

Company registration number 04612141 (England and Wales)

THE NORTH EAST OF ENGLAND PROCESS INDUSTRY CLUSTER LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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THE NORTH EAST OF ENGLAND PROCESS INDUSTRY CLUSTER LIMITED

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THE NORTH EAST OF ENGLAND PROCESS INDUSTRY CLUSTER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

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 who held office during the year and up to the date of signature of the financial statements were as follows:

| | |
|------------------|------------------------------|
| Dr SD Higgins | (Resigned 10 June 2022) |
| Mr M Kenrick | |
| Mr PA Aldridge | |
| Mr DC Hayward | |
| Mr JA Robson | |
| Mrs S Houston | |
| Mr PC Snaith | |
| Mr MR Inskip | (Resigned 10 June 2022) |
| Mrs E Anderson | (Appointed 10 June 2022) |
| Mr Malcolm Kidd | |
| Mr Roger Kilburn | |
| Ms Sophie Walton | (Appointed 18 November 2022) |
| Ms Helen Kemp | (Appointed 18 November 2022) |

Statement of disclosure to auditor

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

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr PA Aldridge
Director

26 September 2023

THE NORTH EAST OF ENGLAND PROCESS INDUSTRY CLUSTER LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE NORTH EAST OF ENGLAND PROCESS INDUSTRY CLUSTER LIMITED

Opinion

We have audited the financial statements of The North East of England Process Industry Cluster Limited (the 'company') for the year ended 31 March 2023 which comprise , the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 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.

Basis for opinion

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 company 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 opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 company'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 and the responsibilities of the directors 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 directors 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 course of 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.

We have nothing to report in this regard.

Opinions on other matters 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

THE NORTH EAST OF ENGLAND PROCESS INDUSTRY CLUSTER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE NORTH EAST OF ENGLAND PROCESS INDUSTRY CLUSTER LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which 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 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 in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or 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:

The risk of material misstatement due to error or fraud has been assessed in conjunction with internal controls to mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Other substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant.

Manual journal entries are scrutinised by data analytics software used as part of the audit.

The laws and regulations which are considered to be significant to the entity relate to general health & safety and employment laws. Discussions are held with management to determine whether any breaches have occurred as well as legal expenditure being scrutinised for any evidence on non-compliance.

The audit was considered capable of identifying irregularities only to the extent of the substantive testing performed and from discussions with management.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE NORTH EAST OF ENGLAND PROCESS INDUSTRY CLUSTER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE NORTH EAST OF ENGLAND PROCESS INDUSTRY CLUSTER LIMITED

Use of our report

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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael T Moran BA FCA
Senior Statutory Auditor
For and on behalf of Robson Laidler Accountants Limited

27 September 2023

Accountants
Statutory Auditor

Fernwood House
Fernwood Road
Jesmond
Newcastle Upon Tyne
Tyne and Wear
England
NE2 1TJ

THE NORTH EAST OF ENGLAND PROCESS INDUSTRY CLUSTER LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|--|-------|------------------|-----------------|------------------|-----------------|
| Fixed assets | | | | | |
| Tangible assets | 3 | | 23,701 | | 4,653 |
| Current assets | | | | | |
| Debtors | 4 | 238,090 | | 100,570 | |
| Cash at bank and in hand | | 377,829 | | 515,998 | |
| | | <u>615,919</u> | | <u>616,568</u> | |
| Creditors: amounts falling due within one year | 5 | <u>(430,483)</u> | | <u>(465,164)</u> | |
| Net current assets | | | 185,436 | | 151,404 |
| Total assets less current liabilities | | | 209,137 | | 156,057 |
| Creditors: amounts falling due after more than one year | 6 | | <u>(25,833)</u> | | <u>(35,833)</u> |
| Net assets | | | <u>183,304</u> | | <u>120,224</u> |
| Capital and reserves | | | | | |
| Called up share capital | | | - | | - |
| Profit and loss reserves | | | 183,304 | | 120,224 |
| Total equity | | | <u>183,304</u> | | <u>120,224</u> |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 26 September 2023 and are signed on its behalf by:

Mr PA Aldridge
Director

Company registration number 04612141 (England and Wales)

THE NORTH EAST OF ENGLAND PROCESS INDUSTRY CLUSTER LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

| | Share capital | Profit and loss reserves | Total |
|---------------------------------------|---------------|--------------------------|---------|
| | £ | £ | £ |
| Balance at 1 April 2021 | - | 55,644 | 55,644 |
| Year ended 31 March 2022: | | | |
| Profit and total comprehensive income | - | 64,580 | 64,580 |
| | | | |
| Balance at 31 March 2022 | - | 120,224 | 120,224 |
| Year ended 31 March 2023: | | | |
| Profit and total comprehensive income | - | 63,080 | 63,080 |
| | | | |
| Balance at 31 March 2023 | - | 183,304 | 183,304 |

THE NORTH EAST OF ENGLAND PROCESS INDUSTRY CLUSTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

The North East of England Process Industry Cluster Limited is a private company limited by shares incorporated in England and Wales. The registered office is Loftus House, Colima Avenue, Sunderland Enterprise Park, Sunderland, Tyne and Wear, England, SR5 3XB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 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.

1.3 Tangible fixed assets

Tangible 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 bases:

| | |
|-----------------------|-------------|
| Plant and equipment | 20% on cost |
| Fixtures and fittings | 20% on cost |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE NORTH EAST OF ENGLAND PROCESS INDUSTRY CLUSTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.7 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.

1.8 Foreign exchange

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.

1.9 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.

1.10 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.

THE NORTH EAST OF ENGLAND PROCESS INDUSTRY CLUSTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2023 Number | 2022 Number |
|-------|----------------|----------------|
| Total | 9 | 11 |

3 Tangible fixed assets

| | Plant and machinery etc |
|------------------------------------|----------------------------|
| | £ |
| Cost | |
| At 1 April 2022 | 124,147 |
| Additions | 26,409 |
| At 31 March 2023 | 150,556 |
| Depreciation and impairment | |
| At 1 April 2022 | 119,495 |
| Depreciation charged in the year | 7,360 |
| At 31 March 2023 | 126,855 |
| Carrying amount | |
| At 31 March 2023 | 23,701 |
| At 31 March 2022 | 4,653 |

4 Debtors

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 112,188 | 60,432 |
| Prepayments and accrued income | 125,902 | 40,138 |
| | 238,090 | 100,570 |

THE NORTH EAST OF ENGLAND PROCESS INDUSTRY CLUSTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Creditors: amounts falling due within one year

| | 2023 | 2022 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Bank loans | 10,000 | 10,000 |
| Payments received on account | 314,877 | 319,098 |
| Trade creditors | 34,844 | 29,220 |
| Taxation and social security | 4,191 | 69,536 |
| Other creditors | 8,379 | 27,850 |
| Accruals and deferred income | 58,192 | 9,460 |
| | <u>430,483</u> | <u>465,164</u> |

6 Creditors: amounts falling due after more than one year

| | Notes | 2023 | 2022 |
|---------------------------|-------|---------------|---------------|
| | | £ | £ |
| Bank loans and overdrafts | | <u>25,833</u> | <u>35,833</u> |

7 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.