

# **YORKSHIRE AND HUMBER ASSEMBLY**

## **STATEMENT OF ACCOUNTS 2008/09**

18 King Street, Wakefield, WF1 2SQ

## CONTENTS

### Page

Foreword and Financial Summary by the Honorary Treasurer	3
Introductory Statements	
- Statement of Responsibilities for the Statement of Accounts	5
- Annual Governance Statement	6
- Auditor's Opinion	10
Main Financial Statements and Explanatory Notes	
- Statement of Accounting Policies	13
- Income and Expenditure Account	19
- Balance Sheet	20
- Disclosure Notes	21

# FOREWORD AND FINANCIAL SUMMARY BY THE HONORARY TREASURER

## 1. INTRODUCTION

The Statement of Accounts for the Yorkshire and Humber Assembly (The Assembly) covers the financial year from 1 April 2008 to 31 March 2009 and shows income and expenditure between those dates and the Assembly's year-end position.

The Yorkshire and Humber Assembly was established to act as the regional strategic partnership, to promote the economic, social and environmental well being of Yorkshire and Humber in the interests of all those who live and work in the Region.

As part of the Government's Sub National Review (SNR) announcement in July 2007 notice was given that Regional Assemblies would be disbanded. Consequently, the Yorkshire and Humber Assembly has been dissolved and its functions transferred to Local Government Yorkshire and Humber (LGYH) and Yorkshire Forward (YF) with effect from 1 April 2009 (responsibility for delivery of the 2009/10 Business Plan rests jointly with LGYH and Yorkshire Forward). 2008/09 was, therefore, the final accounting year for the Assembly.

## 2. GENERAL INFORMATION

For 2008/09 Wakefield Metropolitan District Council (MDC) acted as the Accountable Body for the Regional Assemblies' Funding Agreement and for employment and formal contractual matters. Judith Badger CPFA, Director of Finance at Wakefield MDC acts as Honorary Treasurer to the Assembly. From 1 April 2009 Wakefield MDC will remain as Accountable Body for the Regional Assemblies' Funding Agreement.

## 3. A SUMMARY OF THE ASSEMBLY'S FINANCIAL PERFORMANCE FOR THE FINANCIAL YEAR 2008/09

- Gross expenditure for the year was £2.83m.
- Income for the year was £2.95m including £2.18m funding from the Department for Communities and Local Government (CLG) and £222k from local authority subscriptions.
- The year-end surplus was £115k and this has been credited to reserves.

#### 4. SIGNIFICANT POINTS TO NOTE ON THE BALANCE SHEET

##### **£32k Increase in Debtors and Payments in Advance**

The increase in debtors was due mainly to the increase in cash held on behalf of the Assembly by Wakefield MDC and included the additional contribution to reserves for 2008/09 (£115k). This was partially offset by reductions in debtors relating to Yorkshireurope (grant claim accrual £96k in 2007/08, and European Office bond £9k in 2007/08).

There were no payments in advance in 2008/09 due to the Assembly function transferring to Local Government Yorkshire and Humber and Yorkshire Forward (£2k in 2007/08).

##### **£121k Decrease in Creditors and Receipts in Advance**

The reduction in creditors was due mainly to a decrease in the Yorkshire and Humber Housing Forum balance (£25k), accruals relating to the Yorkshireurope function not required in 2008/09 (£54k) and a decrease in the balance of Housing Research grant (£52k).

##### **£20k Decrease in Cash at Bank and in Hand**

The balance of £20k in 2007/08 represented the balance in Belgian bank accounts for the Yorkshireurope function. This balance (and the function) transferred to Yorkshire Forward on 1 September 2008.

#### 5. FURTHER INFORMATION

The availability of the accounts for inspection by the public was advertised in the Yorkshire Post on 11 June 2009. The public inspection for 2008/09 commenced on 29 June 2009 for a period of 20 working days.

Further information on the accounts is available from Mark Shaw, Yorkshire and Humber Assembly, 18 King Street, Wakefield WF1 2SQ.

## **STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

### **THE ASSEMBLY'S RESPONSIBILITIES**

The Assembly is required:

- To ensure that accounts of all funds held by or on behalf of the Assembly shall be prepared annually and shall be audited by accountants qualified in accordance with the Audit Commission Act 1998.
- To confirm the accounts of the Assembly for the preceding financial year and to consider the report of the Auditor thereon, as presented to the Regional Executive Board (or for 2008/09 its successors at Local Government Yorkshire and Humber and Yorkshire Forward).
- To ensure that proper books and accounts are kept and present a Statement of Accounts and Balance Sheet to the Annual General Meeting of the Assembly (or for 2008/09 its successors at Local Government Yorkshire and Humber and Yorkshire Forward).

