

COMPANY REGISTRATION NUMBER 04927299

**THE CENTRE OF EXCELLENCE IN DIGITAL TECHNOLOGY  
AND MEDIA LIMITED  
(LIMITED BY GUARANTEE) TRADING AS CODEWORKS  
COMPANY LIMITED BY GUARANTEE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2010**

**unw LLP**

Chartered Accountants & Statutory Auditor  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

THURSDAY



A37      \*AU0AAQDR\*      236  
30/12/2010  
COMPANIES HOUSE

**THE CENTRE OF EXCELLENCE IN DIGITAL TECHNOLOGY AND  
MEDIA LIMITED (LIMITED BY GUARANTEE) TRADING AS  
CODEWORKS  
COMPANY LIMITED BY GUARANTEE**

**OFFICERS AND PROFESSIONAL ADVISERS**

---

**The board of directors**

Dr D W Robertson  
C T Hewitt  
P M Fidler MBE  
P M Wright  
R Smith  
Y H Kim

**Company secretary**

M A Mulvena

**Registered office**

Gateshead International Business Centre  
Mulgrave Terrace  
Gateshead  
Tyne and Wear  
NE8 1AN

**Auditor**

unw LLP  
Chartered Accountants  
& Statutory Auditor  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

**Bankers**

Barclays Bank Plc  
City Office  
71 Grey Street  
Newcastle upon Tyne

**Solicitors**

Ward Hadaway  
Sandgate House  
102 Quayside  
Newcastle Upon Tyne  
NE1 3DX

# **THE CENTRE OF EXCELLENCE IN DIGITAL TECHNOLOGY AND MEDIA LIMITED (LIMITED BY GUARANTEE) TRADING AS CODEWORKS COMPANY LIMITED BY GUARANTEE**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 MARCH 2010**

---

The directors present their report and the financial statements of the company for the year ended 31 March 2010

### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was the creation of jobs and wealth for the north east of England by fostering the growth of the regions digital industries

### **DIRECTORS**

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

Dr D W Robertson

C T Hewitt

P M Fidler MBE

P M Wright

R Smith

Y H Kim

A N Allan

(Resigned 2 December 2009)

### **DIRECTORS' RESPONSIBILITIES**

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 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 company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**THE CENTRE OF EXCELLENCE IN DIGITAL TECHNOLOGY AND  
MEDIA LIMITED (LIMITED BY GUARANTEE) TRADING AS  
CODEWORKS  
COMPANY LIMITED BY GUARANTEE**

**THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2010**

---

**AUDITOR**

unw LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office  
Gateshead International Business Centre  
Mulgrave Terrace  
Gateshead  
Tyne and Wear  
NE8 1AN

Signed on behalf of the directors



C T Hewitt  
Director

Approved by the directors on 15 December 2010

**THE CENTRE OF EXCELLENCE IN DIGITAL TECHNOLOGY AND  
MEDIA LIMITED (LIMITED BY GUARANTEE) TRADING AS  
CODEWORKS  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CENTRE OF EXCELLENCE IN  
DIGITAL TECHNOLOGY AND MEDIA LIMITED (LIMITED BY GUARANTEE) TRADING AS  
CODEWORKS**

**YEAR ENDED 31 MARCH 2010**

---

We have audited the financial statements of The Centre of Excellence in Digital Technology and Media Limited (Limited by Guarantee) Trading as Codeworks for the year ended 31 March 2010. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Section 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**EMPHASIS OF MATTER- GOING CONCERN**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company is uncertain about the level of funding it is going to receive from public sources in the next 12 months, however the directors are of the opinion that income generating activity can continue, at least at their current level which is sufficient to support the continuance of the company as a going concern, albeit on a smaller scale than at present. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

**THE CENTRE OF EXCELLENCE IN DIGITAL TECHNOLOGY AND  
MEDIA LIMITED (LIMITED BY GUARANTEE) TRADING AS  
CODEWORKS  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CENTRE OF EXCELLENCE IN  
DIGITAL TECHNOLOGY AND MEDIA LIMITED (LIMITED BY GUARANTEE) TRADING AS  
CODEWORKS** *(continued)*

