

North East Worldwide Limited

Annual report and financial statements

Registered number 09447449

Year ended 31 December 2016

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

North East Worldwide Limited is a wholly owned subsidiary of North East England Chamber of Commerce (Limited by Guarantee).

Principal activities

The principal activity of the company is the provision of a broad range of advice, market intelligence and financial support to companies new to exporting or addressing new export markets.

Directors

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

DJ Langley
JDA Ramsbotham
P Dellow
A Pattison
RJM Swart
J Underwood

Qualifying third party indemnity provision was in place for the benefit of all directors of the company.

Results and dividends

The results for the year ended 31 December 2016 are set out on page 7.

No ordinary dividends were paid (2015: £nil). The directors do not recommend payment of a final dividend.

Principal risks and uncertainties

Economic conditions for exporters

The company works with companies who export, those who are moving into export markets for the first time, or exporters seeking to grow. Demand for the company's services may be impacted by the global economic conditions, and in particular the impact of sterling foreign exchange rates on the competitiveness of UK goods and services in export markets.

Political and funding risks

Development in public policy, and in particular the International Trade agenda, together with the related funding regimes are a key driver of North East Worldwide's business. In common with other areas of public expenditure, programmes to support international trade remain subject to ongoing change and spending constraints. The company maintains an ongoing and constructive engagement with key stakeholders to mitigate and adapt to this changing funding landscape.

Contract risk

Financial risks could arise from a failure to meet contract targets. Robust performance management processes and internal financial controls have been established to address these risks.

Independent auditor

A resolution to reappoint PricewaterhouseCoopers LLP will be proposed at the forthcoming Annual General Meeting.

Directors' report *(continued)*

Statement of disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

By order of the board



DJ Langley
Director

Aykley Heads Business Centre
Aykley Heads
Durham
United Kingdom
DH1 5TS

30 March 2017

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), 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 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 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 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of North East Worldwide Limited

Report on the financial statements

Our opinion

In our opinion, North East Worldwide Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit 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.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Profit and Loss Account and Other Comprehensive Income for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions 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.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Independent auditor's report to the members of North East Worldwide Limited (continued)

Other matters on which we are required to report by exception (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities in respect of the Directors' Report and the financial statements 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

Independent auditor's report to the members of North East Worldwide Limited
(continued)

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Greg Wilson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

3 April 2017

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2016

	Note	Year ended 31 December 2016 £	10 month period ended 31 December 2015 £
Turnover	2	2,054,640	1,250,056
Cost of sales		(1,146,089)	(849,831)
Gross profit		908,551	400,225
Administrative expenses		(678,422)	(394,732)
Operating profit		230,129	5,493
Interest receivable and similar income	5	2	12
Profit on ordinary activities before taxation		230,131	5,505
Tax on profit on ordinary activities	6	(3,841)	-
Profit for the financial year/period		226,290	5,505
Total comprehensive income for the year/ period		226,290	5,505

Balance Sheet
at 31 December 2016

	Note	2016 £	£	2015 £	£
Current assets					
Debtors	7	298,352		81,696	
Cash at bank and in hand		139,780		124,954	
		<u>438,132</u>		<u>206,650</u>	
Creditors: amounts falling due within one year	8	<u>(206,336)</u>		<u>(201,144)</u>	
Net current assets			<u>231,796</u>		<u>5,506</u>
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account	10		231,795		5,505
			<u>231,796</u>		<u>5,506</u>
Shareholders' funds			<u>231,796</u>		<u>5,506</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved by the board of directors on

and were signed on its behalf by:



J Underwood
Director

Company registered number: 09447449

Notes

(forming part of the financial statements)

1 Accounting policies

Company information

North East Worldwide Limited ("the company") is a private company limited by shares, domiciled and incorporated in England. The registered office is Aykley Heads Business Centre, Aykley Heads, Durham, DH1 5TS.

The company's principal activities are disclosed in the director's 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, as applicable to companies subject to the small companies regime. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared under the historical cost convention.

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 principal accounting policies adopted and which have been applied consistently in these financial statements are set out below.

Critical accounting estimates and judgements

In the application of the company'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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Going concern

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

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of a business, net of discounts, VAT and other sales related taxes.

Turnover is recognised when it and the associated costs can be measured reliably and when there is certainty to the entitlement of benefits.

Turnover in respect of government grants and similar contracts is recognised in accordance with the government grants policy below.

