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REGISTRAR

Hull Compact Limited

Report and Financial Statements

31 March 2006

 ERNST & YOUNG

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COMPANIES HOUSE

Hull Compact Limited

Company Registered No: 2339437

Charity Registered No: 702186

Directors

C Brown	- Vice Chairman
A Clark	- Chairman
T Clark	
G Munn	- Treasurer
D Palmer	
D Quigley	
P J S Shipp	
A Swallow	
T A Twaits	
A Wheelwright	

Secretary

F B Salt

Auditors

Ernst & Young LLP
PO Box 3
Lowgate House
Lowgate
Hull
HU1 1JJ

Bankers

HSBC Bank plc
55 Whitefriargate
Hull
HU1 2HX

Legal advisors

Rollits
Wilberforce Court
High Street
Hull
HU1 1YJ

Registered Office

First Floor
258 Anlaby Road
Hull
East Yorkshire
HU3 2RS

Enquiries about the company should be addressed to F B Salt at the Registered Office

Directors' and trustees' report

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

Nature of business and objectives

The principal activity of the company and the charity is the raising of standards in education and training of children and young people within the City of Kingston Upon Hull, with particular reference to equipping them for employment and facilitating their obtaining work in industry, commerce and the professions. The company has charitable status.

Review and Development

The net surplus for the year amounted to £4,217 (2005 surplus of £6,853). The timing of donations will continue to cause artificial surpluses/deficits. During the year, direct charitable expenditure amounted to £67,070 while operational management expenditure was £39,879.

There have been no changes to Compact's governing body which has met regularly during the course of the year.

Compact Goal achievement has stabilised with 1,454 pupils from 13 different schools being successful.

Compact Awards saw 556 pupils sharing Achievement Awards. This represents a fall from last year's figure (616) despite the City improvement in the number of pupils achieving five "A to C Grades" in GCSE and a corresponding upward movement in the league tables. 12 students received University Bursaries to the value of £36,000. The Awards as a whole cost £62,780, a sum provided most generously by Compact sponsors.

Mentoring continues to be an important and developing activity both in schools and also in the "Drug Intervention Programme." The schools are suffering from a marked loss of experienced mentors but we hope that continuing recruitment will solve the problem.

Compact staff continue to work with most City secondary schools and colleges, including Bishop Burton. This involves participating in "Industry Days" and taking part in "Mock Interviews". Staff are also concerned with

- the "Kit-Car" Project which is very much in demand and with
- the very successful "Young Learning Champions" Project

Our thanks go to all Compact supporters and service providers and to the schools and colleges with which we work.

Taxation

The company, as a registered charity, has obtained exemption from corporation tax. Charitable tax exemptions can therefore be claimed to the extent that income and/or gains are applicable and applied for charitable purposes only.

Company status

The company is a private company limited by guarantee, not having a share capital and is also registered as a charity (Number 702186).

Directors' and trustees' report

Executive committee

The directors, who are trustees for the purpose of charity laws, who acted during the year are as follows:

C Brown	- Vice Chairman
A Clark	- Chairman
T Clark	
G Munn	- Treasurer
D Palmer	
D Quigley	
P J S Shipp	
A Swallow	
T A Twaits	
A Wheelwright	

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the company in the event of winding up. The total number of guarantors at 31 March 2006 was 10 (2005 – 10).

In accordance with clauses 32 and 33 of the Articles of Association, all directors should retire at the Annual General Meeting. The retiring directors and officers shall be eligible for re-election.

Statement of directors' and trustees' responsibilities

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

Company law requires the directors to prepare accounts 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 income or expenditure of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the accounts 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 accounts 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.

Directors' and trustees' report

Directors' statements as to disclosure of information to auditors

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

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

Auditors

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.



F B Salt
Secretary

16 November 2006

Independent auditors' report

to the members of Hull Compact Limited

We have audited the charity's financial statements of for the year ended 31 March 2006 which comprise the Statement of financial Activities, Statement of Total Recognised Gains and Losses, Balance Sheet and related notes 1 to 10. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees' (who are also the directors of Hull Compact Limited for the purposes of company law) are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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, are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' Report is consistent with the financial statements.

