

Registered number: 02281242

NewcastleGateshead Initiative Limited

(A company limited by guarantee)

Annual report

31 March 2022



NewcastleGateshead Initiative Limited

Company information

Directors

S Green
H P W Kippin (appointed 9 May 2022)
W A MacLeod
J P B Marshall - Chairman
S Ramsey
P A Ritchie (resigned 9 October 2021)
P Smith (appointed 10 May 2022)
M R Thompson

Registered number

02281242

Registered office

The Common Room
Neville Hall
Westgate Road
Newcastle upon Tyne
Tyne and Wear
NE1 1SE

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

NewcastleGateshead Initiative Limited

Company information (continued)

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

Strategic Partners

ASM Global
Aspire Technology Solutions
Gateshead College
Go North East
Newcastle College
Newcastle International Airport
Newcastle United Football Club
Newcastle University
Northumbria University
Northumbrian Water
Reach PLC
Ryder Architecture Limited
Sage PLC
Ubisoft
Ward Hadaway

Other Partners

Details of all other partners are available upon request.

NewcastleGateshead Initiative Limited

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NewcastleGateshead Initiative Limited

Directors' report Year ended 31 March 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Principal activities during the year from 1 April 2021 to 31 March 2022

NewcastleGateshead Initiative Limited ('NGI') is a destination and inward investment agency that delivers for Newcastle, Gateshead, and the wider region.

Our vision is to create an internationally recognised destination – a great city to enjoy, stay and invest.

We work collaboratively and act as a bridge between our public sector partners - in particular, Newcastle City Council, Gateshead Council, North of Tyne Combined Authority, the UK government – and our private sector partners to maximise our impact and to promote the distinctiveness of our region, its culture, and its people to create an authentic voice that makes us stand out from the crowd and contributes to the Levelling Up Agenda.

We champion our offer on a world stage, marketing our key growth sectors and destination. We use our research expertise to harness innovation, attract investment and develop our city – ultimately, we create jobs.

As a social enterprise, every single one of our projects is dedicated to making lasting social and economic impact. We exist to benefit the people of NewcastleGateshead and the wider region, leaving a legacy and meeting the needs of future generations.

Partners' guarantee

The company is incorporated as limited by guarantee and not having a share capital.

Financial result for the year

2021/22 was an unusual year as normal business activity continued to be interrupted due to covid public health concerns. A number of activities in this year and the previous year were postponed or redesigned into a different format to reflect the ongoing public health regulation; NGI worked with partners to prepare the local economy for post-covid recovery, recognising the pandemic has changed society irreversibly, with particular implications for how and where people work. We have worked across the Local Authorities and our private sector partners to provide intelligence and support to key recovery plans retaining and retraining talent and business skills alongside supporting the growing sectors such as digital and life sciences. In particular, the pandemic has required the NGI team to work even more closely with the councils including with colleagues in strategy, public health, planning, licensing, economic development and place making. We would like record our thanks for our key public sector partners, Newcastle City Council and Gateshead Council for their ongoing support and their commitment to making NewcastleGateshead a great place to enjoy, live, stay and invest.

Working with partners, we have slowly reintroduced partnership fees, recognising that for the visitor economy in particular, levels of activity are predicted not to return to 2019 levels until 2023. Commercial income for marketing and conference activity has been significantly reduced in this period. NGI has provided significant post covid support attracting national government and regional funding to support recovery.

Internally, we are now settled in a smaller, central office reducing our cost base whilst enabling teams to work flexibly.

The surplus for the year of £149k largely reflects better out-turns compared to the prudent positions taken in the prior year due to uncertainties at that point regarding the impact of the pandemic.

NewcastleGateshead Initiative Limited

Directors' report (continued) Year ended 31 March 2022

Review of activity undertaken in the year

NGI principally delivers Inward Investment and Destination activity. These are delivered utilising three brands, NGI, Invest Newcastle and NewcastleGateshead Convention Bureau. Whilst this period was impacted by ongoing covid disruption, NGI had a successful year.

Inward Investment Activity:

Attracting and supporting businesses to create jobs is critical to ensuring NewcastleGateshead delivers on the Levelling Up agenda. The impact of covid was challenging for some sectors but our digital and life sciences' clusters were key beneficiaries of a changing investment environment. Lockdown had also led to many corporate services organisations questioning the need for London offices and considering regional hubs providing a key window of opportunity. The ongoing impact of climate change reinforces the importance of the energy/offshore sectors and being a 'smart city.'

