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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

Year ended:

List No:

Head or Main Office:



Website address (if available):

Has the address changed during the year to which the return relates? Yes No (Tick as appropriate)

General Secretary:

Contact name for queries regarding the completion of this return:

Telephone Number:

e-mail:

PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.
Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Employers' Associations based in England and Wales:
Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Employers' Associations based in Scotland:
Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG

RETURN OF MEMBERS

(see note 9)

NUMBER OF MEMBERS AT THE END OF THE YEAR				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
40				40

OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
	A. De'ath	None	31 March 2013
	H. Dobson	None	31 March 2013
	S. Gibson	None	31 July 2012

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	INCOME			
216,085	From Members	Subscriptions, levies, etc	216,085	
17,595		Advisory Service	16,676	
0	Investment income	Interest and dividends (gross)	0	
9,107		Bank interest (gross)	10,055	
		Other (specify)		
27,230	Other income	Training Courses	54,603	
45,100		Winter Maintenance	46,168	
15,580		Criminal Records Bureau	18,680	
42,200		North West Jobs	0	
18,400		Lean Income	38,505	
207,733		North East Jobs	176,943	
80,000		National Portal	20,000	
436,243				354,899
679,030		TOTAL INCOME		597,715
	EXPENDITURE			
	Administrative expenses			
558,052		Remuneration and expenses of staff	593,530	
38,730		Occupancy costs	33,245	
6,051		Printing, Stationery, Post	5,795	
7,408		Telephones	6,627	
4,725		Legal and Professional fees	4,965	
3,720		CEEP	2,211	
8,245		Equipment Maintenance	6,059	
853		Hosp / Misc Expenses	987	
3,598		Staff Training	3,082	
631,382				656,501
90	Other charges	Bank charges	102	
0		Depreciation	0	
(208)		Bad Debts	0	
784		Affiliation fees / Subs & Publications	864	
2,556		Conference and meeting fees	1,886	
19,500		North East Jobs TMP Expenditure	0	
22,722				2,852
0	Taxation			
654,104		TOTAL EXPENDITURE		659,353
24,926		Surplus/Deficit for year		61,638
290,556		Amount of fund at beginning of year		315,482
315,482		Amount of fund at end of year		253,844

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 2		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
	Total Income		
Expenditure	Administrative expenses Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNT 3		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
	Total Income		
Expenditure	Administrative expenses Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 4		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
			Total Expenditure
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 5		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure	Administrative expenses		
	Other expenditure (specify)		
			Total Expenditure
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 6		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
Amount of fund at beginning of year			
Amount of fund at the end of year (as Balance Sheet)			

ACCOUNT 7		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
Amount of fund at beginning of year			
Amount of fund at the end of year (as Balance Sheet)			

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period				
Additions during period				
Less: Disposals during period				
Less: DEPRECIATION:				
Total to end of period				
BOOK AMOUNT at end of period				
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET				

ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
QUOTED	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Quoted Investments	
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Unquoted Investments	

* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES	NO X
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
INCORPORATED EMPLOYERS' ASSOCIATIONS			
Are the shares which are controlled by the association registered in the association's name		YES	NO
If NO, please state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
UNINCORPORATED EMPLOYERS ASSOCIATIONS			
Are the shares which are controlled by the association registered in the names of the association's trustees?		YES	NO
If NO, state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	232,761		232,761
From Investments	10,055		10,055
Other Income (including increases by revaluation of assets)	354,899		354,899
Total Income	597,715		597,715
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	659,353		659,353
Funds at beginning of year (including reserves)	315,482		315,482
Funds at end of year (including reserves)	253,844		253,844
ASSETS			
Fixed Assets			
Investment Assets			
Other Assets			388,052
		Total Assets	388,052
LIABILITIES			
		Total Liabilities	134,208
NET ASSETS (Total Assets less Total Liabilities)			253,844

NOTES TO THE ACCOUNTS

(see note 36)

All notes to the accounts must be entered on or attached to this part of the return.

See the attached accounts.