We also report to you if, in our opinion, the charity 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 trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Trustees' Report, and consider whether it is consistent with the audited financial statements. This other information comprises the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

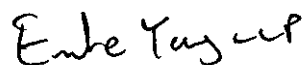
We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 Hull Compact Limited

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the charitable company as at 31 March 2006 and of its incoming resources and application of resources including its income and expenditure, 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 Trustees' Report is consistent with the financial statements.



Ernst & Young LLP
Registered Auditor
Hull
16 November 2006

Statement of financial activities (including income and expenditure account)

for the year ended 31 March 2006

	Notes	Unrestricted account £	Restricted account £	Total 2006 £	Total 2005 £
Income and expenditure					
Incoming resources					
Donations	2	51,200	47,166	98,366	109,681
Investment income and interest	3	865	4,277	5,142	5,033
Other income		7,602	56	7,658	3,187
Total incoming resources		59,667	51,499	111,166	117,901
Resources expended					
Direct charitable expenditure	4	-	67,070	67,070	67,666
Management and administration of the charity	5	39,539	340	39,879	43,382
Total resources expended		39,539	67,410	106,949	111,048
Net incoming/(outgoing) resources before transfers					
		20,128	(15,911)	4,217	6,853
Transfers between funds		(3,000)	3,000	-	-
Income/(expenditure) for they year		17,128	(12,911)	4,217	6,853
Total funds at 1 April 2005	8	26,319	125,916	152,235	145,382
Total funds at 31 March 2006	10	43,447	113,005	156,452	152,235

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Statement of total recognised gains and losses

for the year ended 31 March 2006

There are no recognised gains or losses other than the surplus of £4,217 for the year (2005 – surplus of £6,853) as shown above.

Balance sheet

at 31 March 2006

	Notes	2006 £	2005 £
Current assets			
Prepayments and accrued income		640	64
Cash at bank and in hand		158,668	154,419
		<u>159,308</u>	<u>154,483</u>
Current liabilities			
Accruals		2,856	2,248
		<u>156,452</u>	<u>152,235</u>
Net assets			
Funds			
Unrestricted funds	10	43,447	26,319
Restricted funds	10	113,005	125,916
		<u>156,452</u>	<u>152,235</u>
Non equity members' funds			
		<u>156,452</u>	<u>152,235</u>

Approved by the Board on 16 November 2006



A Clark
Chairman



G Munn
Treasurer

Notes to the financial statements

at 31 March 2006

1. Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost accounting rules in accordance with applicable accounting standards and the Statement of Recommended Practice – Accounting and Reporting by Charities (revised 2005).

Depreciation

Depreciation of tangible fixed assets is calculated by reference to cost, less any residual value, at rates estimated to write off the relevant assets over their expected useful lives which are as follows:

Office equipment - 5 years

Donations, bursaries and grants

Donations are credited to the income and expenditure account when the amounts are received. Bursaries and grants awarded are debited to the income and expenditure account in the year to which they relate.

Unrestricted funds are donations and other incoming resources receivable or generated by the objectives of the charity without further specified purpose and are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Charitable expenditure

Direct charitable expenditure includes all expenditure incurred, except direct management costs of supporting the activities which have been separately identified in the accounts as management and administrative costs.

Taxation

Hull Compact Limited is a registered charity (No 702186) and consequently has no liability to corporation tax.

