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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

Year ended:

List No:

Head or Main Office:

Website address (if available)

Has the address changed during the year to which the return relates? Yes No (Tick as appropriate)

General Secretary:

Contact name for queries regarding the completion of this return:

Telephone Number:

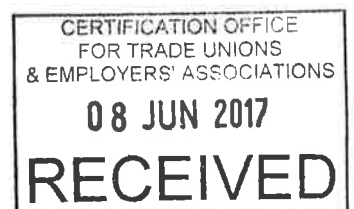
e-mail:

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
22nd 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
13411	597	294	44	14346

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
National President	Mr R Petel	Mr R Monelle	June 2016
National Vice President	Mr R Monelle	Mrs L Sood	June 2016
Immediate Past President	Mr M Brown	Mr R Petel	June 2016
National Deputy Vice president	Mrs L Sood	Mr M Mitchelson	June 2016

National Federation of Retail Newsagents

Officers in post at 31ST December 2016

Title of Office	Name of Officer	
National President	Ray	Monelle
National Vice President	Linda	Sood
National Deputy Vice President	Mike	Mitchelson
Immediate past President	Ralph	Patel
Trustee Finance Committee	Sam	Whiteside
Trustee Finance Committee	Dee	Goberdhan
Trustee Finance Committee	Pradip	Amin
National Councillor Finance Committee	Sunil	Patel
National Councillor Finance Committee	Marin	Ward
National Councillor Executive committee	Jason	Birks
National Councillor Executive committee	Muntazir	Dipoti
National Councillor Executive committee	Martin	Mulligan
National Councillor Executive committee	John	Parkinson
National Councillor Executive committee	Peter	Wagg
National Councillor Executive committee	David	Woodrow
National Councillor	Hussan	Lal
National Councillor	Abdul	Qadar
National Councillor	Gail	Winfield
National Councillor	Colin	Reed
National Councillor	Andrew	Taylor
National Councillor	James	Wilkinson
National Councillor	Stuart	Reddish
National Councillor	Suleman	Khonat
National Councillor	Hanif	Khonat
National Councillor	Hamlatta	Patel
National Councillor	Sunil	Patel
National Councillor	John	Green
National Councillor	Narinder	Randhawa
National Councillor	Sukhdeep	Balaghan
National Councillor	Julie	Bywater
National Councillor	Owen	Church
National Councillor	Josephine	Dixon
National Councillor	Mark	Dudden
National Councillor	Peter	Robinson
National Councillor	Andrea	Monelle
National Councillor	John	Jackson
National Councillor	Val	Chung
National Councillor	Nilesh	Patel
National Councillor	Bhatendra	Patel
National Councillor	Peter	Wagg
National Councillor	Pravin	Shah
National Councillor	Tom	Searle
National Councillor	Christine	Southern
National Councillor	Mukhtar	Goraya
National Councillor	Mike	Garner
National Councillor	Nigel	Swan
National Councillor	Andrew	White
National Councillor	Roy	Crawford
National Councillor	John	McDowell
National Councillor	Martin	Mulligan
National Councillor	Peter	Steemers

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£	£
	INCOME		
	From Members		
4021285	Subscriptions, levies, etc	3900361	
	Investment income		
	Interest and dividends (gross)		
9074	Bank interest (gross)		
	Other Interest	14756	
	Other income		
79560	Rents received	79560	
	Insurance commission		
	Consultancy fees		
200000	Publications/Seminars	200000	
7712	Miscellaneous receipts (specify)		
	Other	13798	
4317631	TOTAL INCOME		4208475
	EXPENDITURE		
	Administrative expenses		
2698102	Remuneration and expenses of staff	2630314	
148991	Occupancy costs	156414	
81878	Printing, Stationery, Post & Telephones	43992	
124196	Legal and Professional fees	159045	
	Miscellaneous (specify)		
60798	Computer costs	66609	
135059	Collection costs	123461	
(3556)	Sundries	(45479)	
52505	Net transfers (to)/from reserves	68871	
	Other charges		
16591	Bank charges	9284	
30306	Depreciation	20194	
846012	Conference and Meeting fees	705755	
206932	Publications and promotional services	186341	
147251	Call Centre	104149	
13305	Foreign Currency Translation	(13550)	
(56082)	Fair value movement on revaluation	(54932)	
	Sums written off		
(160000)	Increase of Provision against NFRN Commercial	25000	
4342288			4185468
12618	Taxation		20004
4354906	TOTAL EXPENDITURE		4205472
(37275)	Surplus/Deficit for year		3003
4521770	Amount of fund at beginning of year		4484495
4484495	Amount of fund at end of year		4487498