To maximise these opportunities we continue to:

- Invest further in key sectoral expertise securing North of Tyne funding to enable this approach;
- Understand and pro-actively target international investment, building on current anchor investments such as NUFC to create new international dialogues;
- Increase the quantity and quality of available strategic sites to drive sector growth; and
- Promote the city brand and change perceptions using our existing businesses as ambassadors.

Working with the Councils, North of Tyne Combined Authority ("NTCA"), and Investor Partners we continue to identify key investment opportunities and utilise this intelligence to create investment propositions. The inward investment team are working closely with our destination team to reinforce a clear narrative about the city utilising key trade delegations including MIPIM and UK REiF to strategically market key sites and support our overall messaging.

In 2022, we delivered:

- 29 new investments across Newcastle and Gateshead;
- support for 11 expansion projects;
- 1,406 new jobs created;
- 379 jobs safeguarded;
- 153 new live projects into the pipeline.

Notable investments include:

- Version1 Irish tech company creating 200 new jobs;
- MonstarLab, Japanese tech company creating 100 new high skilled jobs;
- Thoughtworks, US tech consultancy creating 100 new high skilled jobs;
- Arctic Wolf, US cyber security company creating 100 new high skilled jobs;
- Defence Science and Technology Laboratories, part of the MoD opening their Northern base creating 15 new jobs;
- Twenty Six 03, Brighton based TV and Production company opening studio in Gateshead.

We also supported the significant BBC regional investment of £25m commissioning spend, creating a new North East Screen Agency and helping with building the BBC Tech Hub in Newcastle, and the move of 9,000 existing and new HMRC jobs to Pilgrim Street in Newcastle's City Centre.

NewcastleGateshead Initiative Limited

Directors' report (continued) Year ended 31 March 2022

Destination:

The Visitor Economy shrunk by over 60% during 2020 – 2021 due to the impact of Covid. During the period 2021 – 2022 our key objectives were therefore to:

- Support the return and acceleration of the regional tourism sector, delivering work that both benefits the city and supports the DCMS Tourism Recovery Plan 2021, positioning NGI as a strategic Destination Management Organisation ("DMO") hub;
- Develop a transformed destination with plans to mitigate the city centre impact of Covid including supporting the events, cultural and city centre transformation programmes;
- Create an environment where tourism and hospitality businesses both large and small want to invest and grow including delivering on the government's ambitions to create a sustainable and accessible visitor economy.

Key to our success is utilising the three transformational investments in NewcastleGateshead including:

- The £300m investment in NUFC utilising the broadcast coverage of the premier league to reinforce our international brand, the further capital investment in the club to continue to accelerate our city centre transformation and the attractiveness of sport to create a distinctive international offer for our city;
- The Sage International Conference Centre on Gateshead Quays planned to open c2024 to attract 100million visitors including significant business events and association conferences. Working with our Invest team, we will use this asset to reinforce key sector strengths and showcase our sectoral offer inviting global audiences to join world class events and driving a further £70m revenue for the Visitor Economy;
- The £25m investment with the BBC to create a North East hub for production and content reinforcing and developing our creative industry clusters, driving new capital investment in production facilities, and using our filming locations to broadcast the beauty and attractiveness of our region as a place to invest, visit, live and work.

Working with colleagues in Northumberland and Durham we are developing an integrated visitor economy strategy at a geography that maximises economies of scale and benefits for the sector.

We have established NGI as a key national player in the visitor economy, welcoming the Tourism Minister on a visit, joining the Tourism Industry Council, and leading a national design sprint on the Visitor Economy with 40 Whitehall colleagues. We have been successful in securing two pots of additional marketing funding from Visit England's Escape the Everyday fund.

Furthermore, we have utilised our nationally recognised research expertise to work with both Newcastle and Gateshead resident research to feed into long term visions for the area. This work supports our commitment to enable NGI to complete a full audit of the visitor economy with the aim of creating a renewed Destination Management Plan in 2022.

In 2021- 2022, the Destination Team have delivered the following:

- Supported the reopening and recovery of destination businesses who employ 21,000 local residents, ensuring support to keep and create jobs in the sector;
- Return of hotel occupancy to 65% from 28% in the previous year;
- Development of Welcome Back Campaign delivered on behalf of Newcastle Council with 3,500 sign ups to the Geordie Street App and a total campaign reach of 5 million;
- Support for the food and drink sector through delivery of an integrated PR campaign demonstrating the quality and breadth of hospitality in the city. This campaign included specific video content (which received over 10m impressions) and familiarisation visits with social media influencers;
- Secured two rounds of national Escape the Everyday marketing funding positioning NewcastleGateshead as a key staycations destination;

