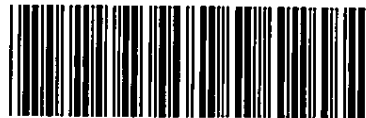


NewcastleGateshead Initiative Limited
(A company limited by guarantee)

Report and Financial Statements

31 March 2011

THURSDAY



AOPSZZ4H

A23

10/11/2011

355

COMPANIES HOUSE

Directors

N J Martin – Chairman
A Moffat
Prof C Brink
J Fisher
B Garner
G Hilton
C Jowsey
R Kelly
G Mason
J Mowbray
B Rowland
Prof A Wathey
D Simms
M Thompson
A Thompson
J Blair
R J Thorold
B Blamire

Secretary

W Teasdale (resigned 31st January 2011)
R Earl (appointed 31st January 2011)

Auditors

Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JD

Bankers

National Westminster Bank plc
87 Grey Street
Newcastle upon Tyne
NE99 1PY

Solicitors

Dickinson Dees
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE99 1SB

Registered Office

9th Floor
Baltic Place East
South Shore Road
Gateshead
Tyne & Wear
NE8 3AE

Public Members

Gateshead Council
Newcastle City Council

Principal Members

- 1 Arts Council England, North East
- 2 Dickinson Dees
- 3 Gateshead College
- 4 ncjMedia Limited
- 5 Newcastle College
- 6 Newcastle International Airport
- 7 Newcastle United Football Club
- 8 Newcastle University
- 9 Nexus
- 10 Northern Rock Plc
- 11 Northumbria University
- 12 Port of Tyne Authority
- 13 Ryder Architecture Limited

Corporate Members

- 1 Ark Associates
- 2 BALTIC Centre for Contemporary Art
- 3 Brewin Dolphin
- 4 British Telecom
- 5 Centre for Life
- 6 Copthorne Hotel
- 7 CSC MetroCentre Limited
- 8 DB Regio
- 9 DFDS Seaways (UK) Limited
- 10 eaga plc
- 11 Eldon Square Shopping Centre
- 12 Eversheds
- 13 Fenwick Limited
- 14 Gateshead Thunder
- 15 Gentoo
- 16 Grainger Trust
- 17 Hanro
- 18 Heineken UK
- 19 Hilton Newcastle Gateshead
- 20 Home Group
- 21 ISOS Housing Limited
- 22 J Barbour & Sons Limited
- 23 Jesmond Dene House Limited/Café 21
- 24 John Lewis Newcastle
- 25 Newcastle Marriott Gosforth Park
- 26 Newcastle Racecourse
- 27 Northern Recruitment Group
- 28 Northumbrian Water plc
- 29 Nova International
- 30 Premier Inn Newcastle City Centre
- 31 Quorum Development Partners
- 32 Ramside Estates

- 33 Robson Brown
- 34 Silverlink Holdings Limited
- 35 The Sage Gateshead
- 36 Theatre Royal
- 37 Tolent Construction Limited
- 38 Tyne & Wear Archives and Museums
- 39 UK Land Estates
- 40 University of Sunderland
- 41 Ward Hadaway Solicitors
- 42 Watson Burton LLP
- 43 Zodiac Training

Convention Bureau Members

All Public, Principal and Corporate members of NewcastleGateshead Initiative Limited receive benefits of Convention Bureau membership where appropriate. The following memberships are for the Convention Bureau only

- 1 Albatross Backpackers Inn
- 2 Alpha Graphics
- 3 Backpackers newcastle
- 4 Beamish Hall Country House Hotel
- 5 Bede's World
- 6 Benchmark Communications Limited
- 7 Blackfriars Restaurant
- 8 Blue Reef Aquarium
- 9 Campanile Hotel
- 10 City Sightseeing Limited
- 11 Climb Newcastle
- 12 Close House Hotel & Golf
- 13 Cobalt Business Exchange
- 14 County Hotel By Thistle
- 15 Cynergy
- 16 Dalton Park Outlet Shopping Centre
- 17 Dance City
- 18 De Vere Deluxe Slaley Hall
- 19. Dissington Hall
- 20 Durham County Cricket Club
- 21 Durham University (Event Durham)
- 22 East Coast Taxis and Tours
- 23 English Heritage
- 24 Garfield Executive Travel
- 25 Hi-Lights Services
- 26 Hiscox Insurance
- 27 Holiday Inn Express Newcastle City Centre
- 28 Holiday Inn Express Newcastle MetroCentre
- 29 Holiday Inn Newcastle Jesmond
- 30 Hotel du Vin Newcastle
- 31 Jan Williams, Blue Badge Tour Guide Services
- 32 Jurys Inn Newcastle
- 33 Kensington House ApartHotel
- 34 Kenes UK
- 35 Kielder Conference and Training Centre
- 36 Kite Communications

