

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 2026		
List No:			
Head or Main Office:	NORTHERN DESIGN CENTRE		
	ABBOTTS HILL		
	BALTIC BUSINESS QUARTER		
	GATESHEAD		
Postcode	NE8 3DF		
Website address (if available)	www.nereo.gov.uk		
Has the address changed during the year to which the return relates?	Yes	No	X ('X' in appropriate box)
General Secretary:			
Contact name for queries regarding the completion of this return:	LINDA BOLLADO		
Telephone Number:	0191 249 5902		
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: 0330 1093602

You should send the annual return to the following address stating the name of the union in subject:

returns@certoffice.org

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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
15				15

Change of Officers

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

Position held	Name of Officer ceasing to hold office	Name of Officer appointed	Date of Change

Officers in post

(see note 10)

Please complete list of all officers in post at the end of the year to which this form relates.

[illegible]

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year		£	£
	Income		
	From Members	Subscriptions, levies, etc	226,330
	Investment income	Interest and dividends (gross)	
		Bank interest (gross)	6,885
		Other (specify)	
		Total Investment Income	6,885
	Other Income	Rents received	
		Insurance commission	
		Consultancy fees	44,354
		Publications/Seminars	
		Miscellaneous receipts (specify)	
		North East Jobs & Winter Maintenance	417,262
		Disclosure & Barring Service & fees DBS	78,006
		CEEP Income/Google Income/Other	52,730
		Actuarial Gain of Defined Pension Scheme	200,000
		Total of other income	792,352
		Total income	1,025,567
	Interfund Transfers IN		
	Expenditure		
	Administrative expenses	Remuneration and expenses of staff	612,834
		Occupancy costs	20,779
		Printing, Stationery, Post	1,743
		Telephones	5,680
		Legal and Professional fees	26,579
		Miscellaneous (specify)	
		Equipment Maintenance Costs	12,309
		Miscellaneous Office Expenses	976
		Staff Training	2,016
		North East Jobs TMP Expenditure	94,074
		Total of Admin expenses	776,990
	Other Charges	Bank charges	857
		Depreciation	768
		Sums written off	
		Affiliation fees	516
		Donations	
		Conference and meeting fees	
		Expenses	
		Miscellaneous (specify)	
		Certification fee	3,677
		Total of other charges	5,818
	Taxation		
	Total expenditure		782,808
	Interfund Transfers OUT		
	Surplus/Deficit for year		242,759
	Amount of fund at beginning of year		736,217
	Amount of fund at end of year		978,976

Accounts other than 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		
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
	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	
Interfund Transfers IN			
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
Interfund Transfers OUT			
		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 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	
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		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	
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		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 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	
Interfund Transfers IN			
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
Interfund Transfers OUT			
		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	
Interfund Transfers IN			
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
Interfund Transfers OUT			
		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 [31 March 2026]

(see notes 19 and 20)

Previous Year		£	£
1,295	Fixed Assets (as at Page 8)	1,659	1,659
	Investments (as per analysis on page 9)		
	Quoted (Market value £) as at Page 9		
	Unquoted (Market value £) as at Page 9		
	Total Investments		
	Other Assets		
477,810	Sundry debtors	522,926	522,926
	Cash at bank and in hand		
	Stocks of goods		
	Others (specify)		
381,678	Trade debtors	374,869	
25,380	Prepayments	26,899	
	Accrued income	102,882	
	Defined benefit pension scheme asset	200,000	
	Total of other assets	1,227,576	1,227,576
	Total Assets		1,229,235
736,217	Revenue Account/ General Fund	978,976	
	Revaluation Reserve		
	Liabilities		
28,792	Trade Creditors	570	
112,165	VAT	57,534	
8,989	Accrued expenses	152,717	
	Deferred Income	36,905	
	Other creditors	2,533	
	Total Liabilities		250,259
	Total Assets		1,229,235

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period			10,289	10,289
Additions during period			1,133	1,133
Less: Disposals				
Less: Depreciation			-9,763	-9,763
Total to end of period			1,659	1,659
Book Amount at end of period			1,659	1,659
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets			1,659	1,659

Analysis of Investments

(see note 22)

Quoted		Other Funds
	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 investments (to be specified)	
	Total Unquoted (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

(see note 23)

P10

Summary Sheet

(see notes 24 to 33)

