
WEST MIDLANDS REGIONAL ASSEMBLY
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

WEST MIDLANDS REGIONAL ASSEMBLY
(A company limited by guarantee)

COMPANY INFORMATION

DIRECTORS

D Smith
Sir A Bore
R Roberts
J Lines
C Saint
J Williams
E Newman
R Stone
S Sahota
R Phillips
R Badham
B Williams
S Eling
F Beatty MBE
Rev J Hall
K Austin
P Tilsley
R McKenzie
R Evans

COMPANY SECRETARY

O J Dutton

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

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WEST MIDLANDS REGIONAL ASSEMBLY
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2009

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

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). 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 surplus or deficit 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 judgments 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 that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

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

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2009

DIRECTORS

The directors who served during the year were:

D Smith	H Kidd (resigned 31 March 2009)
Sir A Bore	J Jones (resigned 31 March 2009)
T Dix (resigned 4 June 2009)	S Croad (resigned 9 July 2008)
R Roberts	
J Lines	
C Saint	
J Williams (appointed 9 July 2008)	
E Newman	
R Stone	
S Sahota	
R Phillips	
R Badham	
B Williams	
S Eling	
F Beatty MBE	
Rev J Hall	
K Austin	
P Tilsley	
R McKenzie	
R Evans	

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

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2009

REVIEW OF THE YEAR

Delivering the Business Plan

The last 12 months were shaped by the twin needs to deliver our business plan priorities and to plan for the probable new regional governance arrangements post March 2010. During this time, we also had to ensure that we were able to respond rapidly to the growing severity of the economic downturn, which has had a more severe impact on the West Midlands than any other region.

The Government also published its consultation document on the implementation of the Sub National Review of Economic Development and Regeneration on 31 March 2008 just as the new financial year was starting. The Assembly worked hard with its regional partners to prepare a joint response by the summer deadline, underlining the West Midlands' commitment to partnership working. Much of our submission was accepted by the Government and incorporated into the Local Democracy, Economic Development and Construction Bill laid before Parliament in December.

A shadow Joint Strategy and Investment Board has been established with Advantage West Midlands (AWM) to prepare for the transition to the new Regional Strategy from the existing spatial and economic strategies. This shadow body signed-off the West Midlands' Regional Funding Advice to the regional Minister Ian Austin. The advice set out clear priorities for spending the £1 billion annual government funding for housing, economic development and transport in the region. It focussed on key projects of regional significance in 20 investment impact areas that could be commenced quickly and create jobs and economic activity in the recession. We sought, throughout our approach to emphasise the benefits of integration of housing, transport and economic development; and were clear about the strong emphasis that we placed upon the deliverability of each individual project.

Consultation on the Regional Spatial Strategy Phase 2 Revision was extended to December to allow responses to be made in the light of the Government's commissioned study into higher housing growth options. This resulted in the Examination in Public being postponed until April 2009. The Assembly took the opportunity to commission additional technical research into the impact of the recession on the strategy and its deliverability. Concerns remain focussed not on housing numbers, but on the ability to deliver the urban renaissance to the region's major urban areas that are so sorely in need of economic, social and environmental renewal, with the necessary importance that has to accompany this. We also continued our preparations for the RSS Phase 3 Revision, working with partners to assemble a robust evidence base. This included work on the Government's priority of improving site provision for Gypsies and Travellers and the Assembly successfully administered the Gypsy and Traveller Site Grant Bidding round for 2009, gaining £3,470,521 from the Government for 37 refurbished pitches and 43 new pitches.

In order to respond quickly to the challenges posed by the Sub National Review and the economic recession, the Assembly's decision making processes have been streamlined and re-focussed on the Assembly Board.

A West Midlands (Local Authorities) Leaders Board (WMLB) has also been established to lead a new local government organisation that will take on the statutory role of the Assembly in anticipation that it is wound up at the end of 2009-10. The Assembly Board is working closely with the WMLB and AWM to ensure timely and effective transition arrangements in the Assembly's final year.