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 2		Fund Account		
Name of account:	<i>Benefits fund</i>	£	£	
Income	From members	-		
	Investment income	78590		
	Other income (specify)			
	Dividend	166667		
	Profit on sale of investments	108271		
	Rent received	10000		
		Total Income		363528
Expenditure	Administrative expenses	7347		
	Other expenditure (specify)			
	ROI office costs	7198		
	Benefits paid	91260		
	Legal advice line	57120		
	Legal claims line	112000		
	Interest payable	6250		
	Fair value movement on revaluation of investments	(200358)		
		Total Expenditure		80817
		Surplus (Deficit) for the year		282711
	Amount of fund at beginning of year		2848706	
	Amount of fund at the end of year (as Balance Sheet)		3131417	

ACCOUNT 3		Fund Account	
Name of account:	<i>Ratcliffe fund</i>	£	£
Income	From members	-	
	Investment income	393	
	Other income (specify)		
	Donations	14676	
	Total Income		15069
Expenditure	Administrative expenses	1856	
	Other expenditure (specify)		
	Grants paid	9086	
	Bad debts	2599	
		Total Expenditure	
	Surplus (Deficit) for the year		1528
	Amount of fund at beginning of year		217436
	Amount of fund at the end of year (as Balance Sheet)		218964

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 4		Fund Account	
Name of account:	<i>Carl Bridgewater fund</i>	£	£
Income			
	From members	-	
	Investment income	1	
	Other income (specify)		
	Donations	200	
		Total Income	201
Expenditure			
	Administrative expenses	-	
	Other expenditure (specify)		
	Grants paid	1500	
		Total Expenditure	1500
		Surplus (Deficit) for the year	(1299)
		Amount of fund at beginning of year	174436
		Amount of fund at the end of year (as Balance Sheet)	173137

ACCOUNT 5		Fund Account	
Name of account:		£	£
Income			
	From members		
	Investment income		
	Other income (specify)		
		Total Income	
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
		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 THE 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	
Expenditure	Administrative expenses Other expenditure (specify)		
		Total Expenditure	
		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	
Expenditure	Administrative expenses Other expenditure (specify)		
		Total Expenditure	
		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 31st December 2016

(see notes 19 and 20)

Previous Year		£	£
2317227	Fixed Assets (as at page 11)		3987599
	Investments (as per analysis on page 13)		
2099133	Quoted (Market value £)	2707473	
540006	Unquoted	540006	
	Total Investments		3247479
	Other Assets		
836467	Sundry debtors	839705	
714659	Cash at bank and in hand	754868	
	Stocks of goods		
	Others (specify)		
3180	Tax repayable	20004	
	Total of other assets		1614577
1554306			
6291332			
	TOTAL ASSETS		8849655
4,248,495	General fund)	4487498	
2,848,706	Benefits fund (account 2)	3131417	
217436	Ratcliffe fund (Account 3)	218964	
174436	Carl Bridgewater fund (Account 4)	1731337	
	Revaluation Reserve		
			8011016
5565733			
	Liabilities		
	Loans		
	Bank overdraft		
13142	Tax payable	20419	
801862	Sundry creditors	677441	
129935	Accrued expenses	140779	
	Provisions		
	Other liabilities		
	TOTAL LIABILITIES		838639
944939			
6510672			
	TOTAL ASSETS		8849655

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period	3799863	125520	7055	3932438
Additions during period		11349	70784	82133
Less: Disposals during period				
Less: DEPRECIATION:		(22547)	(4425)	(26972)
Total to end of period				
BOOK AMOUNT at end of period	3799863	114322	73414	3987599
Freehold	3750124			3750124
Leasehold (50 or more years unexpired)	49739			49739
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET	3799863			3799863

ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
QUOTED	British Government & British Government Guaranteed Securities	190785
	British Municipal and County Securities	-
	Other quoted securities (to be specified)	
	Fixed interest securities	191253
	Equities	1078305
	Managed property funds	241784
	Emerging economies	73413
	Other alternative assets	203852
	Cash held for investment	8856
	TOTAL QUOTED (as Balance Sheet)	1988248
*Market Value of Quoted Investments	2707473	
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	NFRN Holdings	3
	Newtrade Publishing Ltd	150000
	NFRN Comercial Ltd	390003
	NFRN Credit Union Ltd	
	TOTAL QUOTED (as Balance Sheet)	540006
	*Market Value of Unquoted Investments	540006

* 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)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES <input checked="" type="checkbox"/>	NO
If YES name the relevant companies:			
COMPANY NAME NFRN Holdings Ltd Newtrade Publishing Ltd NFRN Commercial Ltd Newtrade Media Ltd	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered) 4588787 454555 2907750 9338494		
INCORPORATED EMPLOYERS' ASSOCIATIONS			
Are the shares which are controlled by the association registered in the association's name		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		
UNINCORPORATED EMPLOYERS ASSOCIATIONS			
Are the shares which are controlled by the association registered in the names of the association's trustees?		YES	NO <input checked="" type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME NFRN Holdings Ltd Newtrade Publishing Ltd NFRN Commercial Ltd Newtrade Media Ltd	NAMES OF SHAREHOLDERS 100% owned by Trustees of the Benefits fund 100% owned by NFRN Holdings Ltd 100% owned by Trustees of the General Fund 100% owned by Newtrade Publishing Ltd		

SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	3900361	-	3900361
From Investments	93740	-	93740
Other Income (including increases by revaluation of assets)	593172		593172
Total Income	4587273	-	4587273
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	4301330	-	4301330
Funds at beginning of year (including reserves)	7725073		7725073
Funds at end of year (including reserves)	8011016		8011016
ASSETS			
Fixed Assets			3987599
Investment Assets			3247479
Other Assets			1614577
		Total Assets	8849655
LIABILITIES			
		Total Liabilities	83869
NET ASSETS (Total Assets less Total Liabilities)			8011016

NOTES TO THE ACCOUNTS

(see note 36)

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

A large, empty rectangular box with a black border, intended for the user to enter or attach notes to the accounts. The box occupies most of the page below the instructions.


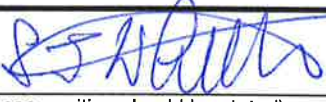
ACCOUNTING POLICIES

(see notes 37 and 38)

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>Mr P Baxter</u> <u>CEO</u> Date: <u>31/5/17</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>Mr S Whiteside</u> <u>TRUSTEE</u> Date: <u>31/5/17</u>
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CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES		NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES		NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES		NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES		NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES		NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES		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.

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)

YES/NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
 - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 43)

YES/NO

If "No" please explain below.

3. 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)

YES/NO

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.
(See note 45)

National Federation of Retail Newsagents

Independent Auditors' Report

For the Year ended 31 December 2016

We have audited the financial statements of National Federation of Retail Newsagents for the year ended 31 December 2016 which comprise: The Combined Income and Expenditure Account, Balance Sheet and Cash Flow, The General Fund Income and Expenditure Account and Balance Sheet; the Benefit Fund Income and Expenditure Account and Balance Sheet; the Ratcliffe Benevolent Fund Income and Expenditure Account and Balance Sheet; the Carl Bridgewater Fund Income and Expenditure Account and Balance Sheet; and the related notes. 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the members of the National Federation of Retail Newsagents, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the members of the National Federation of Retail Newsagents 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 members of the National Federation of Retail Newsagents, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities Statement set out on page 3, the trustees are responsible for the preparation of the financial statements which 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements give a true and fair view of the state of the National Federation of Retail Newsagents' affairs as at 31 December 2016 and of its surplus for the year then ended in accordance with United Kingdom General Accepted Accounting Practice.

National Federation of Retail Newsagents

Independent Auditors' Report (Continued)

For the Year ended 31 December 2016

Matters on which we are required to report by exception

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:

- the National Federation of Retail Newsagents has not kept proper accounting records in accordance with the requirements of section 28 of the Trade Union and Labour Relations (Consolidation) Act 1992;
- the National Federation of Retail Newsagents has not maintained a satisfactory system of control over its transactions in accordance with the requirements of section 28;
- the financial statements do not agree with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of an audit.



Paul Dearsley (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Senior Statutory Auditor
Chelmsford

Date: 15 MAY 2017

AUDITOR'S REPORT (continued)

See Attached

Signature(s) of auditor or auditors:	Grant Thornton UK LLP	
Name(s):	GRANT THORNTON UK LLP	
Profession(s) or Calling(s):	Chartered Accountants	
Address(es):	PELOON PLACE NEW LONDON ROAD CHELMSFORD CM2 0PP	
Date:	6 JUNE 2017	
Contact name and telephone number:	PAUL DEARJLEY 01245 204070	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

Notes to the financial statements

For the Year ended 31 December 2016

1. General information

The National Federation of Retail Newsagents is an unincorporated Federation. The registered office is Yeoman House, Sekforde Street, London, EC1R 0HF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Trade Union and Labour Relations (Consolidation) Act 1992.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Federation's accounting policies.

The financial statements are prepared in pound sterling which is the functional currency of the Federation and are rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Basis of combination

The combined financial statements present the results of the Federation comprising the General Fund, the Benefits Fund, the Ratcliffe Benevolent Fund and the Carl Bridgewater Fund. Interfund transactions and balances between these Fund's are therefore eliminated in full.

The combined financial statements do not include the consolidated figures for the subsidiary investments as detailed in note 8.

2.3 Going concern

The Federation has generated a surplus and the Trustees, on the basis of the latest trading forecasts, have every expectation that the Federation has adequate resources to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on the going concern basis.

2.4 Foreign Exchange Conversions

All foreign exchange balances at the year end have been converted at the rate ruling at the balance sheet date. Foreign exchange transactions during the year have been converted at the rate ruling at the date of the transaction.