### **THE HONORARY TREASURER'S RESPONSIBILITIES**

The Honorary Treasurer, through the Resources Manager, is responsible for keeping the accounts of the Assembly.

In preparing this statement of accounts, the Resources Manager has:

- Selected suitable accounting policies and then applied them consistently whilst recognising the fact that 2008/09 was the last accounting year for the Assembly;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Financial Reporting Standards for Smaller Entities (FRSSE);
- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

## ANNUAL GOVERNANCE STATEMENT

### Scope of responsibility

1. The Yorkshire and Humber Assembly was responsible for ensuring that its business was conducted in accordance with the law, proper standards, and conditions of funding, and that public money was safeguarded and properly accounted for, and used economically, efficiently and effectively.
2. In discharging this responsibility the Assembly was also responsible for ensuring that there was a sound system of internal control, which facilitated the effective delivery of the Assembly's business plan and which included the management of risk.

### The purpose of the system of governance

3. The system of governance was designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it could therefore only provide reasonable assurances of effectiveness.
4. The system of governance was a process designed to identify and prioritise the risks to the achievement of the Assembly's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
5. The system of governance was in place at the Assembly for the year ended 31 March 2009. From 1 April 2009 responsibility transferred to Local Government Yorkshire and Humber and Yorkshire Forward.

### The governance environment

6. The Assembly operated a system of governance which was continually being reviewed and enhanced:
  - To take account of new governance arrangements; and
  - To embed a corporate risk strategy and risk register.
7. These were the elements of the control system.
  - **Establishing and monitoring the achievement of the Assembly's objectives** – The Assembly had an annual business plan produced to guide all of its work, and to draw down grant funding from Government. The business plan covered the period 2008/09 and set objectives both

corporately and by service area. Progress against Business Plan outcomes was reported to the Regional Executive Board and to Government Office Yorkshire and Humber.

- **Facilitating policy and decision-making** – The Assembly's constitution set out the governance arrangements and how decisions were made.
- **Ensuring compliance with established policies and procedures** – Corporate Management Team (CMT) was responsible for delivery of specific objectives within the business plan and ensuring that this work was delivered within the framework of established policies and procedures set out in operational guidelines and other documents.
- **Risk management** – CMT carried out risk assessments against each objective in the Business Plan and reported these to members. The risk register underwent review in 2008/09.
- **Transitional arrangements** – CMT was active in ensuring a smooth transfer of functions. This involved close working with Government Office Yorkshire and Humber (GOYH), LGYH and Yorkshire Forward. Staff were kept informed of the processes via regular staff meetings and the Assembly Transition Group.
- **Financial Management** – For the year 2008/09 a budget was set in conjunction with the Assembly's Business Plan. The budget sought to maximise the effectiveness of the Assembly's resources in the context of a 6.7% cut in Government funding. The Business Plan and budget reflected the fact that 2008/09 was a transitional period in the run-up to the new arrangements.
- **Performance Management** – Progress against business plan objectives was monitored by CMT and reported quarterly to the Regional Executive Board. The Assembly reported publicly on performance in the Annual Report that was circulated widely in the region.
- **Health and Safety** – the Assembly had a Health and Safety policy statement, which set out the Assembly's commitment to health and safety and identified individuals with responsibilities under the policy. A Health and Safety Facilities Management Group met regularly with representation from managers, staff and the trade union.

## **Review of effectiveness**

8. The Assembly achieved economy, efficiency and effectiveness through the following:
- Implementation of risk management including ongoing review of the risk register.
  - Improved financial management including full use of financial systems.
  - A business plan set within the constraints of a tighter financial settlement.
  - Recognition of the need for continuity and continuous improvement whilst moving through the transition period.

## **Internal Audit Arrangements**

9. An internal audit review was undertaken in the following areas; financial management and budgetary control, ordering and creditors, payroll, travel and subsistence, petty cash, assets and the Brussels Office accounts.
10. An internal audit report will be considered and put forward to Local Government Yorkshire and Humber for consideration when implementing future management arrangements.

## **Significant governance issues**

11. The Assembly was committed to high standards of internal control and there were no significant governance issues during the year ending 31 March 2009.