ACCOUNTING POLICIES

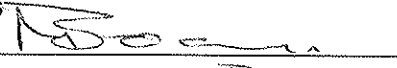
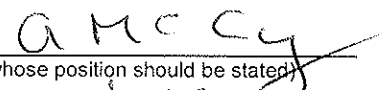
(see notes 37 and 38)

See the attached accounts.

SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u> Name: <u>MICHAEL BRADIE</u> Date: <u>15/08/2013</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>ANN MCCOY</u> Date: <u>15/08/2013</u>
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CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES	√	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES	√	NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES	√	NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES	√	NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES		NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	√	NO	

AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

YES

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
 - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 43)

YES

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in note 43)

YES

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.
(See note 45)

Please see attached accounts.

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

INDEPENDENT AUDITOR'S REPORT TO MEMBERS

YEAR ENDED 31 MARCH 2013

AUDITORS' REPORT TO THE MEMBERS OF NORTH EAST REGIONAL EMPLOYERS ORGANISATION

We audited the financial statements of North East Regional Employers' Organisation for the year to 31 March 2013 which comprise of the Income and Expenditure account, the Balance Sheet and related notes. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), under the historical cost convention and the accounting policies set out herein.

This report is made solely to the Organisations' members, as a body, in accordance with Section 36 of the Trade Union & Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Organisations 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 Organisation and the Organisations members as a body, for our audit work, or for the opinions we have formed.

Respective Responsibilities of Executive Board and Auditors

The board members responsibilities for preparing the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of the Executive Board's Responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Trade Union & Labour Relations (Consolidation) Act 1992. We also report to you if, in our opinion, the Organisation has not kept proper accounting records, or maintained a satisfactory system of control over its transactions in accordance with section 28 of the Trade Union & Labour Relations (Consolidation) Act 1992, if the accounts do not agree with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Director's remuneration and transactions with the Organisation is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. There is no other information to report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements, it also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Organisation's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Organisation as at 31 March 2013 and of its results for the year then ended and the financial statements have been properly prepared in accordance with the Trade Unions & Labour Relations (Consolidation) Act 1992.



CTC
Chartered Accountants and Statutory Auditor
13 Portland Terrace
Jesmond
Newcastle upon Tyne
NE2 1SN

Date: 4 July 2013

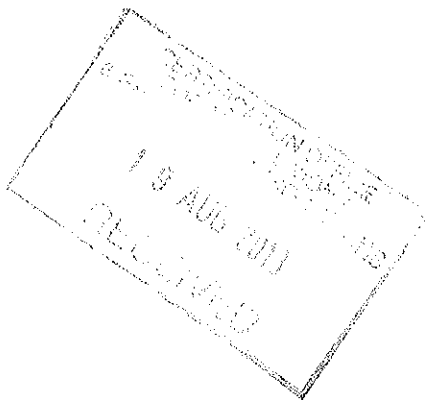
Signature(s) of auditor or auditors:	<i>CTC</i>	
Name(s):	CTC Chartered Accountants	
Profession(s) or Calling(s):	ICAEW	
Address(es):	13 Portland Terrace Jesmond Newcastle Upon Tyne NE2 1SN	
Date:	7.8.13	
Contact name and telephone number:	0191 2812271	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

**NORTH EAST REGIONAL
EMPLOYERS' ORGANISATION**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013



NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

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NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

OFFICERS

DIRECTOR

Michael Brodie
Guildhall
Quayside
Newcastle upon Tyne
NE1 3AF

REGISTERED AUDITOR

CTC, Chartered Accountants
13 Portland Terrace
Jesmond
Newcastle upon Tyne
NE2 1SN

BANKER

Unity Trust Bank
9 Brindleyplace
Birmingham
B1 2HB

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION
STATEMENT OF THE EXECUTIVE BOARD'S RESPONSIBILITIES
YEAR ENDED 31 MARCH 2013

The rules of the Organisation and the law governing Employers' Organisation require the Executive Board to prepare financial statements for each financial year, which give a true and fair view of affairs of the Organisation and of the Income and Expenditure of the Organisation for that period.

