

Registered number: 02281242

# **NewcastleGateshead Initiative Limited**

(A company limited by guarantee)

**Annual report**

**31 March 2019**

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COMPANIES HOUSE

# NewcastleGateshead Initiative Limited

(A company limited by guarantee)

## Company Information

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### Directors

N Atkin (resigned 28 June 2019)  
S Brown (resigned 1 August 2018)  
J Collingwood (appointed 5 December 2018)  
E Cox (resigned 8 February 2019)  
H L Dalby  
R J Davies (resigned 1 August 2018)  
J Doyle (resigned 31 August 2018)  
J F Doyle  
A Dunlop (appointed 5 April 2019)  
C T Hewitt  
L Hunter (resigned 30 November 2018)  
A B Kelly (appointed 23 August 2018)  
A Lewin  
B MacLeod  
J P B Marshall - Chairman  
G M Mason  
S Ramsey  
P A Ritchie  
K G Robertson  
M I Spriggs  
P R Steele  
G E Stewart  
M R Thompson  
A B Wathey (resigned 9 April 2019)

### 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**

(A company limited by guarantee)

## **Company Information (continued)**

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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**

Gateshead College  
intu Eldon Square / Metro Centre  
Newcastle College  
Newcastle International Airport  
Newcastle United Football Club  
Newcastle University  
ncj Media  
Northumbria University  
Northumbrian Water  
Ryder Architecture Limited  
Ubisoft  
Virgin Money  
Ward Hadaway  
Womble Bond Dickinson LLP

### **Silver and Bronze Partners**

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

# NewcastleGateshead Initiative Limited

(A company limited by guarantee)

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# NewcastleGateshead Initiative Limited

(A company limited by guarantee)

## Directors' report

Year ended 31 March 2019

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The directors present their report and the financial statements for the year ended 31 March 2019.

### Principal activities during the year from 1 April 2018 to 31 March 2019

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 Events:** to promote NewcastleGateshead as a leading conference destination and by working with partners, including the Universities via the Ambassador Programme, to 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 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:** accounts for the significant increase in income and expenditure during the year. The Exhibition was the largest event in England in 2018 and created a game-changing moment for the North. The 80-day celebration started on Friday 22 June and finished on Sunday 9 September 2018. The Exhibition was hosted in NewcastleGateshead, on behalf of the North of England.

**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.

### 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.

# NewcastleGateshead Initiative Limited

(A company limited by guarantee)

## Directors' report (continued) Year ended 31 March 2019

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### Financial result for the year

The result for the year is a net surplus of £1k (2018 - £3k).

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 were as follows:

N Atkin (resigned 28 June 2019)  
S Brown (resigned 1 August 2018)  
J Collingwood (appointed 5 December 2018)  
E Cox (resigned 8 February 2019)  
H L Dalby  
R J Davies (resigned 1 August 2018)  
J Doyle (resigned 31 August 2018)  
J F Doyle  
C T Hewitt  
L Hunter (resigned 30 November 2018)  
A B Kelly (appointed 23 August 2018)  
A Lewin  
B MacLeod  
J P B Marshall - Chairman  
G M Mason  
S Ramsey  
P A Ritchie  
K G Robertson  
M I Spriggs  
P R Steele  
G E Stewart  
M R Thompson  
A B Wathey (resigned 9 April 2019)

### Financial risk management policy

The group has trade debtors and trade creditors which arise from its normal activities. The group'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 group does not currently make investments which are subject to market value fluctuations.

The group 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 group 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.

# **NewcastleGateshead Initiative Limited**

(A company limited by guarantee)

## **Directors' report (continued)** **Year ended 31 March 2019**

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### **Going concern**

As detailed in note 3.3, the directors have considered the company's and its group'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.

### **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 12 July 2019 and signed on its behalf by:



**J P B Marshall - Chairman**  
Director

# **NewcastleGateshead Initiative Limited**

(A company limited by guarantee)

## **Directors' responsibilities statement** **Year ended 31 March 2019**

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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 to 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**

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### **Opinion**

We have audited the financial statements of NewcastleGateshead Initiative Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019, which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2019 and of the group's profit 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



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

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a group strategic report.



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

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### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Who we are reporting to**

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.