Notes to the financial statements

For the Year ended 31 December 2016

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value over their expected useful lives on the following bases:

Freehold property	
– General Fund – Yeoman House	No depreciation is provided
– Benefits Fund – Durham office	No depreciation is provided
Long leasehold property	
– Benefits Fund – ROI district office	No depreciation is provided
Fixtures and fittings	0% - 20% per annum – straight line
Computers	33.33% per annum – straight line
Motor Vehicles	25% per annum – straight line

Freehold and long leasehold property will only be depreciated if, in the opinion of the Trustees, it is considered that the residual value is materially lower than historic cost.

Investment property

Investment property comprises freehold property rented out to third parties and is carried at market value as determined by the Trustees based on available information and data.

2.6 Leasing and rental transactions

Where assets are financed under leasing and hire purchase agreements that give rights approximating to ownership (i.e. finance leases), the amount representing the outright purchase price of such assets is capitalised under tangible fixed assets for material amounts and the corresponding leasing commitments are shown as obligations to the lessor. The relevant assets are depreciated in accordance with the Federation's depreciation policy. Net finance charges, calculated on a reducing balance basis, are included in interest charges.

Where assets are financed under leasing agreements that do not give rights approximating to ownership (i.e. operating leases), rentals paid in the period are charged to the Income and Expenditure account.

2.7 Capitation fees

Capitation fees represent contributions receivable from members for the year. General Fund capitation fees include Benefit member fees.

2.8 Valuation of investments

Fixed asset investments are stated at their market value at the balance sheet date net of management charges. The Income and Expenditure account includes the net gains and losses arising on revaluation and disposals during the year.

Trade investments are stated at historic cost.

2.10 Pensions

The Federation participates in a pension scheme providing benefits on a final pensionable salaries. The scheme is now closed to new members. The assets of the scheme are held separately from those of the Federation. The contributions are determined by an actuary and are charged to the income and expenditure as they are incurred.

The Federation also operate a stakeholder pension scheme for members of staff. The contributions to this scheme are charged to the income and expenditure account as they are incurred.

Notes to the financial statements

For the Year ended 31 December 2016

3. Judgements in applying key accounting policies

The key estimates used in applying the accounting policies are the investment property valuation and the listed investments valuation. The investment property valuation is determined by reviewing the market value of the property and discounting to the appropriate date. The listed investments valuation is determined by obtaining an external valuation which is performed quarterly.

4. Surplus for the year before taxation and reserve transfers

	2016	2015
	£	£
Surplus for the year is after charging/(crediting):		
Auditors remuneration	30,000	26,000
Depreciation of tangible fixed assets:		
Charge for the year	26,972	31,510
Provisions and Fund transfers:		
Provision against loan to National Newsagents Network Limited	-	12,500
Release of provision against loan to NFRN Commercial Ltd	25,000	(160,000)
Hire of other assets – operating leases	151,902	124,001

Notes to the financial statements

For the Year ended 31 December 2016

5. Taxation

Combined and General fund

The National Federation of Retail Newsagents (excluding the Benefits Fund) is liable to corporation tax on trading profits, investment income, and gains arising on the disposal of chargeable assets. For this purpose, funds derived from members (contributions, entrance fees, levies, fines etc.) do not rank as taxable income.

	2016 £	2015 £
Domestic current year tax		
U.K. corporation tax	19,993	12,716
Adjustment in respect of previous periods	11	(98)
Total current tax	20,004	12,618

Factors affecting the year

The tax assessed for the year is lower than (2015 – higher than) the standard rate of corporation tax due in the UK of 20% (2015 – 20%). The differences are explained below:

	2016 £	2015 £
Surplus/(Deficit) before taxation and reserve transfers	374,719	(63,740)
Surplus/(Deficit) before taxation and reserve transfers multiplied by standard rate of corporation tax in the UK of 20% (2015 – 20%)	74,944	(12,748)
Effects of:		
Expenses not deductible for tax purposes	859,928	895,919
Non-taxable income	(914,879)	(870,651)
Adjustment in respect of prior period	11	98
Total tax charge for the year	20,004	12,618

Notes to the financial statements

For the Year ended 31 December 2016

6. Tangible fixed assets

(a) Combined

	Freehold property £	Long leasehold £	Fixtures and fittings £	Computer £	Motor vehicles £	Total £
Cost						
At 1 January 2016	1,477,116	49,739	674,016	559,764	8,259	2,768,894
Additions	-	-	11,349	-	70,784	82,133
Disposals	-	-	-	-	-	-
At 31 December 2016	<u>1,477,116</u>	<u>49,739</u>	<u>685,365</u>	<u>559,764</u>	<u>79,043</u>	<u>2,851,027</u>
Depreciation						
At 1 January 2016	-	-	568,091	540,169	1,204	1,109,464
Charge for the year	-	-	12,674	9,873	4,425	26,972
At 31 December 2016	<u>-</u>	<u>-</u>	<u>580,765</u>	<u>550,042</u>	<u>5,629</u>	<u>1,136,436</u>
Net book value						
At 31 December 2016	<u>1,477,116</u>	<u>49,739</u>	<u>104,600</u>	<u>9,722</u>	<u>73,414</u>	<u>1,714,591</u>
At 31 December 2015	<u>1,477,116</u>	<u>49,739</u>	<u>105,925</u>	<u>19,595</u>	<u>7,055</u>	<u>1,659,430</u>

The net book value of assets held under HP is £63,646 (2015 - £nil). The depreciation charge in respect of these assets is £1,354 (2015 - £nil).

