

Registered number: 02281242

NewcastleGateshead Initiative Limited

(A company limited by guarantee)

Directors' report and financial statements

31 March 2017



NewcastleGateshead Initiative Limited

(A company limited by guarantee)

Company Information

Directors	P Callaghan (resigned 1 December 2016) R J Davies J Doyle C T Hewitt L Hunter A Lewin J P B Marshall (resigned 17 June 2016, appointed 1 December 2016) G M Mason P A Ritchie M I Spriggs P R Steele M R Thompson A B Wathey S J Birkett (resigned 10 February 2017) L Charnley (resigned 10 February 2017) A Fox (resigned 10 February 2017) A N Moffat (resigned 7 April 2017) A D Mooney (resigned 9 December 2016) T G Pain (resigned 1 December 2016) J E Robinson (resigned 17 June 2016) N Aitkin (appointed 10 February 2017) S Brown (appointed 7 April 2017) E Cooney (appointed 10 February 2017) H L Dalby (appointed 10 February 2017) E Deboeck (appointed 7 April 2017) S Ramsey (appointed 10 February 2017) K G Robertson (appointed 17 June 2016) G E Stewart (appointed 9 February 2017)
Company secretary	R M Earl
Registered number	02281242
Registered office	9th Floor, Baltic Place East South Shore Road Gateshead Tyne and Wear NE8 3AE
Independent auditor	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	National Westminster Bank plc Newcastle upon Tyne, NE99 1PY Santander UK plc Glasgow, G2 5NT

NewcastleGateshead Initiative Limited

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Company Information

Due to the way in which the company manages and promotes its membership scheme, we refer to members as partners. As such, references to partners or partnerships within the directors' report and financial statements have the same meaning as members and membership.

Public Partners

Newcastle City Council
Gateshead Council

Gold Partners

Bond Dickinson LLP
Clouston Group / Crowne Plaza
Gateshead College
intu Eldon Square / Metro Centre
Newcastle College
Newcastle International Airport
Newcastle United Football Club
Newcastle University
NJC Media
Northumbria University
Northumbrian Water
Port of Tyne
Ryder Architecture Limited
Ubisoft
University of Sunderland
Ward Hadaway
Virgin Money

Silver and Bronze Partners

Details of Silver, Bronze and Honorary partners are available upon request.

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NewcastleGateshead Initiative Limited

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Directors' report Year ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Principal activities during the year from 1 April 2016 to 31 March 2017

NewcastleGateshead Initiative (NGI) is a public private partnership and the destination management and marketing agency for the area.

Mission: to inspire people to visit and to live, learn, work and invest in and around NewcastleGateshead.

Purpose: a strategic public private partnership delivering economic growth for NewcastleGateshead and the wider North East.

Objective: in addition to delivering direct economic benefit, the underlying objective is to shift perceptions of and attitudes towards NewcastleGateshead and North East England in order to create a supportive environment for wider economic development.

NewcastleGateshead Initiative's principal activities are:

Tourism: to maximise the contribution of tourism to the local and regional economy by promoting NewcastleGateshead as a leading destination for both leisure & business visitors.

- **Leisure Visitors:** to promote NewcastleGateshead as a leading city break destination using highly targeted campaigns and working with key tourism partners to maximise the number of visitors choosing to visit & stay.
- **Business Visitors:** to promote NewcastleGateshead as a leading conference destination and by working with partners, including the Universities via the Ambassador Programme, attract high quality conferences & events.
- **Visitor Experience:** to deliver an innovative visitor information service to ensure visitors (leisure and business) are welcomed and well informed.

Inward Investment: to promote Newcastle and the wider region to potential inward investors from UK and overseas to attract new business, investment and jobs.

Festivals & Events: to promote the totality of the NewcastleGateshead cultural offer and to develop and deliver distinctive cross-river festivals and events, focusing on events that attract visitors to NewcastleGateshead whilst also engaging local audiences. Includes taking the lead in bidding for and promoting major events.

NGI Solutions (NGIS): to raise the profile of NGIS services amongst partners and wider stakeholders in order to maximise the opportunities to generate additional commercial income.

Great Exhibition of the North: to deliver the largest event in England in 2018 and create a game-changing moment for the North hosted in NewcastleGateshead.

Partnership Working: at the heart of everything we do. To expand the number and range of partners with whom we work and to engage NGI partners in all aspects of our work.

NewcastleGateshead Initiative Limited

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Directors' report (continued) **Year ended 31 March 2017**

Partners' guarantee

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

Financial result for the year

The result for the year is a net deficit of £39k (2016 - net surplus of £16k).

