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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 2012
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 2613973
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  
22<sup>nd</sup> Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

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



# RETURN OF MEMBERS

(see note 9)

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

## OFFICERS IN POST

(see note 10)

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

## CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change

# REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	<b>INCOME</b>			
240,046	From Members	Subscriptions, levies, etc	216,085	
17,631		Advisory service	17,595	233,680
5,906	Investment income	Interest and dividends (gross)		
		Bank interest (gross)	9,107	9,107
		Other (specify)		
66,767	Other income	Training Courses	27,230	
48,368		Winter Maintenance	45,100	
11,418		Criminal Records Bureau	15,580	
		North West Jobs	42,200	
		Lean Income	18,400	
		North East Jobs	207,733	
		National Portal	80,000	
126,553				436,243
390,136		<b>TOTAL INCOME</b>		679,030
	<b>EXPENDITURE</b>			
	Administrative expenses			
325,773		Remuneration and expenses of staff	558,052	
28,390		Occupancy costs	38,730	
5,962		Printing, Stationery, Post	6,051	
3,024		Telephones	7,408	
4,725		Legal and Professional fees	4,725	
2,061		CEEP	3,720	
6,815		Equipment Maintenance	8,245	
848		Hosp / Misc Expenses	853	
2,103		Staff Training	3,598	
379,701				631,382
94	Other charges	Bank charges	90	
0		Depreciation	0	
0		Bad Debts	(208)	
1,784		Affiliation fees / Subs & Publications	784	
0		Donations	0	
1,665		Conference and meeting fees	2,556	
0		Expenses	0	
0		North East Jobs TMP Expenditure	19,500	
3,544				22,722
0.00	Taxation			0
383,244		<b>TOTAL EXPENDITURE</b>		654,104
6,892		Surplus/Deficit for year		24,926
283,664		Amount of fund at beginning of year		290,556
290,556		Amount of fund at end of year		315,482

## BALANCE SHEET AS AT 31 March 2012

(see notes 19 and 20)

Previous Year		£		£
	<b>Fixed Assets</b> (as at page 11)			
	<b>Investments</b> (as per analysis on page 13)			
	Quoted (Market value £            )			
	Unquoted			
	<b>Total Investments</b>			
	<b>Other Assets</b>			
44,330	Sundry debtors	14,977		
406,883	Cash at bank and in hand	492,526		
	Stocks of goods			
	Others (specify)			
	<b>Total of other</b>			
	<b>assets</b>	507,503		507,503
451,213			<b>TOTAL ASSETS</b>	507,503
290,556	Fund (Account)			315,482
	Fund (Account)			
	Fund (Account)			
	Revaluation Reserve			
	<b>Liabilities</b>			
	Loans			
	Bank overdraft			
	Tax payable			
	Sundry creditors			
4,725	Accrued expenses	4,887		
153,656	Deferred Income	182,107		
2,276	Other liabilities	5,027		
160,657			<b>TOTAL LIABILITIES</b>	192,021
451,213			<b>TOTAL ASSETS</b>	507,503

# FIXED ASSETS ACCOUNT

(see note 21)

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

# ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
<b>QUOTED</b>	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	
<b>UNQUOTED</b>	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)

<b>Does the association, or any constituent part of the association, have a controlling interest in any limited company?</b>		YES	NO X
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
<b>INCORPORATED EMPLOYERS' ASSOCIATIONS</b>			
<b>Are the shares which are controlled by the association registered in the association's name</b>		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		
<b>UNINCORPORATED EMPLOYERS ASSOCIATIONS</b>			
<b>Are the shares which are controlled by the association registered in the names of the association's trustees?</b>		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 £
<b>INCOME</b>			
From Members	233,680		233,680
From Investments	9,107		9,107
Other Income (including increases by revaluation of assets)	436,243		436,243
<b>Total Income</b>	679,030		679,030
<b>EXPENDITURE</b> (including decreases by revaluation of assets)			
<b>Total Expenditure</b>	654,104		654,104
<b>Funds at beginning of year</b> (including reserves)	290,556		290,556
<b>Funds at end of year</b> (including reserves)	315,482		315,482
<b>ASSETS</b>			
Fixed Assets			
Investment Assets			
Other Assets			507,503
		<b>Total Assets</b>	507,503
<b>LIABILITIES</b>			
		<b>Total Liabilities</b>	192,021
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			315,482



# NOTES TO THE ACCOUNTS

(see note 36)

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

See the attached accounts.