		All Funds	Total Funds
		£	£
Income			
From Members		226,330	226,330
From Investments		6,885	6,885
Other Income (including increases by revaluation of assets)		792,352	792,352
	Total Income	1,025,567	1,025,567
Expenditure			
(including decreases by revaluation of assets)			
	Total Expenditure	782,808	782,808
Funds at beginning of year			
(including reserves)		736,217	736,217
Funds at end of year			
(including reserves)		978,976	978,976
ASSETS			
	Fixed Assets		1,659
	Investment Assets		
	Other Assets		1,227,576
	Total Assets		1,229,235
Liabilities			
	Total Liabilities		250,259
Net Assets (Total Assets less Total Liabilities)			978,976

Summary Sheet		
(see notes 24 to 33)		
	All Funds	Total Funds
	£	£
Income		
From Members		
From Investments		
Other Income (including increases by revaluation of assets)		
Total Income		
Expenditure		
(including decreases by revaluation of assets)		
Total Expenditure		
Funds at beginning of year		
(including reserves)		
Funds at end of year		
(including reserves)		
ASSETS		
	Fixed Assets	
	Investment Assets	
	Other Assets	
	Total Assets	
Liabilities	Total Liabilities	
Net Assets (Total Assets less Total Liabilities)		

Notes to the accounts

(see note 34)

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

Accounting policies

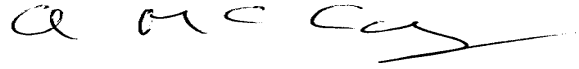
(see notes 35 & 36)

Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.

Please copy and paste your electronic signature here

Secretary's Signature:  Name: Stephen McCurry Date: 24 September 2026	Chairman's Signature:  (or other official whose position should be stated) Name: Ann McCoy Date: 24 September 2026
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Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (see Page 2)	Yes	X	no	
Has the list of officers been completed? (see Page 2A)	Yes	X	no	
Has the return been signed? (see Note 37)	Yes	X	no	
Has the auditor's report been completed? (see Note 41)	Yes	X	no	
Is the rule book enclosed? (see Note 39)	Yes		No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	X	no	

Checklist for auditor's report

(see notes 41 to 44)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

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)

Please explain in your report overleaf or attached.

2. 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)

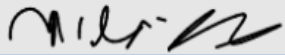
Please explain in your report overleaf or attached.

3. Your auditors or auditor must include in their report the following wording:

In our opinion the financial statements:

- **give a true and fair view of the matters to which they relate to.**
- **have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.**

Auditor's report (continued)

Signature(s) of auditor or auditors:	 Michael Morris (Sep 16, 2026 14:33:34 GMT+1)	
Name(s):	Armstrong Watson Audit Limited	
Profession(s) or Calling(s):	ICAEW	
Address(es)	Armstrong Watson Audit Limited First Floor One Strawberry Lane Newcastle Upon Tyne NE1 4BX	
Date:		
Contact name for enquiries and telephone number:		

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 2026

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

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NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

OFFICERS

DIRECTORS

Stephen McCurry
David Leask

FINANCE OFFICER

Linda Bollado

EXECUTIVE COMMITTEE MEMBERS

A McCoy	A McMullen	R Cook	J Neal
M Brain	R Wearmouth	M Porter	P Frew
R Bell	L Caffrey	N Walker	A Surtees

REGISTERED AUDITOR

Armstrong Watson Audit Limited
First Floor
One Strawberry Lane
Newcastle Upon Tyne
NE1 4BX

BANKER

Unity Trust Bank
4 Brindley Place
Birmingham
B1 2JB

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION
STATEMENT OF THE EXECUTIVE BOARD'S RESPONSIBILITIES
YEAR ENDED 31 MARCH 2026

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

So far as each person who was a member of the Executive Board at the date of approving this report is aware, there is no relevant audit information of which the organisation's auditor is unaware. Additionally, the members of the Executive Board individually have taken all the steps that they ought to have taken in order to make themselves aware of all relevant audit information and to establish that the organisation's auditor is aware of that information.

The Board confirms its compliance with these requirements.

