

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)

Chief Executive:

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

British Printing Industries Federation Unincorporated

Certification Office Return of Officers

Directors in Post at 31 March 2018

| | |
|-------------------------------|------------------------------------|
| Chief Executive | Charles Jarrold |
| Finance Director | Peter Allen |
| Membership Director | Dale Wallis |
| Non-Executive Director | Darren Coxon |
| Non-Executive Director | Jacqueline Sidebottom-Every |
| Non-Executive Director | James Buffoni |
| Non-Executive Director | Ian Wilton |
| Non-Executive Director | Douglas Kinsman |
| Non-Executive Director | Mark Roberts |
| Non-Executive Director | Robin Sumner |

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 |
| 2 | - | - | - | 2 |

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 |
|------------------------|--|---------------------------|----------------|
| Non-Executive Director | None | Douglas Kinsman | 14 June 2017 |
| Non-Executive Director | None | Mark Roberts | 14 June 2017 |
| Non-Executive Director | None | Robin Sumner | 14 June 2017 |
| | | | |
| | | | |
| | | | |
| | | | |

GENERAL FUND

(see notes 11 to 16)

| Previous Year | | | £'000 | £'000 |
|---------------|-------------------------|---|---------|---------|
| | INCOME | | | |
| 2,288 | From Members | Management charges receivable | | 2,251 |
| - | Investment income | Realised gains on investments | | - |
| - | | Bank interest (gross) | | - |
| 2,288 | | | | 2,251 |
| 6 | Other income | Rents received | 6 | |
| 120 | | Commission income | 125 | |
| 874 | | Consultancy fees | 844 | |
| 260 | | Conferences and events | 279 | |
| 3 | | Project income | 7 | |
| 37 | | Other income | 21 | |
| 1,300 | | | | 1,282 |
| 3,588 | | | | 3,533 |
| | | TOTAL INCOME | | |
| | EXPENDITURE | | | |
| | Administrative expenses | | | |
| (1,568) | | Indirect staff remuneration and expenses | (1,482) | |
| (176) | | Occupancy costs | (118) | |
| (65) | | Printing, stationery, post, telephone | (90) | |
| (112) | | Legal and Professional fees | (127) | |
| (137) | | Miscellaneous (marketing, IT, publications) | (172) | |
| (1,407) | | Cost of sales (commercial) | (1,329) | |
| - | | Profit on sale of assets | - | |
| (3,465) | | | | (3,318) |
| | Other charges | Bank charges | (10) | |
| (11) | | Depreciation | (34) | |
| (22) | | Sums written off | (74) | |
| (41) | | Affiliation fees (INTERGRAF, subs, SIGS) | (83) | |
| (76) | | Conference and meeting fees | (9) | |
| (8) | | Interest payable | - | |
| - | | Net return of final salary pension scheme | (84) | |
| (82) | | Net actuarial gain/(loss) on pension scheme | 121 | |
| (779) | | | | (173) |
| (1,019) | | | | |
| 35 | Taxation | | | 59 |
| (4,449) | | TOTAL EXPENDITURE | | (3,432) |
| (861) | | Surplus/Deficit for year | | 101 |
| (2,352) | | Amount of fund at beginning of year | | (3,213) |
| (3,213) | | Amount of fund at end of year | | (3,112) |

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

| ACCOUNT 2 | | 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 3 | | 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 4 | | 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 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 31 March 2018

(see notes 19 and 20)

| Previous Year | | £'000 | £'000 |
|---------------|---|-------|---------|
| 433 | Fixed Assets (as at page 11) | | 474 |
| | Investments (as per analysis on page 13) | | |
| - | Quoted (Market value £) | - | |
| - | Unquoted | - | - |
| 433 | Total Investments | | 474 |
| | Other Assets | | |
| 191 | Trade debtors | 329 | |
| 15 | Other debtors | 26 | |
| 2 | Intercompany debtors | 41 | |
| 137 | Prepayments and accrued income | 122 | |
| 540 | Cash at bank and in hand | 253 | |
| 885 | Total of other assets | | 771 |
| 1,318 | TOTAL ASSETS | | 1,245 |
| | | | |
| | Liabilities | | |
| | General Fund | | |
| | Fund (Account) | | |
| | Fund (Account) | | |
| | Revaluation Reserve | | |
| 213 | Trade creditors | 210 | |
| 182 | Other taxation and social security | 196 | |
| 147 | Other creditors due in less than one year | 107 | |
| 218 | Accruals and deferred income | 196 | |
| 840 | Intercompany creditors | 820 | |
| - | Other creditors due in more than one year | 43 | |
| 2,931 | Pension liability | 2,785 | |
| (4,531) | | | (4,357) |
| (4,531) | TOTAL LIABILITIES | | (4,357) |
| (3,213) | TOTAL ASSETS | | (3,112) |

FIXED ASSETS ACCOUNT

(see note 21)

| | Freehold Land & Buildings | Furniture, Fittings & Equipment | Computer Equipment | Total |
|--|---------------------------------|---------------------------------------|-----------------------|-------|
| | £'000 | £'000 | £'000 | £'000 |
| COST OR VALUATION | | | | |
| At start of period | 529 | 247 | 153 | 929 |
| Additions during period | - | 1 | 73 | 74 |
| Less: Disposals during period | - | - | - | - |
| Less: DEPRECIATION: | (130) | (240) | (159) | (529) |
| Total to end of period | | | | |
| BOOK AMOUNT at end of period | 399 | 8 | 67 | 474 |
| Freehold | | | | |
| Leasehold (50 or more years unexpired) | | | | |
| Leasehold (less than 50 years unexpired) | | | | |
| AS BALANCE SHEET | 399 | 8 | 67 | 474 |

ANALYSIS OF INVESTMENTS

(see note 22)

| | | Other Funds £ |
|---------------------------------------|---|---------------------|
| QUOTED | - British Government & British Government Guaranteed Securities | - |
| | - British Municipal and County Securities | - |
| | - Other quoted securities (to be specified) | - |
| | TOTAL QUOTED (as Balance Sheet) | - |
| | *Market Value of Quoted Investments | - |
| | | |
| UNQUOTED | - British Government Securities | - |
| | - British Municipal and County Securities | - |
| | - Mortgages | - |
| | - Other unquoted securities (to be specified) | - |
| | TOTAL QUOTED (as Balance Sheet) | - |
| *Market Value of Unquoted Investments | - | |

* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

| | | | |
|--|--|-----|----|
| Does the association, or any constituent part of the association, have a controlling interest in any limited company? | | YES | |
| If YES name the relevant companies: | | | |
| COMPANY NAME BPIF Training Limited BPIF Pension Trustees Limited BPIF Limited BPIF Legal Limited | COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered) 06875770 06679809 04331622 07600485 | | |
| INCORPORATED EMPLOYERS' ASSOCIATIONS | | | |
| Are the shares which are controlled by the association registered in the association's name | | | 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? | | | NO |
| If NO, state the names of the persons in whom the shares controlled by the association are registered. | | | |
| COMPANY NAME BPIF Training Limited BPIF Pension Trustees Limited BPIF Limited BPIF Legal Limited | NAMES OF SHAREHOLDERS British Printing Industries Federation Limited British Printing Industries Federation Limited British Printing Industries Federation Limited British Printing Industries Federation Limited | | |

SUMMARY SHEET

(see notes 26 to 35)

| | All funds except Political Funds £ | Political Funds £ | Total Funds £ |
|--|--|--------------------------|---------------------|
| INCOME | | | |
| From Members | 2,251 | - | 2,251 |
| From Investments | - | - | - |
| Other Income (including increases by revaluation of assets) | 1,282 | - | 1,282 |
| Total Income | 3,533 | - | 3,533 |
| EXPENDITURE (including decreases by revaluation of assets) | | | |
| Total Expenditure | (3,432) | - | (3,432) |
| Funds at beginning of year (including reserves) | (3,213) | - | (3,213) |
| Funds at end of year (including reserves) | (3,112) | - | (3,112) |
| ASSETS | | | |
| Fixed Assets | | | 474 |
| Investment Assets | | | - |
| Other Assets | | | 771 |
| | | Total Assets | 1,245 |
| LIABILITIES | | Total Liabilities | (4,357) |
| NET ASSETS (Total Assets less Total Liabilities) | | | (3,112) |

NOTES TO THE ACCOUNTS

(see note 36)

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

1. FEDERATION INFORMATION

British Printing Industries Federation is an unincorporated employers' association listed by the Certification Officer in accordance with Trade Union and Labour Relations (Consolidation) Act 1992, and is domiciled in England and Wales. The registered office is Unit 2 Villiers Court, Meriden Business Park, Copse Drive, Coventry, CV5 9RN.

2. ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared in accordance with the historical cost convention and in accordance with Section 1A Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the Federation. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The principal accounting policies adopted are set out below:

Going concern

As disclosed in the Group statement of financial position, the net liabilities as at 31 March 2018 amounted to £2,672,000 (31 March 2017: £2,933,000). The directors note that the deficit is principally a consequence of the inclusion of the pension liability of £2,785,000 (2017: £2,931,000) as at the year end. The Group continues to meet all payments due in respect of the pension scheme and are confident that they will be able to meet all future payments required in order to extinguish the liability in accordance with the recovery plan set out by the scheme actuary.