NewcastleGateshead Initiative Limited

Directors' report (continued) Year ended 31 March 2022

- Attracted 805,000 users to the website since lockdown restrictions ended and improved the offer with further integration of new event listings tool DataThistle which has increased event listings from 300 to 1,300;
- Supported the Rough Guide with the development of the first ever Rough Guide to Newcastle and Northumbria and worked to ensure the city received a number of other key accolades including:
 - Rough Guides – 20 fascinating second cities that you need to visit (Newcastle)
 - Conde Nast Traveller – UK city breaks: the 12 best to take in 2021 (Newcastle)
 - Timeout – Coolest Neighbourhoods in the world (Ouseburn)
 - 2Chill – UK's Favourite Place (Newcastle)
 - Good Housekeeping – 15 of the best city breaks in the UK to take in 2022 (Newcastle)
 - Love Exploring – Brilliant British Breaks for 2022 (Newcastle)
 - Holidu – The 10 British cities with the top-rated cultural attractions for 2022 (Newcastle)

Despite a challenging year for hosting live business events, we secured funding and delivered support to allow 35 venues to gain government recognised AIM Secure accreditation, deliver a marketing and comms campaign to build confidence with event organisers, and to promote the businesses and the destination. We have also continued to support The Sage International Conference Centre on Gateshead Quays working with the operators building a pipeline of major events for future years, including securing funding from VisitBritain to support a major international association congress bid for 3,500 people in 2025 or 2027.

Directors

The directors who served during the year were as follows:

S Green

W A MacLeod

J P B Marshall - Chairman

S Ramsey

P Ritchie (resigned 09 October 2021)

M R Thompson

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 with one of the UK clearing banks, and the financial institutions used are reviewed from time to time. With interest rates being very low there is no assumption in the future year forecast around interest income. The company does not make investments which are subject to market value fluctuations.

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

During this year, the Directors and management have regularly reviewed the financial status of the organisation and are confident that the business is a going concern. With new offices and our 2020 strategic review of activity our cost base is significantly lower. A new business plan is in development, and we have diversified income with significant funding committed in 2022-2023 from NTCA. A move to project based working has improved financial control and budgeting. Financial projections have been prepared for the year and these show that the company will continue to maintain a sufficient cash headroom for the foreseeable future.

The company will continue to manage its cashflow with all unbudgeted expenditure approved via the Senior Management Team and Board of Directors as per the financial approval process.

NewcastleGateshead Initiative Limited

Directors' report (continued) Year ended 31 March 2022

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.

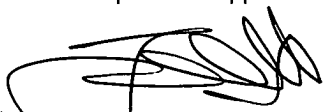
Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and UNW LLP will therefore continue in office.

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 8 June 2022 and signed on its behalf by:



J P B Marshall - Chairman
Director

NewcastleGateshead Initiative Limited

Directors' responsibilities statement Year ended 31 March 2022

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 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 judgments and accounting estimates that are reasonable and prudent; and
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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

Opinion

We have audited the financial statements of NewcastleGateshead Initiative Limited (the 'company') for the year ended 31 March 2022, which comprise the statement of comprehensive income, the balance sheet 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 company's affairs as at 31 March 2022 and of its 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 company 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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, 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.



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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the company's legal correspondence and we discussed with the directors and other management the policies and procedures in place regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, environmental law and certain aspects of company legislation, recognising the nature of the company's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not become aware of any actual or suspected non-compliance material to the financial statements.



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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. 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 'Anne Hallowell'.

Anne Hallowell BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

8 June 2022

NewcastleGateshead Initiative Limited

Statement of comprehensive income Year ended 31 March 2022

	2022 £	2021 £000
Turnover	2,091	1,790
Direct costs	(1,681)	(1,542)
Gross surplus	410	248
Administrative expenses	(346)	(282)
Other operating income	100	82
Operating surplus	164	48
Interest payable and similar charges	(15)	(16)
Surplus before taxation	149	32
Tax on surplus	-	-
Surplus for the financial year	149	32

There was no other comprehensive income for 2022 (2021:£nil).

The notes on pages 13 to 19 form part of these financial statements.

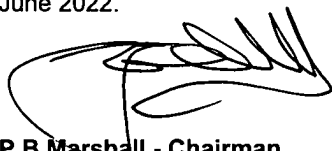
NewcastleGateshead Initiative Limited

Balance sheet At 31 March 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	5	-	28
Tangible assets	6	-	1
		<hr/>	<hr/>
		-	29
Current assets			
Debtors	8	318	375
Bank and cash balances		619	536
		<hr/>	<hr/>
		937	911
Creditors: amounts falling due within one year	9	(835)	(887)
		<hr/>	<hr/>
Net current assets		102	24
		<hr/>	<hr/>
Total assets less current liabilities		102	53
Creditors: amounts falling due after more than one year	10	(300)	(400)
		<hr/>	<hr/>
Net liabilities		(198)	(347)
		<hr/>	<hr/>
Capital and reserves			
Profit and loss account		(198)	(347)
		<hr/>	<hr/>
Members funds		(198)	(347)
		<hr/>	<hr/>

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 8 June 2022.


