
WEST MIDLANDS REGIONAL ASSEMBLY LIMITED
(Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2006


Clement Keys
CHARTERED ACCOUNTANTS



WEST MIDLANDS REGIONAL ASSEMBLY LIMITED
(Limited by Guarantee)

COMPANY INFORMATION

DIRECTORS

B Reid (resigned 26/10/05)
J Jones (appointed 15/07/05)
Sir A Bore
L Kyles (resigned 15/07/05)
R Roberts
D Smith
S Smith (resigned 15/07/05)
B Thomas (resigned 05/05/05)
J Hart
M Booth (resigned 15/07/05)
V Broom
R Phillips
B Summers
P Dee (resigned 15/07/05)
S Eling
D Littlemore
K Austin (appointed 15/07/05)
M Salih (appointed 15/07/05 & resigned 03/02/06)
C Bodenham (appointed 15/07/05)
J Lines (appointed 15/07/05)
R McKenzie (appointed 08/08/05)
E Newman (appointed 08/08/05)
R Moxon (appointed 15/07/05 & resigned 20/07/05)
C Saint (appointed 15/07/05)
R Badham (appointed 15/07/05)
P Tilsley (appointed 15/07/05)
S Sahota (appointed 2 December 2005)
T Dix (appointed 10 March 2006)

SECRETARY

S Hind

COMPANY NUMBER

04860074

REGISTERED OFFICE

Albert House, Quay Place
92-93 Edward Street
Birmingham
B1 2RA

AUDITORS

Clement Keys
Chartered Accountants & Registered Auditor
39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

BANKERS

Co-operative Bank Plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

WEST MIDLANDS REGIONAL ASSEMBLY LIMITED
(Limited by Guarantee)

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WEST MIDLANDS REGIONAL ASSEMBLY LIMITED
(Limited by Guarantee)

DIRECTORS' REPORT
For the year ended 31 March 2006

The directors present their report and the financial statements for the year ended 31 March 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit 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;
- 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 which 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.

In determining how amounts are presented within items in the income and expenditure account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information (s. 234ZA (2)).

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.

WEST MIDLANDS REGIONAL ASSEMBLY LIMITED
(Limited by Guarantee)

DIRECTORS' REPORT
For the year ended 31 March 2006

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company's principal activity is to articulate a single, coherent regional voice on important issues and events affecting the West Midlands Region.

The Assembly set a challenging 2005-06 Business Plan and by the end of the year only a relatively small number of tasks overall were off target or not delivered. In the main these were as a result of circumstances affecting progress that were outside the control of the Assembly. The Directors would also like to acknowledge the invaluable contributions from partners and local government that have helped the Assembly to achieve such a successful outcome.

As the year unfolded the Assembly received additional funding from ODPM to address emerging issues, such as the impact of the MG Rover closure in respect of the work being done on the Black Country Study and legal counsel required by the Assembly acting as the Regional Planning Body in respect of the ongoing Coventry Airport Public Inquiry.

Indeed, the issue of legal advice has long been a concern for Assemblies and in 2005-06 ODPM agreed to the principle of legal contingency, an option this Assembly has exercised immediately and which is reflected in these financial statements.

We are pleased to report that significant progress has been made on corporate governance issues including a review of insurances to ensure policies are fit for purpose; scoping work for an internal audit function that will be implemented in 2006-07; progress on procedural review and documentation; a full job evaluation process for all staff and an efficiency review with the outcome of an integrated operational structure for the Assembly and West Midlands Local Government Association. Corporate Governance is undoubtedly work in progress and will continue to be a top priority for the Directors and the Senior Management Team in the year ahead.

The Regional Partnership Centre, home of the Assembly, is now synonymous with effective partnership working. Yet more partners are co-locating including the West Midlands Centre of Excellence and the City Region. There is no doubt that the Centre facilitates improved communication and relations between partners, and this can only add value and strengthen the Assembly's future work programmes.

