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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:	North East Regional Employers Organisation
Year ended:	31 March 2017
List No:	229E
Head or Main Office:	Guildhall Quayside Newcastle upon Tyne NE1 3AF
Website address (if available)	www.nereo.gov.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Tick as appropriate)
General Secretary:	Michael Brodie
Contact name for queries regarding the completion of this return:	Linda Bollado
Telephone Number:	0191 261 3973
e-mail:	lbollado@nereo.gov.uk

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



Officers in post

Michael Brodie – Director

Stephen McCurry – Digital services manager

David Leask – NEREO Consultant

Steven Taylor System Support officer

Linda Bollado Finance & Admin officer

Brenda Conlon – Secretary to Director

Maureen O'Keefe – Secretary

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
WORKFORCE STRATEGY OFFICER.	JILL ROUSE		31/8/16

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	INCOME			
216,085	From Members	Subscriptions, levies, etc	216,085	
17,661			15,340	231,425
1,027	Investment income	Interest and dividends (gross) Bank interest (gross) Other (specify)	888	888
89,756	Other income	Training Courses	115,408	
51,152		Winter Maintenance	55,907	
23,553		Disclosure and Barring Service	43,907	
215,454		North East Jobs	234,009	
25,536		CEEP Income	25,000	
				474,231
		TOTAL INCOME		706,544
640,244	EXPENDITURE			
	Administrative expenses			
488,955		Remuneration and expenses of staff	491,856	
26,313		Occupancy costs	16,927	
4,747		Printing, Stationery, Post	4,308	
5,762		Telephones	4,539	
5,750		Legal and Professional fees	5,950	
283		CEEP	0	
6,782		Equipment Maintenance	7,028	
839		Hosp/Misc Maintenance	3,059	
2,881		Staff Training	1,396	
51,000		North East Jobs TMP Expenses	51,000	
				586,063
180	Other charges	Bank charges	369	
1,057		Affiliation fees	864	
1,995		Donations Conference and meeting fees	1,375	
				2,608
	Taxation			
596,544		TOTAL EXPENDITURE		588,671
43,700		Surplus/Deficit for year		117,873
239,442		Amount of fund at beginning of year		283,142
283,142		Amount of fund at end of year		401,015

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)	

BALANCE SHEET AS AT []
(see notes 19 and 20)

Previous Year		£		£
	Fixed Assets (as at page 11)			
	Investments (as per analysis on page 13)			
	Quoted (Market value £)			
	Unquoted			
	Total Investments			
	Other Assets			
162,796	Sundry debtors	207,587		
162,599	Cash at bank and in hand	244,949		
	Stocks of goods			
	Others (specify)			
	Total of other			
	assets			
325,395		TOTAL ASSETS		452,536
283,142	Fund (Account)			
	Fund (Account)			401,015
	Fund (Account)			
	Revaluation Reserve			
	Liabilities			
	Loans			
	Bank overdraft			
	Tax payable			
	Sundry creditors			
5,750	Accrued expenses	19,291		
19,327	Provisions	16,362		
17,176	Other liabilities	15,868		
42,253				
		TOTAL LIABILITIES		51,521
325,395		TOTAL ASSETS		452,536

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 <input checked="" type="checkbox"/>
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	231,425		
From Investments	888		
Other Income (including increases by revaluation of assets)	474,231		
Total Income	706,544		
EXPENDITURE (including decreases by revaluation of assets)	588,671		
Total Expenditure	588,671		
Funds at beginning of year (including reserves)	283,142		
Funds at end of year (including reserves)	401,015		
ASSETS			
Fixed Assets			
Investment Assets			
Other Assets			452,536
		Total Assets	452,536
LIABILITIES		Total Liabilities	51,521
NET ASSETS (Total Assets less Total Liabilities)			401,015

NOTES TO THE ACCOUNTS

(see note 36)

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

DEBTORS

	2017	2016
	£	£
Trade Debtors	200391	148269
Prepayments	6796	3250
Other Debtors	-	<u>11277</u>
Total	<u>207187</u>	<u>162796</u>

CREDITORS

	2017	2016
	£	£
Trade Creditors	1341	-
VAT Creditor	15868	17176
Accruals	5950	5750
Deferred Income	<u>16362</u>	<u>19327</u>
Total	<u>39521</u>	<u>42253</u>

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.