- 37 Langley Castle Hotel
- 38 Live Theatre
- 39 Longhirst Hall
- 40 MPH Training & Conference Centre
- 41 MacDonald Linden Hall Hotel
- 42 Malmaison
- 43 Matfen Hall Hotel Golf Spa
- 44 Meetings Maker
- 45 Metro Radio Arena
- 46 Mitchell Halton Watson Limited
- 47 Namco Funscape
- 48 National Apprenticeship Service
- 49 Newcastle Rugby Limited
- 50 Northern Secrets
- 51 Northern Stage
- 52 Novotel Newcastle Airport
- 53 Parkers Execulink Limited
- 54 Personalised Touring Services
- 55 Premier Apartments Newcastle
- 56 Premier Inn Newcastle Team Valley
- 57 Premier Inn Quayside
- 58 Properties Unique
- 59 Radisson Blu Hotel, Durham
- 60 Rainton Meadows Arena
- 61 River Escapes
- 62 Rockcliffe Hall
- 63 Royal Station Hotel
- 64 Sachins Restaurant
- 65 Saville Audio Visual
- 66 Seaham Hall and the Serenity Spa
- 67 Seen & Heard Limited
- 68 Seven Stories – The Centre for Children's Books
- 69 Staybridge Suites
- 70 She's Got It!
- 71 Stanley Travel
- 72 Sunderland Empire
- 73 Swallow NewcastleGateshead
- 74 TFI Meeting Point
- 75 The Alnwick Castle
- 76 The Alnwick Garden
- 77 The Assembly Rooms (Newcastle) Limited
- 78 The Britannia Hotel
- 79 The Caledonian Hotel
- 80 The CastleGate
- 81 The Living Room
- 82 The R & B Group
- 83 The Townhouse Hotel
- 84 The Waterside Hotel
- 85 Travel Bureau
- 86 Tyneside Cinema
- 87 Utopia Leisure Group Limited
- 88 Vermont Hotel

Honorary Members

- 1 ING
- 2 NEI Limited
- 3 Audiences North East
- 4 CBI North East Region
- 5 Community Foundation
- 6 easyJet
- 7 Emirates
- 8 Government News Network
- 9 North East Chamber of Commerce
- 10 Service Network
- 11 The Sponsors Club
- 12 Tyne Tees
- 13 BBC
- 14 Northern Rock Foundation

Directors' report

The directors present their report and financial statements for the year ended 31 March 2011

Results

The loss for the year amounted to £11,771 (2010 profit of £20,849) The directors do not recommend the payment of any dividends

Principal activities and review of the business

NewcastleGateshead Initiative is the Destination Marketing Agency for the area supported by Gateshead Metropolitan Borough Council, Newcastle City Council, and more than 160 public and private sector members

The company's vision is to promote NewcastleGateshead as a world-class place in which to live, learn, work and visit This is being achieved through the development and implementation of a creative and innovative marketing and PR strategy with dynamic media, community and corporate affairs programmes

The company is spearheading a new culture programme to continue delivering a programme of world-class festivals and events throughout NewcastleGateshead

In January 2001 the company launched the region's first Convention Bureau, actively selling the area to conference and events organisers worldwide, with the aim of establishing NewcastleGateshead as a major conference destination for UK and European conference business

During the year the company's activities continued to develop along with those of the Area Tourism Partnership for Tyne and Wear which is housed at the office of NewcastleGateshead Initiative The company also relocated to new office at Baltic Place East, South Shore Road, Gateshead

Members guarantee

The company is incorporated as limited by guarantee and not having a share capital The members have undertaken each to contribute an amount, not exceeding £1, towards any deficit in the event of the company being wound up

Directors' report

Directors

The directors who served the company during the year were as follows

N J Martin – Chairman
A Moffat
Prof C Brink
J Fisher
B Garner
G Hilton
C Jowsey
R Kelly
G Mason
J Mowbray
B Rowland
M Thompson
Prof A Wathey
D Simms
A Thompson
J Blair
R J Thorold
B Blamire

Financial Risk Management Policy

The company has trade debtors and trade creditors which arise from its normal activities. The company's policy is aimed at minimising losses by ensuring regular invoicing, monitoring overdue debts and reviewing credit limits regularly.