The directors have prepared forecasts and projections for the Group which, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility and that it will be able to meet all debts as they fall due for a period of at least twelve months from the date of approval of the financial statements.

After making enquiries, the directors have a reasonable expectation that the Federation and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Federation for the year ended 31 March 2018 and of its subsidiary companies for the same period.

The Federation has taken advantage of the exemptions not to prepare an individual income statement for the parent company. The deficit for the year dealt with in the financial statements of the Federation was £20,000 (2017: a deficit of £82,000), before an actuarial gain on the pension scheme of £121,000 (2017: a loss of £779,000).

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable. Turnover consists of several separate income streams. Income is reported excluding VAT.

Subscription income is recognised when a member renews their annual membership and is spread evenly over the annual term of the membership. Amounts received in the current financial year that relate to the following financial year are treated as deferred income at the reporting end date.

2. ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue recognition (continued)

Training income is recognised at the point at which the training takes place and has been evidenced.

Consultancy services income is recognised at invoice value (net of VAT) for the sale of consultancy services provided during the year.

Climate Change Levy income is recognised at invoice value (net of VAT) for the sale of services provided during the year.

All other income represents amounts invoiced or accrued during the year, following the provision of services.

Turnover was derived entirely from the United Kingdom.

Intangible fixed assets

Intangible fixed assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of intangibles less their residual values over their estimated useful lives, using the straight line method as follows:

| | |
|----------|-----------------------|
| Software | 3 years Straight line |
|----------|-----------------------|

Amortisation is charged to operating expenses in the income statement.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised so as to write off the cost of tangible fixed assets less their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to their recoverable amount.

The principal annual rates and bases of depreciation used for other assets are:

| | | |
|---|--------|---------------|
| Freehold buildings | 2% | Straight line |
| Computer equipment | 20-33% | Straight line |
| Office equipment & furniture and fittings | 10-20% | Straight line |

Impairment of assets

At each reporting date the Federation reviews the carrying value of its 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.

The recoverable amount of an asset is the higher of the fair value less costs to sell, and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash generating unit. The present value calculation involves estimating the future cash

Where the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply. Impairment losses are charged to income statement in other operating expenditure.

2. ACCOUNTING POLICIES (continued)

Investments

The consolidated financial statements incorporate the financial statements of the Federation and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investments in subsidiaries are held at cost less impairment in the Federation's financial statements.

Cash and cash equivalents

Cash and cash equivalents 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.

Financial instruments

Basic financial instruments are measured at amortised cost. The company has no other financial instruments or basic financial instruments measured at fair value.

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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting 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 income statement, 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 group 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.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pension costs

Defined benefit schemes

The BPIF operates two defined benefit pension schemes. The Trustees administer the schemes and the assets of the schemes are managed independently of the finances of the BPIF. Neither scheme is open to future accrual.

Pension scheme assets are measured at fair value in accordance with the FRS 102 fair value hierarchy. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

2. ACCOUNTING POLICIES (continued)

Pension costs (continued)

Defined benefit schemes (continued)

The balance recognised in the Statement of Financial Position in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the end of the reporting date, less the fair value of the scheme assets at the reporting date.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on scheme assets, less amounts included in net interest, are disclosed as 'Re-measurement of net defined benefit liability'.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of scheme assets. This is recognised in profit or loss as 'Net return on final salary pension scheme'.

The schemes' surpluses, to the extent that they are considered recoverable, or deficits, are recognised in full and presented within provisions.

Defined contribution arrangements

The BPIF also operates a defined contribution pension scheme, which is available to all employees. The assets of the scheme are managed independently of the finances of the BPIF. Contributions to defined contribution pension arrangements are charged to the income statement as they fall due.

Operating leases

Rentals payable under operating leases are charged to the Income Statement on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts payable to the lessor.

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Project Accounting

BPIF undertakes various projects, often in conjunction with other parties. These operate under terms whereby income received must only be used for specific project expenditure or returned to the contributor. Income received but not spent by the balance sheet date is carried forward as a creditor at the year end. Income and expenditure relating to each project is recognised in the year to which it relates.

Significant judgements and estimation uncertainty

In the application of the group's accounting policies, the Board is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

i) Defined benefit pension scheme

The Group has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 7 for the disclosures relating to the defined benefit pension scheme.

ii) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for carrying amounts of tangible assets and below for the useful economic lives of each class of asset.

2. ACCOUNTING POLICIES (continued)

Significant judgements and estimation uncertainty (continued)

iii) Impairment of debtors

The Group and Federation make an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 11 for carrying amount of debtors.

3. SURPLUS FOR THE YEAR BEFORE TAXATION

The surplus for the year before taxation is stated after charging:

| | 2018 £'000 | 2017 £'000 |
|---|---------------|---------------|
| Auditor's remuneration | | |
| - Audit services Federation | 19 | 18 |
| - Audit services subsidiaries | 4 | 4 |
| - Audit services related entities | 2 | 2 |
| - Non-audit services subsidiaries | 2 | - |
| - Corporation tax compliance Federation | 2 | 2 |
| - Corporation tax compliance subsidiaries | 2 | 1 |
| - Corporation tax compliance related entities | 1 | 1 |
| Amortisation of intangible fixed assets | 15 | - |
| Depreciation of tangible fixed assets | 19 | 24 |
| Operating lease charges | 60 | 66 |

4. TAXATION

| | 2018 £'000 | 2017 £'000 |
|---|---------------|---------------|
| Corporation tax | | |
| Current tax on income for the year | 2 | - |
| Tax credit received relating to prior years | (38) | - |
| | (36) | - |

The Federation has tax losses carried forward of approximately £4.5 million (2017: £4.6 million)

5. EMPLOYEES

| | Group | |
|--|---------------|---------------|
| | 2018 £'000 | 2017 £'000 |
| Staff costs (including directors' emoluments): | | |
| Wages and salaries | 2,455 | 2,474 |
| Social security costs | 263 | 267 |
| Other pension costs | 123 | 132 |
| Total | 2,841 | 2,873 |
| | No. | No. |
| Average monthly number of persons employed by the group during the year was: | 60 | 59 |

6. DIRECTORS

| | Group | |
|----------------------------------|-------|-------|
| | 2018 | 2017 |
| | £'000 | £'000 |
| Aggregate remuneration | 245 | 245 |
| Contributions to pension schemes | 14 | 13 |
| | <hr/> | <hr/> |
| Total | 259 | 258 |
| | <hr/> | <hr/> |

Key management personnel is considered to be the executive directors whose remuneration is set out above.

Non-executive directors do not receive any emoluments from the BPIF

7. STAFF RETIREMENT BENEFITS

The British Printing Industries Federation Pension and Life Assurance scheme, which provided benefits based on final pensionable pay was closed to future accrual on 31 March 2004. A new final salary scheme (British Printing Industries Pension and Life Assurance Scheme 2004) was made available to staff who had been in the old scheme, which had reduced benefits and higher employee contributions. Alternatively, these staff were offered the option to join the defined contribution scheme already offered to all staff. The 2004 Scheme closed with effect from 31 March 2006 and has no assets or liabilities. The BPIF now contributes to defined contribution schemes for staff.

The British Printing Industries Federation Pension and Life Assurance Scheme

The date of the last full actuarial valuation was 31 March 2016. The results of this valuation, on the basis used to determine the Scheme's Technical Provision, were liabilities of £8.6 million (31 March 2013: £7.0 million) and a market value of assets of £3.8 million (31 March 2013: £3.6 million) with a deficit of £4.7 million (31 March 2013: £3.4 million) and a funding level of 45% (31 March 2013: 52%).

A qualified independent actuary has reviewed the actuarial valuations as at 31 March 2016 and updated these as at 31 March 2018. The key assumptions used, in accordance with the instructions of the directors were:

| | 2018 | 2017 |
|------------------------------------|------|------|
| | % | % |
| Discount rate | 2.73 | 2.66 |
| Rate of Price Inflation | 2.78 | 2.78 |
| Pension increases | 2.58 | 2.58 |
| Increases to pensions in deferment | 2.08 | 1.70 |

Mortality assumptions

The underlying mortality assumption is based upon the standard table known as S2PMA/S2PFA (2017: S1PMA/S1PFA) on a year of birth usage with CMI2016 (2017: CMI2013) improvement factors up to the date of measurement.

| | Male | Female |
|---|----------------|---------------|
| Member age 65 (current life expectancy) | 20 yrs 10 mths | 22 yrs 7 mths |
| Member age 45 (life expectancy at age 65) | 20 yrs 10 mths | 22 yrs 7 mths |

7. STAFF RETIREMENT BENEFITS (continued)

The amounts recognised in the Statement of Financial Position as at 31 March 2018 are as follows:

| Amount included in the Statement of Financial Position | Group & Federation | |
|--|--------------------|---------------|
| | 2018 £'000 | 2017 £'000 |
| Fair value of plan assets: | | |
| Equities managed funds | 3,022 | 3,056 |
| Bonds managed fund | 1,313 | 1,286 |
| Cash | 44 | 151 |
| Creditors & accrued costs | - | (2) |
| | <hr/> | <hr/> |
| Fair value of assets | 4,379 | 4,491 |
| Present value of scheme liabilities | (7,164) | (7,422) |
| | <hr/> | <hr/> |
| Scheme deficit | (2,785) | (2,931) |
| | <hr/> | <hr/> |
| Net pension liability | (2,785) | (2,931) |
| | <hr/> | <hr/> |