In preparing those statements, the Executive Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting and financial reporting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue in business.

The Executive Board is responsible for keeping proper accounting records, with respect to its transactions and its assets and liabilities, which disclose with reasonable accuracy at any time the financial position of the Organisation. It is also responsible for establishing and maintaining a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances in order to safeguard the assets of the Organisation and hence for taking reasonable steps for the prevention and detection of fraud and irregularities.

In accordance with company law, as the Executive Board, we certify that:

- So far as we are aware, there is no relevant audit information of which the Organisation's Auditors are unaware, and
- As the Executive Board of the Organisation we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Organisation's auditors are aware of that information.

The Board confirms its compliance with these requirements

Signed

Michael Brodie, Director

Date: 1 July 2013

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

INDEPENDENT AUDITOR'S REPORT TO MEMBERS

YEAR ENDED 31 MARCH 2013

AUDITORS' REPORT TO THE MEMBERS OF NORTH EAST REGIONAL EMPLOYERS ORGANISATION

We audited the financial statements of North East Regional Employers' Organisation for the year to 31 March 2013 which comprise of the Income and Expenditure account, the Balance Sheet and related notes. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), under the historical cost convention and the accounting policies set out herein.

This report is made solely to the Organisations' members, as a body, in accordance with Section 36 of the Trade Union & Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Organisations 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 Organisation and the Organisations members as a body, for our audit work, or for the opinions we have formed.

Respective Responsibilities of Executive Board and Auditors

The board members responsibilities for preparing the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of the Executive Board's Responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Trade Union & Labour Relations (Consolidation) Act 1992. We also report to you if, in our opinion, the Organisation has not kept proper accounting records, or maintained a satisfactory system of control over its transactions in accordance with section 28 of the Trade Union & Labour Relations (Consolidation) Act 1992, if the accounts do not agree with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Director's remuneration and transactions with the Organisation is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. There is no other information to report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements, it also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Organisation's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Organisation as at 31 March 2013 and of its results for the year then ended and the financial statements have been properly prepared in accordance with the Trade Unions & Labour Relations (Consolidation) Act 1992.



CTC
Chartered Accountants and Statutory Auditor
13 Portland Terrace
Jesmond
Newcastle upon Tyne
NE2 1SN

Date: 4 July 2013

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDING 31 MARCH 2013

	2013		2012	
	£	£	£	£
INCOME				
Contributions	215685		215685	
Advisory Services	16676		17595	
Conr Staff & TU Sides	400		400	
General Training Courses	54603		27230	
Winter Maintenance	46168		45100	
Interest from bond	10055		9107	
Criminal Records Bureau	18680		15580	
North West Jobs	-		42200	
Lean Income	38505		18400	
North East Jobs	176943		207733	
National Portal	<u>20000</u>		<u>80000</u>	
		597715		679030
EXPENDITURE				
Rent	25300		31300	
Insurance	7945		7430	
Stationery	3435		3399	
Members Expenses	1886		2556	
Salaries & Wages	563500		514467	
Employees Expenses	30030		43585	
Postage	2360		2652	
Telephones	6627		7408	
Publications	864		784	
Equipment Maintenance Costs	6059		8245	
Miscellaneous Office Expenses	987		853	
Audit Fees	4965		4725	
Bank Charges	102		90	
Staff Training	3082		3598	
CEEP	2211		3720	
North East Jobs TMP Expenditure	-		19500	
Bad Debts	<u>-</u>		<u>(208)</u>	
		659353		654104
OPERATING SURPLUS		<u>(61638)</u>		<u>24926</u>
ACCUMULATED FUNDS				
Revenue Account brought forward		315482		290556
Net Surplus/Deficit for the Year		<u>(61638)</u>		<u>24926</u>
Revenue Account carried forward		<u>253844</u>		<u>315482</u>