As a general principle NewcastleGateshead Initiative operates on a 'not for profit' basis, re-investing any surpluses generated into business activities or carrying them forward for investment in subsequent financial years.

Directors

The directors who served during the year, and changes since the year end, were as follows:

P Callaghan (resigned 1 December 2016)
R J Davies
J Doyle
C T Hewitt
L Hunter
A Lewin
J P B Marshall (resigned 17 June 2016, appointed 1 December 2016)
G M Mason
P A Ritchie
M I Spriggs
P R Steele
M R Thompson
A B Wathey
S J Birkett (resigned 10 February 2017)
L Charnley (resigned 10 February 2017)
A Fox (resigned 10 February 2017)
A N Moffat (resigned 7 April 2017)
A D Mooney (resigned 9 December 2016)
T G Pain (resigned 1 December 2016)
J E Robinson (resigned 17 June 2016)
N Aitkin (appointed 10 February 2017)
S Brown (appointed 7 April 2017)
E Cooney (appointed 10 February 2017)
H L Dalby (appointed 10 February 2017)
E Deboeck (appointed 7 April 2017)
S Ramsey (appointed 10 February 2017)
K G Robertson (appointed 17 June 2016)
G E Stewart (appointed 9 February 2017)

NewcastleGateshead Initiative Limited

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Directors' report (continued)

Year ended 31 March 2017

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. Any unbudgeted capital expenditure is approved by the directors and only made once the funding has been arranged.

The company does not, at present, undertake any significant transactions in foreign currencies; as such the directors do not consider there to be significant exposure associated with fluctuations in foreign exchange rates.

Going concern

As detailed in note 3.3, 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 in these financial statements.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

In accordance with Section 485 of the Companies Act 2006, a resolution for the reappointment of UNW LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

NewcastleGateshead Initiative Limited

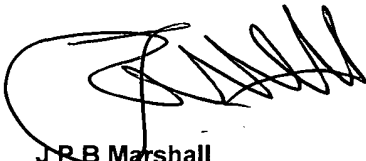
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Directors' report (continued) **Year ended 31 March 2017**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 22 September 2017 and signed on its behalf by:



J.P.B. Marshall
Director

NewcastleGateshead Initiative Limited

(A company limited by guarantee)

Directors' responsibilities statement

Year ended 31 March 2017

The directors are responsible for preparing the directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 adequate 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Independent auditor's report to the members of NewcastleGateshead Initiative Limited

We have audited the financial statements of NewcastleGateshead Initiative Limited for the year ended 31 March 2017, set out on pages 8 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 5, 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 group's and the parent 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 directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is *apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit*. 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 group's and the parent company's affairs as at 31 March 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



Independent auditor's report to the members of NewcastleGateshead Initiative Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

A handwritten signature in black ink, appearing to read 'David Redhead'.

David Redhead (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

22 September 2017

NewcastleGateshead Initiative Limited

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Consolidated statement of comprehensive income Year ended 31 March 2017

	2017 £000	2016 £000
Profit and loss account:		
Turnover	2,918	3,081
Cost of sales	(2,284)	(2,354)
Gross profit	634	727
Administrative expenses	(672)	(709)
Operating (loss)/profit	(38)	18
Interest receivable and similar income	1	2
Interest payable and similar charges	(1)	(2)
(Loss)/profit on ordinary activities before taxation	(38)	18
Tax on (loss)/profit on ordinary activities	(1)	(2)
(Loss)/profit for the financial year	(39)	16

There were no amounts recognised in other comprehensive income for 2017 or 2016.

The notes on pages 11 to 17 form part of these financial statements.

NewcastleGateshead Initiative Limited


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Consolidated balance sheet At 31 March 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible assets	5	49	51
Current assets			
Debtors	7	422	499
Cash at bank and in hand		661	579
		<u>1,083</u>	<u>1,078</u>
Creditors: amounts falling due within one year	8	(810)	(768)
Net current assets		<u>273</u>	<u>310</u>
Total assets less current liabilities		<u>322</u>	<u>361</u>
Provisions for liabilities	9	(50)	(50)
Net assets		<u>272</u>	<u>311</u>
Reserves			
Profit and loss account		272	311
Members' funds		<u>272</u>	<u>311</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 September 2017 by:


J P B Marshall
Director

The notes on pages 11 to 17 form part of these financial statements.

