

Company Registration No. 02441306 (England and Wales)

**NORTH EAST BUSINESS AND INNOVATION  
CENTRE LIMITED**

**COMPANY LIMITED BY GUARANTEE**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2019**



**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**COMPANY INFORMATION**

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|                          |  |
|--------------------------|--|
| <b>Directors</b>         | J N Anderson CBE<br>P J McEldon<br>K W Carrick   |
| <b>Secretary</b>         | P J McEldon  |
| <b>Company number</b>    | 02441306   |
| <b>Registered office</b> | Sunderland Enterprise Park<br>Riverside<br>Sunderland<br>Tyne and Wear<br>SR5 2TA                  |
| <b>Auditor</b>           | RMT Accountants & Business Advisors Ltd<br>Gosforth Park Avenue<br>Newcastle upon Tyne<br>NE12 8EG |
| <b>Bankers</b>           | National Westminster<br>52 Fawcett Street<br>Sunderland<br>SR1 1SB                                 |
| <b>Solicitors</b>        | McKenzie Bell<br>47 John Street<br>Sunderland<br>SR1 1QU   |

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# **NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED COMPANY LIMITED BY GUARANTEE STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MARCH 2019**

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The directors present the strategic report for the year ended 31 March 2019. These financial statements include the results of the North East Business and Innovation Centre Limited and its wholly owned subsidiary Tedco Business Support Limited. The principal activities of North East Business and Innovation Centre Limited are shown below within the fair review of the business. The principal activity of its subsidiary, Tedco Business Support Limited, continued to be that of consultative and other support services.

## **Fair review of the business**

The objects for which the group is established are:

- the promotion or encouragement of industrial or commercial activity or enterprise within the United Kingdom with particular reference to encouraging the formation of new businesses and development of existing business;
- to develop, secure and provide training, advisory, consultative and other support services and advice to and for individuals and businesses; and
- the provision and maintenance of business accommodation.

The profit for the year before taxation for the group amounted to £612k (2018: £524k), which includes profit attributable to the subsidiary of £56k (2018: £47k).

Net assets of the group amounted to £13,970k (2018: £13,407k) and show a strong balance sheet position.

The directors were satisfied at the performance of the company and the financial results achieved in 2018/19.

## **Principal risks and uncertainties**

The effects of the prolonged Brexit on overall operations has been minimal during 18/19 with our 3 major ERDF funded projects being approved through until 2021.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements and achieve its budgeted results.

The principal risks and uncertainties are covered by the company's risk register which is actively maintained and reviewed.

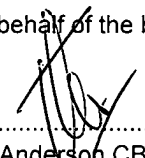
## **Future developments**

Trading conditions in 2019/20 continue to be very challenging but the directors are confident of continuing a positive performance and of achieving maximum returns from the opportunities available.

## **Key performance indicators**

Occupancy rates continue to be higher than budgeted with Sunderland averaging 89% (2018: 90%), Washington 100% (2018: 100%) and Darlington 85% (2018: 80%).

On behalf of the board

  
.....  
J N Anderson CBE  
Director

Date: 18/12/19

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED  
COMPANY LIMITED BY GUARANTEE  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2019**

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

**Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J N Anderson CBE  
P J McEldon  
K W Carrick

**Results and dividends**

The results for the year are set out on page 6.

**Auditor**

RMT Accountants & Business Advisors Limited were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

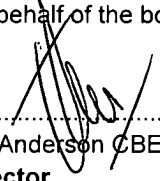
**Strategic report**

The directors have chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2014 to set out in the group's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The strategic report is shown on page 1 of these consolidated financial statements.

**Brexit risk**

The UK's decision to leave the European Union continues to generate a significant level of uncertainty in the economy. The directors regularly assess the likely effects on the company revenue and profitability in an attempt to mitigate the risk as far as practicable.

On behalf of the board

  
.....  
J N Anderson CBE  
Director

Date: .....