Peter Box  
In capacity as -  
Chair of the Assembly

Date

Chris Martin  
In capacity as -  
Executive Director (with responsibility for internal control)

Date

**CERTIFICATE**

*I certify that the Statement of Accounts presents fairly the position of the Assembly at 31 March 2009 and its Income and Expenditure for the year ended 31 March 2009.*

.....

Judith Badger CPFA  
Honorary Treasurer  
Date

**APPROVAL OF THE ACCOUNTS**

*As the Chair of the body considering the Yorkshire and Humber Assembly accounts for 2008/09, I certify that the said accounts were approved at the Local Government Yorkshire and Humber Full Members' Meeting on 10 September 2009.*

.....

Roger Stone  
Chair, Local Government Yorkshire and Humber  
Date

.....

Judith Badger CPFA  
Honorary Treasurer  
Date

***Independent auditor's report to the Members of Local Government Yorkshire and Humber (as the successor body to the Yorkshire and Humber Assembly)***

**Opinion on the financial statements**

I have audited the Assembly accounting statements and related notes of the Yorkshire and Humber Assembly for the year ended 31 March 2009 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Balance Sheet and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Local Government Yorkshire and Humber (as successor body to the Yorkshire and Humber Assembly) in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

---

**Respective responsibilities of the Honorary Treasurer and auditor**

The Honorary Treasurer's responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Financial Reporting Standards for Smaller Entities are set out in the Statement of Responsibilities for the Statement of Accounts.

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

I report to you my opinion as to whether the accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Financial Reporting Standards for Smaller Entities the financial position of the Assembly and its income and expenditure for the year.

I review whether the governance statement reflects compliance with 'Delivering Good Governance in Local Government: A Framework' published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Assembly's corporate governance procedures or its risk and control procedures

I read other information published with the accounting statements, and consider whether it is consistent with the audited accounting statements. This other information comprises the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounting statements. My responsibilities do not extend to any other information.

---

### **Basis of audit opinion**

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and 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 accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Assembly in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Assembly's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounting statements and related notes.

---

### **Opinion**

In my opinion the Assembly financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Financial Reporting Standards for Smaller Entities, the financial position of the Assembly as at 31 March 2009 and its income and expenditure for the year then ended.

---

### **Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources**

#### ***Assembly's Responsibilities***

The Assembly is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper

---

stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

### ***Auditor's Responsibilities***

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Assembly for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for other local government bodies. I report if significant matters have come to my attention which prevent me from concluding that the Assembly has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Assembly's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

### ***Conclusion***

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria other local government bodies specified by the Audit Commission and published in May 2008 and updated in February 2009, and the supporting guidance, I am satisfied that, in all significant respects, the Yorkshire and Humber Assembly made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009.

### ***Certificate***

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

*Paul Lundy*  
*District Auditor*

*Kernel House*  
*Killingbeck Drive*  
*Killingbeck*  
*Leeds*  
*LS14 6UF*

*September 2009*

## STATEMENT OF ACCOUNTING POLICIES

This statement explains the basis of the figures in the accounts.

### 1. INTRODUCTION

The financial statements have been prepared under the historical cost concept and in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE) (effective January 2007). The following accounting concepts were relevant to the Assembly's circumstances and have been adopted as policies in preparing the financial statements.

### 2. FUNDAMENTAL ACCOUNTING CONCEPTS

#### **Accruals**

The financial statements have been prepared on an accruals basis. The non-cash effect of transactions has been recorded for the accounting period to which they relate and not in the period in which any cash has been received or paid. Income is matched with associated costs and expenses as far as the relationship can be established or justifiably assumed.

#### **Relevance**

The objective of the financial statements is to provide information about the Assembly's financial performance that is useful for assessing the stewardship of public funds and for making economic decisions.

#### **Consistency**

Consistent accounting policies have been applied both within the year and between years. Where accounting policies are changed, the reason and effect have been separately disclosed.

#### **Reliability**

The financial information provided is also reliable and conforms to the following:

- (a) It reflects the substance of the transactions and other events that have taken place;
- (b) It is free from deliberate or systematic bias;
- (c) It is free from material error;
- (d) It is complete within the bounds of materiality;

(e) Under conditions of uncertainty, it has been prudently prepared.

### **Comparability**

The Statement of Accounts has been prepared with consistency and adequate disclosure in accordance with the FRSSE to allow comparability.

### **Understandability**

All reasonable efforts have been taken in preparation of the financial statements to ensure they are as easy to understand as possible.

