young ITEM Club. In November 2008 around 50 people including Members attended an event which was coupled with the company AGM and the keynote speaker was Simon Hill, Director - Business, Yorkshire Forward, who discussed business support available in the Humber. This was followed by an interactive panel discussion involving the company's Executive Manager, Yorkshire Forward's Director - Business, Yorkshire Forward's Assistant Director - Humber; the Chief Executive of Language is Everything and the Pro-Vice Chancellor (Research and Enterprise), University of Hull.

The company contracted with Yorkshire Forward to coordinate Humber Business Week 2008, making it for the first time a pan-Humber, rather than just north bank, initiative. Over the week 20 events took place, with over 50 speakers, and an estimated 1,000 businesses were involved, with around 6,000 delegates attending the various events. These included Business Education Day, which the company also contracted with Yorkshire Forward to manage, and which involved 15 secondary schools and 30 invited guests. The culmination of Humber Business Week 2008 was provided by the Humber version of the Yorkshire International Business Convention (YIBC). The company continues to sponsor YIBC, having been a founder sponsor. There were over 700 delegates at the June 2008 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.

### Principal risks and uncertainties

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

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

## Directors' report (continued)

### Principal risks and uncertainties (continued)

#### *Environmental legislation*

The company is subject to environmental laws and regulations. We have incurred and expect to continue to incur costs to comply with environmental legislation.

#### *Price risk*

The company is 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 exceed any potential benefits. The board will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity price risk as it holds no listed or other equity instruments.

#### *Credit risk*

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

#### *Liquidity risk*

The company retains sufficient cash to ensure it has sufficient available funds for operations. The company also has access to longer term funding from its immediate parent and ultimate parent undertaking.

#### *Interest rate cash flow risk*

The company has interest bearing assets, which include only cash balances earning interest at a floating rate. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

### Results and dividends

The deficit for the year after taxation amounted to £47,066 (2008: surplus of £107,123). In accordance with the company's Memorandum of Association, no dividend payment can be made.

### Subsequent and future events

It is the company's intention to review future projects on their merits with a view to undertaking those which are compatible with the company's aims.

## Statement of directors' responsibilities in respect of the financial statements

### Directors

The Directors of the company who served during the year are those listed below:

R Brough  
M Foers  
M Kirk  
E R C Lewis  
T Martin  
S Parnaby  
P Sewell  
C Minns  
G Lewis  
S Taylor  
C Thomsett  
S Hudson  
A Brooke  
J Fitzgerald  
C Pistorius (appointed 21 September 2009)  
D J Drewry (resigned 31 August 2009)

All directors are guarantors of the company.

### Directors' statements as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed above. Having made enquires of fellow directors and of the company's auditors; each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

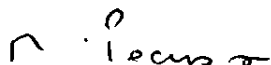
### Auditors

Ernst & Young LLP have expressed their willingness to continue in office as the Company's auditors and a resolution proposing their reappointed as auditors will be put to the members at the Annual General Meeting.

### Special provisions relating to small companies

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

By order of the Board



N Pearson  
Secretary

9 December 2009

## **Statement of directors' responsibilities in respect of the financial statements**

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). The financial statements are required by law to 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 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; and
- 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 disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements 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.

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 2009 which comprise the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 13. 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 January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 applicable to small companies. 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (United Kingdom and Ireland) 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.

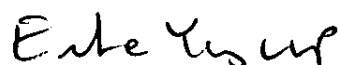
## **Independent auditors' report**

**to the members of The Humber Economic Partnership Limited (continued)**

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Ernst & Young LLP  
Registered Auditor  
Hull

9 December 2009

## Income and expenditure account

for the year ended 31 March 2009

	Notes	2009 £	2008 £
<b>Operating income</b>	2	681,473	922,825
Operating costs		(757,400)	(854,417)
<b>Operating surplus</b>	3	(75,927)	68,408
Interest receivable		3,621	7,144
Other finance costs	5	26,000	33,000
<b>(Deficit)/surplus on ordinary activities before taxation</b>		(46,306)	108,552
Taxation	6	(760)	(1,429)
<b>(Deficit)/surplus retained for the financial year attributable to members</b>	10	(47,066)	107,123

## Statement of total recognised gains and losses

	2009 £	2008 £
Deficit for the financial year	(47,066)	107,123
Actuarial (losses)/gains recognised in the pension scheme	(337,000)	63,000
<b>Total recognised gains and losses relating to the year</b>	<b>(384,066)</b>	<b>170,123</b>

## Balance sheet

at 31 March 2009


	Notes	2009 £	2008 £
<b>Fixed assets</b>			
Tangible assets	7	11,858	9,995
<b>Current assets</b>			
Debtors	8	162,809	459,279
Cash at bank and in hand		419,290	426,457
		582,099	885,736
<b>Creditors: amounts falling due within one year</b>	9	(259,785)	(514,493)
<b>Net current assets</b>		322,314	371,243
<b>Total assets less current liabilities excluding pension asset</b>		334,172	381,238
Pension (liability)/asset	12	(41,000)	296,000
<b>Total assets less current liabilities excluding pension asset</b>		293,172	677,238
<b>Reserves</b>			
Income and expenditure account	10	293,172	677,238

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 January 2005).

