

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017  
FOR  
THE NORTH EAST OF ENGLAND PROCESS  
INDUSTRY CLUSTER LTD**

**THE NORTH EAST OF ENGLAND PROCESS  
INDUSTRY CLUSTER LTD**

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FOR THE YEAR ENDED 31 MARCH 2017**

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**THE NORTH EAST OF ENGLAND PROCESS  
INDUSTRY CLUSTER LTD**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2017**

**DIRECTORS:** Dr S D Higgins  
Mr S Bagshaw  
Dr R J A Smith  
Mr M Kenrick  
Mr I Swales  
Mr M R Inskip  
Mr I D Wright

**SECRETARY:** Mr M Porton

**REGISTERED OFFICE:** Sandgate House  
102 Quayside  
Newcastle upon Tyne  
NE17 7BS

**REGISTERED NUMBER:** 04612141 (England and Wales)

**SENIOR STATUTORY AUDITOR:** Michael Moran BA FCA

**AUDITORS:** Robson Laidler Accountants Limited  
Statutory Auditor  
Fernwood House  
Fernwood Road  
Jesmond  
Newcastle upon Tyne  
Tyne and Wear  
NE2 1TJ

**BANKERS:** Lloyds Bank  
PO Box 45  
45 Fawcett Street  
Sunderland  
Tyne and Wear  
SR1 1SE

**THE NORTH EAST OF ENGLAND PROCESS  
INDUSTRY CLUSTER LTD**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their report with the financial statements of the company for the year ended 31 March 2017.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of representing the companies and supply chain in the speciality industry of chemicals and pharmaceuticals in the North East, providing a centre of exchange of information. As a cluster NEPIC provides a conduit for the industry to collaborate, identify issues and work together to address them.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2016 to the date of this report.

Dr S D Higgins  
Mr S Bagshaw  
Dr R J A Smith  
Mr M Kenrick  
Mr I Swales

Other changes in directors holding office are as follows:

Dr D S Annan - resigned 1 April 2016  
Mr A Walker - resigned 1 July 2016  
Mr M R Inskip - appointed 12 October 2016

Mr I D Wright was appointed as a director after 31 March 2017 but prior to the date of this report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and 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 the company's auditors are aware of that information.

**AUDITORS**

The auditors, Robson Laidler Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**THE NORTH EAST OF ENGLAND PROCESS  
INDUSTRY CLUSTER LTD**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2017**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

.....  
Mr M Porton - Secretary

Date: .....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE NORTH EAST OF ENGLAND PROCESS  
INDUSTRY CLUSTER LTD**

We have audited the financial statements of The North East of England Process Industry Cluster Ltd for the year ended 31 March 2017 on pages six to eleven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law 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 caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors 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 implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit 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 Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Report of the Directors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE NORTH EAST OF ENGLAND PROCESS  
INDUSTRY CLUSTER LTD**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors 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 or in preparing the Report of the Directors.

Michael Moran BA FCA (Senior Statutory Auditor)  
for and on behalf of Robson Laidler Accountants Limited  
Statutory Auditor  
Fernwood House  
Fernwood Road  
Jesmond  
Newcastle upon Tyne  
Tyne and Wear  
NE2 1TJ

Date: .....

**THE NORTH EAST OF ENGLAND PROCESS  
INDUSTRY CLUSTER LTD**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
<b>TURNOVER</b>		<b>902,485</b>	1,068,997
Cost of sales		<b>209,864</b>	309,589
<b>GROSS PROFIT</b>		<b>692,621</b>	759,408
Administrative expenses		<b>748,798</b>	738,982
		<b>(56,177)</b>	20,426
Other operating income		<b>56,913</b>	3,271
<b>OPERATING PROFIT</b>		<b>736</b>	23,697
Interest receivable and similar income		-	234
<b>PROFIT BEFORE TAXATION</b>		<b>736</b>	23,931
Tax on profit		<b>(320)</b>	4,638
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>1,056</b>	19,293

The notes form part of these financial statements



**THE NORTH EAST OF ENGLAND PROCESS  
INDUSTRY CLUSTER LTD (REGISTERED NUMBER: 04612141)**

**BALANCE SHEET  
31 MARCH 2017**

	Notes	2017		2016	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	4		<b>9,845</b>		12,107
<b>CURRENT ASSETS</b>					
Debtors	5	<b>357,292</b>		145,298	
Cash at bank and in hand		<b>271,412</b>		<u>511,303</u>	
		<b>628,704</b>		656,601	
<b>CREDITORS</b>					
Amounts falling due within one year	6	<b>376,983</b>		<u>408,198</u>	
<b>NET CURRENT ASSETS</b>			<b>251,721</b>		248,403
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>261,566</b>		<u>260,510</u>
<b>RESERVES</b>					
Retained earnings			<b>261,566</b>		<u>260,510</u>
			<b>261,566</b>		<u>260,510</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on ..... and were signed on its behalf by:

.....  
Mr I D Wright - Director

**THE NORTH EAST OF ENGLAND PROCESS  
INDUSTRY CLUSTER LTD**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017**

	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 April 2015</b>	241,217	241,217
<b>Changes in equity</b>		
Total comprehensive income	19,293	19,293
<b>Balance at 31 March 2016</b>	<u>260,510</u>	<u>260,510</u>
<b>Changes in equity</b>		
Total comprehensive income	1,056	1,056
<b>Balance at 31 March 2017</b>	<u><u>261,566</u></u>	<u><u>261,566</u></u>

The notes form part of these financial statements

**THE NORTH EAST OF ENGLAND PROCESS  
INDUSTRY CLUSTER LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**1. STATUTORY INFORMATION**

The North East of England Process Industry Cluster Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements. If, in the future, such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and judgements will be modified as appropriate in the year in which the circumstances change.