### **Materiality**

An item of information is material if its mis-statement or omission might reasonably be expected to influence assessments of stewardship, economic decisions, or comparisons with other entities based upon the financial statements. Strict compliance with this concept is not necessary where the amounts involved are not material to the fair presentation of the financial position and transactions of the Assembly.

### **Going Concern**

The Assembly's functions transferred to Local Government Yorkshire and Humber (LGYH) and Yorkshire Forward (YF) with effect from 1 April 2009. The Statement of Accounts has been prepared on the basis that the Assembly itself is no longer a going concern but that its functions will be carried on by LGYH and YF for the foreseeable future.

### **Primacy of Legislative Requirements**

The Assembly derives its powers from statute and its financial and accounting framework is controlled closely by primary and secondary legislation. To the extent that treatments are not prescribed by law, the accounting concepts outlined above may not apply in all cases. It is a fundamental principle of local authority accounting that, where specific legislative requirements and accounting principles conflict, legislative requirements shall apply.

## **3. FIXED ASSETS**

Fixed Assets are accounted for in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE) which sets out the principles of accounting for the initial measurement, valuation and depreciation of tangible fixed assets, with the exception of investment properties. The Assembly has no investment properties.

## Recognition

Expenditure on the acquisition, creation or enhancement of fixed assets with a value in excess of £500 and with estimated useful lives in excess of two years is capitalised on an accruals basis in the accounts.

## Measurement

All fixed assets are included in the balance sheet at their current value (replacement cost less depreciation). Certain short-lived assets such as furniture, plant and equipment are included at historical cost as a proxy for current value.

## Disposals

Disposals are written off at net book value. Any surplus/deficit arising is credited/charged to the Income and Expenditure Account.

## Depreciation

In accordance with the requirements of FRSSE, the only ground for not charging depreciation on fixed assets (other than non-depreciable land and non-operational investment properties) is that the depreciation charge is immaterial.

Depreciation has been provided for, using the straight-line method, on office equipment, computer equipment and furniture with a purchase cost in excess of £500.

The useful lives of the various assets held on the Asset Register are as follows:

- Office equipment      3 years
- Computer equipment   3 years
- Furniture                10 years

## 4. ACCRUALS OF INCOME AND EXPENDITURE (DEBTORS & CREDITORS)

### a) Receipts

Receipts in the form of fees, charges and contributions are accrued and accounted for in the period to which they relate.

### b) Interest

Interest is credited based on the level of cash balances. The amounts are calculated based on the one-month LIBOR rate.

c) Supplies and Services

The cost of supplies and services are accrued and accounted for in the period during which they were consumed or received. Accruals are made for all material sums unpaid at the year-end for goods and services received, or works completed.

5. CONTINGENT LIABILITIES

Contingent Liabilities are not accrued in the accounting statements. Material contingent liabilities are disclosed as a note to the Balance Sheet if there is a possible obligation, which may require a payment or a transfer of economic benefits.

6. CONTINGENT ASSETS

Contingent Assets are not accrued in the accounting statements. Material contingent assets are disclosed as a note to the Balance Sheet if the inflow of a receipt or economic benefit is probable.

7. GOVERNMENT GRANTS

Government grants and subsidies have been credited to the appropriate accounts on an accruals basis.

8. LEASES

*Operating Leases*

Rentals payable, net of benefits received or receivable, under operating leases are charged to expenditure on a straight-line basis over the term of the lease.

9. PROVISION FOR BAD AND DOUBTFUL DEBTS

No provision has been made for bad and doubtful debts, known as bad debts, these being written off to the income and expenditure account when no further recovery is possible.

10. PENSION COSTS

Employees are employed by Wakefield Metropolitan District Council. Employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme administered by the West Yorkshire Pension Fund (WYPF), which is a funded multi-employer defined benefit scheme. The pension cost charged to the Assembly's accounts is equal to the contributions paid to the funded pension scheme for those employees.

As the Assembly employees are admitted to the scheme through Wakefield MDC, disclosure is made using Wakefield MDC figures. The West Yorkshire Pension Fund cannot at this stage identify the assets and liabilities attributable to the Assembly but total assets and liabilities for Wakefield MDC (including those relating to the Assembly) are set out in disclosure note 6 on page 22.

## 11. PROVISIONS

Provisions are recognised in the accounts, where:

- a) The Assembly has a present obligation (legal or constructive) as a result of a past event;
- b) It is probable that a transfer of economic benefits will be required to settle the obligation; and
- c) A reliable estimate can be made of the amount of the obligation.