19/12/19

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED  
COMPANY LIMITED BY GUARANTEE  
DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2019**

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The directors are responsible for preparing the Strategic Report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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 judgements 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**

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## **Opinion**

We have audited the financial statements of North East Business and Innovation Centre Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Income and Retained Earnings, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, and notes to the financial statements, 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 FRS 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 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 and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

## **The impact of uncertainties due to the United Kingdom exiting the European Union on our audit**

Brexit is one of the most significant economic events for the UK in recent history, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible consequences unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

## **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.

## **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. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED (CONTINUED)

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### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

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.



Stephen Slater (Senior Statutory Auditor)

For and on behalf of RMT Accountants & Business Advisors Limited, Statutory Auditor

Gosforth Park Avenue

Newcastle upon Tyne

NE12 8EG

23.12.2019

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

|  |              | <b>2019</b> | <b>2018</b> |
|--|--------------|-------------|-------------|
|  | <b>Notes</b> | <b>£</b>    | <b>£</b>    |
| <b>Turnover</b>                        | <b>3</b>     | 5,898,187   | 5,205,351   |
| Administrative expenses                |              | (5,680,974) | (4,905,353) |
| Other operating income                 |              | 162,915     | 217,951     |
| Exceptional item                       | <b>4</b>     | 220,000     | -           |
| <b>Operating profit</b>                | <b>6</b>     | 600,128     | 517,949     |
| Interest receivable and similar income | <b>9</b>     | 12,346      | 6,188       |
| <b>Profit before taxation</b>          |              | 612,474     | 524,137     |
| Tax on profit                          | <b>10</b>    | (49,307)    | (48,738)    |
| <b>Profit for the financial year</b>   |              | 563,167     | 475,399     |
| Retained earnings brought forward      |              | 13,406,966  | 12,931,567  |
| Retained earnings carried forward      |              | 13,970,133  | 13,406,966  |

Profit for the financial year is all attributable to the owners of the parent company.



**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 MARCH 2019**

|  | Notes | 2019<br>£                | £ | 2018<br>£                | £ |
|--|-------|--------------------------|---|--------------------------|---|
| <b>Fixed assets</b>  |       |                          |   |                          |   |
| Negative goodwill  | 11    | -                        |   | -                        |   |
| Tangible assets  | 12    | 11,788,918               |   | 11,618,369               |   |
|  |       | <u>11,788,918</u>        |   | <u>11,618,369</u>        |   |
| <b>Current assets</b>  |       |                          |   |                          |   |
| Debtors  | 15    | 1,335,257                |   | 1,262,379                |   |
| Cash at bank and in hand                                       |       | 3,099,429                |   | 2,717,848                |   |
|  |       | <u>4,434,686</u>         |   | <u>3,980,227</u>         |   |
| <b>Creditors: amounts falling due within one year</b>          | 16    | (1,161,114)              |   | (971,065)                |   |
| <b>Net current assets</b>                                      |       | <u>3,273,572</u>         |   | <u>3,009,162</u>         |   |
| <b>Total assets less current liabilities</b>                   |       | <u>15,062,490</u>        |   | <u>14,627,531</u>        |   |
| <b>Creditors: amounts falling due after more than one year</b> | 17    | (859,338)                |   | (1,022,253)              |   |
| <b>Provisions for liabilities</b>                              | 20    | (233,019)                |   | (198,312)                |   |
| <b>Net assets</b>  |       | <u><u>13,970,133</u></u> |   | <u><u>13,406,966</u></u> |   |
| <b>Capital and reserves</b>                                    |       |                          |   |                          |   |
| Profit and loss reserves                                       | 22    | <u><u>13,970,133</u></u> |   | <u><u>13,406,966</u></u> |   |

The financial statements were approved by the board of directors and authorised for issue on ..... and are signed on its behalf by:

