

**North East Worldwide Limited**

**Annual report and financial statements**

**Registered number 09447449**

**Year ended 31 December 2017**

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2017.

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  
RJL 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 2017 are set out on page 7.

No interim dividends were paid (2016: £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 Limited'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.

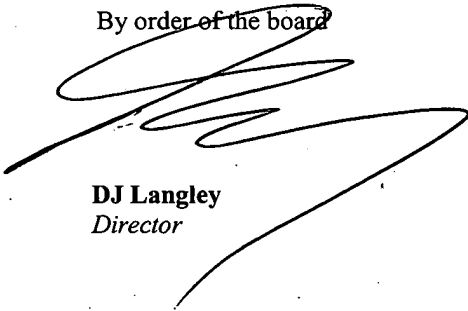
## **Directors' report** *(continued)*

### **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

**22 MARCH 2018**

## **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 audit of the financial statements**

#### **Opinion**

In our opinion, North East Worldwide Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2017; and the Profit and Loss Account and Other Comprehensive Income; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. the Balance Sheet as at 31 December 2017;

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

- 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 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..

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

### **Reporting on other information (continued)**

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### *Auditors' 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 auditors' 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

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.

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

**Other required reporting**

**Companies Act 2006 exception reporting**

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

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.

*Greg Wilson*

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

*29 March* 2018



**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 December 2017*

	<i>Note</i>	<b>2017</b> £	<b>2016</b> £
<b>Turnover</b>	2	<b>2,458,419</b>	2,054,640
Cost of sales		(1,231,315)	(1,146,089)
<b>Gross profit</b>		<b>1,227,104</b>	908,551
Administrative expenses		(1,102,927)	(678,422)
<b>Operating profit</b>		<b>124,177</b>	230,129
Interest receivable and similar income	5	-	2
<b>Profit on ordinary activities before taxation</b>		<b>124,177</b>	230,131
Tax on profit on ordinary activities	6	(19,910)	(3,841)
<b>Profit for the financial year</b>		<b>104,267</b>	226,290
<b>Total comprehensive income for the year</b>		<b>104,267</b>	226,290

**Balance Sheet**  
at 31 December 2017

	Note	2017 £	£	2016 £	£
<b>Current assets</b>					
Debtors	7	314,219		298,352	
Cash at bank and in hand		322,532		139,780	
		<u>636,751</u>		<u>438,132</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(300,688)</u>		<u>(206,336)</u>	
<b>Net current assets</b>			<u>336,063</u>		<u>231,796</u>
<b>Capital and reserves</b>					
Called up share capital	9		1		1
Profit and loss account	10		336,062		231,795
<b>Shareholders' funds</b>			<u>336,063</u>		<u>231,796</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 22 March 2018 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 Directors' 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

	2017 £	2016 £
International trade contract services	1,476,113	1,871,740
European regional development fund grant income	982,306	182,900
	<u>2,458,419</u>	<u>2,054,640</u>
By geographical market:		
United Kingdom	<u>2,458,419</u>	<u>2,054,640</u>

## Notes (continued)

### 3 Auditors' remuneration

Auditor's remuneration:

	2017 £	2016 £
Audit of these financial statements	7,000	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 2017	2016
International trade contract services	34	30

The aggregate payroll costs of these persons were as follows:

	2017 £	2016 £
Wages and salaries	1,111,143	1,069,946
Social security costs	109,056	98,153
Contributions to defined contribution plans	41,636	39,528
	1,261,835	1,207,627

No directors received any remuneration from the company in respect of their services provided during the year (2016: £nil). Included within wages and salaries is £75,193 (2016: £72,125) 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 (2016: £nil).

### 5 Interest receivable and similar income

	2017 £	2016 £
Interest on bank deposits	-	2

## Notes (continued)

### 6 Taxation

	2017 £	2016 £
<i>Current tax</i>		
Current tax on income for the year	23,436	3,841
Adjustments in respect of prior periods	(3,526)	-
	<hr/>	<hr/>
Total tax	19,910	3,841
	<hr/>	<hr/>

### Reconciliation of effective tax rate

	2017 £	2016 £
Profit for the year	104,267	226,290
Total tax expense	19,910	3,841
	<hr/>	<hr/>
Profit excluding taxation	124,177	230,131
Tax using the UK corporation tax rate of 19.25% (2016: 20%)	23,900	46,026
Group relief	-	(41,598)
Adjustment to the average rate on deferred tax balances	(54)	75
Current year losses for which no deferred tax asset was recognised	(410)	(662)
Adjustments to tax charge in respect of prior periods	(3,526)	-
	<hr/>	<hr/>
Total tax expense included in profit or loss	19,910	3,841
	<hr/>	<hr/>

A potential deferred tax asset of £1,865 (2016: £2,275) has not been recognised due to the uncertainty of its utilisation.

### 7 Debtors

	2017 £	2016 £
Trade debtors	152,386	146,420
Other debtors	132	181
Prepayments and accrued income	161,701	151,751
	<hr/>	<hr/>
	314,219	298,352
	<hr/>	<hr/>
Due within one year	314,219	298,352
Due after more than one year	-	-
	<hr/>	<hr/>
	314,219	298,352
	<hr/>	<hr/>

## Notes (continued)

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

	2017 £	2016 £
Trade creditors	13,278	19,552
Amounts owed to group undertakings	91,077	12,848
Corporation tax	23,436	3,841
Other taxation and social security	105,784	91,820
Accruals and deferred income	67,113	78,275
	<u>300,688</u>	<u>206,336</u>

### 9 Called up share capital

#### Share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
1 (2016: 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	231,795
Profit for the year ended 31 December 2017	<u>104,267</u>
At end of year	<u>336,062</u>

### 11 Commitments

#### Capital commitments

The Company has no contractual commitments to purchase intangible or tangible fixed assets at the year-end (2016: £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.