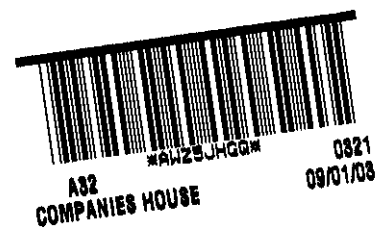


HULL COMPACT LIMITED

Report and Accounts

31 March 2002

 ERNST & YOUNG



Hull Compact Limited

Company Registered No. 2339437

Charity registered No 702186

DIRECTORS

A Clark (Chairman)

J Mulgrove

C Brown (Vice Chairman)

M Doolan

A Swallow

Mrs G Munn (Treasurer)

D Knibb

Mrs E Naylor

A Wheelwright

S Wallis

T Clark

A Smith

Miss J Reeder

D Palmer

SECRETARY

F B Salt

AUDITORS

Ernst & Young LLP

PO Box 3

Lowgate House

Lowgate

Hull

HU1 1JJ

BANKERS

HSBC Bank PLC

King William House

Market Place

Hull

HU1 1JS

LEGAL ADVISORS

Rollits

Wilberforce Court

High Street

Hull

HU1 1YJ

REGISTERED OFFICE

No 2 Suite

King's Buildings

South Churchside

Hull

HU1 1RR

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

DIRECTORS' REPORT

The directors' present their report and the audited accounts for the year ended 31 March 2002.

NATURE AND OBJECTIVES

The principal activity of the company 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 deficit for the year amounted to £44,181 (2001 - £33,723 surplus). The deficit for the year is due to the timing of the donations and the directors are of the opinion that the company should return to a net surplus position in the forthcoming year.

During the year direct charitable expenditure amounted to £91,675 and operational management expenditure amounted to £47,122.

1. Hull Compact's Governing body suffered no changes during the course of the year but Mr Michael Pooley, an administrative assistant, resigned and was not replaced.
2. This has been the last year of Cityvision funding and we are immensely grateful for their continued support. Future funding will come from supporting companies, from the schools with which "Service Level Agreements" have been reached and hopefully from the "Learning and Skills Council" which has replaced the "Training and Enterprise Council".
3. The slight decline in Compact Goal Achievement continues following the change in Compact Goals last year. We hope that new initiatives, such as sending Compact pamphlets to all parents of Year 10 pupils, will result in more motivation and better Goal achievement.
4. Compact Awards saw 625 pupils sharing Achievement Awards which replaced Further Education Awards this year. A further 16 students shared university bursaries to the value of £46,000 while the Awards as a whole cost £91,675 which was provided most generously by Compact sponsors.
5. The Mentoring programme continues to develop with 58 mentors working with 81 mentees in 10 Hull secondary schools. In addition Compact is seeking to provide and train 24 "Criminal Justice mentors" to work with young people involved with the "Youth Offending Team".
6. Compact staff continue to work with all city secondary schools and colleges. This involves participating in "industry days" and taking part in "mock-interviews". Staff have also been concerned with:
 - A kit car project extended to more and more schools.
 - "BUMPS PLUS" which will soon see the opening of a new extended kart track at Noodle Hill Way.
 - The continued work of the "Education-Business Consortium" and of the "Hull Education-Business Forum".

DIRECTORS' REPORT

EXECUTIVE COMMITTEE

The directors, who are trustees for the purpose of charity laws, who acted during the year were as shown on page 1.

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 guarantees at 31 March 2002 was 14. (2001 – 14).

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.

AUDITORS

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


STATEMENT OF DIRECTORS' RESPONSIBILITIES

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.

F B Salt
Secretary



19 November 2002

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HULL COMPACT LIMITED**

We have audited the company's financial statements for the year ended 31 March 2002 which comprise Profit and Loss Account, Balance Sheet, Cash Flow Statement, Statement of Total Recognised Gains and Losses and the related notes 1 to 10. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company 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.

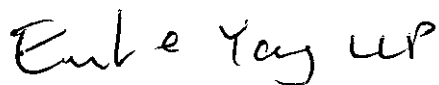
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2002 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Hull

19 November 2002

Hull Compact Limited

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 March 2002

	Notes	Unrestricted account £	Restricted account £	Total 2002 £	Total 2001 £
INCOME AND EXPENDITURE					
INCOMING RESOURCES					
Donations	2	48,170	42,845	91,015	155,203
Investment income and interest	3	243	3,358	3,601	5,168
Sundry		-	-	-	500
TOTAL INCOMING RESOURCES		48,413	46,203	94,616	160,871
RESOURCES EXPENDED					
Direct charitable expenditure	4	-	91,675	91,675	81,825
Management and administration of the charity	5	47,071	51	47,122	45,323
TOTAL RESOURCES EXPENDED		47,071	91,726	138,797	127,148
NET INCOMING/(OUTGOING) RESOURCES					
- NET (DEFICIT)/SURPLUS FOR THE YEAR		1,342	(45,523)	(44,181)	33,723
Total funds at 1 April 2001		23,731	167,102	190,833	157,110
Total funds at 31 March 2002	7	25,073	121,579	146,652	190,833

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 March 2002

There are no recognised gains or losses other than the deficit of £44,181 for the year (2001 – surplus of £33,723) as shown above.