Company registered number: 02281242

NewcastleGateshead Initiative Limited

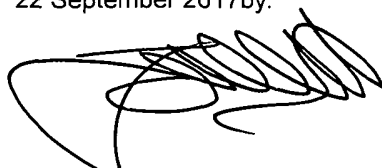
(A company limited by guarantee)

Company balance sheet At 31 March 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible assets	5	49	51
		<u>49</u>	<u>51</u>
Current assets			
Debtors	7	410	511
Cash at bank and in hand		630	500
		<u>1,040</u>	<u>1,011</u>
Creditors: amounts falling due within one year	8	(770)	(701)
Net current assets		<u>270</u>	<u>310</u>
Total assets less current liabilities		<u>319</u>	<u>361</u>
Provisions for liabilities	9	(50)	(50)
Net assets		<u>269</u>	<u>311</u>
Reserves			
Profit and loss account		269	311
Members' funds		<u>269</u>	<u>311</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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J P B Marshall
Director

The notes on pages 11 to 17 form part of these financial statements.

Company registered number: 02281242

NewcastleGateshead Initiative Limited

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 March 2017

1. General information

NewcastleGateshead Initiative Limited ('the company') and its subsidiaries (together 'the group') are engaged in destination management and marketing for the area.

The company is a private company limited by guarantee, incorporated and domiciled in the United Kingdom. The address of the registered office is given in the company information page appended to these financial statements.

2. Statement of compliance

The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland*' ('FRS 102') and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The group has adopted FRS 102 in the current year and an explanation of how the transition to FRS 102 has affected the reported financial performance and position is given in note 13.

3.1 Basis of preparation of financial statements

These financial statements comprise the consolidated (group) financial statements and the company's separate financial statements. However, as permitted by section 408 of the Companies Act 2006, the separate profit and loss account of the company is not presented.

The financial statements are prepared on a going concern basis and under the historical cost convention. They are presented in pounds sterling and are rounded to the nearest £'000.

3.2 Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings as if they formed a single entity. Intercompany transactions and balances are therefore eliminated in full. Subsidiary undertakings acquired or sold in the year are included from, or up to, the date of change of control. The gain or loss on disposal of subsidiary undertakings is recognised in the consolidated statement of comprehensive income.

Business combinations are accounted for under the purchase method, under which the acquiree's identifiable assets and liabilities are initially recognised in the consolidated balance sheet at fair value.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 April 2015.

NewcastleGateshead Initiative Limited

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Notes to the financial statements

Year ended 31 March 2017

3. Accounting policies (continued)

3.3 Going concern

The group's activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report.

The group has no debt and manages its working capital requirements through available cash resources and funding from a number of sources to supplement its own range of existing and developing commercial income streams. The company's major funders are Newcastle Council and Gateshead Council, together with a number of grant awarding bodies and the group's public and private sector partners.

The current economic conditions are such that maintaining or increasing levels of future funding, from all external sources, continues to be challenging. Both Newcastle and Gateshead Councils have confirmed their agreed funding for the company in respect of the financial year to 31 March 2018, together with their continuing commitment to supporting the company's activities beyond this. In addition, the group has been successful in obtaining a range of grant and project funding to support its activities for the year ahead and the group remains focused on its own commercial income generating activities.

The directors have considered the company's and group's current and future prospects and its availability of financing under a range of reasonably possible scenarios and are satisfied that the company and group can continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. Consequently, the directors continue to adopt the going concern basis of preparation in these financial statements.

3.4 Revenue

Turnover

Turnover comprises revenue recognised in respect of services supplied during the year, net of discounts and excluding Value Added Tax.

Turnover comprises core funding, partnership fees, sponsorship, grants and revenue generated from individual projects and other commercial activities.

Partnership fee income is recognised on a straight line basis over the relevant duration commencing on the start or renewal date of partnership, through to the next renewal date.

Income from commercial trading activities is recognised as earned, as the related goods and services are provided.

All other income is matched with the expenditure on the activities to which it relates when incurred, with any such funding received in advance being held in the balance sheet as deferred income to be released against the cost of the company's activities in future years.

NewcastleGateshead Initiative Limited

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Notes to the financial statements

Year ended 31 March 2017

3. Accounting policies (continued)

3.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their estimated useful lives as follows:

Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line
Computer equipment	-	33% straight line

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

3.6 Leases

All of the group's leasing arrangements are operating leases. Rental payments under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis, over the lease term.

3.7 Fixed asset investments

In the company balance sheet, investments in subsidiary undertakings are measured at cost less accumulated impairment losses.