The financial statements are presented in Sterling (£) and rounded to the nearest £1.

The company has applied the following accounting policies:

**Turnover**

Income is recognised on an accruals basis over the life of the projects undertaken by the company, together with grants receivable from various sources. Income from membership fees is recognised over the period of the membership. Turnover in respect of events is recognised when the event occurs.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment	- 20% on cost
Fixtures and fittings	- 20% on cost

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**THE NORTH EAST OF ENGLAND PROCESS  
INDUSTRY CLUSTER LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2017**

**2. ACCOUNTING POLICIES - continued**

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Government grants**

Government grants in respect of capital expenditure are treated as deferred credits, a proportion of which is transferred to revenue annually over the life of the asset. Government grants in respect of revenue expenditure are credited to the profit and loss account in the year in which they are receivable in order to match the income against the corresponding expenditure to which the grant relates.

**Short term debtors and creditors**

Debtors and creditors with no interest rate which are receivable or payable within one year are recorded at transaction price. Any loss arising from impairment are recognised immediately in profit and loss.

**Cash and cash equivalents**

Cash and cash equivalents comprises cash in hand and current balances with banks and other institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 12 (2016 - 13).

**4. TANGIBLE FIXED ASSETS**

	Office equipment £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 April 2016	93,916	13,871	107,787
Additions	2,025	-	2,025
	<hr/>	<hr/>	<hr/>
At 31 March 2017	95,941	13,871	109,812
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
At 1 April 2016	81,809	13,871	95,680
Charge for year	4,287	-	4,287
	<hr/>	<hr/>	<hr/>
At 31 March 2017	86,096	13,871	99,967
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31 March 2017	9,845	-	9,845
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2016	12,107	-	12,107
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**THE NORTH EAST OF ENGLAND PROCESS  
INDUSTRY CLUSTER LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2017**

**5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2017</b>	2016
	<b>£</b>	£
Trade debtors	<b>263,147</b>	124,401
Deferred tax asset	<b>12,644</b>	12,324
Prepayments and accrued income	<b>81,501</b>	8,573
	<u><b>357,292</b></u>	<u>145,298</u>

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2017</b>	2016
	<b>£</b>	£
Payments on account	<b>269,875</b>	286,478
Trade creditors	<b>18,237</b>	29,936
Corporation tax	-	47
Social security and other taxes	<b>48,231</b>	54,882
Amounts owed to related parties	<b>31,835</b>	32,355
Accruals and deferred income	<b>8,805</b>	4,500
	<u><b>376,983</b></u>	<u>408,198</u>

**7. RELATED PARTY DISCLOSURES**

At the year end a sum of £31,835 was owed to RTC North Limited, a company which shares similar officers.

**8. COMPANY LIMITED BY GUARANTEE**

The company is limited by guarantee in that every member of the company undertakes to contribute such amount not exceeding £1 in the event of the company being wound up whilst they are members.

**9. FIRST YEAR ADOPTION**

The company has adopted FRS 102 for the first time in the year ended 31 March 2017.

The directors have considered the consequential changes in accounting policies resulting from the adoption of FRS 102 and have concluded that no transition adjustments are required. Therefore, no restatement of previous years' figures is required. The date of transition to FRS102 was 1 April 2015.

**THE NORTH EAST OF ENGLAND PROCESS  
INDUSTRY CLUSTER LTD**

**TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2017**

	2017		2016	
	£	£	£	£
<b>Income</b>		<b>902,485</b>		1,068,997
<b>Cost of sales</b>				
Direct project and function costs		<b>209,864</b>		309,589
<b>GROSS PROFIT</b>		<b>692,621</b>		759,408
<b>Other income</b>				
Dividend income	<b>53,913</b>		-	
NI allowance received	<b>3,000</b>		2,000	
Exchange gains	-		1,271	
Bank interest receivable	-		234	
		<b>56,913</b>		3,505
		<b>749,534</b>		762,913
<b>Expenditure</b>				
Insurance	<b>5,641</b>		5,681	
Directors' salaries	<b>107,149</b>		102,629	
Directors' fees	<b>8,158</b>		-	
Directors' social security	<b>13,082</b>		13,043	
Directors' pension contributions	<b>32,582</b>		31,596	
Wages	<b>361,208</b>		391,253	
Social security	<b>39,148</b>		40,731	
Pensions	<b>28,680</b>		32,970	
Hire of equipment	<b>2,060</b>		1,558	
Telephone	<b>7,247</b>		8,587	
Printing , postage and stationery	<b>6,753</b>		9,181	
Design and marketing	<b>32,967</b>		-	
Accommodation and services	<b>52,858</b>		48,426	
Sundry expenses	<b>1,345</b>		2,629	
Legal and professional fees	<b>39,981</b>		40,543	
Auditors' remuneration	<b>4,500</b>		4,500	
		<b>743,359</b>		733,327
		<b>6,175</b>		29,586
<b>Finance costs</b>				
Bank charges		<b>1,151</b>		1,602
		<b>5,024</b>		27,984
<b>Depreciation</b>				
Fixtures and fittings		<b>4,288</b>		4,053
<b>NET PROFIT</b>		<b>736</b>		23,931

This page does not form part of the statutory financial statements