A deferred tax asset is not recognised in relation to the net pension liability in the statement of financial position due to the uncertainty of recoverability.

| Amounts recognised in income statement | Group & Federation | |
|--|--------------------|---------------|
| | 2018 £'000 | 2017 £'000 |
| Expenses | (7) | (6) |
| Interest on net defined benefit obligation | (77) | (76) |
| | <hr/> | <hr/> |
| Total Operating Charge | (84) | (82) |
| | <hr/> | <hr/> |

| Amounts recognised in other comprehensive income | Group & Federation | |
|--|--------------------|---------------|
| | 2018 £'000 | 2017 £'000 |
| Return on scheme assets excluding interest income | 105 | 686 |
| Experience gains and losses arising on scheme liabilities | (119) | (264) |
| Changes in assumptions underlying the present value of scheme liabilities | 135 | (1,201) |
| | <hr/> | <hr/> |
| Total gain/(loss) recognised in Other Comprehensive Income/(Expenditure) during the period | 121 | (779) |
| | <hr/> | <hr/> |

7. **STAFF RETIREMENT BENEFITS (continued)**

| Movements in the present value of defined benefit obligations | Group & Federation | |
|--|-------------------------------|--------------|
| | 2018 | 2017 |
| | £'000 | £'000 |
| Scheme liabilities at 1 April | (7,422) | (6,137) |
| Interest cost | (192) | (209) |
| Actuarial gains/(losses) | 16 | (1,465) |
| Benefits paid | 434 | 389 |
| | <hr/> | <hr/> |
| Scheme liabilities at 31 March | (7,164) | (7,422) |
| | <hr/> | <hr/> |

| Movements in the fair value of plan assets | Group & Federation | |
|---|-------------------------------|--------------|
| | 2018 | 2017 |
| | £'000 | £'000 |
| Fair value of plan assets at 1 April | 4,491 | 3,897 |
| Interest income | 115 | 133 |
| Return on scheme assets excluding interest income | 105 | 686 |
| Employer contribution | 109 | 170 |
| Benefits paid | (434) | (389) |
| Expenses | (7) | (6) |
| | <hr/> | <hr/> |
| Fair value of plan assets at 31 March | 4,379 | 4,491 |
| | <hr/> | <hr/> |

| Movement in deficit during the year | Group & Federation | |
|--|-------------------------------|--------------|
| | 2018 | 2017 |
| | £'000 | £'000 |
| Deficit in scheme at beginning of the year | (2,931) | (2,240) |
| Expenses recognised in Income Statement | (84) | (82) |
| Employer contribution | 109 | 170 |
| Actuarial gain/(loss) | 121 | (779) |
| | <hr/> | <hr/> |
| Deficit in scheme at end of the year | (2,785) | (2,931) |
| | <hr/> | <hr/> |

Cumulative amount included in the Changes in Equity are as follows:

| | Group & Federation | |
|--|-------------------------------|--------------|
| | 2018 | 2017 |
| | £'000 | £'000 |
| Cumulative actuarial loss at beginning of period | (2,036) | (1,257) |
| Recognised during the period | 121 | (779) |
| | <hr/> | <hr/> |
| Cumulative actuarial loss at end of period | (1,915) | (2,036) |
| | <hr/> | <hr/> |

7. STAFF RETIREMENT BENEFITS (continued)

Deficit funding - British Printing Industries Pension and Life Assurance Scheme

The scheme has been funded by contributions of £108,600 during the year ended 31 March 2018 (2017: £170,200), the amount estimated to clear the deficit by 30 September 2036 based on the actuarial valuation as at 31 March 2016 and the basis used in that valuation to determine the technical provisions.

The deficit repayment schedule based on the actuarial valuation at 31 March 2016 provided for BPIF to make contributions of:-

- From 1 June 2017 to 31 May 2018 a monthly contribution of £8,000
- From 1 June 2018 to 31 May 2019 a monthly contribution of £10,000
- From 1 June 2019 to 31 May 2020 a monthly contribution of £12,000
- From 1 June 2020 to 31 May 2025 the monthly contribution increases by the greater of 5% and 2% plus the increase in the Retail Prices Index over the 12 months to the preceding April with the increase for any year to not exceed 7%.
- From 1 June 2025 to 31 May 2026 a monthly contribution of £20,000
- From 1 June 2026 to 31 May 2027 a monthly contribution of £25,000
- Every 1 June thereafter this rate of monthly contribution will be increased by the greater of 5% and 2% plus the increase in the Retail Prices Index over the 12 months to the preceding April with the increase for any year to not exceed 7%.

Defined contribution arrangements

The BPIF also operates defined contribution arrangements for employees. The BPIF makes fixed contributions to schemes invested and managed independently of the BPIF. The total cost of contributions included in operating expenditure is £125,000 (2017: £132,000). At the year-end there were outstanding contributions payable of £18,000 (2017: £17,000).

8. INTANGIBLE ASSETS (GROUP)

| | Computer software £'000 | Total £'000 |
|---------------------------------------|-------------------------------|----------------|
| Cost | | |
| At 1 April 2017 | - | - |
| Reclassification from tangible assets | 44 | 44 |
| Additions | 57 | 57 |
| | <hr/> | <hr/> |
| At 31 March 2018 | 101 | 101 |
| | <hr/> | <hr/> |
| Amortisation | | |
| At 1 April 2017 | - | - |
| Reclassification from tangible assets | 37 | 37 |
| Charged in year | 15 | 15 |
| | <hr/> | <hr/> |
| At 31 March 2018 | 52 | 52 |
| | <hr/> | <hr/> |
| Net book value | | |
| At 31 March 2018 | 49 | 49 |
| | <hr/> | <hr/> |
| At 31 March 2017 | - | - |
| | <hr/> | <hr/> |

8. INTANGIBLE ASSETS (FEDERATION)

| | Computer software £'000 | Total £'000 |
|---------------------------------------|------------------------------------|------------------------|
| Cost | | |
| At 1 April 2017 | - | - |
| Reclassification from tangible assets | 38 | 38 |
| Additions | 57 | 57 |
| | <hr/> | <hr/> |
| At 31 March 2018 | 95 | 95 |
| | <hr/> | <hr/> |
| Amortisation | | |
| At 1 April 2017 | - | - |
| Reclassification from tangible assets | 32 | 32 |
| Charged in year | 14 | 14 |
| | <hr/> | <hr/> |
| At 31 March 2018 | 46 | 46 |
| | <hr/> | <hr/> |
| Net book value | | |
| At 31 March 2018 | 49 | 49 |
| | <hr/> <hr/> | <hr/> <hr/> |
| At 31 March 2017 | - | - |
| | <hr/> <hr/> | <hr/> <hr/> |

9. TANGIBLE ASSETS (GROUP)

| | Freehold land and buildings £'000 | Furniture, fittings and equipment £'000 | Computer equipment £'000 | Total £'000 |
|---------------------------------------|--|--|-------------------------------------|------------------------|
| Cost | | | | |
| At 1 April 2017 | 529 | 247 | 159 | 935 |
| Reclassification to intangible assets | - | - | (44) | (44) |
| Additions | - | 1 | 16 | 17 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2018 | 529 | 248 | 131 | 908 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Depreciation | | | | |
| At 1 April 2017 | 120 | 235 | 146 | 501 |
| Reclassification to intangible assets | - | - | (37) | (37) |
| Charged in year | 10 | 5 | 4 | 19 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2018 | 130 | 240 | 113 | 483 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net book value | | | | |
| At 31 March 2018 | 399 | 8 | 18 | 425 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At 31 March 2017 | 409 | 12 | 13 | 434 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

9. TANGIBLE ASSETS (FEDERATION)

| | Freehold land and buildings £'000 | Furniture, fittings and equipment £'000 | Computer equipment £'000 | Total £'000 |
|---------------------------------------|--|---|--------------------------------|----------------|
| Cost | | | | |
| At 1 April 2017 | 529 | 247 | 153 | 929 |
| Reclassification to intangible assets | - | - | (38) | (38) |
| Additions | - | 1 | 16 | 17 |
| At 31 March 2018 | 529 | 248 | 131 | 908 |
| Depreciation | | | | |
| At 1 April 2017 | 120 | 235 | 141 | 496 |
| Reclassification to intangible assets | - | - | (32) | (32) |
| Charged in year | 10 | 5 | 4 | 19 |
| At 31 March 2018 | 130 | 240 | 113 | 483 |
| Net book value | | | | |
| At 31 March 2018 | 399 | 8 | 18 | 425 |
| At 31 March 2017 | 409 | 12 | 12 | 433 |

10. INVESTMENTS

Investments in subsidiaries

| | Federation | |
|--|---------------|---------------|
| | 2018 £'000 | 2017 £'000 |
| Cost at 31 March 2017 and 31 March 2018 | - | - |

The consolidated financial statements include the results of the following trading subsidiary undertakings:

| Company name | Country of incorporation | Nature of Business | Shareholding |
|-------------------------------|-----------------------------|-----------------------|--------------|
| BPIF Training Limited | England and Wales | Training Provider | 100% |
| BPIF Legal Limited | England and Wales | Legal Practice | 100% |
| BPIF Limited | England and Wales | Dormant | 100% |
| BPIF Pension Trustees Limited | England and Wales | Dormant | 100% |

BPIF Limited and BPIF Pension Trustees Limited are not included in the consolidated accounts as they are dormant.