WEST MIDLANDS REGIONAL ASSEMBLY LIMITED
(Limited by Guarantee)

DIRECTORS' REPORT
For the year ended 31 March 2006

DIRECTORS

The directors who served during the year were:

B Reid (resigned 26/10/05)
J Jones (appointed 15/07/05)
Sir A Bore
L Kyles (resigned 15/07/05)
R Roberts
D Smith
S Smith (resigned 15/07/05)
B Thomas (resigned 05/05/05)
J Hart
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S Sahota (appointed 2 December 2005)
T Dix (appointed 10 March 2006)

ADDITIONAL INFORMATION RE DIRECTORS

There are no directors' interests requiring disclosure under the Companies Act 1985.

AUDITORS

The auditors, Clement Keys, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

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

WEST MIDLANDS REGIONAL ASSEMBLY LIMITED
(Limited by Guarantee)

DIRECTORS' REPORT
For the year ended 31 March 2006

This report was approved by the board on 6 October 2006 and signed on its behalf.

Stephen Hind

S Hind
Secretary

WEST MIDLANDS REGIONAL ASSEMBLY LIMITED
(Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEST MIDLANDS REGIONAL ASSEMBLY LIMITED

We have audited the financial statements of West Midlands Regional Assembly Limited for the year ended 31 March 2006 set out on pages 7 to 12. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of 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. 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 AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and 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 (UK 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 judgments 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 statutory financial statements.

WEST MIDLANDS REGIONAL ASSEMBLY LIMITED
(Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEST MIDLANDS REGIONAL ASSEMBLY LIMITED

OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2006 and of its surplus for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



Clement Keys
Chartered Accountants
Registered Auditor

39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

6 October 2006

WEST MIDLANDS REGIONAL ASSEMBLY LIMITED
(Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 March 2006

	Note	2006 £	2005 £
INCOME	1,	2,151,505	2,117,075
Administrative expenses		<u>(2,149,375)</u>	<u>(2,117,710)</u>
OPERATING SURPLUS/(DEFICIT)	2	2,130	(635)
Interest receivable		<u>19,516</u>	<u>9,267</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		21,646	8,632
TAX ON SURPLUS ON ORDINARY ACTIVITIES	3	<u>(2,260)</u>	<u>-</u>
SURPLUS RETAINED		19,386	8,632
RETAINED SURPLUS BROUGHT FORWARD		<u>72,411</u>	<u>63,779</u>
RETAINED SURPLUS CARRIED FORWARD		<u>91,797</u>	<u>72,411</u>

There are no recognised gains and losses for 2006 or 2005 other than those included in the income and expenditure account.

The notes on pages 9 to 12 form part of these financial statements.

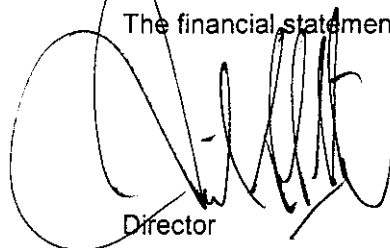
WEST MIDLANDS REGIONAL ASSEMBLY LIMITED
(Limited by Guarantee)

BALANCE SHEET
As at 31 March 2006

	Note	2006 £	2005 £
FIXED ASSETS			
Tangible fixed assets	4	41,085	41,869
CURRENT ASSETS			
Debtors	5	5,960	138,615
Cash at bank		493,729	578,603
		<u>499,689</u>	<u>717,218</u>
CREDITORS: amounts falling due within one year	6	(448,980)	(686,679)
NET CURRENT ASSETS		<u>50,709</u>	<u>30,539</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>91,794</u>	<u>72,408</u>
RESERVES			
Revenue reserve		91,794	72,408
		<u>91,794</u>	<u>72,408</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the board on 6 October 2006 and signed on its behalf.



Director

The notes on pages 9 to 12 form part of these financial statements.

WEST MIDLANDS REGIONAL ASSEMBLY LIMITED
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture, fittings and equipment	-	10% straight line
Computer equipment	-	33% straight line

1.4 Pensions

Employees of West Midlands Local Government Association whose costs are recharged to the company are members of the West Midlands Pension Fund which is a defined benefit scheme. The cost of providing retirement benefits under this scheme is charged to the Income and Expenditure account in accordance with actuarial advice.

1.5 Special Projects

In seeking to meet its objects the company manages various projects on behalf of its partners. The income and expenditure relating to these projects is not reflected within these accounts other than the financial contributions made by the company to these projects.