Planned abolition of Regional Assemblies

The Government's Sub National Review of Economic Development and Regeneration, determined to abolish Regional Assemblies and transfer the responsibilities of the Regional Planning Body to the proposed established local authority leaders' boards working in partnership with regional development agencies; who are to be jointly tasked with developing a single integrated regional strategy. Each region was required to develop a transition plan and the Assembly produced its West Midlands Change Management Plan" in response to the

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2009

same.

In 2009-10 the Board of Directors have two significant tasks; delivery of the 2009-10 Assembly Business Plan and oversee the process for transition of functions and responsibility to the proposed established regional arrangements and the formal winding up of the West Midlands Regional Assembly (currently expected to be at the end of the 2009-10 financial year to allow for the necessary legislation to pass through Parliament).

In the final funding agreement for the Assembly, the Department for Communities and Local Government has indicated that there will continue to be funding available to deliver these core functions beyond 2010 and it would be awarded to the organisation which takes on the delivery responsibility – this is expected to be the West Midlands Local Government Association.

The Board has indicated to CLG that it will use the 'reserves' as necessary to meet any related wind-up costs but that they expect any remaining assets of the Assembly to transfer with the core functions to the new organisation. The financial statements have therefore been prepared on a going concern basis as the directors are of the opinion that the company will have sufficient funding to enable it to fulfill its obligations as set out above.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Clement Keys, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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.

This report was approved by the board on 30 June 2009 and signed on its behalf.

O J Dutton
Secretary

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

We have audited the financial statements of West Midlands Regional Assembly for the year ended 31 March 2009, set out on pages 9 to 15. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom 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 (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 financial statements.

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

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 2009 and of its deficit for the year then ended;
- the financial statements have been prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

CLEMENT KEYS

Chartered Accountants
Registered Auditor

39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

30 June 2009

WEST MIDLANDS REGIONAL ASSEMBLY
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INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 £	2008 £
TURNOVER	1	2,264,562	2,528,358
Administrative expenses		(2,290,372)	(2,528,410)
		<hr/>	<hr/>
OPERATING DEFICIT	2	(25,810)	(52)
Interest receivable		15,104	30,576
		<hr/>	<hr/>
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		(10,706)	30,524
Tax on (deficit)/surplus on ordinary activities	3	(3,172)	(6,115)
		<hr/>	<hr/>
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		(13,878)	24,409
SURPLUS BROUGHT FORWARD		128,013	103,604
		<hr/>	<hr/>
RETAINED SURPLUS CARRIED FORWARD		114,135	128,013
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 15 form part of these financial statements.

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BALANCE SHEET
AS AT 31 MARCH 2009

	Note	£	2009	£	£	2008	£
FIXED ASSETS							
Tangible fixed assets	4			1			31,458
CURRENT ASSETS							
Debtors	5	32,640				135,486	
Cash at bank		1,105,410				1,256,281	
		<u>1,138,050</u>				<u>1,391,767</u>	
CREDITORS: amounts falling due within one year	6	<u>(1,023,916)</u>				<u>(1,295,212)</u>	
NET CURRENT ASSETS				<u>114,134</u>			<u>96,555</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>114,135</u>			<u>128,013</u>
CAPITAL AND RESERVES							
Income and expenditure account				<u>114,135</u>			<u>128,013</u>
				<u>114,135</u>			<u>128,013</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 June 2009.

D Smith
Director

The notes on pages 11 to 15 form part of these financial statements.

WEST MIDLANDS REGIONAL ASSEMBLY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

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 2007).

1.2 Going concern

The Government's Sub National Review of Economic Development and Regeneration, determined to abolish Regional Assemblies and transfer the responsibilities of the Regional Planning Body to the newly established local authority leaders' boards. This process of transferring responsibility to the newly established regional arrangements and the formal winding up of the West Midlands Regional Assembly is currently expected to be at the end of the 2009-10 financial year.