SALARIES & WAGES

	2017	2016
	£	£
Wages & Salaries	331737	309516
Employer's NI	31868	30586
Pension costs	<u>99206</u>	<u>115826</u>
	<u>462811</u>	<u>455928</u>

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 2016. 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 explicably allocated to each of the participating employers. The market value of the Scheme's assets was £3.34m and these assets were sufficient to cover 74.4% of the liabilities of the Fund at the valuation date – a deficit of £1.15m

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

Discount rate	2.5% per annum
RPI inflation	3.1% per annum
CPI inflation	2.0% per annum
Rate of increase to pensions in payment	2.0% per annum
Rate of increase to deferred pensions	2.0% per annum
Rate of general increase in salaries	3.5% 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 2017 was £99206 (2016:£115826).

The current employer's contribution rate for the association is 21.1% of the employees' pensionable remuneration.

CONTROL

The organisation is controlled by the executive committee on behalf of the members of the organisation.

ACCOUNTING POLICIES

(see notes 37 and 38)

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 in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") 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.

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.

Contributions, advisory services, TU side and interest income is all stated gross. All other income is net of expenditure directly relating to that income stream.

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

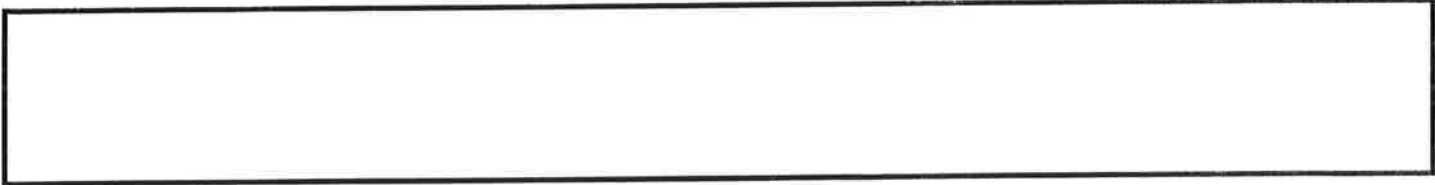
Revenue grants are credited to the income and expenditure account on an accruals basis.

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.



SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u>[Signature]</u>	Chairman's Signature: <u>AMCCY</u> <small>(or other official whose position should be stated)</small>
Name: <u>MICHAEL BRODIE</u>	Name: <u>ANN MCCOY</u>
Date: <u>8/8/17</u>	Date: <u>10 08 17</u>

CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES	<input checked="" type="checkbox"/>	NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES	<input type="checkbox"/>	NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	<input checked="" type="checkbox"/>	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)

AUDITOR'S REPORT (continued)

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 2017 which comprise of the Income and Expenditure account, the Balance Sheet and related notes. The financial statements have been prepared in accordance with the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), (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 and express an opinion on the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether cause by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to North East Regional Employers' Organisation's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Executive Board's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of North East Regional Employers' Organisation's affairs as at 31 March 2017 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 Trade Union and Labour Relations (Consolidation) Act 1992.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

- proper 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
- a satisfactory system of control over transactions has not been maintained throughout the year; or
- we have not received all the information and explanations we require for our audit.

Baldwins Audit Services Limited
 Churchill House
 59 Lichfield Street
 Walsall
 West Midlands
 WS4 2BX

Signature(s) of auditor or auditors:	Baldwins	
Name(s):	BALDWIN'S AUDIT SERVICES LTD	
Profession(s) or Calling(s):	AUDITORS & ACCOUNTANTS	
Address(es):	CHURCHILL HOUSE 59 LICHFIELD STREET WALSALL W. MIDLANDS WS4 2BX.	
Date:	2.8.17	
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.