Approved by the Board



E C R Lewis  
Director



S Parnaby  
Director

9 December 2009

## Notes to the financial statements

at 31 March 2009

### 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 January 2005).

#### *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 exchange*

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 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.

## Notes to the financial statements

at 31 March 2009

### 3. Operating surplus

This is stated after charging/(crediting)

	2009	2008
	£	£
Auditors' remuneration	4,500	4,000
Pension costs	115,673	44,903
Receipt of government grant	(7,093)	(271,769)
Receipt of other grant income	(674,380)	(524,853)
Depreciation	14,923	10,994
Difference on foreign exchange	17,469	-
	<u>          </u>	<u>          </u>

### 4. Employee costs

	2009	2008
	£	£
Wages and salaries	231,973	277,638
Social security costs	18,741	22,192
Pensions	115,673	44,903
	<u>          </u>	<u>          </u>
	366,387	344,733
	<u>          </u>	<u>          </u>

Directors' emoluments for the year were £6,147 (2008: £3,266.67).

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

	2009	2008
	No.	No.
Management	1	1
Administration	2	2
Operations	5	5
	<u>          </u>	<u>          </u>
	8	8
	<u>          </u>	<u>          </u>

### 5. Other finance costs

	2009	2008
	£	£
Expected return on pension scheme assets	(107,000)	(89,000)
Interest on pension scheme liability	81,000	56,000
	<u>          </u>	<u>          </u>
	(26,000)	(33,000)
	<u>          </u>	<u>          </u>

## Notes to the financial statements

at 31 March 2009

### 6. Taxation

(a) Tax on surplus on ordinary activities

The tax charge is made up as follows:

	2009	2008
	£	£
<i>Current tax:</i>		
UK corporation tax	760	1,429
Adjustment in respect of previous period	-	-
Total current tax (note 6(b))	<u>760</u>	<u>1,429</u>

(b) Factors affecting current tax charge

The differences are reconciled below:

	2009	2008
	£	£
(Deficit)/surplus on ordinary activities before taxation	(546,306)	108,552
(Deficit)/surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2008: 19%)	<u>9,724</u>	<u>20,625</u>
<i>Effects of:</i>		
Net income not chargeable to tax	(8,964)	(19,196)
Total current tax allowable/charge	<u>760</u>	<u>1,429</u>

Under the 2007 Finance Act, the rate of UK corporation tax reduced from 30% to 28% with effect from 1 April 2008.

The effect on the company of these proposed changes to the UK tax system has been fully reflected in these financial statements.

## Notes to the financial statements

at 31 March 2009

### 7. Tangible fixed assets

	<i>Computer equipment</i>	<i>Furniture and fittings</i>	<i>Total</i>
	£	£	£
<i>Cost:</i>			
At 1 April 2008	47,903	29,580	77,483
Additions	12,582	4,204	16,786
Disposals	-	-	-
At 31 March 2009	60,485	33,784	94,269
<i>Depreciation:</i>			
At 1 April 2008	41,786	25,702	67,488
Charge for year	9,644	5,279	14,923
At 31 March 2009	51,430	30,981	82,411
<i>Net book value</i>			
At 31 March 2009	9,055	2,803	11,858
At 1 April 2008	6,117	3,878	9,995

### 8. Debtors

	<i>2009</i>	<i>2008</i>
	£	£
Other debtors	140,749	434,988
Prepayments and accrued income	22,060	24,291
	162,809	459,279

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

	<i>2009</i>	<i>2008</i>
	£	£
Corporation tax	760	1,429
Other creditors	64,489	270,655
Accruals on deferred income	194,536	242,409
	259,785	514,493



## Notes to the financial statements

at 31 March 2009

### 10. Reserves

	2009 £	2008 £
At 31 March 2008	677,238	507,115
Deficit for the year	(47,066)	107,123
Actuarial gains recognised in the pension scheme	(337,000)	63,000
At 31 March 2009	293,172	677,238

The prior year adjustment relates to the implementation of the requirements of FRS17 "Retirement Benefits", as set out in note 1. There are no movements on members' fund other than those of the income and expenditure account.

### 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 being 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 2009 there were 87 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 (2008: 89).

### 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 or Yorkshire council financial statements.

The pension cost charged to the company for the year amounted to £115,673 (2008: £44,903).

#### 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 2009 and 31 March 2008. Scheme assets are stated at their market values at the respective balance sheet dates.

