

**NORTH EAST INNOVATION CENTRE COMPANY
LIMITED
COMPANY LIMITED BY GUARANTEE
ABBREVIATED ACCOUNTS
31st MARCH 2005**



**NORTH EAST INNOVATION CENTRE COMPANY LIMITED
COMPANY LIMITED BY GUARANTEE**

ABBREVIATED ACCOUNTS

YEAR ENDED 31st MARCH 2005

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**NORTH EAST INNOVATION CENTRE COMPANY LIMITED
COMPANY LIMITED BY GUARANTEE**

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4, together with the financial statements of the company for the year ended 31st March 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

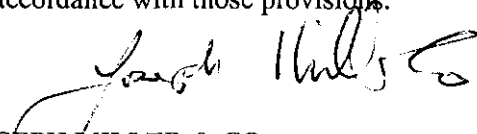
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



JOSEPH MILLER & CO
Chartered Accountants & Registered Auditors
Newcastle upon Tyne

18th November 2005

**NORTH EAST INNOVATION CENTRE COMPANY LIMITED
COMPANY LIMITED BY GUARANTEE**

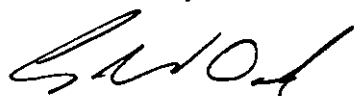
ABBREVIATED BALANCE SHEET

31st MARCH 2005

	Note	£	2005 £	£	2004 £
Fixed assets	2				
Tangible assets			33,032		34,137
Investments			1		1
			<u>33,033</u>		<u>34,138</u>
Current assets					
Stocks		54,792		-	
Debtors		278,770		172,986	
Cash at bank and in hand		361		83,563	
		<u>333,923</u>		<u>256,549</u>	
Creditors: Amounts falling due within one year		<u>119,564</u>		<u>48,100</u>	
Net current assets			<u>214,359</u>		<u>208,449</u>
Total assets less current liabilities			<u>247,392</u>		<u>242,587</u>
Reserves	3				
Profit and loss account			247,392		242,587
Members' funds			<u>247,392</u>		<u>242,587</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 16th November 2005 and are signed on their behalf by:



G W ORD

The notes on pages 3 to 4 form part of these abbreviated accounts.

**NORTH EAST INNOVATION CENTRE COMPANY LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31st MARCH 2005

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the accounts represents amounts invoiced during the year, exclusive of Value Added Tax, together with grants received, which are matched to either the expenditure or period to which they relate.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 10% on cost
Fixtures & Fittings	- 10% on cost
Motor Vehicles	- 20% - 25% on cost
Computer equipment	- 33.3% - 50% on cost

Plant and machinery

Work in progress

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses.

Fees are calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract.

The amount by which recorded turnover is in excess of payments on account is included in work in progress.

Excess progress payments and provision for anticipated future losses on contracts are included in creditors as " payments received on account ".

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**NORTH EAST INNOVATION CENTRE COMPANY LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31st MARCH 2005

1. Accounting policies *(continued)*

Pension costs

The company participates in a defined benefit scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the scheme. The pension charge is calculated on the basis of actuarial advice.

On the advice of the actuary pension costs have been accounted for on a defined contribution basis. This basis is adopted because it is not possible to identify separately on a consistent and reasonable basis, the assets and liabilities which relate to the company as required by FRS17 and future service accrual contribution is accrued on a "grouped" basis.

2. Fixed assets

	Tangible Assets £	Investments £	Total £
Cost			
At 1st April 2004	78,690	100	78,790
Additions	10,000	—	10,000
At 31st March 2005	<u>88,690</u>	<u>100</u>	<u>88,790</u>
Depreciation and amounts written off			
At 1st April 2004	44,553	99	44,652
Charge for year	11,105	—	11,105
At 31st March 2005	<u>55,658</u>	<u>99</u>	<u>55,757</u>
Net book value			
At 31st March 2005	<u>33,032</u>	<u>1</u>	<u>33,033</u>
At 31st March 2004	<u>34,137</u>	<u>1</u>	<u>34,138</u>

The investment represents 100% of the issued share capital in North East Innovation Enterprises Limited.

At 31st March 2005 the aggregate of its capital and reserves was £67 (2004 : £67), and its profit for the year was Nil (2004 : Nil).

3. Company limited by guarantee

The liability of each member is limited to £1 to be contributed towards the payment of the debts in the event of the Company being wound up. At 31st March 2005 the number of members so liable was 10 (2004: 11).