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

BALANCE SHEET AS AT 31 MARCH 2013

	2013		2012	
	£	£	£	£
CURRENT ASSETS				
Debtors	55494		14977	
Prepayments	3250		-	
Petty Cash	389		582	
Bank Current Account	-		172606	
Business Bond	<u>328919</u>		<u>319338</u>	
		388052		507503
CURRENT LIABILITIES				
Bank Current Account	75064		-	
VAT	8094		5027	
Creditors and Accruals	5146		4887	
Deferred Income	<u>45904</u>		<u>182107</u>	
		<u>134208</u>		<u>192021</u>
NET ASSETS LESS LIABILITIES		<u>253844</u>		<u>315482</u>
FINANCED BY				
Accumulated Funds		253844		315482
		<u>253844</u>		<u>315482</u>

Approved by the executive board

M Brodie

Date : 1 July 2013

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Organisation's financial statements.

a) BASIS OF ACCOUNTING

The accounts are prepared under historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

b) INCOME AND EXPENDITURE

All income is recognised in the Income and Expenditure Account when the conditions for receipt have been met and there is reasonable assurance of receipts.

Expenditure is included on an accruals basis.

c) LEASED ASSETS

Operating lease rentals are charged on a straight line basis to the Income and Expenditure account over the period of the lease.

d) GOVERNMENT GRANTS

Revenue grants are credited to the income and expenditure account on an accruals basis.

e) PENSION COMMITMENTS

The organisation is participating in the Tyne and Wear Pension Fund. The assets of the pension scheme are held separately from those of the organisation. Because of the common future service accrual contributions rate, the organisation is accounting on a defined contribution basis.

f) TAXATION

As the organisation is regarded as a mutual one, trading only with its members, no taxation is required.

2. DEBTORS

	2013	2012
	£	£
Trade Debtors	<u>55494</u>	<u>14977</u>
Total	<u>55494</u>	<u>14977</u>

3. CREDITORS

	2013	2012
	£	£
Bank Current Account	75064	-
Trade Creditors	181	162
VAT Creditor	8094	5027
Accruals	4965	4725
Deferred Income	<u>45904</u>	<u>182107</u>
Total	<u>134208</u>	<u>192021</u>

4. ACCUMULATED FUNDS

The Organisation aims to maintain a level of accumulated funds which will protect the Organisation and its members from any contingencies and / or commitments, whether foreseen or unforeseen. Any surplus income is carried forward for use against expenditure in future years in accordance with the non-profit making structure of the Organisation. If the Organisation ceased to trade, any surplus would be returned to members.

5. SALARIES & WAGES

	2013	2012
	£	£
Wages & Salaries	389032	360965
Employer's NI	38929	40156
Pension costs	<u>135539</u>	<u>113346</u>
	<u>563500</u>	<u>514467</u>

6. PENSION SCHEME

Employees of the association participate in the Tyne & Wear Pension Fund which is a defined benefit scheme. The assets of the Fund are held in externally managed funds invested by professional investment managers. Participation in the Scheme is by virtue of the association's status as an Admitted Body to the Fund.

The last actuarial valuation of the Fund was carried out by independent qualified actuaries as at 31 March 2010. The purpose of the valuation was to examine the financial position of the Fund and to recommend the contribution rate to be paid by the association and other participating employers in the Fund.

The assets of the Fund are explicable allocated to each of the participating employers. The market value of the Scheme's assets was £2.84m and these assets were sufficient to cover 61.2% of the liabilities of the Fund at the valuation date – a deficit of £1.80m.

The valuation method used to determine the associations' contribution rate was the projected unit method and the following assumptions were made:-

Discount rate	4.2% per annum
RPI inflation	3.6% per annum
CPI inflation	2.7% per annum
Rate of increase to pensions in payment	2.7% per annum
Rate of increase to deferred pensions	2.7% per annum
Rate of general increase in salaries	4.6% per annum

The costs of providing pensions to employees of the association are charged to the revenue account on a consistent basis over the service lives of the scheme members.

It is intended to clear the fund deficit by increasing the future contributions payable by member organisations.

The amount charged to the revenue account as company pension contributions for the year ended 31 March 2013 was £135539 (2012:£ 113346).

The current employer's contribution rate for the association is 21.8% of the employees' pensionable remuneration.