Notes to the financial statements

For the Year ended 31 December 2016

(b) General Fund

	Freehold property £	Fixtures and fittings £	Computer £	Motor vehicles £	Total £
Cost					
At 1 January 2016	1,145,663	642,134	557,130	8,259	2,353,186
Additions	-	11,349	-	70,784	82,133
At 31 December 2016	<u>1,145,663</u>	<u>653,483</u>	<u>557,130</u>	<u>79,043</u>	<u>2,435,319</u>
Depreciation					
At 1 January 2016	-	568,091	540,169	1,204	1,109,464
Charge for the year	-	7,360	8,409	4,425	20,194
At 31 December 2016	<u>-</u>	<u>575,451</u>	<u>548,578</u>	<u>5,629</u>	<u>1,129,658</u>
Net book value					
At 31 December 2016	<u>1,145,663</u>	<u>78,032</u>	<u>8,552</u>	<u>73,414</u>	<u>1,305,661</u>
At 31 December 2015	<u>1,145,663</u>	<u>74,043</u>	<u>16,961</u>	<u>7,055</u>	<u>1,243,722</u>

Freehold property comprises Yeoman House as used by National Federation of Retail Newsagents. No depreciation has been charged in accordance with the statement of accounting policies.

The net book value of assets held under HP is £63,646 (2015 - £nil). The depreciation charge in respect of these assets is £1,354 (2015 - £nil).

(c) Benefits Fund

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Computer £	Total £
Cost					
At 1 January 2016	331,453	49,739	31,882	2,634	415,708
Additions	-	-	-	-	-
At 31 December 2016	<u>331,453</u>	<u>49,739</u>	<u>31,882</u>	<u>2,634</u>	<u>415,708</u>
Depreciation					
At 1 January 2016	-	-	-	-	-
Charge for the year	-	-	5,314	1,464	6,778
At 31 December 2016	<u>-</u>	<u>-</u>	<u>5,314</u>	<u>1,464</u>	<u>6,778</u>
Net book value					
At 31 December 2016	<u>331,453</u>	<u>49,739</u>	<u>26,568</u>	<u>1,170</u>	<u>408,930</u>
At 31 December 2015	<u>331,453</u>	<u>49,739</u>	<u>31,882</u>	<u>2,634</u>	<u>415,708</u>

Freehold property comprises the Durham office. Long leasehold property comprises the Republic of Ireland office. No depreciation has been charged on either of these properties in accordance with the statement of accounting policies.

Notes to the financial statements

For the Year ended 31 December 2016

(d) Investment Property – General Fund and Combined

Valuation	2016 £	2015 £
At 1 January 2016 (1 January 2015)	2,218,076	2,161,993
Fair value movement on revaluation	54,932	56,083
At 31 December 2016 (31 December 2015)	2,273,008	2,218,076

Investment property represents the market value, as assessed by the Trustees, of the proportion of Yeoman House, Sekforde Street, London that is rented out to third parties and subsidiary undertakings.

7. Listed investments

(a) Combined and Benefits Fund

Valuation	£
At 1 January 2016	2,629,323
Additions	208,868
Disposals	(331,076)
Revaluation	200,358
At 31 December 2016	2,707,473

Market value broken down as follows:	2016 £	2015 £
UK Fixed Interest	406,195	375,552
Overseas Fixed Interest	-	23,934
UK Equities	831,009	774,429
European Equities	180,631	231,411
North American Equities	402,920	325,640
Japanese Equities	115,716	123,537
Far East & Australian Equities	174,975	193,118
International Equities	-	33,203
Emerging Economies	97,064	92,017
UK Property	270,931	135,751
Alternative Assets	219,176	221,541
Cash	8,856	99,190
	2,707,473	2,629,323

Historical cost	£
At 1 January 2016	2,034,117
Additions	208,868
Disposals	(254,737)
At 31 December 2016	1,988,248

Notes to the financial statements

For the Year ended 31 December 2016

8. Trade Investments

(a) Combined

Cost	2016 £	2015 £
At 1 January 2016 (1 January 2015)	540,006	540,006
At 31 December 2016 (31 December 2015)	<u>540,006</u>	<u>540,006</u>

(b) General Fund

	2016 £	2015 £
NFRN Commercial Ltd		
390,003 Ordinary shares of £1 each	390,003	390,003
	<u>390,003</u>	<u>390,003</u>

NFRN Commercial Ltd is a company registered in England and Wales and is wholly owned by the General Fund.