## 12. RESERVES

Amounts set aside for purposes falling outside the definition of provisions are reserves and are disclosed on the Balance Sheet. In addition to General Reserves, the Assembly maintains other reserves for specific rather than general expenditure.

## 13. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into sterling at the rate of exchange prevailing on the final day of the month in which the transaction took place. There were no foreign currency transactions following the transfer of the Yorkshireurope function on 1 September 2008.

## 14. POST BALANCE SHEET EVENTS

Events after the balance sheet date are reflected in the accounts up to the date when the statement of accounts was authorised for issue. Where an event arises which provides additional evidence relating to conditions existing at the balance sheet date, or which indicates that application of the going concern concept to a material part of the Assembly, then adjustments have been made to the accounts, where the amounts are material. Any material event which concerns conditions that did not exist at the balance sheet date has been disclosed as a separate note to the accounts. The disclosure note will, where appropriate, state the nature of the event and, where possible, an estimate of its financial effect.

## 15. STOCKS

Stocks are valued at most recent cost, and shown in the accounts at the lower of cost or net realisable value.

## 16. TAXATION

Local authorities are exempt from Income, Corporation and Capital Gains Taxes. Value Added Tax is included in the accounts only to the extent that it is irrecoverable. The Assembly currently recovers all its VAT via Wakefield MDC.

## 17. EXCEPTIONAL ITEMS, EXTRAORDINARY ITEMS AND PRIOR YEAR ADJUSTMENTS

There are no material exceptional or extraordinary items to disclose in the 2008/09 accounts. There are no material prior period adjustments in the 2008/09 accounts.

## 18. ACQUIRED OR DISCONTINUED OPERATIONS

The Assembly accounts for acquired or discontinued operations from the date of acquisition to the date of discontinuation. The Yorkshireurope function was transferred to Yorkshire Forward on 1 September 2008. The Assembly's 2008/09 accounts include transactions relating to the function up to that date.

## Yorkshire and Humber Assembly Income and Expenditure Account for year ended 31 March 2009

This account summarises the income and expenditure for the organisation

<u>2007/08</u> £		<u>2008/09</u> £	<u>Notes</u>
	<b>INCOME</b>		
222,000	Local Authority Contributions	222,000	
2,338,968	Central Government Funding	2,182,000	2
314,235	Yorkshireurope Grant Funding	80,708	3
566,203	Cash and In-Kind Contributions	400,116	4
122,821	Other Income	61,390	5
<u>3,564,227</u>	<b>Total Income</b>	<u>2,946,214</u>	
	<b>EXPENDITURE</b>		
2,026,062	Employee Costs	1,890,592	6,7,8
281,790	Accommodation & Equipment	218,238	
665,351	Consultancies	497,468	9
<u>289,511</u>	Other Costs	<u>224,637</u>	10
<u>3,262,714</u>	<b>Total Expenditure</b>	<u>2,830,935</u>	
<u>301,513</u>	(Deficit)/surplus for year	<u>115,279</u>	

I certify that the Income and Expenditure Account has been prepared in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007).

The financial statements were approved by the LGYH Full Members' Meeting on 10 September 2009.

---

Judith Badger CPFA  
Honorary Treasurer

## Yorkshire and Humber Assembly Balance Sheet for year ended 31 March 2009

The Balance Sheet summarises the financial position of the organisation. It shows the value of the Organisation's assets and liabilities at the end of the financial year.

<u>2007/08</u> £		<u>2008/09</u> £	<u>Notes</u>
	<b>FIXED ASSETS</b>		
9,379	Equipment	1,671	
<u>10,953</u>	Furniture	<u>6,126</u>	
<u>20,332</u>		<u>7,797</u>	12
	<b>CURRENT ASSETS</b>		
3,977	Stocks	2,321	13
1,633,957	Debtors and Payments in Advance	1,666,204	14
<u>19,971</u>	Cash at Bank and in Hand	<u>0</u>	15
<u>1,657,905</u>		<u>1,668,525</u>	
	<b>LESS CURRENT LIABILITIES</b>		
<u>594,289</u>	Creditors and Receipts in Advance	<u>473,095</u>	16
<u>594,289</u>		<u>473,095</u>	
<u>1,063,616</u>	<b>NET CURRENT ASSETS</b>	<u>1,195,430</u>	
<u>1,083,948</u>	<b>NET ASSETS</b>	<u>1,203,227</u>	
	<b>RESERVES</b>		
15,195	Repair & Redecoration at End of Lease	19,195	
47,809	Ring Fenced Planning Reserve	47,809	
200,000	Minimum Revenue Reserves	200,000	
<u>820,944</u>	General Reserves	<u>936,223</u>	17
<u>1,083,948</u>		<u>1,203,227</u>	

I certify that the Balance Sheet has been prepared in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007).