In the final funding agreement for the Assembly, CLG have indicated that there will continue to be funding available to deliver these core functions beyond 2010 and it would be awarded to the organisation who take on the delivery responsibility – this is expected to be the West Midlands Local Government Association.

1.3 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 2007).

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied inclusive of Value Added Tax.

1.5 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 bases set out below. Following notification that the Assembly is required to cease its activities by 31 March 2010 (subject to primary legislation) the directors have carried out an impairment review and have written tangible assets down to a nominal value of £1.

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

1.6 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES (continued)

1.7 Special Projects

In seeking to meet its objectives 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 DEFICIT

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

	2009	2008
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	31,457	8,073
Auditors' remuneration	4,200	4,000
Government grants	(2,259,037)	(2,523,293)
	<u><u> </u></u>	<u><u> </u></u>

During the year, other than the Chairman who received a Special Responsibility Allowance of £7,355 (2008: £6,198), no director received any emoluments (2008 - £NIL).

3. TAXATION

	2009	2008
	£	£
UK corporation tax charge on (deficit)/surplus for the year	3,172	6,115
	<u><u> </u></u>	<u><u> </u></u>

There were no factors that affected the tax charge for the year which has been calculated on interest received at the standard rate of corporation tax in the UK of 21% (2008 - 20%).

There were no factors that may affect future tax charges.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

4. TANGIBLE FIXED ASSETS

	Furniture, fittings and computer equipment £
Cost	
At 1 April 2008 and 31 March 2009	<u>64,444</u>
Depreciation	
At 1 April 2008	32,986
Charge for the year	7,604
Impairment charge in the year	23,853
At 31 March 2009	<u>64,443</u>
Net book value	
At 31 March 2009	<u>1</u>
<i>At 31 March 2008</i>	<u><u>31,458</u></u>

5. DEBTORS

	2009	2008
	£	£
Other debtors	<u>32,640</u>	<u>135,486</u>

6. CREDITORS:
Amounts falling due within one year

	2009	2008
	£	£
Trade creditors	517,377	411,874
Corporation tax	3,172	6,115
Deferred income - RHE	-	2,303
Other creditors	503	503
Special projects	503,778	815,921
Deferred income - DCLG	-	10,208
Other creditors - ERN	(914)	48,288
	<u>1,023,916</u>	<u>1,295,212</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

Special project monies held on account are set out below:

	1.04.08 £	Income £	Expenditure £	31.03.09 £
Energy West Midlands	2,500	-	-	2,500
Rural & Forestry Framework	88,504	57,500	69,983	76,021
Health Programme	20,740	-	20,181	559
Housing	15,697	-	-	15,697
Housing - CEPOG	30,000	-	-	30,000
Sandwell RHA	158,000	-	60,276	97,724
Waste	16,945	6,000	5,750	17,195
European	1,474	-	-	1,474
Transport	1,900	-	-	1,900
Social Inclusion	5,427	-	-	5,427
Big Lottery Fund	460,527	1,827,032	2,023,882	263,677
LSC Strategic Review	18,576	-	18,576	-
Housing Ops	5,237	-	3,771	1,466
EU Connects	(76,945)	176,026	196,781	(97,700)
RAST	67,339	-	48,869	18,470
Culture WM	-	82,192	19,022	63,170
Sustainable Housing	-	6,198	-	6,198
Total	815,921	2,154,948	2,467,091	503,778

7. COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have 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.

8. PENSION 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.

WEST MIDLANDS REGIONAL ASSEMBLY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

9. RELATED PARTY TRANSACTIONS

West Midlands Regional Assembly (WMRA) receives under a service level agreement with 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 £1,820,643 (2008: £1,635,696) in salary and corporate support services and charged a service level fee of £57,471 (£49,173 plus £8,298 VAT) (2008: £57,778).

WMRA in turn made a recharge to WMLGA of £2,235 (2008: £4,964). At the Balance Sheet date the company owed WMLGA £81,086 (2008: £15,509).

10. CONTROLLING PARTY

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.