11. DEBTORS

| | Group | | Federation | |
|--------------------------------|---------------|---------------|---------------|---------------|
| | 2018 £'000 | 2017 £'000 | 2018 £'000 | 2017 £'000 |
| Trade debtors | 474 | 223 | 329 | 191 |
| Other debtors | 27 | 15 | 26 | 15 |
| Prepayments and accrued income | 240 | 238 | 122 | 137 |
| Intercompany debtors | - | - | 41 | 2 |
| | <u>741</u> | <u>476</u> | <u>518</u> | <u>345</u> |

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Federation | |
|------------------------------------|---------------|---------------|---------------|---------------|
| | 2018 £'000 | 2017 £'000 | 2018 £'000 | 2017 £'000 |
| Trade creditors | 248 | 246 | 210 | 213 |
| Corporation tax | 2 | - | - | - |
| Other taxation and social security | 218 | 201 | 196 | 182 |
| Other creditors | 121 | 150 | 107 | 147 |
| Accruals and other deferred income | 775 | 855 | 196 | 218 |
| Intercompany creditors | - | - | 820 | 840 |
| | <u>1,364</u> | <u>1,452</u> | <u>1,529</u> | <u>1,600</u> |

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group | | Federation | |
|-----------------|---------------|---------------|---------------|---------------|
| | 2018 £'000 | 2017 £'000 | 2018 £'000 | 2017 £'000 |
| Other creditors | 43 | - | 43 | - |
| | <u>43</u> | <u>-</u> | <u>43</u> | <u>-</u> |

14. DEFERRED TAXATION

| | Group | | Federation | |
|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Unprovided 2018 £'000 | Unprovided 2017 £'000 | Unprovided 2018 £'000 | Unprovided 2017 £'000 |
| Accelerated capital allowances | 67 | 83 | 67 | 83 |
| Short term timing differences | 10 | 7 | 10 | 7 |
| Losses carried forward | 857 | 874 | 849 | 866 |
| FRS 102 pension deficit | 529 | 557 | 529 | 557 |
| | <u>1,463</u> | <u>1,521</u> | <u>1,455</u> | <u>1,513</u> |

The deferred taxation asset detailed above has not been recognised in the financial statements of the Federation or the Group as profits are not anticipated to arise in the immediate future.

15. OPERATING LEASE COMMITMENTS

At the reporting end date the group had future minimum operating lease payments under non-cancellable operating leases which fall due as follows:

| | Group | |
|----------------------------|---------------|---------------|
| | 2018 £'000 | 2017 £'000 |
| Within one year | 60 | 60 |
| Between two and five years | 50 | 110 |
| | <u>110</u> | <u>170</u> |

16. RELATED PARTY TRANSACTIONS

The board of BPIF includes representatives of various companies that pay subscriptions to BPIF.

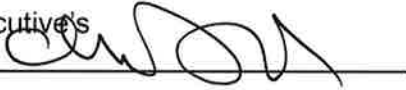

The subscription income relates to income received from British Printing Industries Federation Limited, a company limited by guarantee in England and Wales. This company is one of two members of BPIF along with BPIF 2009 Limited and is the vehicle by which the members of BPIF enjoy limited liability status. At the year end a balance of £365,671 (2017: £490,440) was due to British Printing Industries Federation Limited from BPIF. BPIF has provided direct debit guarantee to Barclays Bank in respect of transactions with British Printing Industries Federation Limited.

The non-executive directors of the federation are directors or senior managers of member companies that have subscribed to membership during the year and purchased other services as arms-length transactions at market rates.

SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

| | |
|--|--|
| <p>Chief Executive's Signature: </p> <p>Name: Charles Jarrold</p> <p>Date: <u>21/8/18</u></p> | <p>Finance Director's Signature: </p> <p>Name: Peter Allen</p> <p>Date: <u>21/8/18</u></p> |
|--|--|

CHECK LIST

(see note 41)

(please tick as appropriate)

| | | | | |
|---|-----|--------------------------|----|--------------------------|
| IS THE RETURN OF OFFICERS ATTACHED? (see Page 3) | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3) | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| HAS THE RETURN BEEN SIGNED? (see Note 38) | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39) | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| IS A RULE BOOK ENCLOSED? (see Note 40) | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34) | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |

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)

Independent Auditor's Report to the Members of British Printing Industries Federation

Opinion

We have audited the financial statements of British Printing Industries Federation for the year ended 31 March 2018, which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated and Federation Statements of Financial Position, Consolidated and Federation Statement of Changes in Equity, Consolidated Statement of Cash Flows and the notes to the financial statements including a summary of significant accounting policies. 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".

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Group and the Federation as at 31 March 2018 and of the Group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992

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 financial statements section of our report. We are independent of the group 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.

Material uncertainty in relation to going concern

We refer to the disclosures set out in note 2 to the financial statements in respect of the preparation of the financial statements on a going concern basis. As stated in the note, the British Printing Industries Federation had net liabilities of £2,672,000 (2017: £2,933,000) as at 31 March 2018, principally in relation to the inclusion of the defined benefit pension liability of £2,785,000 (2017: £2,931,000). As disclosed in note 2, the directors have prepared forecasts and projections that indicate that the Group will be able to operate within their existing bank facilities and meet all debts as they fall due for a period of at least twelve months from the approval of the financial statements. The financial statements do not include the adjustments that would result if the British Printing Industries Federation was unable to continue as a going concern.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

AUDITOR'S REPORT (continued)

Independent Auditor's Report to the Members of British Printing Industries Federation (continued)

Respective responsibilities of the Board and auditor

As explained more fully in the Statement of Responsibilities of the Board of Directors set out on page 3, the Board is 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 group's and the Federation'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 group or the Federation 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the Federation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the Federation to cease to continue as a going concern.

Independent Auditor's Report to the Members of British Printing Industries Federation (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Janice Riches

Janice Riches (Senior Statutory Auditor)

Date: *11 June 2018*

for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

| | | |
|--------------------------------------|---|--|
| Signature(s) of auditor or auditors: | <i>Janice Riches</i> | |
| Name(s): | Janice Riches Kingston Smith <i>LLP</i> | |
| Profession(s) or Calling(s): | Senior Statutory Auditor | |
| Address(es): | Devonshire House 60 Goswell Road London EC1M 7AD | |
| Date: | <i>11 June 2018</i> | |
| Contact name and telephone number: | Janice Riches 020 7566 4000 | |

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

CERTIFICATION OFF
FOR TRADE
& EMPLOY
29 AUG 2018
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British Printing Industries Federation

Annual Report and Financial Statements

Year ended 31 March 2018

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Federation Information

| | |
|------------|---|
| Directors | Board of Directors Non Executive Directors Darren Coxon (President) – Pensord Jacky Sidebottom - Every – Glossop Cartons James Buffoni – Ryedale Group Ian Wilton – Oxford University Press Doug Kinsman – S G World Mark Roberts – Acorn Web Offset Robin Sumner - Romax |
| | Executive Directors Charles Jarrold – Chief Executive Dale Wallis – Membership Director Peter Allen – Finance Director |
| Auditor | Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD |
| Bankers | Barclays Corporate Bank Dominus Way Meridian Business Park Leicester LE19 1RP |
| Solicitors | Knights Professional Services Limited Midland House West Way Oxford OX2 0PH |

Report of the Directors

The Board presents its report for the year ended 31 March 2018, together with the financial statements and auditor's report thereon.

Activities

The British Printing Industries Federation ("the BPIF") is the principal trade association representing businesses in the printing and graphic communications industry in England, Wales and Northern Ireland. The principal purpose is to make representations to the government on matters which affect the industry and its members. In addition to its representational functions, it also provides a wide range of business services through regional business centres. The BPIF owns 100% of the issued share capital of BPIF Training Limited which is the major training provider in the industry as well as 100% of the issued share capital of BPIF Legal Limited, a provider of legal services to the industry.

These financial statements have been consolidated to include the subsidiaries.

Legal Status

BPIF (unincorporated) is an unincorporated employers' association, listed by the Certification Officer in accordance with Trade Union and Labour Relations (Consolidation) Act 1992. This gives it quasi-corporate status.

Governance

The Chief Executive and a team of executive directors carry out the day-to-day management of the BPIF. This team reports to the Board of Directors, which comprises up to six executive directors, together with up to seven non-executive directors (including the President, and either the immediate Past-President (until he leaves office) or the Vice-President) provided that the number of non-executive directors shall always exceed the number of executive directors. The non-executive directors are appointed by the National Council. The Board meets monthly and is responsible for the strategic management of the BPIF. Certain matters are reserved to the non-executive directors, who have established an Audit Committee (*) and an Appointments and Remuneration Committee (**) to deal with such matters.

