

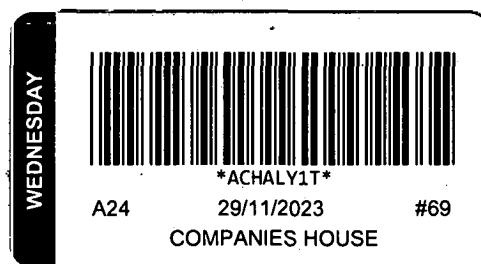
Registered number: 02281242

NewcastleGateshead Initiative Limited

(A company limited by guarantee)

Annual report

31 March 2023



NewcastleGateshead Initiative Limited

Company information

Directors

S Green
H P W Kippin
W A MacLeod
J P B Marshall - Chairman
S Ramsey
P Smith
M R Thompson

Registered number

02281242

Registered office

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

Independent auditor

UNW LLP
Chartered Accountants
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers

National Westminster Bank plc
Newcastle upon Tyne
NE99 1PY

NewcastleGateshead Initiative Limited

Company information (continued)

Due to the way in which the company manages and promotes its membership scheme, we refer to members as partners. As such, references to partners or partnerships within the directors' report and financial statements have the same meaning as members and membership.

Public Partners

Newcastle City Council
Gateshead Council
North of Tyne Combined Authority

Strategic Partners

ASM Global
Aspire Technology Solutions
CGI
DWF
Fenwick
Gateshead College
Go North East
Lumo
Monstarlab
Newcastle College
Newcastle International Airport
Newcastle United Football Club
Newcastle University
Northumbria University
Northumbrian Water
Reach PLC
Ryder Architecture Limited
SDDE Group
Ubisoft
Ward Hadaway

NewcastleGateshead Initiative Limited

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NewcastleGateshead Initiative Limited

Directors' report Year ended 31 March 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Principal activities during the year from 1 April 2022 to 31 March 2023

NewcastleGateshead Initiative Limited ('NGI') deliver inward investment and visitor economy strategy for the North East of England.

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

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

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

As a social enterprise, every single one of our projects is dedicated to making lasting social and economic impact. Our joint focus on improving visitor economy, whilst attracting inward investment, creates significant synergies – both changing perceptions of our region and place whilst supporting short-term and long-term economic growth.

All our work supports levelling up - creating opportunities for residents, supporting communities to thrive and making great places to live and work.

We exist to benefit the people of NewcastleGateshead and the wider region, leaving a legacy and meeting the needs of future generations.

Delivering in partnership with the private and public sector

We bring more than 120 private and public sector businesses together to make a positive impact on our region. Our partners work alongside us on key projects to drive innovation, act on pressing challenges, unlock opportunity and contribute to the growth of an inclusive economy.

We work with the public and private sector, hosting events and networking opportunities to collaborate, consult and engage in regional priorities, bid events, campaigns. Not only are partners an extension of the NGI team, their commercial contribution allows us to extend our reach and to achieve collective ambition.

Governance - Partners' guarantee

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

Financial result for the year

We received ongoing support from Newcastle City Council and Gateshead Council of £1m as well as a significant sum from North of Tyne Combined Authority towards two projects to support Inward investment sector development and three projects supporting the visitor economy and recovery of the tourism and hospitality sectors post-Covid.

We continue to see an upward trend in the number of partners joining, further strengthening regional collaboration and support. Other private sector sponsorship income also increased as in-person events and conferences returned, with strong regional support for capital investment trade delegations including MIPIM and UK REiF. We were also able to secure match funding from partners to support a VisitBritain funded Gateway project.

NewcastleGateshead Initiative Limited

Directors' report (continued) Year ended 31 March 2023

Research consultancy income has almost doubled from prior year levels with the team working with 46 businesses across the UK providing research and insight data. Other commercial income increased, particularly commission income generated by the Convention Bureau, as the number of Business Events and related visitors increased.

A very significant development is the award from DCMS of £2.25m over 3 years, to becoming the first ever Destination Development Partnership in the UK. This pilot will be a potential blueprint for the rest of England, delivering local economic growth through the visitor economy across all seven local authorities. The pilot will disseminate best practice and learning focused on visitor economy, skills, business events, product development, accessibility, sustainability and promoting inward investment. It will enable the North East to develop relationships with DCMS, the GREAT campaign, VisitBritain and VisitEngland supporting further opportunities and the use of soft power.