Surplus cash funds are placed on short term cash deposit, either on fixed or variable rate terms, with one of the UK clearing banks, and the financial institutions used are reviewed from time to time. Therefore, the interest income and cash flows can be affected by movements in interest rates but the directors do not consider there to be any significant exposure. The company does not currently make investments which are subject to market value fluctuations.

The company manages its cash flows to ensure sufficient funds are available when required. Capital expenditure is approved by the directors and only made once the funding has been arranged.

The company does not, at present, undertake any transactions involving foreign currencies.

Going concern

The directors have considered the company's current and future prospects and its availability of financing, and are satisfied that the company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason the directors continue to adopt the going concern basis of preparation for these financial statements.

Directors' report

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

Approved by the board on 2 September 2011 and signed on its behalf by



R Earl
Secretary

Date 7/10/11

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 Applicable to Smaller Entities (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss 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 judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 are sufficient to show and explain the company's transactions and 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 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

to the members of NewcastleGateshead Initiative Limited

We have audited the financial statements of NewcastleGateshead Initiative Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of NewcastleGateshead Initiative Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

Ernst & Young LLP

Caroline Mulley (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne

Date *4 November 2011*

Profit and loss account

for the year ended 31 March 2011

	Notes	2011 £	2010 £
Turnover	2	3,078,388	4,365,627
Cost of sales		2,457,707	3,379,611
Gross profit		620,681	986,016
Administrative expenses - exceptional - other	4	- 639,818	50,000 916,981
Operating (loss)/profit	3	(19,137)	19,035
Bank interest receivable		9,324	2,296
(Loss)/profit on ordinary activities before taxation		(9,813)	21,331
Tax charge on (loss)/profit on ordinary activities	7	1,958	482
(Loss)/profit retained for the financial year	13	(11,771)	20,849

Statement of total recognised gains and losses

for the year ended 31 March 2011

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £11,771 in the year ended 31 March 2011 (2010 profit of £20,849)

Balance sheet

at 31 March 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	8	162,435	211,119
Current assets			
Debtors	9	393,887	646,749
Cash at bank		1,462,907	513,856
		1,856,794	1,160,605
Creditors amounts falling due within one year	10	1,415,194	755,918
		441,600	404,687
Net current assets		604,035	615,806
Total assets less current liabilities		604,035	615,806
Reserves			
Profit and loss account	13	604,035	615,806
Members' funds	13	604,035	615,806

These financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved for issue by the Board of Directors on 2 September 2011 and approved on their behalf by



N J Martin

Chairman

Date 07.10.11

Notes to the financial statements

at 31 March 2011

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Statement cash flows

The directors have taken advantage of the exemption conferred by FRS1 to dispense with the requirement to prepare a statement of cash flows on the grounds that the company qualifies as a small company

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation of fixed assets is charged so as to write off the cost of the assets over their estimated useful lives at the following annual rates

Office equipment	–	25% on cost
Fixtures and fittings	–	25% on cost
Computer equipment	–	33% on cost

The carrying value of tangible fixed assets is reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves together with the exchange difference on the carrying amount of the related investments. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in reserves.

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and account as they become payable in accordance with the rules of the scheme.