The financial statements were approved by the LGYH Full Members' Meeting on 10 September 2009.

---

Judith Badger CPFA  
Honorary Treasurer

# DISCLOSURE NOTES TO THE INCOME AND EXPENDITURE ACCOUNT AND BALANCE SHEET FOR THE YORKSHIRE AND HUMBER ASSEMBLY 2008/09

The following notes provide more detailed information in order to assist understanding of the main financial statements.

## 1. CONSTITUTION OF YORKSHIRE AND HUMBER ASSEMBLY

The Yorkshire and Humber Assembly was designated as the Regional Chamber under the Regional Development Agencies Act 1998 and received funding from the Regional Assemblies' Funding Agreement for its work. This designation transferred to Local Government Yorkshire and Humber from 1 April 2009.

## 2. GOVERNMENT GRANTS

Funding was received from the Department for Communities and Local Government as follows:

	2007/08	2008/09
	£	£
Regional Assemblies' Funding Agreement	2,338,968	2,182,000

## 3. YORKSHIRE EUROPE GRANT FUNDING

The following funding was received from Yorkshire Forward for the running of the Yorkshire Europe office:

	2007/08	2008/09
	£	£
Yorkshire Forward Single Programme Grant.	314,235	80,708

The reduction in grant income in 2008/09 reflects the transfer of the Yorkshire Europe function to Yorkshire Forward with effect from 1 September 2008.

## 4. CASH AND IN-KIND CONTRIBUTIONS

Contributions from Local Authorities were fixed at £222k. There were some reductions in other sources of funding including income from staff secondments (£53k) and DEFRA Sustainable Development and Transformation (£45k). Income for the Yorkshire and Humber Housing Forum (YHHF) was comparable with 2007/08.

## 5. OTHER INCOME

Interest receipts were lower than in 2007/08 (£61k) due to the fall in the Bank of England base rate.

## 6. PENSION COSTS

The Assembly paid an employers contribution of 13.4% of employees' pensionable pay into the West Yorkshire Pension Fund (WYPF) administered by City of Bradford MDC. This increased from 12.8% in 2007/08. Employee's contribution rates varied between 5.25% and 7.5% depending on salary.

In 2008/09 the Assembly paid contributions of £164k (2007/2008, £175k) into the WYPF. The contribution rate was determined by the Fund's actuary based on a triennial actuarial valuation for the three years 1 April 2008 to 31 March 2011.

In addition the Assembly is responsible for all pension payments relating to added years benefits it has awarded, together with the related increases. In 2008/09 these amounted to £4,695 (2007/08, £4,518).

WYPF produces a separate Statement of Accounts, and further information can be obtained from its Chief Financial Officer, PO Box 67, Britannia House, Hall Ings, Bradford, BD1 1UP.

Employees of the Yorkshire and Humber Assembly are admitted to membership of WYPF via their employment with Wakefield MDC. As WYPF cannot separate out the actuarial liability relating to the Assembly at this stage pensions costs continue to be accounted for on a defined contribution basis (i.e. the actual employers contributions made).

The following information is an extract from the 2008/09 Wakefield MDC statement of accounts and shows total assets and liabilities for Wakefield MDC (including those relating to the Assembly).

Reconciliation of present value of the scheme liabilities:

<b>Reconciliation of the Present Value of Scheme Liabilities</b>	<b>2007/08 WYPF £m</b>	<b>2008/09 WYPF £m</b>
Balance at 1 <sup>st</sup> April	(1,050.4)	(1,205.7)
Current service cost	(26.4)	(29.2)
Interest cost	(56.6)	(73.4)
Contributions by scheme participants	(9.6)	(10.3)
Actuarial gains and losses	(94.2)	264.3
Benefits paid	42.5	44.8
Past service costs and curtailments	(11.0)	(3.8)
<b>Balance at 31<sup>st</sup> March</b>	<b>(1,205.7)</b>	<b>(1,013.3)</b>

Reconciliation of fair value of the scheme assets:

<b>Reconciliation of the Fair Value of Scheme Assets (WYPF)</b>	<b>2007/08 (as restated) £m</b>	<b>2008/09 £m</b>
Balance at 1 <sup>st</sup> April	871.3	856.2
Expected return on assets	60.3	59.3
Actuarial gains and losses	(67.7)	(214.6)
Employer contributions	25.2	29.0
Contributions by scheme participants	9.6	10.4
Benefits paid	(42.5)	(44.8)
<b>Balance at 31<sup>st</sup> March</b>	<b>856.2</b>	<b>695.5</b>

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. The actual return on scheme assets in the year was a loss of £155.27m (2007/08 loss of £3.39m).