We continue to keep overhead costs to a minimum, retaining a smaller, central office and enabling teams to work flexibly.

The positive result for the year reflects our success in securing additional project funding made available to support the regional tourism economy and securing DDP status.

Review of activity undertaken in the year

NGI principally delivers Inward Investment and Visitor Economy strategy. These are delivered utilising four established brands, NGI, NewcastleGateshead, Invest Newcastle and NewcastleGateshead Convention Bureau and in the year we have also developed a new brand - Destination North East England which will be used for regionwide delivery for DDP related activity.

Inward Investment Activity:

Invest Newcastle (IN) is the inward investment arm of the business driving and delivering economic growth for Newcastle and Gateshead, as well as sector desks for North of Tyne for Life Sciences and Digital. The key focus is:

- Secure capital investment
- Attract new businesses to locate in the area and create jobs;
- Help existing businesses to expand and thrive through a bespoke range of services;
- Champion Newcastle and Gateshead and its strengths on a national and international stage, promoting Newcastle as a city to collaborate, innovate and thrive; and
- Champion life sciences and digital strengths across the North of Tyne.

We work with existing investors through a strategic and key account management programme in Newcastle, and on behalf of the Department of Business and Trade, the latter supporting foreign-owned businesses to make further investment and grow their presence and workforce.

We also work closely with homegrown and UK strategically important companies based in Newcastle providing dedicated support and advice to enable growth, job creation and safeguarding of at-risk jobs, ensuring companies thrive and stay in the region.

NewcastleGateshead Initiative Limited

Directors' report (continued) Year ended 31 March 2023

Key achievements in 2022/23:

- Secured £80m capital investment and 1,000 new jobs across Newcastle and Gateshead;
- 33 new companies have invested in the region;
- Created or safeguarded 1,350 new jobs;
- Sourced 285 new investment projects;
- Secured £5.6m NTCA grant funding for new investors;
- Supported the NE to top the list of UK regions for FDI job creation;
- Secured 1st place for Newcastle for foreign direct investment ("FDI") Strategy in FDI Intelligence Limited's ("FDI") Mid-sized European Cities of the Future 2023;
- Hosted 30 international company and multiplier visits, with investors and delegations in partnership with Department for Business and Trade;
- Led high profile bid for Great British Railways (GBR) HQ.

Strategic sectors:

We have sectoral expertise particularly focused on high growth clusters of digital, life sciences, sustainability, corporate services and creative/visitor economy.

Significant investments in 2022/23:

- US owned tech company Credera, creating 200 new jobs;
- Italian owned multinational defence company Leonardo, creating 200 new jobs;
- Part of Japanese video games company SEGA Group, Creative Assembly North, creating 100 new jobs;
- French owned renewable energy company Lhyfe, creating 20 new jobs;
- Canadian owned tech multinational CGI planning on creating 150 new jobs; and
- Working with the Councils, North of Tyne Combined Authority ("NTCA"), and Investor Partners we lead delegations and host events to secure capital investment. The aim of these events being to put our region in front of decision makers including investors and developers, and promoting key assets on national and international platforms.

The regions private and public sector join us to secure new real estate business, developments and develop new relationships to profile their business on an international stage.

Key events include:

- Le Marché International des Professionnels de L'immobilier ("MIPIM");
- UK Real Estate Investment and Infrastructure Forum ("UK REiIF");
- EXPO Real, Munich;
- Smart Cities Expo, Barcelona;
- MEDICA, Dusseldorf.

Our target territories for investment include North America, the Gulf Cooperation Council ("GCC") region, Nordics, Germany, and India.

NewcastleGateshead Initiative Limited

Directors' report (continued) Year ended 31 March 2023

Visitor Economy:

NGI is the VisitEngland recognised Visitor economy strategy body in North East of England for Newcastle and Gateshead, is the lead tourism body in visitor economy development and acts as lead for North of Tyne tourism projects.

The DDP status provides us with the opportunity to work across a wider geographical area as previously funding was mainly restricted to supporting Newcastle and Gateshead.

We continue to champion the sector, the 4th biggest employer in the region and the DDP will raise the profile of the visitor economy, support and involve industry to strengthen our case for further investment and attract businesses, jobs, visitors, and events to the region.