	2009 %	2008 %
<b>Main assumptions</b>		
Rate of salary increase	4.6	5.1
Rate of increase in pensions in payment	3.1	3.6
Discount rate	6.9	6.9
Inflation assumption	3.1	3.6
Mortality		
Current Pensioners at 65 – male	21.5	21.5
Current Pensioners at 65- female	24.4	24.4
Future Pensioners at 65 – male	22.6	22.6
Future Pensioners at 65 – female	25.5	25.5

## Detailed income and expenditure account

for the year ended 31 March 2009

### 12. Pension commitments (continued)

*Assets – company share*

	2009		2008	
	<i>Expected long-term rate of return Value</i>		<i>Expected long-term rate of return Value</i>	
	%	£'000	%	£'000
Equities	7.0	867	7.7	1,158
Bonds	5.4	135	5.7	130
Property	4.9	56	5.7	86
Cash	4.0	68	4.8	71
Total market value of assets		1,126		1,445

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

	2009	2008
	£'000	£'000
Estimated company share of assets	1,126	1,445
Present value of scheme liabilities	(1,167)	(1,149)
Net pension liability	(41)	296

## Detailed income and expenditure account

for the year ended 31 March 2009

### 12. Pension commitments (continued)

#### *Analysis of the defined benefit cost 2009 2008*

	£'000	£'000
Current service cost	(19)	(44)
Past service cost	(7)	-
Total operating charge	(26)	(44)
Expected return on company's share of pension scheme assets	107	89
Interest on company's share of pension scheme liabilities	(81)	(56)
Total other finance income	26	33
Actual return on scheme assets	(355)	(59)
Expected return on scheme assets	(107)	(89)
Experience gains arising on company's share of pension scheme liabilities	-	(38)
Gain/(loss) arising from changes in assumptions underlying the present value of the company's share of pension scheme liabilities	124	249
Actuarial gain/(loss) recognised in the statement of total recognised gains and losses	(338)	63

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

	2009 £'000	2008 £'000
Surplus at 1 April	296	172
Change in accounting standard	(4)	-
Total operating charge	(19)	(44)
Total other finance income	26	33
Actuarial (loss)/gain	(338)	63
Employer contributions	64	72
Past service costs	7	-
Losses on curtailments	59	-
Deficit at 31 March	(41)	296

## Detailed income and expenditure account

for the year ended 31 March 2009

### 13. Related party transactions

The Directors G Lewis, C Minns, S Parnaby and M Kirk are 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:

	2009 £	2008 £
North East Lincolnshire Council	94,741	82,408
Kingston Upon Hull City Council	121,228	105,488
East Riding of Yorkshire Council	149,041	129,640
North Lincolnshire Council	94,851	82,540

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

	2009 £	2008 £
North East Lincolnshire Council	-	-
Kingston Upon Hull City Council	6,586	11,518
East Riding of Yorkshire Council	8,881	17,754
North Lincolnshire Council	4,475	4,233

Prof D J Drewry is also the Vice Chancellor of the University of Hull. The company purchased services from the University of Hull amounting to £4,214 (2008: £78,386). Amounts owed to the University of Hull at the year end were £nil (2008: £30,000).

During the year S R Parnaby was a Director of Arvato Government Services. The company purchased services from Arvato Government Services amounting to £15,038 (2008: £7,200). Amounts owed to Arvato Government Services at the year end were £7,260 (2008: £2,450).

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 £444 (2008: £893). Amounts owed to Hull & Humber Chamber of Commerce at the year end were £nil (2008: £nil).

S F Taylor is also the Managing Director of Mercury Design & Marketing. The company purchased services from Mercury Design & Marketing amounting to £62,894 (2008: £nil). Amounts owed to Mercury Design & Marketing at the year end were £6,067 (2008: £nil).

## Detailed income and expenditure account

for the year ended 31 March 2009

	2009 £	2008 £
<b>Operating and other income</b>		
Subscriptions and contributions	512,565	506,966
ERDF grant income	7,093	271,769
Yorkshire Forward Project Income	141,819	88,703
European commission grant income	-	17,887
Yorkshire Forward other income	20,000	37,500
	<u>681,473</u>	<u>922,825</u>
<b>Administration expenses</b>		
Direct employee costs	366,387	344,733
Travel and subsistence	18,398	32,001
Telephone	3,853	12,488
Marketing	102,557	116,395
Consultancy fees	52,557	123,474
Auditors' remuneration	14,088	4,000
Difference on foreign exchange	17,469	(9,938)
General office expenses	22,677	23,816
Premises	52,060	59,823
Insurance	2,743	2,837
Depreciation – computer equipment	9,644	7,116
Depreciation – fixtures & fittings	5,279	3,878
Indirect employee costs	12,333	2,257
Other expenses	2,746	445
Grants and subscriptions	11,674	51,386
Irrecoverable VAT	34,379	79,705
Bad Debts Written off	28,556	-
	<u>757,400</u>	<u>854,417</u>
<b>Interest receivable</b>		
Bank interest receivable	3,621	7,144
	<u>3,621</u>	<u>7,144</u>
<b>Other finance income</b>		
Expected return on pension scheme assets	107,000	89,000
Interest on pension scheme liabilities	(81,000)	(56,000)
	<u>26,000</u>	<u>33,000</u>
(Deficit)/Surplus for the year	<u>(47,066)</u>	<u>107,123</u>