Notes to the financial statements

at 31 March 2006

2. Donations

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>2006</i>	<i>2005</i>
			<i>£</i>	<i>£</i>
Aarhus United UK	-	1,291	1,291	641
ABP	-	750	750	750
ADM Cocoa	-	-	-	641
Ann Watson Trust	-	6,000	6,000	6,000
ArchBishop Thurstan	1,000	-	1,000	1,000
Bishop Burton College	500	-	500	500
Cargill	-	650	650	1,000
CB Richard Ellis	-	-	-	500
David Lister School	1,000	-	1,000	1,000
Education Business Link Organisation	7,000	-	7,000	-
Endeavour School	1,000	-	1,000	1,000
Ernst & Young LLP	-	500	500	500
ERYCC	14,000	-	14,000	5,500
First Class Education Services	-	1,000	1,000	1,000
Hesslewood Children's Trust	-	14,000	14,000	14,000
HSBC	-	-	-	2,000
Hull & East Riding Charitable Trust	-	3,000	3,000	3,000
Hull CC (TRITSE)	-	-	-	500
Hull City Council	-	2,500	2,500	2,500
Hull College	1,000	-	1,000	1,500
Hull Daily Mail	-	-	-	641
Isaac Newton School	1,000	-	1,000	1,000
J H Fenner & Co	-	1,830	1,830	2,563
Kelvin Hall School	1,000	-	1,000	1,000
Kingswood School	1,000	-	1,000	1,000
LEA	-	2,500	2,500	-
Learning Consortium	-	-	-	50
Malet Lambert	1,500	-	1,500	1,500
Mark C Brown	100	500	600	500
Newland School	1,000	-	1,000	1,000
Northern Foods	-	6,000	6,000	6,000
Nunburnholme Trust	-	300	300	300
Pickering High School	1,000	-	1,000	1,000
Princes Quay	-	500	500	-
Reckitt Benckiser	1,500	-	1,500	21,500
Rotary Club of Humberside	-	500	500	-
Sir Henry Cooper School	1,000	-	1,000	1,000
Sir James Reckitt Charity	2,000	-	2,000	2,000
St Mary's College	2,000	-	2,000	2,500
Sydney Smith School	-	-	-	1,500
Trinity House School	500	-	500	-
University of Hull	10,600	-	10,600	12,450
University of Lincoln	-	1,500	1,500	1,500
W M Jackson	-	3,845	3,845	4,145
Wilberforce College	-	-	-	2,000
Wyke College	1,500	-	1,500	1,000
	<u>51,200</u>	<u>47,166</u>	<u>98,366</u>	<u>109,681</u>

* Comparison of income in the two years is rendered difficult by advance payments.

Notes to the financial statements

at 31 March 2006

3. Investment income

	2006	2005
	£	£
Bank interest received	5,142	5,033

4. Direct charitable expenditure

	2006	2005
	£	£
Bursaries and grants		
No 3 Account	67,070	67,666

5. Management and administration of the charity

	2006	2005
	£	£
Printing and promotions	3,558	2,337
Travelling expenses	1,721	3,030
Bank charges	20	-
Administration	4,577	6,477
Sundry expenses	1,915	488
Consultancy fees	28,088	28,821
Computer equipment	-	2,229
	39,879	43,382

None of the directors received any remuneration during the year (2005 - £nil).

Ernst & Young LLP waived audit and accountancy fees of £2,000 during current and prior year.

Notes to the financial statements

at 31 March 2006

6. Fixed assets

	<i>Office equipment £</i>
Cost:	
At 1 April 2005 and 31 March 2006	2,319
Depreciation:	
At 1 April 2005 and 31 March 2006	2,319
Net book value:	
At 1 April 2005 and 31 March 2006	-

7. Related party transactions

During the year Mr A Wheelwright was a director of WM Jackson. WM Jackson have made donations totalling £3,845 (2005 - £4,145) to Hull Compact during the year.

These transactions have been entered into on an arm's length basis in the ordinary course of business and have been approved by the board of directors.

8. Reconciliation of movements in members' funds

	2006 £	2005 £
Surplus for the year	4,217	6,853
Opening members' funds	152,235	145,382
Closing members' funds	156,452	152,235

9. Members' liability

The company was incorporated as a company limited by guarantee and therefore it has no share capital. The liability of the members is limited to £1 each.

10. Reserves

	2006 £	2005 £
Unrestricted		
No 2 Account - Hull Compact company account	43,447	26,319
Restricted		
No 3 Account - Compact awards	113,005	125,916
	156,452	152,235

A substantial proportion of the above reserves £72,500. (2005 - £72,500) will be distributed in the form of grants and bursaries during the next two financial years.

The unrestricted reserves may be used for operational purposes as well as being distributed in the form of grants and bursaries during the forthcoming financial years.