### **Basis for estimating assets and liabilities**

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates and salary levels. Both the West Yorkshire Pension Fund and the Teachers Pension schemes liabilities have been assessed by Mercer Human Resources Consulting Ltd, an independent firm of actuaries. Estimates for the West Yorkshire Pension Fund have been based on the latest full valuation of the scheme as at 31<sup>st</sup> March 2007.

The principal assumptions used by the actuary have been:

<b>Assumptions used in estimating assets and liabilities</b>	<b>2007/08 WYPF</b>	<b>2008/09 WYPF</b>
Long-term expected rate of return on assets in the scheme:		
Equities	7.5%	7.5%
Bonds	5.1%	4.7%
Other	6.6%	5.5%
Mortality assumptions:		
Longevity at 65 for future pensioners:		
Men	21.3 years	21.3 years
Women	25.0 years	25.0 years
Longevity at 65 for current pensioners:		
Men	20.3 years	20.3 years
Women	24.0 years	24.0 years
Rate of inflation	3.6%	3.3%
Rate of increase in salaries	5.4%	5.1%
Rate of increase in pensions	3.6%	3.3%
Rate for discounting scheme liabilities	6.1%	7.1%
Take-up of option to convert annual pension into retirement lump sum	50%	50%

The WYPF's assets consist of the following categories, by proportion of the total assets held:

<b>Analysis of Total Assets (WYPF)</b>	<b>31 March 2008 %</b>	<b>31 March 2009 %</b>
Equity Investments	71.7	62.0
Bonds	13.4	18.3
Other Assets	14.9	19.7
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

## 7. DISCLOSURE OF REMUNERATION OF SENIOR STAFF

The table below indicates the numbers of employees whose remuneration was greater than £50,000 (remuneration being amounts paid to or receivable by an employee, including payments in kind, but National Insurance and pension contributions payable by the employer are excluded).

<b>Remuneration Band £</b>	<b>Number of Employees</b>	
	<b>2007/2008</b>	<b>2008/09</b>
50,000-59,999	2	2
60,000-69,999	1	0
70,000-79,999	0	1
80,000-89,999	2	2
90,000-99,999	0	0

## 8. TOTALS OF MEMBERS' ALLOWANCES PAID IN YEAR

<b>2007/2008</b>	<b>2008/2009</b>
£42,049	£47,804

A scheme for paying members' allowances was first agreed at the Assembly annual general meeting on 21 July 2003 and was last reviewed and updated at the AGM on 12 July 2007.

## 9. CONSULTANCIES

Expenditure on consultancies has decreased by £168k. This was due to a tighter funding settlement in 2008/09 and the Assembly budget being set accordingly.

## 10. AUDIT FEES INCLUDED IN OTHER COSTS

Fees payable to the Audit Commission for 2008/09 were;

Audit	£16,000	(2007/08 £16,000)
Value for Money	£1,000	(2007/08 £1,000)
Grant Certification	£1,000	(2007/08 £962)

## 11. RELATED PARTY TRANSACTIONS

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a charge is made. Examples of related party transactions include:

- i. The purchase, sale, lease, rental or hire of assets between related parties;
- ii. The provision of a guarantee to a third party in relation to a liability or obligation of a related party;
- iii. The provision of services to a related party;
- iv. Transactions with individuals who are related parties of the Assembly.
- v. The materiality of related party transactions is judged not only in terms of their significance to the Assembly, but also to its related party.
- vi. Material transactions with related parties, not disclosed elsewhere in the Statement of Accounts, are required to be disclosed as a note to the Income and Expenditure Account.