Hull Compact Limited

BALANCE SHEET at 31 March 2002

	Notes	2002 £	2001 £
CURRENT ASSETS			
Accrued income		95	416
Cash at bank and in hand		146,557	190,417
		<u>146,652</u>	<u>190,833</u>
FUNDS			
Unrestricted funds	9	25,522	23,731
Restricted funds	9	121,130	167,102
		<u>146,652</u>	<u>190,833</u>
TOTAL FUNDS			

Approved by the Board on 19 November 2002



A Clark
Chairman



Mrs G Munn
Treasurer

Hull Compact Limited

INCOME AND EXPENDITURE

for the year ended 31 March 2002

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 by Charities (Issued by the Charity Commission October 1995).

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

Bursaries and grants

Bursaries and grants are credited 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.

Hull Compact Limited

INCOME AND EXPENDITURE for the year ended 31 March 2002

2. DONATIONS

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Total</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>2002</i>	<i>2001</i>
			<i>£</i>	<i>£</i>
ABP	-	641	641	641
ADM Cocoa	-	641	641	641
Age Concern	-	-	-	47
Anglia Oils	-	641	641	500
Ann Watson Trust	-	6,500	6,500	5,000
Arco	-	-	-	1,000
Bemrose	-	-	-	2,000
C B Hillier Parker	-	500	500	-
Cargill	-	500	500	500
E W Snowdon	-	-	-	250
Ernst & Young LLP	-	600	600	500
EYMS	-	500	500	500
Fenner	-	-	-	2,563
Frances and Cyril Bibby Trust	-	-	-	3,000
Government's Single Regeneration Budget via:				
Hull City Vision (Compact Awards)	-	7,100	7,100	8,250
Hull City Vision (Compact Goals)	39,923	-	39,923	45,663
Hesslewood Childrens' Trust	-	-	-	9,000
Hobson & Porter Limited	500	-	500	-
HSBC	-	1,000	1,000	1,900
Hull & East Riding Charity Trust	-	3,000	3,000	3,000
Hull Chamber of Commerce	-	-	-	500
Hull Daily Mail	-	1,282	1,282	-
Humberside TEC	800	-	800	10,000
JDV Limited	10	-	10	-
J H Fenner & Co	500	-	500	500
J & A Cattle Trust	-	-	-	5,000
Kingston Communications	-	-	-	1,282
Marks & Spencer	-	500	500	-
Northern Foods	-	6,000	6,000	5,000
Nunburnholme Trust	-	-	-	200
Personal donations	-	-	-	230
Reckitt Benckiser	-	-	-	34,223
Reckitt & Colman	1,500	-	1,500	-
Recruit Plc	-	3,845	3,845	-
Sir James Reckitt Charity	1,540	-	1,540	1,500
Smith & Nephew	500	1,500	2,000	2,000
Spectrum Copiers	147	-	147	-
Sutton Trust	1,000	-	1,000	-
University of Hull	1,500	3,000	4,500	4,500
University of Lincolnshire and Humberside	-	1,250	1,250	1,250
W M Jackson	250	3,845	4,095	4,063
	<u>48,170</u>	<u>42,845</u>	<u>91,015</u>	<u>155,203</u>

Hull Compact Limited

INCOME AND EXPENDITURE for the year ended 31 March 2002

3. INVESTMENT INCOME

	2002	2001
	£	£
Bank interest received	3,601	5,168

4. DIRECT CHARITABLE EXPENDITURE

	2002	2001
	£	£
Bursaries and grants		
No 1 Account	-	3,250
No 3 Account	81,875	71,425
No 4 Account	9,800	7,150
	91,675	81,825

5. MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	2002	2001
	£	£
Printing and promotions	3,916	4,817
Travelling expenses	3,263	2,688
Bank charges	71	27
Administration	10,404	6,120
Sundry expenses	1,005	1,707
Consultancy fees	28,463	29,964
	47,122	45,323

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

6. FIXED ASSETS

	Office equipment £
Cost:	
At 1 April 2001 and 31 March 2002	2,319
Depreciation:	
At 1 April 2001 and 31 March 2002	2,319
Net book value:	
At 1 April 2001 and 31 March 2002	-

Hull Compact Limited

INCOME AND EXPENDITURE

for the year ended 31 March 2002

7. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2002 £	2001 £
(Deficit)/surplus for the year	(44,181)	33,723
Opening members' funds	190,833	157,110
Closing members' funds	146,652	190,833

8. SHARE CAPITAL

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.

9. RESERVES

	2002 £	2001 £
Unrestricted		
No 1 Account - The Government's single regeneration budget via Hull City Vision (Compact Goals)	(468)	13,080
No 2 Account - Hull Compact company account	25,990	10,651
	25,522	23,731
Restricted		
No 3 Account - Compact awards	121,021	165,403
No 4 Account - The Government's single regeneration budget via Hull City Vision (Compact Awards)	109	1,699
	121,130	167,102
	146,652	190,833

A substantial proportion of the above reserves £75,000, (2001 - £80,000) 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.