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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 2016
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



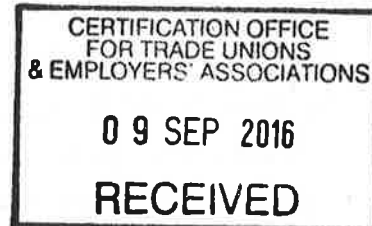
Members of Staff

Mick Brodie, Director

- Overall responsibility for the management of NEREO
- Principal policy adviser to Elected Members
- Employers side secretary to the North East Provincial Council
- Lead Officer for employee relations issues
- Adviser to the Employer's side of NJC for local government services
- Lead consultant for technical and transactional Human Resource practice and management
- Director of CEEP UK

Stephen McCurry, Digital Services Manager

- Management of NEREO digital services
- Online recruitment services
- Online Disclosure and Barring Service
- Development of web based systems
- Project management
- Change management
- Process design
- Technical advice
- Sales and marketing of digital services
- Technical management of NEREO Campus E-Learning platform



David Leask, Capacity Building and Change Consultant

- Providing full Organisational Transformation support with regards to reviewing and restructuring workforce capacity, identifying and implementing cost savings, and implementing new operational models

- Providing technical support to re-design service operating models, applying recognised best practice methodology.
- Designing and delivering Training Workshops for the purpose of Capacity Building
- Creating bespoke and tailored training materials, modules and e-learning materials to support organisational development both regionally and nationally
- Facilitation of the application of Service Reviews (incorporating Lean tools and techniques) to deliver continuous improvement and successfully monitor and measure outcomes and benefits.
- Providing direct Programme and Project Management support to Public Sector organisations to deliver successful outcomes and achieve efficiencies within organisations
- Providing coaching and mentoring, advice and guidance and team building solutions

Steven Taylor, Portal Support Officer

- Systems support
- North East Jobs online support
- Systems development on NEJ
- Job advertising/campaign management on NEJ
- Pay As You Go advertising services on NEJ
- Web analytics reporting

Linda Bollado, Finance Officer

- DBS – First point of contact
- Payment of invoices
- Issuing invoices
- General management of budgets
- Payroll
- Responsibility for all Financial and Tax returns

Brenda Conlon, Secretary to Director

- Provide an administrative and secretarial service to the Director
- Liaise with other European Officers, Regional Employers, Local Authorities, Trade Unions and Members of the Organisation.
- Arrangement and administration of Course and Conferences
- Winter Service 6159 Scheme Registration Scheme
- Committee/Network meetings administrator & minute taker
- Administration of Organisation's Website
- Co-ordinate the work of support staff to ensure smooth running of the office
- Provide administration support for CEEP UK

Maureen O'Keefe, Secretary

- Arrangement and administration of courses/conferences
- Administration of networks
- Winter Service 6159 Scheme Registrations
- Updating and amending of the Organisation's website
- Provide full administrative and secretarial service to the Directorate

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

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	INCOME			
216,085	From Members	Subscriptions, levies, etc	216,085	
16,767			17,661	233,746
1,587	Investment income	Interest and dividends (gross) Bank interest (gross) Other (specify)	1,027	1,027
87,695	Other income	Training Courses	89,756	
42,560		Winter Maintenance	51,172	
7,653		Disclosure and Barring Service	23,553	
203,913		North East Jobs	215,454	
14,020		CEEP Income	25,536	
				405,471
590,280	TOTAL INCOME			640,244
	EXPENDITURE			
	Administrative expenses			
479,657		Remuneration and expenses of staff	488,955	
24,300		Occupancy costs	26,313	
4,510		Printing, Stationery, Post	4,747	
5,112		Telephones	5,762	
5,500		Legal and Professional fees	5,750	
2,510		CEEP	283	
8,143		Equipment Maintenance	6,782	
234		Hosp/Misc Expenses	839	
1,969		Staff Training	2,881	
51,000		North East Jobs TMP Expenses	51,000	
				593,312
143	Other Charges	Bank Charges	180	
0		Sums Written Off	0	
609		Affiliation Fees/Subs and Publications	1,057	
2,778		Conference and Meeting Fees	1,995	
				3,232
	Taxation			
586,465	TOTAL EXPENDITURE			596,544
3,815	Surplus/Deficit for year			43,700
235,627	Amount of fund at beginning of year			239,442
239,442	Amount of fund at end of year			283,142

