

**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 £
TURNOVER	902,485	1,068,997
Cost of sales	209,864	309,589
GROSS PROFIT	692,621	759,408
Administrative expenses	748,798	738,982
	(56,177)	20,426
Other operating income	56,913	3,271
OPERATING PROFIT	736	23,697
Interest receivable and similar income	-	234
PROFIT BEFORE TAXATION	736	23,931
Tax on profit	(320)	4,638
PROFIT FOR THE FINANCIAL YEAR	1,056	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
			£	£	£
FIXED ASSETS					
Tangible assets	4		9,845		12,107
CURRENT ASSETS					
Debtors	5	357,292		145,298	
Cash at bank and in hand		271,412		511,303	
			628,704		656,601
CREDITORS					
Amounts falling due within one year	6	376,983		408,198	
NET CURRENT ASSETS			251,721		248,403
TOTAL ASSETS LESS CURRENT LIABILITIES			261,566		260,510
RESERVES					
Retained earnings			261,566		260,510
			261,566		260,510

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**

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

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 £
COST			
At 1 April 2016	93,916	13,871	107,787
Additions	2,025	-	2,025
At 31 March 2017	95,941	13,871	109,812
DEPRECIATION			
At 1 April 2016	81,809	13,871	95,680
Charge for year	4,287	-	4,287
At 31 March 2017	86,096	13,871	99,967
NET BOOK VALUE			
At 31 March 2017	9,845	-	9,845
At 31 March 2016	12,107	-	12,107

**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

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

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

This page does not form part of the statutory financial statements