**YEAR ENDED 31 MARCH 2010**

---

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Andrew Wilson BA FCA (Senior  
Statutory Auditor)  
For and on behalf of  
unw LLP  
Chartered Accountants  
& Statutory Auditor

Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

15 December 2010

**THE CENTRE OF EXCELLENCE IN DIGITAL TECHNOLOGY AND  
MEDIA LIMITED (LIMITED BY GUARANTEE) TRADING AS  
CODEWORKS  
COMPANY LIMITED BY GUARANTEE**

**INCOME AND EXPENDITURE ACCOUNT**

**YEAR ENDED 31 MARCH 2010**

	Note	2010 £	2009 £
<b>TURNOVER</b>		<b>2,390,662</b>	<b>2,163,247</b>
Administrative expenses		<u><b>2,405,917</b></u>	<u><b>2,182,548</b></u>
<b>OPERATING DEFICIT</b>	<b>2</b>	<b>(15,255)</b>	<b>(19,301)</b>
Interest receivable		<u><b>14,537</b></u>	<u><b>21,286</b></u>
<b>(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(718)</b>	<b>1,985</b>
Tax on (deficit)/surplus on ordinary activities	<b>4</b>	<u><b>(706)</b></u>	<u><b>1,985</b></u>
<b>DEFICIT FOR THE FINANCIAL YEAR</b>		<u><u><b>(12)</b></u></u>	<u><u><b>-</b></u></u>

**The notes on pages 8 to 14 form part of these financial statements**

**THE CENTRE OF EXCELLENCE IN DIGITAL TECHNOLOGY AND  
MEDIA LIMITED (LIMITED BY GUARANTEE) TRADING AS  
CODEWORKS  
COMPANY LIMITED BY GUARANTEE**

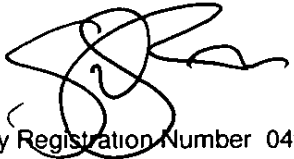
**BALANCE SHEET**

**31 MARCH 2010**

	Note	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible assets	5	33,924	22,381
Investments	6	25,000	25,000
		<u>58,924</u>	<u>47,381</u>
<b>CURRENT ASSETS</b>			
Debtors	7	818,541	414,055
Cash at bank and in hand		411,246	314,505
		<u>1,229,787</u>	<u>728,560</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>1,229,799</u>	<u>353,561</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(12)	374,999
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>58,912</u>	<u>422,380</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	10	—	375,000
Government grants	12	58,924	47,380
		<u>(12)</u>	<u>—</u>
<b>RESERVES</b>	14	(12)	—
Income and expenditure account		(12)	—
<b>DEFICIT</b>		<u>(12)</u>	<u>—</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 15 December 2010, and are signed on their behalf by

Y H KIM   
Director  
Company Registration Number 04927299

**The notes on pages 8 to 14 form part of these financial statements**

# **THE CENTRE OF EXCELLENCE IN DIGITAL TECHNOLOGY AND MEDIA LIMITED (LIMITED BY GUARANTEE) TRADING AS CODEWORKS COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

---

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

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

#### **Going concern**

The company is reliant on funding from public sources to continue all of its operations at the current level. The level of public funding available over the next 12 months is uncertain, however the directors have considered the operations of the company for the forthcoming year and the directors are of the opinion that income generating activities can continue, at least at their current level which is sufficient to support the continuance of the company as a going concern, albeit on a smaller scale than at present. The directors believe that the company will be able to operate at this level for the foreseeable future and therefore believe that it is appropriate to prepare the financial statements on a going concern basis. The directors remain hopeful that current efforts to secure future funding will be successful and will supplement income generated from sustainable activities.

#### **Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

#### **Turnover**

Turnover represents the value of goods and services supplied, excluding value added tax, revenue grants receivable and the release of capital grants.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 3 years straight line
IT Equipment	- 3 years straight line

#### **Pension costs**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income and expenditure account in the period to which they relate.