The summary financial statements of NFRN Commercial Ltd at 31 December are shown below:

	2016 £	2015 £
Profit and loss account		
Turnover	923,946	1,198,155
Profit on ordinary activities before taxation	29,019	21,592
Tax on profit on ordinary activities	(9,340)	(5,273)
Profit for the year	19,679	16,319
Retained loss brought forward	(248,975)	(265,294)
Retained loss carried forward	<u>(229,296)</u>	<u>(248,975)</u>
Balance sheet		
Called up share capital	390,003	390,003
Profit and loss account	(229,296)	(248,975)
Shareholders' funds	<u>160,707</u>	<u>141,028</u>

Notes to the financial statements

For the Year ended 31 December 2016

(c) Benefits Fund

	2016	2015
	£	£
Newtrade Publishing Limited *	150,000	150,000
NFRN Holdings Limited	3	3
	<u>150,003</u>	<u>150,003</u>

Holdings of more than 20%

The fund holds more than 20% of the share capital of the following companies and the aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

Company	Country of registration of incorporation	Principal activity	Shares held		Capital and reserves £	Profit or loss for the year £
			Class	%		
Subsidiary undertakings						
NFRN Holdings Limited	UK	Holding	Ordinary	100	3	166,667
Newtrade Publishing Limited *	UK	Publishing	Ordinary	100	1,999,597	278,944
Newtrade Media Limited **	UK	Dormant	Ordinary	100	1	-

* Shares held via NFRN Holdings Limited

** Shares held via Newtrade Publishing Limited

The summary financial statements of Newtrade Publishing Limited at 31 December are shown below:

	2016	2015
	£	£
Profit and loss reserve		
At 1 January 2016	1,731,320	1,601,925
Profit for the year	278,944	295,395
Dividends paid	(166,667)	(166,000)
At 31 December 2016	<u>1,843,597</u>	<u>1,731,320</u>
Balance sheet		
Called up share capital	150,000	150,000
Share premium account	6,000	6,000
Profit and loss account	1,843,597	1,731,320
Shareholders' funds	<u>1,999,597</u>	<u>1,887,320</u>

Notes to the financial statements

For the Year ended 31 December 2016

9. Debtors: Amounts falling due within one year

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge- water Fund £	Combined 2016 £	Combined 2015 £
Amounts owed by group undertakings	264,621	-	-	-	264,432	273,039
Other debtors	116,443	10,958	4,515	-	131,916	48,607
Prepayments and accrued income	463,361	-	-	-	463,361	518,001
	844,425	10,958	4,515	-	859,709	839,647

Included in the General Fund is £124,352 (2015 - £159,695) due in more than one year.

Included in the General Fund is a provision of £85,000 (2015 - £60,000) against an amount owed by a group undertaking.

10. Creditors: Amounts falling due within one year

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge- water Fund £	Combined 2016 £	Combined 2015 £
Amounts owed to group undertakings	26,481	166,689	167	-	193,148	355,570
Taxation	19,993	-	238	188	20,419	13,142
Other taxation and social security	173,786	-	-	-	173,786	177,580
Other creditors	388,235	-	-	-	388,235	398,647
Amounts due under hire purchase	20,423	-	-	-	20,423	-
	628,918	166,689	405	188	796,011	944,939

Notes to the financial statements

For the Year ended 31 December 2016

11. Creditors: Amounts falling due in more than one year

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge-water Fund £	Combined 2016 £	Combined 2015 £
Amounts due under hire purchase	42,628	-	-	-	42,628	-
	<u>42,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,628</u>	<u>-</u>

Ageing of the amounts due under hire purchase is as follows:

	2016 £	2015 £
Amounts due under hire purchase (1 – 2 years)	21,738	-
Amounts due under hire purchase (2 – 5 years)	20,890	-
	<u>42,628</u>	<u>-</u>

12. Reserves**Property and equipment reserve**

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge-water Fund £	Combined 2016 £	Combined 2015 £
At 1 January 2016	1,243,722	-	-	-	1,243,722	1,252,299
Transfer (to)/from income and expenditure account	61,939	-	-	-	61,939	(8,577)
At 31 December 2016	<u>1,305,661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,305,661</u>	<u>1,243,722</u>

This reserve represents the total amount (at cost less depreciation) invested in freehold property, furniture, fittings and equipment, computers and motor vehicles used for the functional purpose of the Federation.

Investment property reserve

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge-water Fund £	Combined 2016 £	Combined 2015 £
At 1 January 2016	2,218,079	-	-	-	2,218,079	2,161,997
Transfer (to)/from capital reserve	54,932	-	-	-	54,932	56,082
At 31 December 2016	<u>2,273,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,273,011</u>	<u>2,218,079</u>

This reserve represents fair value movements on revaluation of investment property.