2. OPERATING SURPLUS/(DEFICIT)

The operating surplus/(deficit) is stated after charging:

	2006	2005
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	6,534	5,449
Auditors' remuneration	3,650	3,525

During the year, no director received any emoluments (2005 - £nil).

3. TAXATION

	2006	2005
	£	£
UK corporation tax charge on surplus of the year	2,260	-

WEST MIDLANDS REGIONAL ASSEMBLY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

There were no factors that affected the tax charge for the year which has been calculated on the surplus on ordinary activities before tax at the standard rate of corporation tax in the UK applicable to the company.

There were no factors that may affect future tax charges.

4. TANGIBLE FIXED ASSETS

	Furniture, fittings and computer equipment £
Cost	
At 1 April 2005	52,384
Additions	5,750
	<hr/>
At 31 March 2006	58,134
	<hr/>
Depreciation	
At 1 April 2005	10,515
Charge for the year	6,534
	<hr/>
At 31 March 2006	17,049
	<hr/>
Net book value	
At 31 March 2006	41,085
	<hr/>
At 31 March 2005	41,869
	<hr/>

WEST MIDLANDS REGIONAL ASSEMBLY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

5. DEBTORS

	2006 £	2005 £
Amounts owed by WMLGA	-	7,927
Other debtors	5,960	126,074
Prepayments and accrued income	-	4,614
	<u>5,960</u>	<u>138,615</u>

6. CREDITORS:
Amounts falling due within one year

	2006 £	2005 £
Creditors	268,345	506,905
Corporation tax	2,260	-
Special Projects	117,339	179,774
Deferred income - ODPM	54,716	-
Other creditors - ERN	2,970	-
Accruals	3,350	-
	<u>448,980</u>	<u>686,679</u>

The deferred income of £54,716 represents the unspent element of a grant received from the Office of the Deputy Prime Minister in 2005/06 to meet legal costs in 2006/07.

Special project monies held on account are set out below:

	1.04.05 £	Income £	Expenditure £	31.03.06 £
Energy West Midlands	96,412	135,000	229,650	1,762
Rural & Forestry Framework	25,499	68,514	44,966	49,047
Health Programme	42,306	27,443	50,390	19,359
Housing	9,050	6,647	-	15,697
Waste	6,507	-	6,507	-
European	-	2,000	526	1,474
Housing - CEPOG	-	30,000	-	30,000
Total	<u>179,774</u>	<u>269,604</u>	<u>332,039</u>	<u>117,339</u>

WEST MIDLANDS REGIONAL ASSEMBLY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2006

7. RECONCILIATION OF MEMBERS' FUNDS AND MOVEMENT ON RESERVES

	Income and Expenditure £	Members' Funds £
Balance brought forward	72,408	72,408
Surplus for the year	19,386	19,386
	<hr/>	<hr/>
Balance carried forward	91,794	91,794
	<hr/>	<hr/>

8. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have any share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation of the company whilst a member or within 12 months of ceasing to be a member.

9. WEST MIDLANDS LOCAL GOVERNMENT ASSOCIATION

West Midlands Regional Assembly (WMRA) receives under a service level agreement under West Midlands Local Government Association (WMLGA) a range of corporate support services, including the treasury function. WMLGA is also the employer body for WMRA staff. During the year WMLGA recharged £1,235,607 in salary and corporate support services and charged a service level fee of £54,461 (£46,350 plus £8,111 VAT). WMRA in turn made a recharge to WMLGA of £1,868 and received special project grant income of £34,674. At the Balance Sheet date WMLGA was owed £46,477 (2005: £59,072) by the company.

10. PENSION SCHEME COMMITMENTS

Employees of WMLGA whose costs are recharged to the company are members of the West Midlands Pension Fund, which is a defined benefit scheme.

In accordance with the service level agreement between the company and WMLGA, the company is liable for any additional contributions arising as a result of events which may effect the pension benefits of employees recharged under the service level agreement.

11. CONTROL

The company is controlled by its members. These are nominated by the region's local authorities and other stakeholders including business, arts and culture, community and environmental organisations.