The National Council, comprising mainly representatives of the Regions and Sections within the organisation, together with other members holding particular offices, determines the policy of the BPIF. The members of the Board during the year are listed below.

| | |
|------------------------|---------------------------------------|
| President | Darren Coxon * ** |
| Non-Executive Director | Jacky Sidebottom - Every |
| Non-Executive Director | James Buffoni |
| Non-Executive Director | Ian Wilton * |
| Non-Executive Director | Doug Kinsman (appointed 14 June 2017) |
| Non-Executive Director | Mark Roberts (appointed 14 June 2017) |
| Non-Executive Director | Robin Sumner (appointed 14 June 2017) |
| Chief Executive | Charles Jarrold * ** |
| Finance Director | Peter Allen * |
| Executive Director | Dale Wallis |

Report of the Directors (continued)

Responsibilities of the Board of Directors

The Trade Union and Labour Relations (Consolidation) Act 1992 requires the directors and officers of the Federation to:

- keep proper records which give a true and fair view of the state of affairs of BPIF and explain its transactions;
- establish and maintain a satisfactory system of control of the accounting records, cash holdings and all the receipts and remittances;
- prepare an annual return for the Certification Officer giving a true and fair view of the Income and Expenditure Account and Balance Sheet; and
- provide members of BPIF with a statement of income and expenditure for the year.

The maintenance and integrity of the corporate and financial information included on the BPIF website is the responsibility of the directors and officers of the Federation. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure of information to auditor

Each of the BPIF directors in office at the date of approval of this annual report confirms that:

- So far as the director is aware, there is no relevant audit information of which the BPIF's auditor is unaware, and
- Each director has taken all the steps that he/she ought to have taken in order to make himself/herself aware of any relevant information and to establish that the BPIF's auditor is aware of that information.

Statement of Going Concern

As disclosed in the Group statement of financial position, the net liabilities as at 31 March 2018 amounted to £2,672,000 (31 March 2017: £2,933,000). The directors note that the deficit is principally a consequence of the inclusion of the pension liability of £2,785,000 (2017: £2,931,000) as at the year end. The Group continues to meet all payments due in respect of the pension scheme and are confident that they will be able to meet all future payments required in order to extinguish the liability in accordance with the recovery plan set out by the scheme actuary.

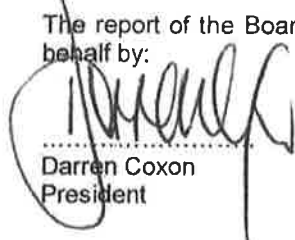
The directors have prepared forecasts and projections for the Group and the Federation which, taking account of reasonably possible changes in trading performance, show that the Group and the Federation should be able to operate within the level of their current facility and that they will be able to meet all debts as they fall due for a period of at least twelve months from the date of approval of the financial statements.

After making enquiries, the directors have a reasonable expectation that the Federation and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Notice of meeting

The notice of the Annual General Meeting to be held on 4 July 2018 is to be sent out on or before 13 June 2018.

The report of the Board of Directors was approved by the Board on 7 June 2018 and signed on its behalf by:


.....
Darren Coxon
President

Independent Auditor's Report to the Members of British Printing Industries Federation

Opinion

We have audited the financial statements of British Printing Industries Federation for the year ended 31 March 2018, which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated and Federation Statements of Financial Position, Consolidated and Federation Statement of Changes in Equity, Consolidated Statement of Cash Flows and the notes to the financial statements including a summary of significant accounting policies. 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".

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Group and the Federation as at 31 March 2018 and of the Group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992

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 financial statements section of our report. We are independent of the group 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.

Material uncertainty in relation to going concern

We refer to the disclosures set out in note 2 to the financial statements in respect of the preparation of the financial statements on a going concern basis. As stated in the note, the British Printing Industries Federation had net liabilities of £2,672,000 (2017: £2,933,000) as at 31 March 2018, principally in relation to the inclusion of the defined benefit pension liability of £2,785,000 (2017: £2,931,000). As disclosed in note 2, the directors have prepared forecasts and projections that indicate that the Group will be able to operate within their existing bank facilities and meet all debts as they fall due for a period of at least twelve months from the approval of the financial statements. The financial statements do not include the adjustments that would result if the British Printing Industries Federation was unable to continue as a going concern.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other

Independent Auditor's Report to the Members of British Printing Industries Federation (continued)

Other information (continued)

information. 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.

Respective responsibilities of the Board and auditor

As explained more fully in the Statement of Responsibilities of the Board of Directors set out on page 3, the Board is 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 group's and the Federation'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 group or the Federation 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report to the Members of British Printing Industries Federation (continued)

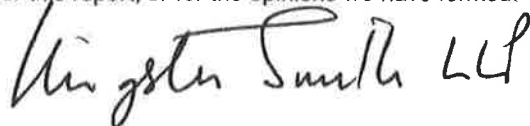
Auditor's responsibilities for the audit of the financial statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the Federation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the Federation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Janice Riches (Senior Statutory Auditor)

Date: 11 June 2018

for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Consolidated Income Statement

for the year ended 31 March 2018

| | 2018 £'000 | 2017 £'000 |
|-------------------------------------|---------------|---------------|
| Income from operations | | |
| Subscription income | 2,251 | 2,288 |
| Training income | 1,109 | 1,083 |
| Consultancy services | 981 | 1,009 |
| Commission income | 125 | 120 |
| Project management income | 6 | 3 |
| Conferences and events | 303 | 292 |
| Other income | 15 | 31 |
| | <hr/> | <hr/> |
| Total income | 4,790 | 4,826 |
| | <hr/> | <hr/> |
| Cost of operations | | |
| Membership | (894) | (952) |
| Training | (788) | (756) |
| Consultancy | (322) | (303) |
| Conferences, events and other costs | (238) | (264) |
| | <hr/> | <hr/> |
| Total cost of operations | (2,242) | (2,275) |
| | <hr/> | <hr/> |
| Gross profit | 2,548 | 2,551 |
| Other operating expenditure | (2,206) | (2,256) |
| Write off of irrecoverable debtors | (11) | (39) |
| Legal and professional fees | (91) | (92) |
| | <hr/> | <hr/> |
| Total operating expenditure | (2,308) | (2,387) |
| | <hr/> | <hr/> |

Consolidated Income Statement (continued)

for the year ended 31 March 2018

| | Note | 2018 £'000 | 2017 £'000 |
|--|------|---------------|---------------|
| Surplus arising from operations before defined benefit pension costs and taxation | 3 | 240 | 164 |
| Defined benefit pension costs | | | |
| Net return on final salary pension scheme | 7 | (84) | (82) |
| Scheme Servicing Costs | | (34) | (29) |
| Pension Scheme Levy | | (18) | (24) |
| | | <hr/> | <hr/> |
| Total defined benefit pension costs | 7 | (136) | (135) |
| | | <hr/> | <hr/> |
| Surplus for the year before taxation | 3 | 104 | 29 |
| Taxation | 4 | 36 | - |
| | | <hr/> | <hr/> |
| Surplus for the year after taxation | | 140 | 29 |
| | | <hr/> | <hr/> |

This income statement has been prepared on the basis that all operations are continuing operations.

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2018

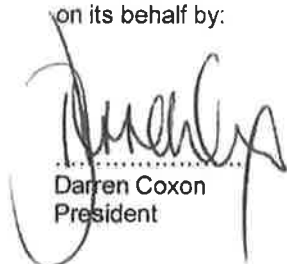
| | 2018 £'000 | 2017 £'000 |
|---|---------------|---------------|
| Surplus for the year | 140 | 29 |
| Other comprehensive gain / (loss): | | |
| Actuarial gain / (loss) on defined benefit pension scheme | 121 | (779) |
| | <hr/> | <hr/> |
| Total comprehensive income/ (expenditure) for the year | 261 | (750) |
| | <hr/> | <hr/> |

Consolidated Statement of Financial Position

at 31 March 2018

| | Note | 2018 £'000 | 2017 £'000 |
|--|------|----------------|----------------|
| Fixed assets | | | |
| Intangible assets | 8 | 49 | - |
| Tangible assets | 9 | 425 | 434 |
| | | <u>474</u> | <u>434</u> |
| Current assets | | | |
| Debtors | 11 | 741 | 476 |
| Cash at bank and in hand | | 305 | 540 |
| | | <u>1,046</u> | <u>1,016</u> |
| Creditors: Amounts falling due within one year | 12 | (1,364) | (1,452) |
| | | <u>(318)</u> | <u>(436)</u> |
| Net current liabilities | | | |
| | | | |
| Total assets less current liabilities | | 156 | (2) |
| Creditors: Amounts falling due after more than one year | 13 | (43) | - |
| | | <u>(43)</u> | <u>-</u> |
| Net assets / (liabilities) excluding pension liability | | 113 | (2) |
| Pension liability | 7 | (2,785) | (2,931) |
| | | <u>(2,672)</u> | <u>(2,933)</u> |
| Net liabilities including pension liability | | | |
| | | | |
| Represented by: | | | |
| General Fund | | (2,672) | (2,933) |
| | | <u>(2,672)</u> | <u>(2,933)</u> |
| Deficit to members' funds | | (2,672) | (2,933) |
| | | <u>(2,672)</u> | <u>(2,933)</u> |