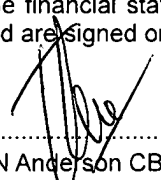
.....  
J N Anderson CBE  
Director

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

|  | Notes | 2019             |                          | 2018             |                          |
|--|-------|------------------|--------------------------|------------------|--------------------------|
|  |       | £                | £                        | £                | £                        |
| <b>Fixed assets</b>  |       |                  |                          |                  |                          |
| Tangible assets  | 12    |                  | 11,788,918               |                  | 11,618,369               |
| Investments  | 13    |                  | 2                        |                  | 2                        |
|  |       |                  | <u>11,788,920</u>        |                  | <u>11,618,371</u>        |
| <b>Current assets</b>  |       |                  |                          |                  |                          |
| Debtors  | 15    | 1,252,043        |                          | 1,238,939        |                          |
| Cash at bank and in hand                                       |       | 2,720,175        |                          | 2,261,330        |                          |
|  |       | <u>3,972,218</u> |                          | <u>3,500,269</u> |                          |
| <b>Creditors: amounts falling due within one year</b>          | 16    | (1,124,220)      |                          | (870,433)        |                          |
| <b>Net current assets</b>                                      |       |                  | <u>2,847,998</u>         |                  | <u>2,629,836</u>         |
| <b>Total assets less current liabilities</b>                   |       |                  | <u>14,636,918</u>        |                  | <u>14,248,207</u>        |
| <b>Creditors: amounts falling due after more than one year</b> | 17    |                  | (859,338)                |                  | (1,022,253)              |
| <b>Provisions for liabilities</b>                              | 20    |                  | (233,019)                |                  | (198,312)                |
| <b>Net assets</b>  |       |                  | <u><u>13,544,561</u></u> |                  | <u><u>13,027,642</u></u> |
| <b>Capital and reserves</b>                                    |       |                  |                          |                  |                          |
| Profit and loss reserves                                       | 22    |                  | <u><u>13,544,561</u></u> |                  | <u><u>13,027,642</u></u> |

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £516,919 (2018 - £376,296 profit).

The financial statements were approved by the board of directors and authorised for issue on 19/12/19 and are signed on its behalf by:

  
 J N Anderson CBE  
 Director

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

|   | Notes | 2019<br>£ | £                | 2018<br>£ | £                |
|---|-------|-----------|------------------|-----------|------------------|
| <b>Cash flows from operating activities</b>                   |       |           |                  |           |                  |
| Cash generated from/(absorbed by) operations                  | 26    |           | 380,514          |           | (183,846)        |
| Income taxes paid   |       |           | (11,279)         |           | (1,763)          |
| <b>Net cash inflow/(outflow) from operating activities</b>    |       |           | <b>369,235</b>   |           | <b>(185,609)</b> |
| <b>Investing activities</b>                                   |       |           |                  |           |                  |
| Purchase of tangible fixed assets                             |       | -         |                  | (119,293) |                  |
| Proceeds on disposal of tangible fixed assets                 |       | -         |                  | 11,201    |                  |
| Interest received   |       | 12,346    |                  | 6,188     |                  |
| <b>Net cash generated from/(used in) investing activities</b> |       |           | <b>12,346</b>    |           | <b>(101,904)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   |       |           | <b>381,581</b>   |           | <b>(287,513)</b> |
| Cash and cash equivalents at beginning of year                |       |           | 2,717,848        |           | 3,005,361        |
| <b>Cash and cash equivalents at end of year</b>               |       |           | <b>3,099,429</b> |           | <b>2,717,848</b> |

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1 Accounting policies**

**Company information**

North East Business and Innovation Centre Limited is a company limited by guarantee incorporated in England and Wales. The registered office is Sunderland Enterprise Park, Riverside, Sunderland, Tyne and Wear, SR5 2TA.

The group consists of North East Business and Innovation Centre Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Strategic Report.

**Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £516,919.

**Basis of consolidation**

The consolidated financial statements incorporate those of North East Business and Innovation Centre Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 March 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

**Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**Turnover**

The income shown in the statement of income and retained earnings represents the total of all government grants receivable in respect of revenue expenditure and all invoices raised to third parties for the provision of accommodation and other business support and services, exclusive of Value Added Tax.

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1 Accounting policies (Continued)**

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably.

**Intangible fixed assets - goodwill**

Negative goodwill arises when the cost of a business combination is less than the fair value of the interest in identifiable assets and liabilities acquired. The amount up to the fair value of the non-monetary assets acquired is credited to profit or loss in the period in which these non-monetary assets are recovered. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to profit or loss in the periods expected to benefit.

**Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                       |                              |
|-----------------------|------------------------------|
| Freehold property     | see below                    |
| Fixtures and fittings | straight line up to 20 years |
| Motor vehicles        | straight line up to 5 years  |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Freehold property is depreciated to write down the cost less estimated residual value over its remaining useful life by equal annual instalments. Where buildings are maintained to such a standard that their residual value is not less than their cost or valuation, no depreciation is charged as it is not material.

**Fixed asset investments**

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

**Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include trade and other debtors, amounts due from fellow group companies and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1 Accounting policies (Continued)**

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

***Equity instruments***

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

***Deferred tax***

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

***Employee benefits***

The costs of short-term employee benefits are recognised as a liability and an expense.

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**1 Accounting policies (Continued)**

**Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

**Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**2 Judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**3 Turnover and other revenue**

An analysis of the group's turnover is as follows:

|   | 2019<br>£        | 2018<br>£        |
|---|------------------|------------------|
| <b>Turnover analysed by class of business</b> |                  |                  |
| Rental income                                 | 2,117,203        | 1,968,572        |
| Other funding                                 | 3,780,984        | 3,236,779        |
|   | <u>5,898,187</u> | <u>5,205,351</u> |

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**3 Turnover and other revenue (Continued)**

|   | 2019<br>£         | 2018<br>£         |
|---|-------------------|-------------------|
| <b>Other revenue</b>                            |                   |                   |
| Interest income                                 | 12,346            | 6,188             |
| Grants received                                 | 162,915           | 217,951           |
|   | <u>162,915</u>    | <u>217,951</u>    |
|   | <b>2019<br/>£</b> | <b>2018<br/>£</b> |
| <b>Turnover analysed by geographical market</b> |                   |                   |
| United Kingdom                                  | 5,898,187         | 5,205,351         |
|   | <u>5,898,187</u>  | <u>5,205,351</u>  |

**4 Exceptional income**

|                      | 2019<br>£      | 2018<br>£ |
|----------------------|----------------|-----------|
| Property revaluation | 220,000        | -         |
|                      | <u>220,000</u> | <u>-</u>  |

**5 Directors' remuneration**

|   | 2019<br>£     | 2018<br>£     |
|---|---------------|---------------|
| Remuneration for qualifying services                          | 71,614        | 72,035        |
| Company pension contributions to defined contribution schemes | 16,896        | 16,564        |
|   | <u>88,510</u> | <u>88,599</u> |

During the year one (2018: one) director accrued benefits under company pension schemes.

**6 Operating profit**

|   | 2019<br>£     | 2018<br>£     |
|---|---------------|---------------|
| Operating profit for the year is stated after charging/(crediting): |               |               |
| Government grants   | (162,915)     | (217,951)     |
| Depreciation of owned tangible fixed assets                         | 49,451        | 66,480        |
| Profit on disposal of tangible fixed assets                         | -             | (1,778)       |
| Release of negative goodwill  | -             | (68,799)      |
| Operating lease charges   | 17,113        | 17,113        |
|   | <u>17,113</u> | <u>17,113</u> |



**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**7 Auditor's remuneration**

|   | 2019          | 2018          |
|---|---------------|---------------|
|   | £             | £             |
| Fees payable to the company's auditor and its associates:       |               |               |
| <b>For audit services</b>                                       |               |               |
| Audit of the financial statements of the group and company      | 8,200         | 7,800         |
| Audit of the financial statements of the company's subsidiaries | 4,500         | 4,700         |
|   | <u>12,700</u> | <u>12,500</u> |
| <b>For other services</b>                                       |               |               |
| All other non-audit services                                    | <u>-</u>      | <u>16,675</u> |

**8 Employees**

The average monthly number of persons (including directors) employed during the year was:

|                      | Group<br>2019<br>Number | 2018<br>Number | Company<br>2019<br>Number | 2018<br>Number |
|----------------------|-------------------------|----------------|---------------------------|----------------|
| Administrative staff | 68                      | 72             | 49                        | 52             |
| Management staff     | 16                      | 12             | 16                        | 8              |
|                      | <u>84</u>               | <u>84</u>      | <u>65</u>                 | <u>60</u>      |