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

12 July 2019

# NewcastleGateshead Initiative Limited

(A company limited by guarantee)

## Consolidated statement of comprehensive income Year ended 31 March 2019

|  | 2019<br>£000    | 2018<br>£000    |
|--|-----------------|-----------------|
| <b>Profit and loss account</b>                       |                 |                 |
| Turnover   | 8,346           | 7,060           |
| Cost of sales  | (7,547)         | (6,267)         |
| <b>Gross profit</b>                                  | <u>799</u>      | <u>793</u>      |
| Administrative expenses                              | (797)           | (788)           |
| <b>Operating profit</b>                              | <u>2</u>        | <u>5</u>        |
| Interest receivable and similar income               | 1               | 1               |
| Interest payable and similar charges                 | (1)             | (2)             |
| <b>Profit on ordinary activities before taxation</b> | <u>2</u>        | <u>4</u>        |
| Tax on profit on ordinary activities                 | (1)             | (1)             |
| <b>Profit for the financial year</b>                 | <u><u>1</u></u> | <u><u>3</u></u> |

There were no amounts recognised in other comprehensive income for 2019 or 2018.

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

# NewcastleGateshead Initiative Limited

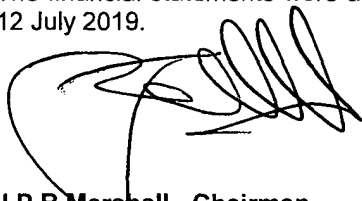
(A company limited by guarantee)

## Consolidated balance sheet At 31 March 2019

|  | Note | 2019<br>£000 | 2018<br>£000 |
|--|------|--------------|--------------|
| <b>Fixed assets</b>                            |      |              |              |
| Tangible assets                                | 5    | 12           | 21           |
|  |      | <u>12</u>    | <u>21</u>    |
| <b>Current assets</b>                          |      |              |              |
| Debtors: amounts falling due within one year   | 7    | 952          | 1,457        |
| Bank and cash balances                         |      | 1,511        | 851          |
|  |      | <u>2,463</u> | <u>2,308</u> |
| Creditors: amounts falling due within one year | 8    | (2,148)      | (2,003)      |
| <b>Net current assets</b>                      |      | <u>315</u>   | <u>305</u>   |
| <b>Total assets less current liabilities</b>   |      | <u>327</u>   | <u>326</u>   |
| <b>Provisions for liabilities</b>              |      |              |              |
| Other provisions                               | 9    | (50)         | (50)         |
| <b>Net assets</b>                              |      | <u>277</u>   | <u>276</u>   |
| <b>Reserves</b>                                |      |              |              |
| Profit and loss account                        |      | 277          | 276          |
| <b>Members' funds</b>                          |      | <u>277</u>   | <u>276</u>   |

The company's 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 12 July 2019.



**J P B Marshall - Chairman**  
Director

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

# NewcastleGateshead Initiative Limited

(A company limited by guarantee)

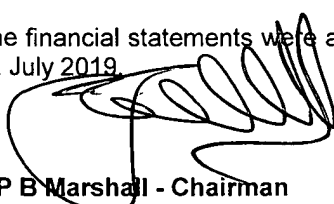
## Company balance sheet At 31 March 2019

|  | Note | 2019<br>£000 | 2018<br>£000 |
|--|------|--------------|--------------|
| <b>Fixed assets</b>                            |      |              |              |
| Tangible assets                                | 5    | 12           | 21           |
|  |      | <u>12</u>    | <u>21</u>    |
| <b>Current assets</b>                          |      |              |              |
| Debtors: amounts falling due within one year   | 7    | 908          | 1,455        |
| Bank and cash balances                         |      | 472          | 812          |
|  |      | <u>1,380</u> | <u>2,267</u> |
| Creditors: amounts falling due within one year | 8    | (1,071)      | (1,968)      |
| <b>Net current assets</b>                      |      | <u>309</u>   | <u>299</u>   |
| <b>Total assets less current liabilities</b>   |      | <u>321</u>   | <u>320</u>   |
| <b>Provisions for liabilities</b>              |      |              |              |
| Other provisions                               | 9    | (50)         | (50)         |
| <b>Net assets</b>                              |      | <u>271</u>   | <u>270</u>   |
| <b>Reserves</b>                                |      |              |              |
| Profit and loss account                        |      | 271          | 270          |
| <b>Members' funds</b>                          |      | <u>271</u>   | <u>270</u>   |

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The company's profit after tax (and total comprehensive income) for the year was £1,000 (2018 - profit of £1,000).

The company's 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 12 July 2019.

  
**J P B Marshall - Chairman**  
Director

Company registered number 02281242

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

# NewcastleGateshead Initiative Limited

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 March 2019

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### 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.