3.8 Financial instruments

The group only enters into financial instruments transactions that result in the recognition of basic debt financial assets and liabilities like trade and other accounts receivable and payable, cash and bank balances and loans to or from related parties, including fellow group companies. All such instruments are due within one year and are measured, initially and subsequently, at the transaction price.

At the end of each reporting period debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

3.9 Employee benefits

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the employee's entitlement to the benefit accrues.

Defined contribution pension plan

The group operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet.

The assets of the plan are held separately from the group in independently administered funds.

NewcastleGateshead Initiative Limited

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Notes to the financial statements

Year ended 31 March 2017

3. Accounting policies (continued)

3.10 Taxation

The taxation expense for the year comprises current and deferred tax and is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income, or directly in equity, in which case the tax expense is also recognised in other comprehensive income or directly in equity.

Current tax is the amount of income tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods, and arises from 'timing differences' (where transactions or events are included in the financial statements in periods different from those in which they are assessed for tax). Deferred tax is recognised in respect of all timing differences, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing differences.

The company is an authorised enterprise agency and is currently only subject to tax on its investment income, comprising of interest received, at the prevailing rate.

3.11 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

4. Employees

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

	2017 No.	2016 No.
Admin and departmental staff	38	38

NewcastleGateshead Initiative Limited

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Notes to the financial statements

Year ended 31 March 2017

5. Tangible fixed assets

Group and Company

	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost				
At 1 April 2016	184	27	62	273
Additions	5	-	14	19
At 31 March 2017	189	27	76	292
Depreciation				
At 1 April 2016	184	27	11	222
Charge for the year on owned assets	-	-	22	22
At 31 March 2017	184	27	33	244
Net book value				
At 31 March 2017	5	-	43	48
At 31 March 2016	-	-	51	51

6. Fixed asset investments

In the company's balance sheet investments in subsidiary undertakings are stated at cost of £2 (2016: £1).

The company owns 100% of the issued share capital of NGI Solutions Limited, incorporated in England & Wales, whose principal activity is to provide consultancy services.

The company owns 100% of the issued share capital of NGI Events Limited, incorporated in England & Wales. NGI Events Limited was incorporated on 2 March 2017 and did not undertake any transactions during the period to 31 March 2017, other than issue of the £1 ordinary share subscribed for by NewcastleGateshead Initiative Limited.

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Notes to the financial statements

Year ended 31 March 2017

7. Debtors

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Trade debtors	360	304	267	199
Amounts owed by group undertakings	-	-	81	117
Prepayments and accrued income	62	195	62	195
	<u>422</u>	<u>499</u>	<u>410</u>	<u>511</u>

8. Creditors: amounts falling due within one year

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Trade creditors	136	298	122	294
Corporation tax	1	2	-	-
Other taxation and social security	67	62	48	36
Other creditors	14	11	14	11
Accruals and deferred income	592	395	586	360
	<u>810</u>	<u>768</u>	<u>770</u>	<u>701</u>

Included within deferred income is £180,000 (2016: £9,000) in respect of grant funding from Arts Council England which has not been utilised at the year end.

9. Provisions

	2017 £000	2016 £000
Group and Company		
Dilapidation provision	<u>50</u>	<u>50</u>

Under the terms of the existing office lease, the company is obliged to return the property to its original condition upon exit. This provision represents the directors' best estimate of the cost to be incurred in doing this.

10. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

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Notes to the financial statements

Year ended 31 March 2017

11. Commitments under operating leases

Future minimum lease payments under non-cancellable operating leases fall due as follows:

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Within one year	81	92	81	92
Between two and five years	10	-	10	-
	<u>91</u>	<u>92</u>	<u>91</u>	<u>92</u>

12. Related party transactions

Due to the nature of the group's operations it is inevitable that transactions will take place with organisations in which a partner of the group may have an interest. The directors consider that all transactions involving organisations in which a partner of the group may have an interest are conducted at arms length in accordance with the group's normal procurement procedures. No other transactions were identified which require disclosure under Financial Reporting Standard 102.

13. First time adoption of FRS 102

This is the first year that the group and company have presented their financial statements under FRS 102. The last financial statements under the previous UK GAAP were for the year ended 31 March 2016. The date of transition was 1 April 2015.

The group and company's accounting policies under the previous UK GAAP were not materially different from those adopted under FRS 102, and consequently profit for the year ended 31 March 2016 and total equity as at 1 April 2015 and 31 March 2016 are the same under FRS 102 as they were under the previous GAAP.