Notes to the financial statements

For the Year ended 31 December 2016

Capital account

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge- water Fund £	Combined 2016 £	Combined 2015 £
At 1 January 2016	723,823	2,848,706	217,436	174,436	3,964,401	4,093,264
Surplus/ (Deficit) for the year after taxation	71,874	282,711	1,528	(1,299)	354,814	(76,358)
Transfer from/(to) Property & Equipment reserve	(61,939)	-	-	-	(61,939)	8,577
Transfer from/(to) investment property reserve	(54,932)	-	-	-	(54,932)	(56,082)
Transfer from/(to) Strategic reserve	-	-	-	-	-	50,000
Transfer from/(to) Yeoman House Refurbishment reserve	-	-	-	-	-	30,000
Transfer from/(to) Yeoman House Development reserve	23,000	-	-	-	23,000	(105,000)
Transfer from/(to) Development reserve	25,000	-	-	-	25,000	20,000
At 31 December 2016	726,826	3,131,417	218,964	173,137	4,250,344	3,964,401

This reserve represents un-restricted funds retained to provide the working capital to enable the Federation to carry out its activities.

Strategic reserve

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge- water Fund £	Combined 2016 £	Combined 2015 £
At 1 January 2016	100,000	-	-	-	100,000	150,000
Transfer (to)/from income and expenditure account	-	-	-	-	-	(50,000)
At 31 December 2016	100,000	-	-	-	100,000	100,000

This reserve represents funds set aside to meet the Federation's strategic and contingency needs.

Notes to the financial statements

For the Year ended 31 December 2016

Yeoman House Development reserve

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge-water Fund £	Combined 2016 £	Combined 2015 £
At 1 January 2016	105,000	-	-	-	105,000	-
Transfer (to)/from income and expenditure account	(23,000)	-	-	-	(23,000)	105,000
At 31 December 2016	<u>82,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,000</u>	<u>105,000</u>

This reserve represents a development reserve for Yeoman House.

Development reserve

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge-water Fund £	Combined 2016 £	Combined 2015 £
At 1 January 2016	25,000	-	-	-	25,000	45,000
Transfer to income and expenditure account	(25,000)	-	-	-	(25,000)	(20,000)
At 31 December 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>

This reserve represents funds set aside for member store development.

13. Employee Costs – Combined and General Fund

Staff costs, including Consultancy and Temporary Staff, were as follows:

	2016 £	2015 £
Wages and salaries	1,860,952	1,997,218
Social security costs	200,277	206,337
Cost of defined contribution scheme	112,213	116,756
	<u>2,173,442</u>	<u>2,320,311</u>

The average monthly number of employees, including Full and Part time staff, during the year was made up as follows:

	2016 No	2015 No
Head office	20	23
Districts	44	49
	<u>64</u>	<u>72</u>

Notes to the financial statements

For the Year ended 31 December 2016

14. Pension Costs

Defined Benefit

The Federation operates a pension scheme for staff of the Federation and of subsidiary companies, which provides benefits based on final pensionable salaries. The Federation is unable to identify its share of the underlying assets or liabilities of the scheme, and therefore it is accounted for as a defined contribution scheme.

The Scheme was closed to new entrants at 31 March 2002.

The assets of the scheme are held separately from those of the Federation. Contributions to the scheme are charged to the income and expenditure account. The contributions of the Federation and employees are 20.2% and 8.0% of earnings respectively.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the Attained Age Method.

The last valuation was carried out as at 31 March 2016. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 3.8% per annum and that salary increases would average 3.2% per annum.

The last actuarial valuation showed assets of the scheme of £7,932,000 and liabilities on an on-going basis of £7,162,000.

Pension contributions to the Federation pension scheme for the year amounted to £84,180 (2015 - £86,558).

Defined Contribution

The Federation also operates a money purchase stakeholder scheme for members of staff which was introduced on 1 April 2002. In addition, an auto enrolment scheme which was introduced on 1 October 2014.

Contributions payable by the Federation for the year amounted to £28,033 (2015 - £30,197).

Notes to the financial statements

For the Year ended 31 December 2016

15. Leasing Commitments – Combined

	Land and Buildings 2016 £	Other 2016 £	Land and Buildings 2015 £	Other 2015 £
Within 1 year	-	22,992	5,000	20,800
In 2 to 5 years	-	7,327	-	24,474
Greater than 5 years	-	-	-	-
	-	30,319	5,000	45,274

16. Control

Control of the Federation is vested in the individual members. No one member has overall control.

17. Related Party Transactions

(a) General Fund

During the year, the General Fund undertook the following transactions with related undertakings.

	2016 £	2015 £
Net recharge to/(from):		
NFRN Commercial Ltd	329,685	172,005
Newtrade Publishing Limited	196,159	190,051
National Newsagents Network Limited	1,142	35,458

NFRN Commercial Ltd transactions related to management fees, publishing services, sponsorship and other costs charged to NFRN Commercial Ltd.