Signed



Stephen McCurry (Sep 16, 2026 13:35:47 GMT+1)

Stephen McCurry, Director

Date: 16/09/2026

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

YEAR ENDED 31 MARCH 2026

Qualified opinion

We have audited the financial statements of North East Regional Employers' Organisation for the year ended 31 March 2026 which comprise of the Income and Expenditure account, the Balance Sheet and notes to the financial statements, 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, except for the effects of the matter described in the Basis for qualified opinion section, the financial statements:

- give a true and fair view of the state of North East Regional Employers' Organisation's affairs as at 31 March 2026 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.

Basis for qualified opinion

The prior period financial statements contained a limitation of scope opinion for the following reasons.

The prior auditors were unable to obtain sufficient appropriate audit evidence concerning the value of trade debtors at 31 March 2025 and 31 March 2024, which were included in the balance sheet at £381,678 and £330,290 respectively. During the current year, sufficient audit evidence became available to enable the trade debtor balance to be substantiated. Whilst this work has been performed, we are unable to gain assurance over the opening balance following the year ended 31 March 2025. The lack of assurance obtained as a result of this matter represented a pervasive risk and therefore on that basis the financial statements did not give a true and fair view. The prior period financial statements contained an a limitation of scope opinion as a result of the possible material and pervasive effect that these matters may have had on the accuracy and comparability of the prior period's figures. Our opinion in the current year financial statements is modified due to the effect that this matter has on the comparability of the prior period's results with the current period's results.

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 organisation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' 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 organisation'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 are the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

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 members 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 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.

As described in the basis for qualified opinion section of our report, due to the effects of the insufficient audit evidence concerning debtors, the lack of assurance obtained as a result of these matters represented a pervasive risk and therefore on this basis the financial statements did not give a true and fair view. The effect of the above points on the prior period's results could not be determined. The prior period financial statements contained a limitation of scope opinion as a result of the possible material and pervasive effect that these matters may have had on the accuracy and comparability of the prior period's figures. We have concluded that the other information may be materially misstated for the same reason where it refers to the prior period.

Opinions on other matters as prescribed by the Trade Union and Labour Relations (Consolidation) Act 1992

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

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

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

Matters on which we are required to report by exception

Except for the matters reported in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the organisation and its environment obtained in the course of the audit, we have not identified material misstatements in the Executive Board's statement.

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:

- 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 union has not maintained a satisfactory system of controls over its transactions in accordance with the requirements; or the financial statements are not in agreement with the accounting records and returns;
- or certain disclosures of Executive Boards' remuneration specified by law are not made;
- or we have not received all the information and explanations we require for our audit;
- or the Executive Board were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of Executive Board

As explained more fully in the Executive Board's statement, the members 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 members 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 members are responsible for assessing the organisation'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 members either intend 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:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED)

YEAR ENDED 31 MARCH 2026

- We obtained an understanding of laws and regulations that affect the company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Trade Union and Labour Relations (Consolidation) Act 1992, tax legislation and occupation health and employment legislation.
- We enquired of the Executive Board, reviewed correspondence with HMRC and reviewed director meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Executive Board have in place to ensure compliance.
- We gained an understanding of the controls that the Executive Board have in place to prevent and detect fraud. We enquired of the Executive Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks, We identified the potential for fraud in the following areas: revenue recognition.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the members and third party advisors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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 Auditors' Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED)

YEAR ENDED 31 MARCH 2026

Use of our report

This report is made solely to the organisations' members, as a body, in accordance with 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, for this report or for the opinions we have formed.



[Michael Morris \(Sep 16, 2026 14:33:34 GMT+1\)](#)

Armstrong Watson Audit Limited
First Floor
One Strawberry Lane
Newcastle Upon Tyne
NE1 4BX

16 September 2026

Date:

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDING 31 MARCH 2026

	2026		2025	
	£	£	£	£
INCOME				
Contributions	215,685		215,685	
Advisory Services	10,645		10,871	
TU Contribution	400		-	
Consultancy	44,354		40,600	
Winter Maintenance	45,412		51,092	
North East Jobs	371,850		378,091	
NEREO Fees DBS	78,006		93,315	
Role of Civic Head	-		29	
Mediation Skills	-		1,939	
Introduction to OD Network	600		295	
Training Contributions	10,000		-	
Bank Interest Received	6,885		109	
Exceptional Income	<u>41,730</u>		<u>-</u>	
		825,567		792,026
EXPENDITURE				
Rent & Rates	15,827		14,121	
Insurance	4,952		6,044	
Stationery	1,056		827	
Members Expenses	423		-	
Salaries & Wages	592,967		563,060	
Employees Expenses	19,444		14,706	
Postage	687		763	
Telephones	5,680		4,104	
Publications	516		538	
Equipment Maintenance Costs	12,309		11,005	
Miscellaneous Office Expenses	976		1,042	
Audit and Accountancy Fees	26,579		21,789	
Bank charges	857		735	
Staff Training/IT	2,016		3,687	
Tri-Sector Challenge	-		6,695	
North East Jobs TMP Expenditure	94,074		74,367	
Certification fee	3,677		3,578	
VAT penalty	-		4,485	
Bad debts	-		12,780	
Depreciation	<u>768</u>		<u>360</u>	
		(782,808)		(744,686)
NET OPERATING SURPLUS/(DEFICIT) FOR THE YEAR		<u>42,759</u>		<u>47,340</u>

STATEMENT OF COMPREHENSIVE INCOME

Net Operating Surplus for the Year	42,759	47,340
Actuarial Movement in Respect of Defined Pension Scheme	200,000	-
Total (Loss)/Gains Recognised Since Last Financial Year	<u>242,759</u>	<u>47,340</u>

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

BALANCE SHEET

AS AT 31 MARCH 2026

		2026		2025	
	Note	£	£	£	£
FIXED ASSETS	2		1,659		1,295
CURRENT ASSETS					
Debtors & Prepayments	3	704,650		407,058	
Cash at Bank and in Hand		<u>522,926</u>		<u>477,810</u>	
		1,227,576		884,868	
CURRENT LIABILITIES	4	<u>(250,259)</u>		<u>(149,946)</u>	
NET CURRENT ASSETS			<u>977,317</u>		<u>734,922</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			978,976		736,217
NET SURPLUS			<u>978,976</u>		<u>736,217</u>
FINANCED BY					
Revenue Account	6		978,976		736,217
			<u>978,976</u>		<u>736,217</u>

Approved by the executive board



S Stephen McCurry (Sep 16, 2026 13:35:47 GMT+ 1)

S McCurry

Date 16/09/2026

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) FIXED ASSETS

Fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Computer equipment	3 years straight line
--------------------	-----------------------

d) LEASED ASSETS

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

e) GOVERNMENT GRANTS

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

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

f) PENSION COMMITMENTS

The organisation is participating in the Tyne and Wear Pension Fund, which is part of the local Government Pension Scheme (LGPS). The assets of the pension scheme are held separately from those of the organisation. The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund. The regular cost of providing retirement pensions and related benefits under the scheme is charged to the income and expenditure account over the employees' service lives on the basis of a constant percentage of earnings. The contributions are determined by a qualified actuary on the basis of a triannual valuation. The pension scheme deficit is recognised in full on the balance sheet.

g) TAXATION

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

2. FIXED ASSETS

	<u>Computer Equipment</u>
<u>COST</u>	
Cost at 1 April 2025	10,290
Additions during the year	<u>1,132</u>
Cost at 31 March 2026	<u>11,422</u>
 <u>DEPRECIATION</u>	
Depreciation at 1 April 2025	8,995
Charge for the year	<u>768</u>
Depreciation at 31 March 2026	<u>9,763</u>
 VALUE AT 31 MARCH 2026	<u>1,659</u>
VALUE AT 31 MARCH 2025	<u>1,295</u>

3. DEBTORS & PREPAYMENTS

	2026	2025
	£	£
Trade Debtors	374,869	381,678
Prepayments	26,899	25,380
Accrued Income	102,882	-
Defined Benefit Pension Scheme Asset	<u>200,000</u>	<u>-</u>
Total	<u>704,650</u>	<u>407,058</u>

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

4. CURRENT LIABILITIES	2026	2025
	£	£
VAT Creditor	57,534	28,792
Accruals	152,717	112,165
Deferred Income	36,905	8,989
Trade Creditors	570	-
Other Creditors	<u>2,533</u>	<u>-</u>
Total	<u>250,259</u>	<u>149,946</u>

5. 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.