We have a 10-year ambition to double the size of the visitor economy - create more than 25,000 new jobs and deliver 6% growth per annum.

In 2022-2023, NGI were also one of the first destination management organisations in England to gain Local Visitor Economy (LVEP) status.

In 2022- 2023, the Visitor Economy Team have delivered the following:

Creating jobs and skills development

Through our projects we have been supporting new skills and innovation within the tourism sector providing training and expert advice on topics such as product development, innovation, supply chain, food waste and accessibility. This has resulted in:

- Supporting 12,600 jobs across the visitor economy and an ambitious tourism strategy to create 25,000 new regional jobs directly or indirectly over the next decade;
- Engaged 48 employees in Youth Engagement Programme;
- Published 110 tourism and hospitality vacancies on SkillsHub;
- Offered employers and new investors advice on relocation including the development of 'Move to Newcastle' website; and
- Work with the North East LEP, North of Tyne Combined Authority and employers to develop an integrated careers plan and skills toolkit for the visitor economy.

Supporting young people under 25

We want to create a better place for everyone, including children and young people. Through our work we look to create a place where everyone can thrive and build a bright future.

By working with our partners, we work to inspire young people, break down barriers and ensure jobs and opportunities we create are accessible to all. So far we have:

- Committed to inspiring 1,000 school students with careers opportunities as part of the Evry Programme;
- Recruited 3 new graduates;
- Created a 'Next Generation Panel' with representatives from 24 of our partner organisations;
- Engaged 65 partners in a joint venture with Karbon homes, focused on their new employability programme aimed at young people out of work;
- Supported Global Shapers Community; and
- Hosted 2 Next Generation Panel meetings.

NewcastleGateshead Initiative Limited

Directors' report (continued) Year ended 31 March 2023

Providing a strong evidence base

Our research capability is used to support regional projects, to feed into national policymakers and to underpin our campaigns. Our economic and visitor data, insight and intelligence is used to identify trends, drive innovation, address challenges and make strategic decisions. Our regional intelligence hub is shared and collated with local authorities, government, industry and our partners who use it to make informed decisions.

In 2022/23:

- Supported 20 clients and 26 commercial projects;
- Provided intelligence for all 7 Local Authorities; and
- Supplied more than 100 pages of tourism intelligence to secure DDP funding and support Inter-ministerial Group on Visitor Economy.

Promoting our distinctive culture

We are committed to promoting the distinctive culture of Newcastle and Gateshead. Through working with partners ranging from the cultural venues, the creative arts, food and drink suppliers, we seek to maximise our nature, heritage and architectural assets ensuring we create a great experience for residents or visitors.

In 2022/23:

- Provided advice to more than 260k residents on things to do, via our consumer website, supporting 700 businesses listed;
- 1.5 million people visited our website;
- More than 150k residents from the wider region visited our website;
- Sent 54 e-newsletters to inspire more than 27k subscribers to get involved and experience our destination;
- Developed campaigns on behalf of Newcastle and Gateshead councils to promote their local, independent food and drink scene.

Looking Forward

With a £4.2bn devolution deal for the region, there has never been a more opportune time to highlight the growth and investment potential we have here in the North East. We have started 2023/24 strong, as the first DDP in England, 10,000 jobs in the pipeline for inward investment and a ten-year plan to create 25,000 new jobs within the visitor economy.

We look forward to playing our part in creating a better place for residents. We could not make the impact we do without our national and international relationships, our region's leadership, strategic input from our stakeholders, and of course our people.

Directors

The directors who served during the year were as follows:

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

NewcastleGateshead Initiative Limited

Directors' report (continued) Year ended 31 March 2023

Financial risk management policy

The company has trade debtors and trade creditors which arise from its normal activities. The company's policy is aimed at minimising losses by ensuring regular invoicing, monitoring overdue debts, and reviewing credit limits regularly.

Surplus cash funds are placed on short-term cash deposit with one of the UK clearing banks, and the financial institutions used are reviewed from time to time. We have seen interest rates increase during the year which provided slightly more income than originally projected. We will however remain prudent in our future year forecast. The company does not make investments which are subject to market value fluctuations.

The company does not, at present, undertake any significant transactions in foreign currencies; as such the directors do not consider there to be significant exposure associated with fluctuations in foreign exchange rates.

Going concern

During this year, the directors and management have regularly reviewed the financial status of the organisation and are confident that the business is a going concern.