#### 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.

# NewcastleGateshead Initiative Limited

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2019

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### 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 group'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 2020, with an expectation of 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

(A company limited by guarantee)

## Notes to the financial statements

Year ended 31 March 2019

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### 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

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2019

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### 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:

|                              | 2019<br>No. | 2018<br>No. |
|------------------------------|-------------|-------------|
| Admin and departmental staff | 54          | 52          |

# NewcastleGateshead Initiative Limited

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2019

### 5. Tangible fixed assets

#### Group and Company

|                       | Fixtures and<br>fittings<br>£000 | Office<br>equipment<br>£000 | Computer<br>equipment<br>£000 | Total<br>£000 |
|-----------------------|----------------------------------|-----------------------------|-------------------------------|---------------|
| <b>Cost</b>           |                                  |                             |                               |               |
| At 1 April 2018       | 190                              | 27                          | 76                            | 293           |
| Additions             | -                                | 2                           | 6                             | 8             |
| At 31 March 2019      | 190                              | 29                          | 82                            | 301           |
| <b>Depreciation</b>   |                                  |                             |                               |               |
| At 1 April 2018       | 186                              | 27                          | 59                            | 272           |
| Charge for the year   | 2                                | -                           | 15                            | 17            |
| At 31 March 2019      | 188                              | 27                          | 74                            | 289           |
| <b>Net book value</b> |                                  |                             |                               |               |
| At 31 March 2019      | 2                                | 2                           | 8                             | 12            |
| At 31 March 2018      | 4                                | -                           | 17                            | 21            |

### 6. Fixed asset investments

In the company's balance sheet investments in subsidiary undertakings are stated at cost of £2 (2018: £2).

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, whose principal activity is to identify and host significant national and international events for NewcastleGateshead and the wider region.

# NewcastleGateshead Initiative Limited

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2019

### 7. Debtors

|                                    | Group<br>2019<br>£000 | Group<br>2018<br>£000 | Company<br>2019<br>£000 | Company<br>2018<br>£000 |
|------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Trade debtors                      | 472                   | 277                   | 241                     | 204                     |
| Amounts owed by group undertakings | -                     | -                     | 192                     | 93                      |
| Other debtors                      | -                     | 251                   | -                       | 251                     |
| Prepayments and accrued income     | 480                   | 929                   | 475                     | 907                     |
|                                    | <u>952</u>            | <u>1,457</u>          | <u>908</u>              | <u>1,455</u>            |

### 8. Creditors: amounts falling due within one year

|                                    | Group<br>2019<br>£000 | Group<br>2018<br>£000 | Company<br>2019<br>£000 | Company<br>2018<br>£000 |
|------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Trade creditors                    | 341                   | 227                   | 332                     | 227                     |
| Corporation tax                    | 1                     | 1                     | -                       | -                       |
| Other taxation and social security | 265                   | 73                    | 63                      | 47                      |
| Other creditors                    | 20                    | 10                    | 19                      | 10                      |
| Accruals and deferred income       | 1,521                 | 1,692                 | 657                     | 1,684                   |
|                                    | <u>2,148</u>          | <u>2,003</u>          | <u>1,071</u>            | <u>1,968</u>            |

Income of £852,000 (2018: £733,000) from Arts Council England was recognised in the year in respect of grant funding utilised for projects which took place during the year. Included within deferred income is £6,000 (2018: £383,000) from Arts Council England which has not been utilised at the year end.

### 9. Provisions

|                          | 2019<br>£000 | 2018<br>£000 |
|--------------------------|--------------|--------------|
| <b>Group and Company</b> |              |              |
| 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.

# NewcastleGateshead Initiative Limited

(A company limited by guarantee)

## Notes to the financial statements Year ended 31 March 2019

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### 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.

### 11. Commitments under operating leases

At 31 March 2019 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

|                            | <b>Group</b> | <b>Group</b> | <b>Company</b> | <b>Company</b> |
|----------------------------|--------------|--------------|----------------|----------------|
|                            | <b>2019</b>  | <b>2018</b>  | <b>2019</b>    | <b>2018</b>    |
|                            | <b>£000</b>  | <b>£000</b>  | <b>£000</b>    | <b>£000</b>    |
| Within one year            | <b>129</b>   | 65           | <b>129</b>     | 65             |
| Between two and five years | <b>27</b>    | 10           | <b>27</b>      | 10             |
|                            | <b>156</b>   | 75           | <b>156</b>     | 75             |

### 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.