J P B Marshall - Chairman
Director

Company registered number: 02281242

The notes on pages 13 to 19 form part of these financial statements.

NewcastleGateshead Initiative Limited

Notes to the financial statements Year ended 31 March 2022

1. General information

NewcastleGateshead Initiative Limited ('the company') is 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

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 Exemption from preparing consolidated financial statements

The company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

3.3 Going concern

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

The company 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. A new business plan is in development, and we have diversified income with significant funding committed in 2022-2023 from NTCA. A move to project based working has improved financial control and budgeting. Financial projections have been prepared for the year and these show that the company will continue to maintain a sufficient cash headroom for the foreseeable future.

The directors have considered the current and future projections and are satisfied that the company 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.

NewcastleGateshead Initiative Limited

Notes to the financial statements Year ended 31 March 2022

3. Accounting policies (continued)

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.

3.5 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 company 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 company in independently administered funds.

3.6 Leases

All of the company'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 Taxation

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.

NewcastleGateshead Initiative Limited

Notes to the financial statements Year ended 31 March 2022

3. Accounting policies (continued)

3.8 Intangible fixed assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on all intangible 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:

Website	-	33% straight line
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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.

3.9 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses. The company does not capitalise purchases costing less than £1,000.

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.

3.10 Fixed asset investments

Investments in subsidiary undertakings are measured at cost less accumulated impairment losses.

3.11 Financial instruments

The company 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, loans to or from related parties, including fellow group companies, and other loans. All such instruments are measured, initially and subsequently, at the transaction price, with the exception of other loans which are subsequently carried at amortised cost using the effective interest method.

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.

NewcastleGateshead Initiative Limited

Notes to the financial statements Year ended 31 March 2022

4. Employees

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

	2022 No.	2021 No.
Admin and departmental staff	<u>26</u>	<u>25</u>

5. Intangible assets

	Website £000
Cost	
At 1 April 2021	42
At 31 March 2022	<u>42</u>
Amortisation	
At 1 April 2021	14
Charge for the year	28
At 31 March 2022	<u>42</u>
Net book value	
At 31 March 2022	<u>-</u>
At 31 March 2021	<u>28</u>

NewcastleGateshead Initiative Limited

Notes to the financial statements Year ended 31 March 2022

6. Tangible fixed assets

	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost				
At 1 April 2021	6	2	6	14
At 31 March 2022	6	2	6	14
Depreciation				
At 1 April 2021	6	2	5	13
Charge for the year	-	-	1	1
At 31 March 2022	6	2	6	14
Net book value				
At 31 March 2022	-	-	-	-
At 31 March 2021	-	-	1	1

7. Fixed asset investments

In the company's balance sheet investments in subsidiary undertakings are stated at cost of £2 (2021: £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, and 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

Notes to the financial statements Year ended 31 March 2022

8. Debtors

	2022 £000	2021 £000
Trade debtors	138	128
Prepayments and accrued income	180	247
	<u>318</u>	<u>375</u>

9. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Other loans	100	100
Trade creditors	29	78
Amounts owed to group undertakings	4	4
Other taxation and social security	88	100
Other creditors	29	10
Accruals and deferred income	585	595
	<u>835</u>	<u>887</u>

Other loans comprise two unsecured loans from Newcastle City Council and Gateshead Council. Both accrue interest on a monthly basis at 3% with quarterly repayments, the remaining terms of the loans are less than 5 years.

10. Creditors: Amounts falling due after more than one year

	2022 £000	2021 £000
Other loans	300	400

Other loans comprise two unsecured loans from Newcastle City Council and Gateshead Council. Both accrue interest on a monthly basis at 3% with quarterly repayments, the remaining terms of the loans are less than 5 years.

11. 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.

NewcastleGateshead Initiative Limited

Notes to the financial statements Year ended 31 March 2022

12. Commitments under operating leases

At 31 March 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £000	2021 £000
Not later than 1 year	46	2
Later than 1 year and not later than 5 years	92	-
	<u>138</u>	<u>2</u>

13. 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 partner of the company may have an interest. The directors consider that all transactions involving organisations in which a partner of the company may have an interest are conducted at arms length in accordance with the company's normal procurement procedures. No other transactions were identified which require disclosure under Financial Reporting Standard 102.