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			
136,639	Sundry debtors	162,796		
158,165	Cash at bank and in hand	162,599		
	Stocks of goods			
	Others (specify)			
	Total of other			
	assets			
294,804			TOTAL ASSETS	325,395
239,442	Fund (Account)			283,142
	Fund (Account)			
	Fund (Account)			
	Revaluation Reserve			
	Liabilities			
	Loans			
	Bank overdraft			
	Tax payable			
	Sundry creditors			
6,534	Accrued expenses	5,750		
35,084	Provisions	19,327		
13,744	Other liabilities	17,176		
55,362			TOTAL LIABILITIES	42,253
294,804			TOTAL ASSETS	325,395

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	233,346 ⁷		
From Investments	1,027		
Other Income (including increases by revaluation of assets)	405,871 ⁴		
Total Income	640,244		
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	596,544		
Funds at beginning of year (including reserves)	239,442		239,442
Funds at end of year (including reserves)	283,142		283,142
ASSETS			
Fixed Assets			
Investment Assets			
Other Assets			325,395
Total Assets			325,395
LIABILITIES			
Total Liabilities			42,253
NET ASSETS (Total Assets less Total Liabilities)			283,142

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

	2016	2015
	£	£
Trade Debtors	148269	133389
Prepayments	3250	3250
Other Debtors	<u>11277</u>	<u>-</u>
Total	<u>162796</u>	<u>136639</u>

CREDITORS

	2016	2015
	£	£
Trade Creditors	-	1034
VAT Creditor	17176	13744
Accruals	5750	5500
Deferred Income	<u>19327</u>	<u>35084</u>
Total	<u>42253</u>	<u>55362</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

	2016	2015
	£	£
Wages & Salaries	309516	299470
Employer's NI	30586	27469
Pension costs	<u>115826</u>	<u>121274</u>
	<u>455928</u>	<u>448213</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 2013. 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 explicitly allocated to each of the participating employers. The market value of the Scheme's assets was £3.79m and these assets were sufficient to cover 78.8% of the liabilities of the Fund at the valuation date – a deficit of £1.02m.

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

Discount rate	3.4% per annum
RPI inflation	2.8% per annum
CPI inflation	1.7% per annum
Rate of increase to pensions in payment	1.7% per annum
Rate of increase to deferred pensions	1.7% per annum
Rate of general increase in salaries	3.2% 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 2016 was £115826 (2015:£121274).

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)

BASIS OF ACCOUNTING

The accounts are prepared under historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

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.

LEASED ASSETS

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

GOVERNMENT GRANTS

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

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.

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> Name: <u>MICHAEL BRODIE</u> Date: <u>26/8/16</u>	Chairman's Signature: <u>[Signature]</u> (or other official whose position should be stated) Name: <u>ANN MCCOY</u> Date: <u>31-08-16</u>
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CHECK LIST

(see note 41)

(please tick as appropriate)

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

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 2016 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 January 2015), 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 2016 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.

CTC

Chartered Accountants and Statutory Auditor

13 Portland Terrace

Jesmond

Newcastle upon Tyne

NE2 1SN

Signature(s) of auditor or auditors:

CTC

Name(s):

CTC

Profession(s) or Calling(s):

CHARTERED ACCOUNTANTS

Address(es):

13 PORTLAND TCE
JESMOND
NEWCASTLE UPON TYNE

Date:

11.8.16

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.