Their aggregate remuneration comprised:

|                       | Group<br>2019<br>£ | 2018<br>£        | Company<br>2019<br>£ | 2018<br>£        |
|-----------------------|--------------------|------------------|----------------------|------------------|
| Wages and salaries    | 2,060,764          | 1,832,399        | 1,609,702            | 1,396,969        |
| Social security costs | 180,600            | 177,965          | 138,636              | 136,599          |
| Pension costs         | 107,403            | 88,304           | 90,222               | 71,384           |
|                       | <u>2,348,767</u>   | <u>2,098,668</u> | <u>1,838,560</u>     | <u>1,604,952</u> |

**9 Interest receivable and similar income**

|                           | 2019          | 2018         |
|---------------------------|---------------|--------------|
|                           | £             | £            |
| <b>Interest income</b>    |               |              |
| Interest on bank deposits | <u>12,346</u> | <u>6,188</u> |

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**10 Taxation**

|  | 2019<br>£     | 2018<br>£     |
|--|---------------|---------------|
| <b>Current tax</b>                                   |               |               |
| UK corporation tax on profits for the current period | 14,428        | 11,555        |
| Adjustments in respect of prior periods              | (277)         | 8,221         |
| <b>Total current tax</b>                             | <u>14,151</u> | <u>19,776</u> |
| <b>Deferred tax</b>                                  |               |               |
| Origination and reversal of timing differences       | 35,156        | 31,965        |
| Adjustment in respect of prior periods               | -             | (3,003)       |
| <b>Total deferred tax</b>                            | <u>35,156</u> | <u>28,962</u> |
| <b>Total tax charge</b>                              | <u>49,307</u> | <u>48,738</u> |

The charge for the year can be reconciled to the profit per the income statement as follows:

|  | 2019<br>£      | 2018<br>£      |
|--|----------------|----------------|
| Profit before taxation   | <u>612,474</u> | <u>524,137</u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%) | 116,370        | 99,586         |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 219            | 950            |
| Tax effect of income not taxable in determining taxable profit                                       | (72,753)       | (48,638)       |
| Adjustments in respect of prior years  | 1,176          | 6,747          |
| Under/(over) provided in prior years   | -              | (5,845)        |
| Deferred tax adjustments in respect of prior years   | -              | (1,529)        |
| Fixed asset differences  | 9,831          | 1,281          |
| Effect of differing rates on the group tax   | (5,536)        | (3,814)        |
| <b>Taxation charge</b>   | <u>49,307</u>  | <u>48,738</u>  |

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**11 Intangible fixed assets**

| <b>Group</b>                       | <b>Negative goodwill<br/>£</b> |
|------------------------------------|--------------------------------|
| <b>Cost</b>                        |                                |
| At 1 April 2018 and 31 March 2019  | (68,799)                       |
| <b>Amortisation and impairment</b> |                                |
| At 1 April 2018 and 31 March 2019  | (68,799)                       |
| <b>Carrying amount</b>             |                                |
| At 31 March 2018 and 31 March 2019 | -                              |

The company had no intangible fixed assets at 31 March 2019 or 31 March 2018.

On 30 September 2014, North East Business and Innovation Centre Limited, acquired 100% of the share capital of TEDCO Business Support Limited for consideration of £1, paid in cash. There were no accounting policy alignment adjustments required to be made on acquisition. The book value and fair value on the acquisition date was £68,800. Therefore on consolidation negative goodwill of £68,799 arises.

The group have obtained the benefit of the assets acquired and therefore the negative goodwill has been released in full to the Statement of Income and Retained Earnings in the prior year.