Newtrade Publishing Limited transactions related to management fees, sponsorship and other costs charged both to and from Newtrade Publishing Limited.

National Newsagents Network Limited transactions related to the recharge of expenses. National Newsagents Network Limited is a company limited by guarantee of which the General Fund is a member.

The balances outstanding from those undertakings at the year end are as follows:

	2016 £	2015 £
NFRN Commercial Ltd *	191,836	214,546
Newtrade Publishing Limited	903	16,035
National Newsagents Network Limited	51,600	35,458
NFRN Defined Benefits Pension	52,821	-

* NFRN Commercial Ltd balance is stated net of a provision of £85,000 (2015 - £60,000).

Total remuneration in respect of key management personnel is £270,436.

Notes to the financial statements

For the Year ended 31 December 2016

(b) Benefits Fund

The Benefits Fund received dividends of £166,667 (2015 - £166,000) from NFRN Holdings Limited.

18. Contingent liabilities

The Federation acts as guarantor in respect of loans advanced by the NFRN Credit Union. At the balance sheet date, the value of loans advanced is £nil (2015 - £2,000).

19. Financial instruments

	Combined 2016	Combined 2015
	£	£
Financial assets		
Financial assets measured at fair value through profit and loss	<u>1,691,222</u>	1,576,311
Financial assets measured at amortised cost	<u>2,707,473</u>	<u>2,629,323</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>644,704</u>	<u>754,217</u>

Financial assets measured at fair value through profit and loss comprise investments in listed companies.

Financial assets measured at amortised cost comprises investments in subsidiaries, amounts owed by group, other debtors and cash.

National Federation of Retail Newsagents

20. Transition to FRS 102

National Federation of Retail Newsagents adopted United Kingdom Generally Accepted Accounting Policies including Financial Reporting Standard 102 for the year ended 31 December 2016 and has restated the comparative prior year amounts. The Federation transitioned to FRS 102 as at 1 January 2014.

Explanations

(a) The Federation (specifically the General Fund) lets a proportion of its freehold property to their subsidiary undertaking, NFRN Commercial Ltd, and a third party entity. Under FRS 102, this proportion must be reclassified as investment property and held at fair value with movements in fair value charged or credited to the income and expenditure account, subsequently transferred to the investment property (revaluation) reserve. The fair value increase of £1,504,196 has been recognised at transition, increasing to £1,560,279 as at 31 December 2015.

(b) The Federation (specifically the Benefits Fund) holds investments in listed companies which were previously held at the lower of cost and market value. Under FRS 102, these investments are required to be held at its fair value with movements going through the income and expenditure account. On transition the fair value of the investment portfolio totalled £2,630,711 (2015 - £2,629,323). The fair value movement recognised as a result of transitioning to FRS 102 was a credit to reserves of £552,115 and subsequent charge to income and expenditure of £21,925 for the year ended 31 December 2015.

Restated combined statement of financial position

	Explanation	31/12/2015	01/01/2015
		£	£
Original total funds		5,565,733	5,676,248
Investment property – fair value adjustment	(a)	1,560,279	1,504,196
Listed investments – fair value adjustment	(b)	530,190	552,115
Restated total funds		<u>7,656,202</u>	<u>7,732,559</u>

Restated net movement in funds for the year ended 31 December 2015

	Explanation	31/12/2015
		£
Original surplus/(deficit) on ordinary activities		(110,515)
Investment property – fair value adjustment	(a)	56,082
Listed investments – fair value adjustment	(b)	(21,925)
Restated surplus/(deficit) on ordinary activities		<u>(76,358)</u>

Notes to the financial statements

For the Year ended 31 December 2016

Restated statement of financial position (General Fund)

	Explanation	31/12/2015	01/01/2015
		£	£
Original total funds		2,855,345	2,896,197
Investment property – fair value adjustment	(a)	1,560,279	1,504,196
Restated total funds		<u>4,415,624</u>	<u>4,400,393</u>

Restated net movement in funds for the year ended 31 December 2015 (General Fund)

	Explanation	31/12/2015
		£
Original surplus/(deficit) on ordinary activities		(40,852)
Investment property – fair value adjustment	(a)	56,082
Original surplus/(deficit) on ordinary activities		<u>15,230</u>

Restated statement of financial position (Benefits Fund)

	Explanation	31/12/2015	01/01/2015
		£	£
Original total funds		2,318,516	2,394,859
Listed investments – fair value adjustment	(b)	530,190	552,115
Restated total funds		<u>2,848,706</u>	<u>2,946,974</u>

Restated net movement in funds for the year ended 31 December 2015 (Benefits Fund)

	Explanation	31/12/2015
		£
Original (deficit) on ordinary activities		(76,343)
Listed investments – fair value adjustment	(b)	(21,925)
Restated (deficit) on ordinary activities		<u>(98,268)</u>