Our overhead costs remain low as our current lease costs are fixed and include a service charge so we have not been impacted by rising utility costs. Project working is now fully embedded and we look for full cost recovery on all project funding we secure. We continue to secure significant funding from NTCA supporting both Visitor Economy strategy and Invest activity. Cash balances have remained robust providing sufficient cash headroom for the foreseeable future.

Government funding, DDP related, is secured through to March 2025 and if the pilot proves to be successful may result in annual funding from DCMS via VisitEngland

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

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

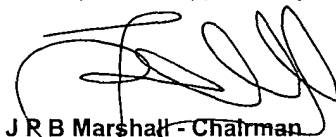
Auditor

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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 20 November 2023 and signed on its behalf by:


J R B Marshall - Chairman
Director

NewcastleGateshead Initiative Limited

Directors' responsibilities statement Year ended 31 March 2023

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



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

Opinion

We have audited the financial statements of NewcastleGateshead Initiative Limited ('the company') for the year ended 31 March 2023, which comprise the statement of comprehensive income, the balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('United Kingdom Generally Accepted Accounting Practice').

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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



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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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



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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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



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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Who we are reporting to

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

Anne Hallowell

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

20 November 2023

NewcastleGateshead Initiative Limited

Statement of comprehensive income Year ended 31 March 2023

	2023 £000	2022 £000
Turnover	3,438	2,091
Direct costs	(2,953)	(1,681)
Gross surplus	485	410
Administrative expenses	(351)	(346)
Other operating income	78	100
Operating surplus	212	164
Interest receivable and similar income	2	-
Interest payable and similar charges	(12)	(15)
Surplus before taxation	202	149
Tax on surplus	-	-
Surplus for the financial year	202	149

There was no other comprehensive income for 2023 (2022: £nil).

The notes on pages 14 to 20 form part of these financial statements.

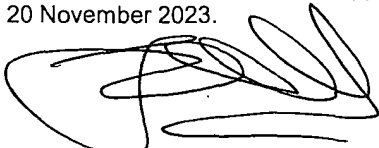
NewcastleGateshead Initiative Limited

Balance sheet At 31 March 2023

	Note	2023 £000	2022 £000
Current assets			
Debtors	8	729	318
Bank and cash balances		595	619
		<u>1,324</u>	<u>937</u>
Creditors: amounts falling due within one year	9	(1,120)	(835)
Net current assets		<u>204</u>	<u>102</u>
Total assets less current liabilities		<u>204</u>	<u>102</u>
Creditors: amounts falling due after more than one year	10	(200)	(300)
Net assets/(liabilities)		<u>4</u>	<u>(198)</u>
Capital and reserves			
Profit and loss account		4	(198)
Member funds		<u>4</u>	<u>(198)</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 November 2023.



J P B Marshall - Chairman
Director

Company registered number: 02281242

The notes on pages 14 to 20 form part of these financial statements.

NewcastleGateshead Initiative Limited

Notes to the financial statements Year ended 31 March 2023

1. General information

NewcastleGateshead Initiative Limited ('the company') is engaged in destination management and marketing for the area.

The company is a private company limited by guarantee, incorporated and domiciled in the United Kingdom. The address of the registered office is given in the company information page appended to these financial statements.

2. Statement of compliance

The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102 *'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'* ('FRS 102') and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

3.1 Basis of preparation of financial statements

The financial statements are prepared on a going concern basis and under the historical cost convention. They are presented in pounds sterling and are rounded to the nearest £'000.

3.2 Exemption from preparing consolidated financial statements

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

3.3 Going concern

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

The company manages its working capital requirements through available cash resources and funding from a number of sources to supplement its own range of existing and developing commercial income streams. The company's major funders are Newcastle Council and Gateshead Council, together with a number of grant awarding bodies and the group's public and private sector partners. The company continued to secure significant funding from NTCA supporting both Visitor Economy strategy and Invest activity. Financial projections have been prepared for the year and these show that the company will continue to maintain a sufficient cash headroom for the foreseeable future.

The directors have considered the current and future projections and are satisfied that the company can continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. Consequently, the directors continue to adopt the going concern basis of preparation in these financial statements.