**THE CENTRE OF EXCELLENCE IN DIGITAL TECHNOLOGY AND  
MEDIA LIMITED (LIMITED BY GUARANTEE) TRADING AS  
CODEWORKS  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

---

**1. ACCOUNTING POLICIES *(continued)***

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

**Investments**

Investments are included in the balance sheet at their initial cost unless it is considered that there has been a permanent diminution in value

**Deferred grants**

Deferred grants in respect of capital expenditure are treated as deferred income and credited to the profit and loss account over the estimated useful life of the assets to which they relate

**THE CENTRE OF EXCELLENCE IN DIGITAL TECHNOLOGY AND  
MEDIA LIMITED (LIMITED BY GUARANTEE) TRADING AS  
CODEWORKS  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

**2 OPERATING DEFICIT**

Operating deficit is stated after charging/(crediting)

	2010 £	2009 £
Directors' remuneration	204,073	193,281
Directors' pension contributions	17,694	17,305
Staff pension contributions	27,232	26,071
Amortisation of government grants	(23,976)	(39,271)
Depreciation of owned fixed assets	23,976	39,271
Auditor's fees	14,891	18,304

**3. DIRECTORS' PENSION SCHEMES**

The number of directors who are accruing benefits under company pension schemes was as follows

	2010 No	2009 No
Money purchase schemes	1	1

**4. TAXATION ON ORDINARY ACTIVITIES**

**Analysis of charge in the year**

	2010 £	2009 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 21% (2009 - 21%)	218	1,985
Total current tax	218	1,985
Deferred tax		
Origination and reversal of timing differences (note 8)		
Other	(924)	-
Tax on (deficit)/surplus on ordinary activities	(706)	1,985

**THE CENTRE OF EXCELLENCE IN DIGITAL TECHNOLOGY AND  
MEDIA LIMITED (LIMITED BY GUARANTEE) TRADING AS  
CODEWORKS  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

**5. TANGIBLE FIXED ASSETS**

	<b>Fixtures &amp; Fittings £</b>	<b>IT Equipment £</b>	<b>Total £</b>
<b>COST</b>			
At 1 April 2009	37,608	566,590	604,198
Additions	<u>1,357</u>	<u>34,162</u>	<u>35,519</u>
<b>At 31 March 2010</b>	<u><b>38,965</b></u>	<u><b>600,752</b></u>	<u><b>639,717</b></u>
<b>DEPRECIATION</b>			
At 1 April 2009	31,707	550,110	581,817
Charge for the year	<u>486</u>	<u>23,490</u>	<u>23,976</u>
<b>At 31 March 2010</b>	<u><b>32,193</b></u>	<u><b>573,600</b></u>	<u><b>605,793</b></u>
<b>NET BOOK VALUE</b>			
At 31 March 2010	<u>6,772</u>	<u>27,152</u>	<u>33,924</u>
At 31 March 2009	<u>5,901</u>	<u>16,480</u>	<u>22,381</u>

One North East retains the right of lien over all capital assets for a period of 5 years from the date of the final grant

**6. INVESTMENTS**

	<b>Shares in group undertakings £</b>
<b>COST</b>	
At 1 April 2009 and 31 March 2010	<u>25,000</u>
<b>NET BOOK VALUE</b>	
At 31 March 2010 and 31 March 2009	<u>25,000</u>

**THE CENTRE OF EXCELLENCE IN DIGITAL TECHNOLOGY AND  
MEDIA LIMITED (LIMITED BY GUARANTEE) TRADING AS  
CODEWORKS  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

**6. INVESTMENTS *(continued)***

The company owns 100% of the issued share capital of the companies listed below,

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Aggregate capital and reserves</b>		
Codeworks Enterprises Limited	<u><b>(59,405)</b></u>	<u><b>(79,157)</b></u>
<b>Profit and (loss) for the year</b>		
Codeworks Enterprises Limited	<u><b>19,752</b></u>	<u><b>(83,420)</b></u>

The board is of the opinion that there is significant potential future value in this investment and no provision for impairment is required