The financial statements were approved by the Board and authorised for issue on 7 June 2018 and signed on its behalf by:



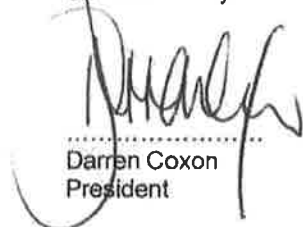
Darren Coxon
President

Federation Statement of Financial Position

at 31 March 2018

| | Note | 2018 £'000 | 2017 £'000 |
|--|------|---------------|---------------|
| Fixed assets | | | |
| Intangible assets | 8 | 49 | - |
| Tangible assets | 9 | 425 | 433 |
| Investments - subsidiaries | 10 | - | - |
| | | <hr/> | <hr/> |
| | | 474 | 433 |
| | | <hr/> | <hr/> |
| Current assets | | | |
| Debtors | 11 | 518 | 345 |
| Cash at bank and in hand | | 253 | 540 |
| | | <hr/> | <hr/> |
| | | 771 | 885 |
| Creditors: Amounts falling due within one year | 12 | (1,529) | (1,600) |
| | | <hr/> | <hr/> |
| Net current liabilities | | (758) | (715) |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | (284) | (282) |
| | | <hr/> | <hr/> |
| Creditors: Amounts falling due after more than one year | 13 | (43) | - |
| | | <hr/> | <hr/> |
| Net liabilities excluding pension liability | | (327) | (282) |
| | | <hr/> | <hr/> |
| Pension liability | 7 | (2,785) | (2,931) |
| | | <hr/> | <hr/> |
| Net liabilities including pension liability | | (3,112) | (3,213) |
| | | <hr/> | <hr/> |
| Represented by: | | | |
| General Fund | | (3,112) | (3,213) |
| | | <hr/> | <hr/> |
| Deficit to members' funds | | (3,112) | (3,213) |
| | | <hr/> | <hr/> |

The financial statements were approved by the Board and authorised for issue on 7 June 2018 and signed on its behalf by:



.....
Darren Coxon
President

Consolidated Statement of Changes in Equity

at 31 March 2018

| | Note | General fund £'000 | Total £'000 |
|---|------|--------------------------|-----------------------|
| At 31 March 2016 | | (2,183) | (2,183) |
| Profit for the year | | 29 | 29 |
| Other comprehensive income | | | |
| Re-measurement of net defined benefit liability | 7 | (779) | (779) |
| Total comprehensive expenditure for the year | | <u>(750)</u> | <u>(750)</u> |
| At 31 March 2017 | | (2,933) | (2,933) |
| Profit for the year | | 140 | 140 |
| Other comprehensive income | | | |
| Re-measurement of net defined benefit liability | 7 | 121 | 121 |
| Total comprehensive income for the year | | <u>261</u> | <u>261</u> |
| At 31 March 2018 | | <u>(2,672)</u> | <u>(2,672)</u> |

Federation Statement of Changes in Equity

at 31 March 2018

| | Note | General fund £'000 | Total £'000 |
|---|------|--------------------------|----------------|
| At 31 March 2016 | | (2,352) | (2,352) |
| Loss for the year | | (82) | (82) |
| Other comprehensive expenditure | | | |
| Re-measurement of net defined benefit liability | 7 | (779) | (779) |
| Total comprehensive expenditure for the year | | <u>(861)</u> | <u>(861)</u> |
| At 31 March 2017 | | (3,213) | (3,213) |
| Loss for the year | | (20) | (20) |
| Other comprehensive income | | | |
| Re-measurement of net defined benefit liability | 7 | 121 | 121 |
| Total comprehensive expenditure for the year | | <u>101</u> | <u>101</u> |
| At 31 March 2018 | | <u>(3,112)</u> | <u>(3,112)</u> |

Consolidated Statement of Cash Flows

for the year ended 31 March 2018

| | 2018 £'000 | 2017 £'000 |
|--|---------------|---------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 140 | 29 |
| Adjustments for: | | |
| Amortisation of intangible assets | 15 | - |
| Depreciation of tangible assets | 19 | 24 |
| Pension costs | (24) | (89) |
| (Increase)/decrease in debtors | (265) | 36 |
| (Decrease)/increase in creditors | (46) | 7 |
| | <hr/> | <hr/> |
| Net cash (outflow) / inflow from operating activities | (161) | 7 |
| | <hr/> | <hr/> |
| Cash flows from investing activities | | |
| Purchase of intangible assets | (57) | - |
| Purchase of tangible assets | (17) | (19) |
| | <hr/> | <hr/> |
| Net cash used in investing activities | (74) | (19) |
| | <hr/> | <hr/> |
| Net decrease in cash and cash equivalents | (235) | (12) |
| Cash and cash equivalents at start of year | 540 | 552 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at end of year | 305 | 540 |
| | <hr/> | <hr/> |
| Cash and cash equivalents consist of: | | |
| Cash at bank and in hand | 305 | 540 |
| | <hr/> | <hr/> |

Notes to the Financial Statements

for the year ended 31 March 2018

1. FEDERATION INFORMATION

British Printing Industries Federation is an unincorporated employers' association listed by the Certification Officer in accordance with Trade Union and Labour Relations (Consolidation) Act 1992, and is domiciled in England and Wales. The registered office is Unit 2 Villiers Court, Meriden Business Park, Copse Drive, Coventry, CV5 9RN.

2. ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared in accordance with the historical cost convention and in accordance with Section 1A Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the Federation. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The principal accounting policies adopted are set out below:

Going concern

As disclosed in the Group statement of financial position, the net liabilities as at 31 March 2018 amounted to £2,672,000 (31 March 2017: £2,933,000). The directors note that the deficit is principally a consequence of the inclusion of the pension liability of £2,785,000 (2017: £2,931,000) as at the year end. The Group continues to meet all payments due in respect of the pension scheme and are confident that they will be able to meet all future payments required in order to extinguish the liability in accordance with the recovery plan set out by the scheme actuary.

The directors have prepared forecasts and projections for the Group which, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility and that it will be able to meet all debts as they fall due for a period of at least twelve months from the date of approval of the financial statements.

After making enquiries, the directors have a reasonable expectation that the Federation and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Federation for the year ended 31 March 2018 and of its subsidiary companies for the same period.

The Federation has taken advantage of the exemptions not to prepare an individual income statement for the parent company. The deficit for the year dealt with in the financial statements of the Federation was £20,000 (2017: a deficit of £82,000), before an actuarial gain on the pension scheme of £121,000 (2017: a loss of £779,000).

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable. Turnover consists of several separate income streams. Income is reported excluding VAT.

Subscription income is recognised when a member renews their annual membership and is spread evenly over the annual term of the membership. Amounts received in the current financial year that relate to the following financial year are treated as deferred income at the reporting end date.

Notes to the Financial Statements

for the year ended 31 March 2018

2. ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Training income is recognised at the point at which the training takes place and has been evidenced.

Consultancy services income is recognised at invoice value (net of VAT) for the sale of consultancy services provided during the year.

Climate Change Levy income is recognised at invoice value (net of VAT) for the sale of services provided during the year.

All other income represents amounts invoiced or accrued during the year, following the provision of services.

Turnover was derived entirely from the United Kingdom.

Intangible fixed assets

Intangible fixed assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of intangibles less their residual values over their estimated useful lives, using the straight line method as follows:

| | | |
|----------|---------|---------------|
| Software | 3 years | Straight line |
|----------|---------|---------------|

Amortisation is charged to operating expenses in the income statement.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised so as to write off the cost of tangible fixed assets less their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to their recoverable amount.

The principal annual rates and bases of depreciation used for other assets are:

| | | |
|---|--------|---------------|
| Freehold buildings | 2% | Straight line |
| Computer equipment | 20-33% | Straight line |
| Office equipment & furniture and fittings | 10-20% | Straight line |

Notes to the Financial Statements

for the year ended 31 March 2018

2. ACCOUNTING POLICIES (continued)

Impairment of assets

At each reporting date the Federation reviews the carrying value of its 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.

The recoverable amount of an asset is the higher of the fair value less costs to sell, and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash generating unit. The present value calculation involves estimating the future cash

Where the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply. Impairment losses are charged to income statement in other operating expenditure.

Investments

The consolidated financial statements incorporate the financial statements of the Federation and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investments in subsidiaries are held at cost less impairment in the Federation's financial statements.

Cash and cash equivalents

Cash and cash equivalents 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.

Financial instruments

Basic financial instruments are measured at amortised cost. The company has no other financial instruments or basic financial instruments measured at fair value.

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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting 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.

Notes to the Financial Statements

for the year ended 31 March 2018

2. ACCOUNTING POLICIES (continued)

Deferred tax (continued)

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 income statement, 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 group 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.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pension costs

Defined benefit schemes

The BPIF operates two defined benefit pension schemes. The Trustees administer the schemes and the assets of the schemes are managed independently of the finances of the BPIF. Neither scheme is open to future accrual.