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**12 Tangible fixed assets**

| Group and company                  | Freehold property<br>£ | Fixtures and fittings<br>£ | Motor vehicles<br>£ | Total<br>£ |
|------------------------------------|------------------------|----------------------------|---------------------|------------|
| <b>Cost or valuation</b>           |                        |                            |                     |            |
| At 1 April 2018                    | 11,400,000             | 318,514                    | 40,609              | 11,759,123 |
| Disposals                          | -                      | (49,417)                   | -                   | (49,417)   |
| Revaluation                        | 220,000                | -                          | -                   | 220,000    |
| At 31 March 2019                   | 11,620,000             | 269,097                    | 40,609              | 11,929,706 |
| <b>Depreciation and impairment</b> |                        |                            |                     |            |
| At 1 April 2018                    | -                      | 129,164                    | 11,590              | 140,754    |
| Depreciation charged in the year   | -                      | 41,329                     | 8,122               | 49,451     |
| Eliminated in respect of disposals | -                      | (49,417)                   | -                   | (49,417)   |
| At 31 March 2019                   | -                      | 121,076                    | 19,712              | 140,788    |
| <b>Carrying amount</b>             |                        |                            |                     |            |
| At 31 March 2019                   | 11,620,000             | 148,021                    | 20,897              | 11,788,918 |
| At 31 March 2018                   | 11,400,000             | 189,350                    | 29,019              | 11,618,369 |

Land and buildings with a carrying amount of £11,620,000 were revalued at 31 March 2019 by Naylor's Chartered Surveyors, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The valuation represents an increase in value of £220,000. In accordance with accounting standards, this increase has been recognised in the income statement as an exceptional income. This is due to the 2014 valuation fall in value being recognised in the income statement.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

|                          | Group<br>2019<br>£ | 2018<br>£  | Company<br>2019<br>£ | 2018<br>£  |
|--------------------------|--------------------|------------|----------------------|------------|
| Cost                     | 13,586,010         | 13,586,010 | 13,586,010           | 13,586,010 |
| Accumulated depreciation | -                  | -          | -                    | -          |
| Carrying value           | 13,586,010         | 13,586,010 | 13,586,010           | 13,586,010 |

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**13 Fixed asset investments**

|                             | Notes | Group<br>2019<br>£ | 2018<br>£ | Company<br>2019<br>£ | 2018<br>£ |
|-----------------------------|-------|--------------------|-----------|----------------------|-----------|
| Investments in subsidiaries | 14    | -                  | -         | 2                    | 2         |

**Movements in fixed asset investments**  
**Company**

|                                   | Shares in<br>group<br>undertakings<br>£ |
|-----------------------------------|---|
| <b>Cost or valuation</b>          |   |
| At 1 April 2018 and 31 March 2019 | 2                                       |
| <b>Carrying amount</b>            |   |
| At 31 March 2019                  | 2                                       |
| At 31 March 2018                  | 2                                       |

**14 Subsidiaries**

Details of the company's subsidiaries at 31 March 2019 are as follows:

| Name of undertaking  | Registered office  | Nature of business                      | Class of shares held | % Held<br>Direct Indirect |
|--|--|---|----------------------|---------------------------|
| North East of England Business and Innovation Centre Limited | Business and Innovation Centre,<br>Sunderland Enterprise Park,<br>Sunderland,<br>Tyne & Wear,<br>SR5 2TA | Dormant                                 | Ordinary             | 100.00                    |
| TEDCO Business Support Limited                               | See above  | Consultative and other support services | Ordinary             | 100.00                    |

North East of England Business and Innovation Centre Limited is exempt from audit by virtue of s379A of Companies Act 2006.

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**15 Debtors**

|   | <b>Group</b>     |                  | <b>Company</b>   |                  |
|---|------------------|------------------|------------------|------------------|
|   | <b>2019</b>      | <b>2018</b>      | <b>2019</b>      | <b>2018</b>      |
|   | <b>£</b>         | <b>£</b>         | <b>£</b>         | <b>£</b>         |
| <b>Amounts falling due within one year:</b> |                  |                  |                  |                  |
| Trade debtors                               | 220,191          | 218,954          | 218,632          | 205,991          |
| Amounts owed by group undertakings          | -                | -                | 6,000            | 6,000            |
| Other debtors                               | 302,908          | 315,774          | 287,000          | 315,773          |
| Prepayments and accrued income              | 812,158          | 727,202          | 740,411          | 711,175          |
|   | <u>1,335,257</u> | <u>1,261,930</u> | <u>1,252,043</u> | <u>1,238,939</u> |
| Deferred tax asset (note 20)                | -                | 449              | -                | -                |
|   | <u>1,335,257</u> | <u>1,262,379</u> | <u>1,252,043</u> | <u>1,238,939</u> |