Distributions to the company from its subsidiary are restricted by the management agreement. Distributions can only be made if such distributions will not have the effect of reducing the subsidiary's reserves below £100,000

**7. DEBTORS**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>501,182</b>	100,954
Amounts owed by group undertakings	<b>242,219</b>	243,151
VAT recoverable	<b>—</b>	3,421
Other debtors	<b>74,216</b>	66,529
Deferred taxation (note 8)	<b>924</b>	—
	<u><b>818,541</b></u>	<u><b>414,055</b></u>

The debtors above include the following amounts falling due after more than one year

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	<u><b>—</b></u>	<u><b>187,443</b></u>

**THE CENTRE OF EXCELLENCE IN DIGITAL TECHNOLOGY AND  
MEDIA LIMITED (LIMITED BY GUARANTEE) TRADING AS  
CODEWORKS  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

**8. DEFERRED TAXATION**

The deferred tax included in the balance sheet is as follows

	2010	2009
	£	£
Included in debtors (note 7)	<u>924</u>	<u>-</u>

The movement in the deferred taxation account during the year was

	2010	2009
	£	£
Income and expenditure account movement arising during the year	<u>924</u>	<u>-</u>
Balance carried forward	<u>924</u>	<u>-</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2010	2009
	£	£
Other timing differences	<u>924</u>	<u>-</u>
	<u>924</u>	<u>-</u>

**9. CREDITORS: Amounts falling due within one year**

	2010	2009
	£	£
Trade creditors	323,171	27,930
Corporation tax	218	1,985
VAT	<u>32,293</u>	<u>-</u>
Other creditors	404,553	39,210
Accruals and deferred income	<u>469,564</u>	<u>284,436</u>
	<u>1,229,799</u>	<u>353,561</u>

Included within other creditors is a loan from One North East totalling £375,000 that is due for repayment on 31 March 2011

**10 CREDITORS: Amounts falling due after more than one year**

	2010	2009
	£	£
Other creditors including		
Other loans	<u>-</u>	<u>375,000</u>

**11. PENSIONS**

The company operates a defined contribution pension scheme. Total pension costs for the year were £44,926 (2009 £43,376) of which £4,401 (2009 £9,273) was outstanding at the period end

**THE CENTRE OF EXCELLENCE IN DIGITAL TECHNOLOGY AND  
MEDIA LIMITED (LIMITED BY GUARANTEE) TRADING AS  
CODEWORKS  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2010**

**12. GOVERNMENT GRANTS**

	2010 £	2009 £
<b>Received and receivable:</b>		
At 1 April 2009	86,651	56,244
Receivable during year	35,520	30,245
Repayable	-	162
At 31 March 2010	<u>122,171</u>	<u>86,651</u>
 <b>Amortisation:</b>		
At 1 April 2009	39,271	-
Credit to profit and loss account	23,976	39,271
At 31 March 2010	<u>63,247</u>	<u>39,271</u>
 Net balance at 31 March 2010	<u>58,924</u>	<u>47,380</u>

**13. RELATED PARTY TRANSACTIONS**

The company owns 100% of the issued share capital of Codeworks Enterprises Limited ('Enterprises') which owns 100% of the issued share capital in both Adept Limited and Codeworks Limited so the parties are all related

At 31 March 2010 Enterprises owed the company £225,037 and Adept owes the company £17,182 which is due within one year. Included within this is also an amount of £215,813 for a loan repayable by 31 March 2011. Interest charged during the year was £14,321. The loan facility available to Enterprises from the company is £375,000.

During the year the company purchased legal services for £276 from Ward Hadaway, of which Mr C T Hewitt is a partner. The company also purchased company secretarial services from Ward Hadaway Company Secretarial Services, of which Mr C T Hewitt is a director.

**14. COMPANY LIMITED BY GUARANTEE**

The company is limited by guarantee and its governing document is its Memorandum and Articles of Association. The directors hold no shares in the company. Each member of the company is a guarantor of the company, to an amount not exceeding £1, in the event of a winding up of the company.