Pension scheme assets are measured at fair value in accordance with the FRS 102 fair value hierarchy. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The balance recognised in the Statement of Financial Position in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the end of the reporting date, less the fair value of the scheme assets at the reporting date.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on scheme assets, less amounts included in net interest, are disclosed as 'Re-measurement of net defined benefit liability'.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of scheme assets. This is recognised in profit or loss as 'Net return on final salary pension scheme'.

The schemes' surpluses, to the extent that they are considered recoverable, or deficits, are recognised in full and presented within provisions.

Defined contribution arrangements

The BPIF also operates a defined contribution pension scheme, which is available to all employees. The assets of the scheme are managed independently of the finances of the BPIF. Contributions to defined contribution pension arrangements are charged to the income statement as they fall due.

Notes to the Financial Statements

for the year ended 31 March 2018

2. ACCOUNTING POLICIES (continued)

Operating leases

Rentals payable under operating leases are charged to the Income Statement on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts payable to the lessor.

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Project Accounting

BPIF undertakes various projects, often in conjunction with other parties. These operate under terms whereby income received must only be used for specific project expenditure or returned to the contributor. Income received but not spent by the balance sheet date is carried forward as a creditor at the year end. Income and expenditure relating to each project is recognised in the year to which it relates.

Significant judgements and estimation uncertainty

In the application of the group's accounting policies, the Board is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

i) Defined benefit pension scheme

The Group has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 7 for the disclosures relating to the defined benefit pension scheme.

ii) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for carrying amounts of tangible assets and below for the useful economic lives of each class of asset.

iii) Impairment of debtors

The Group and Federation make an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 11 for carrying amount of debtors.

Notes to the Financial Statements

for the year ended 31 March 2018

3. SURPLUS FOR THE YEAR BEFORE TAXATION

The surplus for the year before taxation is stated after charging:

| | 2018 £'000 | 2017 £'000 |
|---|---------------|---------------|
| Auditor's remuneration | | |
| - Audit services Federation | 19 | 18 |
| - Audit services subsidiaries | 4 | 4 |
| - Audit services related entities | 2 | 2 |
| - Non-audit services subsidiaries | 2 | - |
| - Corporation tax compliance Federation | 2 | 2 |
| - Corporation tax compliance subsidiaries | 2 | 1 |
| - Corporation tax compliance related entities | 1 | 1 |
| Amortisation of intangible fixed assets | 15 | - |
| Depreciation of tangible fixed assets | 19 | 24 |
| Operating lease charges | 60 | 66 |
| | <hr/> | <hr/> |
| 4. TAXATION | 2018 | 2017 |
| | £'000 | £'000 |
| Corporation tax | | |
| Current tax on income for the year | 2 | - |
| Tax credit received relating to prior years | (38) | - |
| | <hr/> | <hr/> |
| | (36) | - |
| | <hr/> | <hr/> |

The Federation has tax losses carried forward of approximately £4.5 million (2017: £4.6 million)

5. EMPLOYEES

| | Group | |
|--|---------------|---------------|
| | 2018 £'000 | 2017 £'000 |
| Staff costs (including directors' emoluments): | | |
| Wages and salaries | 2,455 | 2,474 |
| Social security costs | 263 | 267 |
| Other pension costs | 123 | 132 |
| | <hr/> | <hr/> |
| Total | 2,841 | 2,873 |
| | <hr/> | <hr/> |
| | No. | No. |
| Average monthly number of persons employed by the group during the year was: | 60 | 59 |
| | <hr/> | <hr/> |

Notes to the Financial Statements

for the year ended 31 March 2018

6. DIRECTORS

| | Group | |
|----------------------------------|-------|-------|
| | 2018 | 2017 |
| | £'000 | £'000 |
| Aggregate remuneration | 245 | 245 |
| Contributions to pension schemes | 14 | 13 |
| | <hr/> | <hr/> |
| Total | 259 | 258 |
| | <hr/> | <hr/> |

Key management personnel is considered to be the executive directors whose remuneration is set out above.

Non-executive directors do not receive any emoluments from the BPIF

7. STAFF RETIREMENT BENEFITS

The British Printing Industries Federation Pension and Life Assurance scheme, which provided benefits based on final pensionable pay was closed to future accrual on 31 March 2004. A new final salary scheme (British Printing Industries Pension and Life Assurance Scheme 2004) was made available to staff who had been in the old scheme, which had reduced benefits and higher employee contributions. Alternatively, these staff were offered the option to join the defined contribution scheme already offered to all staff. The 2004 Scheme closed with effect from 31 March 2006 and has no assets or liabilities. The BPIF now contributes to defined contribution schemes for staff.

The British Printing Industries Federation Pension and Life Assurance Scheme

The date of the last full actuarial valuation was 31 March 2016. The results of this valuation, on the basis used to determine the Scheme's Technical Provision, were liabilities of £8.6 million (31 March 2013: £7.0 million) and a market value of assets of £3.8 million (31 March 2013: £3.6 million) with a deficit of £4.7 million (31 March 2013: £3.4 million) and a funding level of 45% (31 March 2013: 52%).

A qualified independent actuary has reviewed the actuarial valuations as at 31 March 2016 and updated these as at 31 March 2018. The key assumptions used, in accordance with the instructions of the directors were:

| | 2018 | 2017 |
|------------------------------------|------|------|
| | % | % |
| Discount rate | 2.73 | 2.66 |
| Rate of Price Inflation | 2.78 | 2.78 |
| Pension increases | 2.58 | 2.58 |
| Increases to pensions in deferment | 2.08 | 1.70 |

Mortality assumptions

The underlying mortality assumption is based upon the standard table known as S2PMA/S2PFA (2017: S1PMA/S1PFA) on a year of birth usage with CMI2016 (2017: CMI2013) improvement factors up to the date of measurement.

| | Male | Female |
|---|----------------|---------------|
| Member age 65 (current life expectancy) | 20 yrs 10 mths | 22 yrs 7 mths |
| Member age 45 (life expectancy at age 65) | 20 yrs 10 mths | 22 yrs 7 mths |

Notes to the Financial Statements

for the year ended 31 March 2018

7. STAFF RETIREMENT BENEFITS (continued)

The amounts recognised in the Statement of Financial Position as at 31 March 2018 are as follows:

| Amount included in the Statement of Financial Position | Group & Federation | |
|--|--------------------|---------------|
| | 2018 £'000 | 2017 £'000 |
| Fair value of plan assets: | | |
| Equities managed funds | 3,022 | 3,056 |
| Bonds managed fund | 1,313 | 1,286 |
| Cash | 44 | 151 |
| Creditors & accrued costs | - | (2) |
| | <hr/> | <hr/> |
| Fair value of assets | 4,379 | 4,491 |
| Present value of scheme liabilities | (7,164) | (7,422) |
| | <hr/> | <hr/> |
| Scheme deficit | (2,785) | (2,931) |
| | <hr/> | <hr/> |
| Net pension liability | (2,785) | (2,931) |
| | <hr/> | <hr/> |

A deferred tax asset is not recognised in relation to the net pension liability in the statement of financial position due to the uncertainty of recoverability.

| Amounts recognised in income statement | Group & Federation | |
|--|--------------------|---------------|
| | 2018 £'000 | 2017 £'000 |
| Expenses | (7) | (6) |
| Interest on net defined benefit obligation | (77) | (76) |
| | <hr/> | <hr/> |
| Total Operating Charge | (84) | (82) |
| | <hr/> | <hr/> |

| Amounts recognised in other comprehensive income | Group & Federation | |
|--|--------------------|---------------|
| | 2018 £'000 | 2017 £'000 |
| Return on scheme assets excluding interest income | 105 | 686 |
| Experience gains and losses arising on scheme liabilities | (119) | (264) |
| Changes in assumptions underlying the present value of scheme liabilities | 135 | (1,201) |
| | <hr/> | <hr/> |
| Total gain/(loss) recognised in Other Comprehensive Income/(Expenditure) during the period | 121 | (779) |
| | <hr/> | <hr/> |

Notes to the Financial Statements

for the year ended 31 March 2018

7. STAFF RETIREMENT BENEFITS (continued)

| Movements in the present value of defined benefit obligations | Group & Federation | |
|--|-------------------------------|--------------|
| | 2018 | 2017 |
| | £'000 | £'000 |
| Scheme liabilities at 1 April | (7,422) | (6,137) |
| Interest cost | (192) | (209) |
| Actuarial gains/(losses) | 16 | (1,465) |
| Benefits paid | 434 | 389 |
| | <hr/> | <hr/> |
| Scheme liabilities at 31 March | (7,164) | (7,422) |
| | <hr/> | <hr/> |
| Movements in the fair value of plan assets | Group & Federation | |
| | 2018 | 2017 |
| | £'000 | £'000 |
| Fair value of plan assets at 1 April | 4,491 | 3,897 |
| Interest income | 115 | 133 |
| Return on scheme assets excluding interest income | 105 | 686 |
| Employer contribution | 109 | 170 |
| Benefits paid | (434) | (389) |
| Expenses | (7) | (6) |
| | <hr/> | <hr/> |
| Fair value of plan assets at 31 March | 4,379 | 4,491 |
| | <hr/> | <hr/> |
| Movement in deficit during the year | Group & Federation | |
| | 2018 | 2017 |
| | £'000 | £'000 |
| Deficit in scheme at beginning of the year | (2,931) | (2,240) |
| Expenses recognised in Income Statement | (84) | (82) |
| Employer contribution | 109 | 170 |
| Actuarial gain/(loss) | 121 | (779) |
| | <hr/> | <hr/> |
| Deficit in scheme at end of the year | (2,785) | (2,931) |
| | <hr/> | <hr/> |

Notes to the Financial Statements

for the year ended 31 March 2018

7. STAFF RETIREMENT BENEFITS (continued)

Cumulative amount included in the Changes in Equity are as follows:

| | Group & Federation | |
|--|--------------------|---------|
| | 2018 | 2017 |
| | £'000 | £'000 |
| Cumulative actuarial loss at beginning of period | (2,036) | (1,257) |
| Recognised during the period | 121 | (779) |
| Cumulative actuarial loss at end of period | (1,915) | (2,036) |

Deficit funding - British Printing Industries Pension and Life Assurance Scheme

The scheme has been funded by contributions of £108,600 during the year ended 31 March 2018 (2017: £170,200), the amount estimated to clear the deficit by 30 September 2036 based on the actuarial valuation as at 31 March 2016 and the basis used in that valuation to determine the technical provisions.