6. MEMBERS' FUNDS

	1 April 2025	Surplus/ (deficit)	31 March 2026
	£	£	£
Revenue Account	736,217	242,759	978,976
	<u>736,217</u>	<u>242,759</u>	<u>978,976</u>

7. PENSION SCHEME

Employees of the association participate in the Tyne & Wear Pension Fund which is a multi-employer 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 full actuarial valuation of the Fund was carried out by independent qualified actuaries as at 31 March 2025. 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 £4.73m and these assets were sufficient to cover 170.1% of the liabilities of the Fund at the valuation date – a surplus of £1.95m. After consultation, a capped asset has been recognised of £0.20m.

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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

	<u>2026</u>	<u>2025</u>
	<u>% p.a.</u>	<u>% p.a.</u>
Discount rate for scheme liabilities	6.1%	5.8%
Inflation (CPI)	2.8%	2.5%
Rate of increase to pensions in payment/inflation	2.8%	2.5%
Rate of increase to deferred pensions	2.8%	2.5%
Rate of general increase in salaries	4.3%	4.0%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	<u>2026</u>	<u>2025</u>
	<u>Years</u>	<u>Years</u>
Retiring today		
- Males	21.9	20.9
- Females	24.4	24.1
Retiring in 20 years		
- Males	22.4	21.8
- Females	25.1	25.2

The Organisation's share of the assets in the scheme at fair value are:

	<u>2026</u>	<u>2025</u>
	<u>(£M)</u>	<u>(£M)</u>
Equities	2.29	2.13
Property	0.53	0.49
Government Bonds	0.06	0.05
Corporate Bonds	0.87	0.80
Multi Asset Credit	0.21	0.20
Cash	0.02	0.08
Other	0.75	0.68
Total	4.73	4.43

Amount recognised in the balance sheet:

	<u>Value (£M)</u>	
Total Fair Value of Assets	4.73	4.43
Present Value of Obligation	(2.78)	(2.80)
Unrecognised asset	(1.75)	(1.63)
Net Pension Asset/(Liability)	0.20	-

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Amount recognised in the income and expenditure account:

	<u>2026</u>	<u>2025</u>
	<u>(£M)</u>	<u>(£M)</u>
Operating Cost		
Current Service Cost	0.03	0.03
Financing Cost		
Interest on net defined benefit liability/(asset)	(0.10)	(0.01)
Total Expense	(0.07)	0.02

Changes to the present value of the defined benefit obligation are as follows:

	<u>2026</u>	<u>2025</u>
	<u>(£M)</u>	<u>(£M)</u>
Opening defined benefit obligation	2.80	3.28
Current service costs	0.03	0.03
Interest expense on defined benefit obligation	0.16	0.15
Contributions by participants	0.01	0.01
Actuarial (gains)/losses (changes in financial assumptions)	0.00	(0.41)
Actuarial (gains)/losses (changes in demographic assumptions)	0.01	(0.02)
Actuarial (gains)/losses due to liability experience	(0.06)	0.03
Net benefits paid out	(0.17)	(0.27)
Closing defined benefit obligation	2.78	2.80

Changes to the fair value of assets	<u>2026</u>	<u>2025</u>
	<u>(£M)</u>	<u>(£M)</u>
Opening fair value of assets	4.43	4.40
Change in valuation prior year	-	-
Interest income on assets	0.26	0.21
Remeasurement gains/(losses) on assets	0.10	(0.02)
Contributions by the employer	0.10	0.10
Contributions by participants	0.01	0.01
Net benefits paid out	(0.17)	(0.27)
Closing fair value of assets	4.73	4.43

NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme.

Pension scheme liabilities are measured on actuarial basis, using a projected unit method and are discounted to their present value using an AA corporate rate bond. Pension scheme assets are valued at market value at the balance sheet date.

The amount charged to the revenue account as employer pension contributions for the year ended 31 March 2026 was £123,946 (2025: £115,935).

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.

The current employer's contribution rate for the association is 33% of the employees' pensionable remuneration.

8. SALARIES & WAGES

	2026 £	2025 £
Wages & Salaries	413,378	403,063
Employer's NI	55,643	44,062
Pension costs	<u>123,946</u>	<u>115,935</u>
	<u>592,967</u>	<u>563,060</u>

The average number of persons employed by the organisation during the year was:

	<u>2026</u>	<u>2025</u>
Total	7	8

9. CONTROL

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

10. RELATED PARTY TRANSACTIONS

Contribution income is wholly attributable to members. The income from training and consultancy services is derived principally from the members.