**16 Creditors: amounts falling due within one year**

|                                    | <b>Group</b>     |                | <b>Company</b>   |                |
|------------------------------------|------------------|----------------|------------------|----------------|
|                                    | <b>2019</b>      | <b>2018</b>    | <b>2019</b>      | <b>2018</b>    |
|                                    | <b>£</b>         | <b>£</b>       | <b>£</b>         | <b>£</b>       |
| Trade creditors                    | 264,552          | 154,797        | 242,504          | 132,886        |
| Corporation tax payable            | 14,427           | 11,555         | 3,544            | 1,176          |
| Other taxation and social security | 43,695           | 109,439        | 39,732           | 99,799         |
| Other creditors                    | 283,409          | 241,857        | 283,409          | 241,857        |
| Accruals and deferred income       | 555,031          | 453,417        | 555,031          | 394,715        |
|                                    | <u>1,161,114</u> | <u>971,065</u> | <u>1,124,220</u> | <u>870,433</u> |

**17 Creditors: amounts falling due after more than one year**

|                   |              | <b>Group</b>   |                  | <b>Company</b> |                  |
|-------------------|--------------|----------------|------------------|----------------|------------------|
|                   |              | <b>2019</b>    | <b>2018</b>      | <b>2019</b>    | <b>2018</b>      |
|                   | <b>Notes</b> | <b>£</b>       | <b>£</b>         | <b>£</b>       | <b>£</b>         |
| Government grants | 19           | <u>859,338</u> | <u>1,022,253</u> | <u>859,338</u> | <u>1,022,253</u> |

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**18 Financial instruments**

|   | <b>Group</b> |             | <b>Company</b> |             |
|---|--------------|-------------|----------------|-------------|
|   | <b>2019</b>  | <b>2018</b> | <b>2019</b>    | <b>2018</b> |
|   | <b>£</b>     | <b>£</b>    | <b>£</b>       | <b>£</b>    |
| <b>Carrying amount of financial assets</b>      |              |             |                |             |
| Debt instruments measured at amortised cost     | 507,192      | 1,261,930   | n/a            | n/a         |
| <b>Carrying amount of financial liabilities</b> |              |             |                |             |
| Measured at amortised cost                      | 1,102,992    | 631,126     | n/a            | n/a         |

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

**19 Government grants**

The government grant was received in relation to the purchase of the fixed assets of the group. The grant income is amortised over its useful life. During the period £162,915 (2018: £217,951) was released to the statement of income and retained earnings.

**20 Deferred taxation**

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

|   | <b>Liabilities</b> | <b>Liabilities</b> | <b>Assets</b> | <b>Assets</b> |
|---|--------------------|--------------------|---------------|---------------|
|   | <b>2019</b>        | <b>2018</b>        | <b>2019</b>   | <b>2018</b>   |
|   | <b>£</b>           | <b>£</b>           | <b>£</b>      | <b>£</b>      |
| <b>Group</b>                                    |                    |                    |               |               |
| Excess of taxation allowances over depreciation | 233,019            | 233,003            | -             | -             |
| Tax losses                                      | -                  | (34,691)           | -             | -             |
| Short term timing differences                   | -                  | -                  | -             | 449           |
|   | <u>233,019</u>     | <u>198,312</u>     | <u>-</u>      | <u>449</u>    |
|   |                    |                    |               |               |
|   | <b>Liabilities</b> | <b>Liabilities</b> | <b>Assets</b> | <b>Assets</b> |
|   | <b>2019</b>        | <b>2018</b>        | <b>2019</b>   | <b>2018</b>   |
|   | <b>£</b>           | <b>£</b>           | <b>£</b>      | <b>£</b>      |
| <b>Company</b>                                  |                    |                    |               |               |
| Excess of taxation allowances over depreciation | 233,019            | 233,003            | -             | -             |
| Tax losses                                      | -                  | (34,691)           | -             | -             |
|   | <u>233,019</u>     | <u>198,312</u>     | <u>-</u>      | <u>-</u>      |