Government grants

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Notes to the financial statements

at 31 March 2011

2. Turnover

Turnover comprises membership fees, sponsorship and revenue generated from individual projects
Membership fee income is recognised on a straight line basis over the 12 months commencing on the
joiner's date or renewal date

An analysis of turnover by geographical market is given below

	2011 £	2010 £
United Kingdom	3,078,388	4,365,627

3. Operating (loss)/profit

This is stated after charging

	2011 £	2010 £
Auditors' remuneration – audit services	4,120	4,000
Depreciation of owned fixed assets	58,242	19,462
Operating lease rentals – plant and machinery	2,560	2,560
– land and buildings	79,326	220,526

4. Exceptional Items

	2011 £	2010 £
<i>Administrative expenses</i>		
Lease exit dilapidation costs	-	50,000

5. Directors' emoluments

	2011 £	2010 £
Emoluments	-	-

None of the directors received any emoluments in respect of their services to the company

Notes to the financial statements

at 31 March 2011

6. Staff costs

	2011 £	2010 £
Wages and salaries	878,830	1,058,198
Social security costs	79,084	103,480
Pension costs	34,621	61,876
	<u>992,535</u>	<u>1,223,554</u>

The monthly average number of employees during the year was as follows

	2011 No	2010 No
Sales and administrative staff	<u>32</u>	<u>34</u>

7. Tax

The company is an authorised enterprise agency and as such its contributions do not fall to be treated as taxable income. Other income remains taxable at the rate of 21% and a provision of £1,958 (2010 £482), has been made for the tax payable in respect of interest received.

8. Tangible fixed assets

	Computer equipment £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2010	89,057	230,567	44,378	364,002
Additions	1,537	6,138	1,883	9,558
At 31 March 2011	<u>90,594</u>	<u>236,705</u>	<u>46,261</u>	<u>373,560</u>
Depreciation				
At 1 April 2010	70,838	65,460	16,585	152,883
Provided during the year	6,786	44,470	6,986	58,242
At 31 March 2011	<u>77,624</u>	<u>109,930</u>	<u>23,571</u>	<u>211,125</u>
Net book value				
At 31 March 2011	<u>12,970</u>	<u>126,775</u>	<u>22,690</u>	<u>162,435</u>
At 1 April 2010	<u>18,219</u>	<u>165,107</u>	<u>27,793</u>	<u>211,119</u>

Notes to the financial statements

at 31 March 2011

9. Debtors

	2011 £	2010 £
Trade debtors	366,307	646,749
Prepayments and accrued income	27,580	-
	<u>393,887</u>	<u>646,749</u>

10. Creditors: amounts falling due within one year

	2011 £	2010 £
Deferred membership fees	179,339	186,453
Trade creditors	155,563	360,988
Taxation and social security	121,386	73,373
Accruals and deferred income	956,948	134,622
Corporation tax	1,958	482
	<u>1,415,194</u>	<u>755,918</u>

Included within deferred income above is £478,000 received in the year from Northern Rock. This income is expected to be utilised for festival and event activity in the coming year.

11. Commitments under operating leases

At 31 March 2011, the company had aggregate annual commitments under non-cancellable operating leases as set out below

	<i>Land and buildings</i>		<i>Other</i>		<i>Total</i>	<i>Total</i>
	2011	2010	2011	2010	2011	2010
	£	£	£	£	£	£
Operating leases which						
Expire in two to five years	79,326	79,326	2,560	2,560	81,886	81,886
	<u>79,326</u>	<u>79,326</u>	<u>2,560</u>	<u>2,560</u>	<u>81,886</u>	<u>81,886</u>

12. Company limited by guarantee

The company is limited by guarantee with the liability of members being limited to an amount not exceeding £1

Notes to the financial statements

at 31 March 2011

13. Reconciliation of members' funds and movement on reserves

	<i>Profit and loss account £</i>	<i>Total members' funds £</i>
At 1 April 2009	594,957	594,957
Profit for the year	20,849	20,849
At 31 March 2010	615,806	615,806
Loss for the year	(11,771)	(11,771)
At 31 March 2011	604,035	604,035

14. Pension commitments

The company operates a defined contribution pension scheme for its senior employees. The assets of the scheme are held separately from those of the company in an independently administered fund. There were no unpaid contributions at the year end (2010 – £nil)

15. Related party transactions

Due to the nature of the company's operations, it is inevitable that transactions will take place with organisations in which a member of the company may have an interest. All transactions involving organisations in which a member of the company may have an interest are conducted at arm's length and in accordance with the company's financial regulations and normal procurement procedures. No transactions were identified which should be disclosed under Financial Reporting Standard 8 Related Party Disclosures.

16. Controlling party

In the directors' opinion there is no controlling party.