To:

Armstrong Watson Audit Limited
First Floor
One Strawberry Lane
Newcastle upon Tyne

NE1 4BX

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the organisation's financial statements for the year ended 31 March 2026. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

GENERAL

1. We have fulfilled our responsibilities as directors, as set out in the terms of your engagement letter dated 22 June 2026 under the Trade Union and Labour Relations (Consolidation) Act 1992, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the organisation have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the organisation, and with all other records and related information requested, including minutes of all management and shareholder meetings.
4. The financial statements are free of material misstatements, including omissions.
5. The effects of uncorrected misstatements (as set out in the appendix to this letter) are immaterial both individually and in total.

INTERNAL CONTROL AND FRAUD

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
7. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.

8. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

ASSETS AND LIABILITIES

9. The organisation has satisfactory title to all assets and there are no liens or encumbrances on the organisation's assets, except for those that are disclosed in the notes to the financial statements.

10. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.

11. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

ACCOUNTING ESTIMATES

12. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

LOANS AND ARRANGEMENTS

13. The organisation has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

LEGAL CLAIMS

14. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

LAWS AND REGULATIONS

15. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

RELATED PARTIES

16. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of union law or accounting standards.

SUBSEQUENT EVENTS

17. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

GOING CONCERN

18. We believe that the organisation's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the organisation's needs. We have considered a period of twelve months from the date of approval of the financial statements.

We have disclosed in the executive committee's report a fair assessment of the risks associated with the going concern assumptions. We can confirm we are satisfied that there are no factors that will impact the going concern basis for the organisation.

We believe that no further disclosures relating to the organisation's ability to continue as a going concern need to be made in the financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully



Stephen McCurry (Sep 16, 2026 13:35:47 GMT+1)

Signed on behalf of the board of members

Date 15th September 2026



Stephen McCurry, Director Digital Services and Finance

Appendix

Unadjusted errors

No.	Description	Debit	Credit	Type	Status	P&L Impact
1	Accrual for audit fee was estimated to be £16k, is £18k per signed ASM.	Audit Fees (7601) - £2,000	Accruals (2109) - £2,000	Factual Misstatement	Uncorrected	(£2,000)
2	Credit note raised post year end for in year sales invoice	Sales - £1,160	Debtors - £1,160	Factual misstatement	Uncorrected	(£1,160)
3	Reclassification of credit balances in debtors to creditors	Debtors - £7,875	Creditors - £7,875	Reclassification	Uncorrected	-

NEREO - Documents to sign

Final Audit Report

2026-09-16

Created:	2026-09-16
By:	David Richardson (David.Richardson@armstrongwatson.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAriWNpnQqtEwHm2xVwbjV7cQ2W_32O18z

"NEREO - Documents to sign" History

-  Document created by David Richardson (David.Richardson@armstrongwatson.co.uk)
2026-09-16 - 11:51:56 GMT- IP address: 82.132.216.201
-  Document emailed to smccurry@nereo.gov.uk for signature
2026-09-16 - 11:55:04 GMT
-  Email viewed by smccurry@nereo.gov.uk
2026-09-16 - 11:55:11 GMT- IP address: 172.186.8.69
-  Signer smccurry@nereo.gov.uk entered name at signing as Stephen McCurry
2026-09-16 - 12:35:45 GMT- IP address: 31.94.62.201
-  Document e-signed by Stephen McCurry (smccurry@nereo.gov.uk)
Signature Date: 2026-09-16 - 12:35:47 GMT - Time Source: server- IP address: 31.94.62.201 - Signature appearance selected: MOBILE_DRAW
-  Document emailed to Michael Morris (MichaelMorris@armstrongwatson.co.uk) for signature
2026-09-16 - 12:35:49 GMT
-  Email viewed by Michael Morris (MichaelMorris@armstrongwatson.co.uk)
2026-09-16 - 12:36:11 GMT- IP address: 139.28.122.215
-  Document e-signed by Michael Morris (MichaelMorris@armstrongwatson.co.uk)
Signature Date: 2026-09-16 - 13:33:34 GMT - Time Source: server- IP address: 62.89.150.154 - Signature appearance selected: DRAW
-  Agreement completed.
2026-09-16 - 13:33:34 GMT