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10/6/2008 14:43

WEST MIDLANDS REGIONAL ASSEMBLY
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

WEST MIDLANDS REGIONAL ASSEMBLY
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COMPANY INFORMATION

DIRECTORS

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

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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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2008**

The directors present their report and the financial statements for the year ended 31 March 2008.

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 articulate a single, coherent regional voice on important issues and events affecting the West Midlands Region.

REVIEW OF THE YEAR

At the end of last year we were able to point to the substantial growth of the Assembly with additional responsibilities over the Regional Housing Board and leadership on key strategic issues such as climate change and work to secure Big Lottery funding for a Health and Well Being programme. We were also awaiting the outcomes of the Sub National Review and the Comprehensive Spending Review.

In July 2007 the publication of the Sub National Review brought the news that assemblies were to be abolished with their planning functions transferring to the regional development agencies. There was also a question mark about where other functions, including scrutiny would lie.

The impact of SNR on the workload of the Assembly has been hugely significant this year. A whole new area of activity has opened up as we work with partners to plan an effective transition process and determine how matters will work even better in the future. We have of course, had the challenge of incorporating this significant extra work within our existing staffing establishment, but despite these pressures, the Assembly has yet again delivered what it said it would.

During 2007-08 the first stage of the Regional Spatial Strategy; the Black Country Study, was published and Phase 2 submitted to the government on schedule, and our work on housing has been exceptional. Our role on transport was recognised by the Regional Minister when he laid down the Transport Challenge to the Assembly and Advantage West Midlands; and pleasingly, the region came together to look at key transport issues more effectively than ever before.

We were also successful in our bid to the Big Lottery and the Living Well in the West Midlands programme is well underway, as is the EU Connects project which attracted ESF and partner funding. The Assembly has had

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2008

a lead role in a range of regional projects and our activities also attract additional financial contributions from partner. This additional activity is valued in excess of £1m in 2007-08.

Last year, the results achieved by the Assembly clearly demonstrated the hard work and commitment of the team and the resources and input provided through effective partnership working. The outputs for 2007-08 once again provide significant evidence of a continued level of commitment. It has also demonstrated something else; the Assembly has delivered, and will continue to deliver the important work that is asked of us, to the high quality and standards that the region has grown to expect of us.

As we move into 2008-09 a key challenge is to make sure that the regional arrangements here in the West Midlands remain strong and effective, and that in developing new arrangements, we are mindful not to forget the lessons of the past and lose the value of what we have created so successfully together.

Finally, we must note changes to the Articles of Association to amend the name from West Midlands Regional Assembly Limited to West Midlands Regional Assembly and to implement a change in the use of remaining funds following wind up as previously agreed in July 2006.

DIRECTORS

The directors who served during the year were:

D Smith
Sir A Bore
T Dix
R Roberts
J Lines
C Saint
H Kidd
E Newman
R Stone
S Sahota
R Phillips
R Badham
B Williams
S Eling
J Jones
Rev J Hall (appointed 18/07/07)
K Austin
P Tilsley
R McKenzie
R Evans (appointed 08/06/07)
S Croad (appointed 18/07/07)
F Beatty MBE (appointed 04/02/08)
V Broom (resigned 18/07/07)
B Summers (resigned 08/06/07)
C Bodenham (resigned 03/05/07)

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

PROVISION OF INFORMATION TO AUDITORS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2008

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.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2008

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 18 June 2008 and signed on its behalf.

Director

**WEST MIDLANDS REGIONAL ASSEMBLY
(A company limited by guarantee)**10/6/2008 14:43

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 2008, set out on pages 9 to 15. 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 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.

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 2008 and of its surplus 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.