Taxation

Current tax

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 and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Notes (continued)

1 Accounting policies (continued)

Taxation (continued)

Current tax

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

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 is not discounted.

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.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end.

Government grants

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred, with the exception of those grants which are subject to explicit performance obligations which are recognised only when there is certainty to the entitlement of benefits.

2 Turnover

	Year ended 31 December 2016 £	10 month period ended 31 December 2015 £
International trade contract services	1,871,740	1,250,056
European regional development fund grant income	182,900	-
	<u>2,054,640</u>	<u>1,250,056</u>
By geographical market:		
United Kingdom	<u>2,054,640</u>	<u>1,250,056</u>

Notes (continued)

3 Auditors' remuneration

Auditor's remuneration:

	Year ended 31 December 2016 £	10 month period ended 31 December 2015 £
Audit of these financial statements	7,500	7,500

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	10 month period ended 31 December 2015
	Year ended 31 December 2016	
International trade contract services	30	30

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2016 £	10 month period ended 31 December 2015 £
Wages and salaries	1,069,946	846,836
Social security costs	98,153	16,869
Contributions to defined contribution plans	39,528	10,130
	1,207,627	873,835

No directors received any remuneration from the company in respect of their services provided during the year (10 month period ended 31 December 2015: £nil). Included within wages and salaries is £72,125 (10 month period ended 31 December 2015: £51,830) in respect of the services of directors which was recharged by the company's parent undertaking.

During the year no directors participated in the defined contribution pension scheme (10 month period ended 31 December 2015: £nil).

5 Interest receivable and similar income

	Year ended 31 December 2016 £	10 month period ended 31 December 2015 £
Interest on bank deposits	2	12

Notes (continued)

6 Taxation

	Year ended 31 December 2016 £	10 month period ended 31 December 2015 £
<i>Current tax</i>		
Current tax on income for the period	3,841	-
	<hr/>	<hr/>
Total tax	3,841	-
	<hr/>	<hr/>

Reconciliation of effective tax rate

	Year ended 31 December 2016 £	10 month period ended 31 December 2015 £
Profit for the year	226,290	5,505
Total tax expense	3,841	-
	<hr/>	<hr/>
Profit excluding taxation	230,131	5,505
Tax using the UK corporation tax rate of 20% (10 month period ended 31 December 2015: 20.18%)	46,026	1,111
Group relief	(41,598)	(3,557)
Adjustment to the average rate on deferred tax balances	75	256
Current year losses for which no deferred tax asset was recognised	(662)	2,190
	<hr/>	<hr/>
Total tax expense included in profit or loss	3,841	-
	<hr/>	<hr/>

A potential deferred tax asset of £2,275 (2015: £2,190) has not been recognised due to the uncertainty of its utilisation.

7 Debtors

	2016 £	2015 £
Trade debtors	146,420	78,696
Other debtors	181	3,000
Prepayments and accrued income	151,751	-
	<hr/>	<hr/>
	298,352	81,696
	<hr/>	<hr/>
Due within one year	298,352	81,696
Due after more than one year	-	-
	<hr/>	<hr/>
	298,352	81,696
	<hr/>	<hr/>

Notes (continued)

8 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	19,552	18,339
Amounts owed to group undertakings	12,848	32,182
Corporation tax	3,841	-
Other taxation and social security	91,820	98,924
Accruals and deferred income	78,275	51,699
	<u>206,336</u>	<u>201,144</u>

9 Capital and reserves

Share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>
Shares classified as liabilities	-	-
Shares classified in shareholders' funds	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

10 Profit and loss account

	£
At beginning of year	5,505
Profit for the year ended 31 December 2016	<u>226,290</u>
At end of year	<u>231,795</u>

11 Commitments

Capital commitments

The Company has no contractual commitments to purchase intangible or tangible fixed assets at the year-end (2015: £nil).

Notes *(continued)*

12 Related parties

No guarantees have been given or received.

The company has taken advantage of the exemption under Section 33.1A of FRS 102, whereby subsidiary undertakings do not have to disclose intra group transactions if 100% of their shares are controlled within the group.

13 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of North East England Chamber of Commerce which is the ultimate controlling party.

The largest and smallest group in which the results of the Company are consolidated is that headed by North East England Chamber of Commerce, incorporated in England. The consolidated financial statements of these groups are available to the public and may be obtained from Companies House.