NewcastleGateshead Initiative Limited

Notes to the financial statements Year ended 31 March 2023

3. Accounting policies (continued)

3.4 Revenue

Turnover

Turnover comprises revenue recognised in respect of services supplied during the year, net of discounts and excluding Value Added Tax.

Turnover comprises core funding, partnership fees, sponsorship, grants and revenue generated from individual projects and other commercial activities.

Partnership fee income is recognised on a straight line basis over the relevant duration commencing on the start or renewal date of partnership, through to the next renewal date.

Income from commercial trading activities is recognised as earned, as the related goods and services are provided.

All other income is matched with the expenditure on the activities to which it relates when incurred, with any such funding received in advance being held in the balance sheet as deferred income to be released against the cost of the company's activities in future years.

3.5 Employee benefits

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the employee's entitlement to the benefit accrues.

Defined contribution pension plan

The company operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet.

The assets of the plan are held separately from the company in independently administered funds.

3.6 Leases

All of the company's leasing arrangements are operating leases. Rental payments under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis, over the lease term.

3.7 Taxation

The company is an authorised enterprise agency and is currently only subject to tax on its investment income, comprising of interest received, at the prevailing rate.

NewcastleGateshead Initiative Limited

Notes to the financial statements Year ended 31 March 2023

3. Accounting policies (continued)

3.8 Intangible fixed assets and amortisation

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

Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their estimated useful lives as follows:

Website	-	33% straight line
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Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

3.9 Tangible fixed assets and depreciation

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

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their estimated useful lives as follows:

Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line
Computer equipment	-	33% straight line

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

3.10 Fixed asset investments

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

3.11 Financial instruments

The company only enters into financial instruments transactions that result in the recognition of basic debt financial assets and liabilities like trade and other accounts receivable and payable, cash and bank balances, loans to or from related parties, including fellow group companies, and other loans. All such instruments are measured, initially and subsequently, at the transaction price, with the exception of other loans which are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

NewcastleGateshead Initiative Limited

Notes to the financial statements Year ended 31 March 2023

4. Employees

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

	2023 No.	2022 No.
Admin and departmental staff	29	26

5. Intangible assets

	Website £000
Cost	
At 1 April 2022	42
At 31 March 2023	42
Amortisation	
At 1 April 2022	42
At 31 March 2023	42
Net book value	
At 31 March 2023	-
At 31 March 2022	-

NewcastleGateshead Initiative Limited

Notes to the financial statements Year ended 31 March 2023

6. Tangible fixed assets

	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost				
At 1 April 2022	6	2	6	14
Disposals	-	-	(4)	(4)
At 31 March 2023	6	2	2	10
Depreciation				
At 1 April 2022	6	2	6	14
Disposals	-	-	(4)	(4)
At 31 March 2023	6	2	2	10
Net book value				
At 31 March 2023	-	-	-	-
At 31 March 2022	-	-	-	-

7. Fixed asset investments

In the company's balance sheet investments in subsidiary undertakings are stated at cost of £1 (2022: £2).

The company owns 100% of the issued share capital of NGI Solutions Limited, incorporated in England & Wales, whose principal activity is to provide consultancy services.

NewcastleGateshead Initiative Limited

Notes to the financial statements Year ended 31 March 2023

8. Debtors

	2023 £000	2022 £000
Trade debtors	206	138
Prepayments and accrued income	523	180
	<u>729</u>	<u>318</u>

9. Creditors: amounts falling due within one year

	2023 £000	2022 £000
Other loans	100	100
Trade creditors	41	29
Amounts owed to group undertakings	4	4
Other taxation and social security	100	88
Other creditors	12	29
Accruals and deferred income	863	585
	<u>1,120</u>	<u>835</u>

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

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

	2023 £000	2022 £000
Other loans	<u>200</u>	<u>300</u>

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

11. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

NewcastleGateshead Initiative Limited

Notes to the financial statements Year ended 31 March 2023

12. Commitments under operating leases

At 31 March 2023 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £000	2022 £000
Not later than 1 year	48	46
Later than 1 year and not later than 5 years	46	92
	<u>94</u>	<u>138</u>

13. Related party transactions

Due to the nature of the company's operations it is inevitable that transactions will take place with organisations in which a partner of the company may have an interest. The directors consider that all transactions involving organisations in which a partner of the company may have an interest are conducted at arms length in accordance with the company's normal procurement procedures. No other transactions were identified which require disclosure under Financial Reporting Standard 102.