CLEMENT KEYS

Chartered Accountants
Registered Auditor

39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

18 June 2008

WEST MIDLANDS REGIONAL ASSEMBLY
(A company limited by guarantee)

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INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008

	Note	2008 £	2007 £
TURNOVER	1	2,528,358	2,261,837
Administrative expenses		(2,528,410)	(2,266,197)
OPERATING DEFICIT	2	(52)	(4,360)
Interest receivable		30,576	19,961
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		30,524	15,601
Tax on surplus on ordinary activities	3	(6,115)	(3,791)
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		24,409	11,810
SURPLUS BROUGHT FORWARD		103,604	91,794
RETAINED SURPLUS CARRIED FORWARD		128,013	103,604

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

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BALANCE SHEET
AS AT 31 MARCH 2008

	Note	£	2008	£	£	2007	£
FIXED ASSETS							
Tangible fixed assets	4			31,457			36,575
CURRENT ASSETS							
Debtors	5	135,486				88,351	
Cash at bank		1,256,281				635,419	
			<u>1,391,767</u>			<u>723,770</u>	
CREDITORS: amounts falling due within one year	6		<u>(1,295,211)</u>			<u>(656,741)</u>	
NET CURRENT ASSETS				<u>96,556</u>			<u>67,029</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>128,013</u>			<u>103,604</u>
CAPITAL AND RESERVES							
Income and expenditure account				<u>128,013</u>			<u>103,604</u>
				<u>128,013</u>			<u>103,604</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 2007).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 June 2008.

Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**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 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).

1.3 Turnover

Turnover comprises revenue recognised by the company in respect services supplied, exclusive of Value Added Tax and government grants receivable.

1.4 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

1.5 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.

1.6 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

2. OPERATING DEFICIT

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

	2008	2007
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	8,073	7,865
Auditors' remuneration	4,000	3,800
Government grants	(2,523,293)	(2,249,385)

During the year, no director received any emoluments (2007 - £NIL).

3. TAXATION

	2008	2007
	£	£
UK corporation tax charge on surplus for the year	6,115	3,791

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20% (2007 - 19%).

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 2008

4. TANGIBLE FIXED ASSETS

	Furniture, fittings and computer equipment £
Cost	
At 1 April 2007	61,489
Additions	2,955
	<hr/>
At 31 March 2008	64,444
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Depreciation	
At 1 April 2007	24,914
Charge for the year	8,073
	<hr/>
At 31 March 2008	32,987
	<hr/>
Net book value	
At 31 March 2008	31,457
	<hr/> <hr/>
At 31 March 2007	36,575
	<hr/> <hr/>

5. DEBTORS

	2008 £	2007 £
Other debtors	135,486	88,351
	<hr/> <hr/>	<hr/> <hr/>

6. CREDITORS:
Amounts falling due within one year

	2008 £	2007 £
Trade creditors	411,874	399,056
Corporation tax	6,115	3,791
Deferred income - RHE	2,303	2,303
Other creditors	503	503
Special projects	815,921	210,330
Deferred income - DCLG	10,208	21,236
Other creditors - ERN	48,287	19,522
	<hr/> <hr/>	<hr/> <hr/>
	1,295,211	656,741

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

Special project monies held on account are set out below:

	1.04.07	Income	Expenditure	31.03.08
	£	£	£	£
Energy West Midlands	13,122	30,000	40,622	2,500
Rural & Forestry Framework	65,856	82,900	60,252	88,504
Health Programme	22,746	17,200	19,206	20,740
Housing	15,697	-	-	15,697
Housing - CEPOG	30,000	-	-	30,000
Sandwell RHA	40,000	118,000	-	158,000
Waste	5,110	14,335	2,500	16,945
European	1,474	-	-	1,474
Transport	1,900	-	-	1,900
Social Inclusion	5,427	-	-	5,427
Big Lottery Fund	(1,003)	845,175	383,645	460,527
LSC Strategic Review	10,000	39,250	30,674	18,576
Housing Ops	-	7,920	2,683	5,237
EU Connects	-	28,885	105,830	(79,945)
RAST	-	101,849	34,510	67,339
	<u>210,329</u>	<u>1,284,533</u>	<u>679,922</u>	<u>815,921</u>
Total	<u>210,329</u>	<u>1,284,533</u>	<u>679,922</u>	<u>815,921</u>

7. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

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 £1,635,696 (2007: £1,347,449) in salary and corporate support services and charged a service level fee of £57,778 (£49,172 plus £8,606 VAT) (2007: £56,096).

WMRA in turn made a recharge to WMLGA of £4,964 (2007: £3,797) and received special project grant income of £nil (2007: £15,001). At the Balance Sheet date the company owed WMLGA £15,509 (2007: £68,038).

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.