Two or more parties are related parties when at any time during the financial period:

- i. One party has direct or indirect control of the other party; or
- ii. The parties are subject to common control from the same source; or
- iii. One party has influence over the financial and operational policies of the other party to the extent that the other party might be inhibited from pursuing at all times its own separate interests; or
- iv. The parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

The Assembly has undertaken a review to identify any related party transactions and has identified the following:

- In April 2002 Wakefield MDC, the Assembly's accountable body, entered into a five-year lease for the premises at 18 King Street, Wakefield at a cost of £55k per annum. The lease is now on an ongoing basis for which Wakefield MDC pays the rental. The rental is then recharged to the Assembly.
- The Yorkshire and Humber Assembly is funded in part by contributions from all member authorities being the Local Authorities of Yorkshire and The Humber (£222k in 2008/09). Local Authority Members have declared their interests in their own authorities' accounts.

## 12. TANGIBLE FIXED ASSETS

Depreciation is charged in the accounts as explained in the Statement of Accounting Policies (note 3) and analysed below.

<b>COST</b>	<b>Furniture</b>	<b>IT &amp; Office Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Opening balance	35,995	208,073	244,068
Disposals	8,174	34,106	42,280
Additions	0	1,246	1,246
As at 31/03/09	<u>27,821</u>	<u>175,213</u>	<u>203,034</u>
<b>DEPRECIATION</b>			
Opening balance	25,042	198,694	223,736
Disposals	7,122	33,368	40,490
Charge for Year	3,775	8,216	11,991
As at 31/03/09	<u>21,695</u>	<u>173,542</u>	<u>195,237</u>
Net Book Value at 31/03/09	<u>6,126</u>	<u>1,671</u>	<u>7,797</u>
Net Book Value at 31/03/08	<u>10,953</u>	<u>9,379</u>	<u>20,332</u>

### 13. STOCKS

Stocks comprise stationery and IT consumables and are valued at most recent cost, and shown in the accounts at the lower of cost or net realisable value.

### 14. DEBTORS AND PAYMENTS IN ADVANCE

Debtors represent monies owed to the Assembly at the Balance Sheet date, which are yet to be received as cash

<b>Amounts falling due in one year:</b>	<b>31 March 08</b>	<b>31 March 09</b>
	<b>£</b>	<b>£</b>
European Office accommodation bond	9,049	0
General Debtors	78,390	54,947
Prepayments	1,992	0
Lease: repair & redecoration	15,195	19,195
Cash Balance held by WMDC	1,433,578	1,592,062
Accrued Grant: Yorkshireurope	95,753	0
<b>Total</b>	<b>1,633,957</b>	<b>1,666,204</b>

The European Office accommodation bond is no longer included in debtors due to the transfer of the Yorkshireurope function to Yorkshire Forward on 1 September 2008. As a result of the transfer no accrual of Yorkshire Forward grant was necessary.

There were no prepayments at 31 March 2009 due to the Assembly functions transferring to Local Government Yorkshire and Humber and Yorkshire Forward with effect from 1 April 2009.

The Assembly's cash balance is shown as a debtor in the accounts. This is because Wakefield MDC holds the balance in its own bank account on behalf of the Assembly. The balance has increased in 2008/09 due mostly to an increase in the Assembly's reserves (£115k).

### 15. CASH AT BANK AND IN HAND

The 2007/08 balance of £20k represented the cash held in Belgian bank accounts for the Yorkshireurope function. With effect from 1 September 2008 responsibility for the function and associated bank accounts transferred to Yorkshire Forward. Yorkshire Forward reimbursed the Assembly for the balance in the accounts and this is now included in the cash balance held by Wakefield MDC (see note 13 Debtors).

### 16. CREDITORS AND RECEIPTS AND GRANTS IN ADVANCE

Creditors represent monies owed by the Assembly at the Balance Sheet date falling due within one year, which have not yet been paid.

	31 March 08	31 March 09
	£	£
General Creditors	314,695	270,175
Deferred Income / Receipts In Advance	249,095	197,446
Year End Balance YHHF	30,499	5,474
<b>Total</b>	<b>594,289</b>	<b>473,095</b>

The decrease in general creditors is due mainly to some payments relating to staff terminations (£54k) being accrued in 2007/08. These accruals were not required in 2008/09.

Receipts in advance have decreased due to Housing Research grant brought forward from 2007/08 being utilised in year.

The year-end balance relating to the Yorkshire and Humber Housing Forum has decreased due to the Forum being disbanded in its current form. The balance will be transferred to the National Housing Federation as successors in 2009/10.

## 17. GENERAL RESERVES

At 31 March 2009 the Assembly's surplus was £115k. This was credited to General Reserves and will be included in the subsequent transfer of reserves to Local Government Yorkshire and Humber.