# ACCOUNTING POLICIES


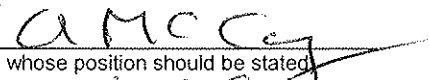
(see notes 37 and 38)

See the attached accounts.

## SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u> Name: <u>MICHAEL BLODIE</u> Date: <u>24/7/12</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>ANN MCCOY</u> Date: <u>27 07 12</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	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3) <sup>2</sup> .	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	<input checked="" type="checkbox"/>
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.

## AUDITOR'S REPORT (continued)

See the attached accounts.

Signature(s) of auditor or auditors:		
Name(s):	CTC Chartered Accountants	
Profession(s) or Calling(s):	ICAEW	
Address(es):	13 Portland Terrace Jesmond Newcastle Upon Tyne NE2 1SN	
Date:	29.6.12.	
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.

**EVERY EMPLOYERS' ASSOCIATION IS REQUIRED BY LAW TO COMPLETE THIS RETURN.  
THE REFUSAL OR WILFUL NEGLECT TO PERFORM THIS DUTY IS A CRIMINAL OFFENCE.**

**THERE IS NO LEGAL REQUIREMENT FOR THIS RETURN TO BE "APPROVED" BY THE  
GOVERNING BODY OF THE ASSOCIATION BEFORE SUBMISSION TO THE  
CERTIFICATION OFFICE**



**NORTH EAST REGIONAL  
EMPLOYERS' ORGANISATION**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2012**

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NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

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NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

OFFICERS

DIRECTOR

Michael Brodie  
Guildhall  
Quayside  
Newcastle upon Tyne  
NE1 3AF

REGISTERED AUDITOR

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

BANKER

Unity Trust Bank  
9 Brindleyplace  
Birmingham  
B1 2HB



NORTH EAST REGIONAL EMPLOYERS' ORGANISATION  
STATEMENT OF THE EXECUTIVE BOARD'S RESPONSIBILITIES  
YEAR ENDED 31 MARCH 2012

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

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

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

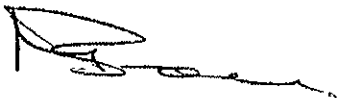
The Executive Board is responsible for keeping proper accounting records, with respect to its transactions and its assets and liabilities, which disclose with reasonable accuracy at any time the financial position of the Organisation. It is also responsible for establishing and maintaining a satisfactory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

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

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

The Board confirms its compliance with these requirements

Signed



Michael Brodie, Director

Date: 28/6/12



NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

INDEPENDENT AUDITOR'S REPORT TO MEMBERS

YEAR ENDED 31 MARCH 2012

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 2012 which comprise of the Income and Expenditure account, the Balance Sheet and related notes. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), under the historical cost convention and the accounting policies set out herein.

This report is made solely to the Organisations' members, as a body, in accordance with Section 36 of the Trade Union & Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Organisations members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Organisation and the Organisations members as a body, for our audit work, or for the opinions we have formed.

Respective Responsibilities of Executive Board and Auditors

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

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

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

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



## Basis of Audit Opinion

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

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

## Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Organisation as at 31 March 2012 and of its results for the year then ended and the financial statements have been properly prepared in accordance with the Trade Unions & Labour Relations (Consolidation) Act 1992.



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

Date:

29.6.12.





NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDING 31 MARCH 2012

	2012		2011	
	£	£	£	£
<b>INCOME</b>				
Contributions	215685		239646	
Advisory Services	17595		17631	
Conr Staff & TU Sides	400		400	
General Training Courses	27230		66767	
Winter Maintenance	45100		48368	
Interest from bond	9107		5906	
Criminal Records Bureau	15580		11418	
North West Jobs	42200		-	
Lean Income	18400		-	
North East Jobs	207733		-	
National Portal	<u>80000</u>		-	
		679030		390136
<b>EXPENDITURE</b>				
Rent	31300		23912	
Insurance	7430		4478	
Stationery	3399		3883	
Members Expenses	2556		1665	
Salaries & Wages	514467		302358	
Employees Expenses	43585		23415	
Postage	2652		2079	
Telephones	7408		3024	
Publications	784		1784	
Equipment Maintenance Costs	8245		6815	
Miscellaneous Office Expenses	853		848	
Audit Fees	4725		4725	
Bank Charges	90		94	
Staff Training	3598		2103	
CEEP	3720		2061	
North East Jobs TMP Expenditure	19500		-	
Bad Debts	<u>( 208)</u>		-	
		654104		383244
<b>OPERATING SURPLUS</b>		<u>24926</u>		<u>6892</u>
<b>ACCUMULATED FUNDS</b>				
Revenue Account brought forward		290556		283664
Net Surplus for the Year		<u>24926</u>		<u>6892</u>
Revenue Account carried forward		<u>315482</u>		<u>290556</u>




NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

BALANCE SHEET AS AT 31 MARCH 2012

	2012		2011	
	£	£	£	£
<b>CURRENT ASSETS</b>				
Debtors	14977		44330	
Petty Cash	582		138	
Bank Current Account	172606		95671	
Business Bond	<u>319338</u>		<u>311074</u>	
		507503		451213
<b>CURRENT LIABILITIES</b>				
VAT	5027		2276	
Creditors and Accruals	4887		4725	
Deferred Income	<u>182107</u>		<u>153656</u>	
<b>NET ASSETS LESS LIABILITIES</b>		<u>192021</u>		<u>160657</u>
		<u>315482</u>		<u>290556</u>
 <b>FINANCED BY</b>				
Accumulated Funds		315482		290556
		<u>315482</u>		<u>290556</u>

Approved by the executive board



M Brodie

28/6/12

Date



NORTH EAST REGIONAL EMPLOYERS' ORGANISATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

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

a) BASIS OF ACCOUNTING

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

b) INCOME AND EXPENDITURE

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

Expenditure is included on an accruals basis.

c) LEASED ASSETS

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

d) GOVERNMENT GRANTS

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

e) PENSION COMMITMENTS

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

f) TAXATION

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

2. DEBTORS

	2012	2011
	£	£
Trade Debtors	<u>14977</u>	<u>44330</u>
Total	<u>14977</u>	<u>44330</u>



3. CREDITORS

	2012	2011
	£	£
Trade Creditors	162	-
VAT Creditor	5027	2276
Accruals	4725	4725
Deferred Income	<u>182107</u>	<u>153656</u>
Total	<u>192021</u>	<u>160657</u>

4. ACCUMULATED FUNDS

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

5. SALARIES & WAGES

	2012	2011
	£	£
Wages & Salaries	360965	201633
Employer's NI	40156	18164
Pension costs	<u>113346</u>	<u>82561</u>
	<u>514467</u>	<u>302358</u>

6. PENSION SCHEME

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

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

The assets of the Fund are explicity allocated to each of the participating employers. The market value of the Scheme's assets was £2.55m and these assets were sufficient to cover 62.5% of the liabilities of the Fund at the valuation date – a deficit of £1.53m.





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

Discount rate	4.7% per annum
RPI inflation	3.4% per annum
CPI inflation	2.4% per annum
Rate of increase to pensions in payment	2.4% per annum
Rate of increase to deferred pensions	2.4% per annum
Rate of general increase in salaries	4.9% 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 2012 was £113,346 (2011:£82,561).

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