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**20 Deferred taxation (Continued)**

|                               | <b>Group<br/>2019<br/>£</b> | <b>Company<br/>2019<br/>£</b> |
|-------------------------------|-----------------------------|-------------------------------|
| <b>Movements in the year:</b> |                             |                               |
| Liability at 1 April 2018     | 197,863                     | 198,312                       |
| Charge to profit or loss      | 35,156                      | 34,707                        |
| Liability at 31 March 2019    | <u>233,019</u>              | <u>233,019</u>                |

**21 Retirement benefit schemes**

|   | <b>2019<br/>£</b> | <b>2018<br/>£</b> |
|---|-------------------|-------------------|
| <b>Defined contribution schemes</b>                                 |                   |                   |
| Charge to profit or loss in respect of defined contribution schemes | <u>107,403</u>    | <u>88,304</u>     |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

The group has a commitment of £nil (2018: £3,092) to be paid to the scheme at the year end not included in the balance sheet.

**22 Reserves**

**Profit and loss reserves**  
Cumulative profit and loss.

**23 Operating lease commitments**

**Lessee**

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | <b>Group<br/>2019<br/>£</b> | <b>2018<br/>£</b> | <b>Company<br/>2019<br/>£</b> | <b>2018<br/>£</b> |
|----------------------------|-----------------------------|-------------------|-------------------------------|-------------------|
| Within one year            | 17,113                      | 17,113            | 17,113                        | 17,113            |
| Between one and five years | -                           | 4,278             | -                             | 4,278             |
|                            | <u>17,113</u>               | <u>21,391</u>     | <u>17,113</u>                 | <u>21,391</u>     |



**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

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**24 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel of the group, who are also directors, is as follows.

|                        | 2019<br>£ | 2018<br>£ |
|------------------------|-----------|-----------|
| Aggregate compensation | 95,997    | 96,071    |

**Transactions with related parties**

During the year the group entered into the following transactions with related parties:

|                               | Sale of services<br>2019<br>£ | 2018<br>£ |
|-------------------------------|-------------------------------|-----------|
| <b>Group</b>                  |                               |           |
| Entities under common control | 470,867                       | -         |

The following amounts were outstanding at the reporting end date:

|   | 2019<br>Balance<br>£ |
|---|----------------------|
| <b>Amounts due from related parties</b> |                      |
| <b>Group</b>                            |                      |
| Entities under common control           | 111,852              |

**25 Controlling party**

The company and group was under the control of its directors throughout the current and previous year.

**NORTH EAST BUSINESS AND INNOVATION CENTRE LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**26 Cash generated from group operations**

|  | <b>2019</b>    | <b>2018</b>      |
|--|----------------|------------------|
|  | <b>£</b>       | <b>£</b>         |
| Profit for the year after tax                        | 563,167        | 475,399          |
| Adjustments for:                                     |                |                  |
| Taxation charged                                     | 49,307         | 48,738           |
| Investment income                                    | (12,346)       | (6,188)          |
| Gain on disposal of tangible fixed assets            | -              | (1,778)          |
| Release of negative goodwill                         | -              | (68,799)         |
| Depreciation and impairment of tangible fixed assets | 49,451         | 66,480           |
| Movements in working capital:                        |                |                  |
| Property revaluation                                 | (220,000)      | -                |
| (Increase) in debtors                                | (73,327)       | (398,390)        |
| Increase/(decrease) in creditors                     | 187,177        | (81,357)         |
| (Decrease) in deferred income                        | (162,915)      | (217,951)        |
| <b>Cash generated from/(absorbed by) operations</b>  | <b>380,514</b> | <b>(183,846)</b> |