The deficit repayment schedule based on the actuarial valuation at 31 March 2016 provided for BPIF to make contributions of:-

- From 1 June 2017 to 31 May 2018 a monthly contribution of £8,000
- From 1 June 2018 to 31 May 2019 a monthly contribution of £10,000
- From 1 June 2019 to 31 May 2020 a monthly contribution of £12,000
- From 1 June 2020 to 31 May 2025 the monthly contribution increases by the greater of 5% and 2% plus the increase in the Retail Prices Index over the 12 months to the preceding April with the increase for any year to not exceed 7%.
- From 1 June 2025 to 31 May 2026 a monthly contribution of £20,000
- From 1 June 2026 to 31 May 2027 a monthly contribution of £25,000
- Every 1 June thereafter this rate of monthly contribution will be increased by the greater of 5% and 2% plus the increase in the Retail Prices Index over the 12 months to the preceding April with the increase for any year to not exceed 7%.

Defined contribution arrangements

The BPIF also operates defined contribution arrangements for employees. The BPIF makes fixed contributions to schemes invested and managed independently of the BPIF. The total cost of contributions included in operating expenditure is £125,000 (2017: £132,000). At the year-end there were outstanding contributions payable of £18,000 (2017: £17,000).

Notes to the Financial Statements

for the year ended 31 March 2018

8. INTANGIBLE ASSETS (GROUP)

| | Computer software £'000 | Total £'000 |
|---------------------------------------|-------------------------------|----------------|
| Cost | | |
| At 1 April 2017 | - | - |
| Reclassification from tangible assets | 44 | 44 |
| Additions | 57 | 57 |
| | <hr/> | <hr/> |
| At 31 March 2018 | 101 | 101 |
| | <hr/> | <hr/> |
| Amortisation | | |
| At 1 April 2017 | - | - |
| Reclassification from tangible assets | 37 | 37 |
| Charged in year | 15 | 15 |
| | <hr/> | <hr/> |
| At 31 March 2018 | 52 | 52 |
| | <hr/> | <hr/> |
| Net book value | | |
| At 31 March 2018 | 49 | 49 |
| | <hr/> <hr/> | <hr/> <hr/> |
| At 31 March 2017 | - | - |
| | <hr/> <hr/> | <hr/> <hr/> |

Notes to the Financial Statements

for the year ended 31 March 2018

8. INTANGIBLE ASSETS (FEDERATION)

| | Computer software £'000 | Total £'000 |
|---------------------------------------|-------------------------------|----------------|
| Cost | | |
| At 1 April 2017 | - | - |
| Reclassification from tangible assets | 38 | 38 |
| Additions | 57 | 57 |
| | <hr/> | <hr/> |
| At 31 March 2018 | 95 | 95 |
| | <hr/> | <hr/> |
| Amortisation | | |
| At 1 April 2017 | - | - |
| Reclassification from tangible assets | 32 | 32 |
| Charged in year | 14 | 14 |
| | <hr/> | <hr/> |
| At 31 March 2018 | 46 | 46 |
| | <hr/> | <hr/> |
| Net book value | | |
| At 31 March 2018 | 49 | 49 |
| | <hr/> | <hr/> |
| At 31 March 2017 | - | - |
| | <hr/> | <hr/> |

Notes to the Financial Statements

for the year ended 31 March 2018

9. TANGIBLE ASSETS (GROUP)

| | Freehold land and buildings £'000 | Furniture, fittings and equipment £'000 | Computer equipment £'000 | Total £'000 |
|---------------------------------------|--|---|--------------------------------|----------------|
| Cost | | | | |
| At 1 April 2017 | 529 | 247 | 159 | 935 |
| Reclassification to intangible assets | - | - | (44) | (44) |
| Additions | - | 1 | 16 | 17 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2018 | 529 | 248 | 131 | 908 |
| Depreciation | | | | |
| At 1 April 2017 | 120 | 235 | 146 | 501 |
| Reclassification to intangible assets | - | - | (37) | (37) |
| Charged in year | 10 | 5 | 4 | 19 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2018 | 130 | 240 | 113 | 483 |
| Net book value | | | | |
| At 31 March 2018 | 399 | 8 | 18 | 425 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2017 | 409 | 12 | 13 | 434 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Notes to the Financial Statements

for the year ended 31 March 2018

9. TANGIBLE ASSETS (FEDERATION)

| | Freehold land and buildings £'000 | Furniture, fittings and equipment £'000 | Computer equipment £'000 | Total £'000 |
|---------------------------------------|--|---|--------------------------------|----------------|
| Cost | | | | |
| At 1 April 2017 | 529 | 247 | 153 | 929 |
| Reclassification to intangible assets | - | - | (38) | (38) |
| Additions | - | 1 | 16 | 17 |
| At 31 March 2018 | 529 | 248 | 131 | 908 |
| Depreciation | | | | |
| At 1 April 2017 | 120 | 235 | 141 | 496 |
| Reclassification to intangible assets | - | - | (32) | (32) |
| Charged in year | 10 | 5 | 4 | 19 |
| At 31 March 2018 | 130 | 240 | 113 | 483 |
| Net book value | | | | |
| At 31 March 2018 | 399 | 8 | 18 | 425 |
| At 31 March 2017 | 409 | 12 | 12 | 433 |

10. INVESTMENTS

Investments in subsidiaries

| | Federation | |
|--|---------------|---------------|
| | 2018 £'000 | 2017 £'000 |
| Cost at 31 March 2017 and 31 March 2018 | - | - |

The consolidated financial statements include the results of the following trading subsidiary undertakings:

| Company name | Country of incorporation | Nature of Business | Shareholding |
|-------------------------------|-----------------------------|-----------------------|--------------|
| BPIF Training Limited | England and Wales | Training Provider | 100% |
| BPIF Legal Limited | England and Wales | Legal Practice | 100% |
| BPIF Limited | England and Wales | Dormant | 100% |
| BPIF Pension Trustees Limited | England and Wales | Dormant | 100% |

BPIF Limited and BPIF Pension Trustees Limited are not included in the consolidated accounts as they are dormant.

Notes to the Financial Statements

for the year ended 31 March 2018

11. DEBTORS

| | Group | | Federation | |
|--------------------------------|---------------|---------------|---------------|---------------|
| | 2018 £'000 | 2017 £'000 | 2018 £'000 | 2017 £'000 |
| Trade debtors | 474 | 223 | 329 | 191 |
| Other debtors | 27 | 15 | 26 | 15 |
| Prepayments and accrued income | 240 | 238 | 122 | 137 |
| Intercompany debtors | - | - | 41 | 2 |
| | <u>741</u> | <u>476</u> | <u>518</u> | <u>345</u> |

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Federation | |
|------------------------------------|---------------|---------------|---------------|---------------|
| | 2018 £'000 | 2017 £'000 | 2018 £'000 | 2017 £'000 |
| Trade creditors | 248 | 246 | 210 | 213 |
| Corporation tax | 2 | - | - | - |
| Other taxation and social security | 218 | 201 | 196 | 182 |
| Other creditors | 121 | 150 | 107 | 147 |
| Accruals and other deferred income | 775 | 855 | 196 | 218 |
| Intercompany creditors | - | - | 820 | 840 |
| | <u>1,364</u> | <u>1,452</u> | <u>1,529</u> | <u>1,600</u> |

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group | | Federation | |
|-----------------|---------------|---------------|---------------|---------------|
| | 2018 £'000 | 2017 £'000 | 2018 £'000 | 2017 £'000 |
| Other creditors | 43 | - | 43 | - |
| | <u>43</u> | <u>-</u> | <u>43</u> | <u>-</u> |

Notes to the Financial Statements

for the year ended 31 March 2018

14. DEFERRED TAXATION

| | Group | | Federation | |
|--------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Unprovided 2018 £'000 | Unprovided 2017 £'000 | Unprovided 2018 £'000 | Unprovided 2017 £'000 |
| Accelerated capital allowances | 67 | 83 | 67 | 83 |
| Short term timing differences | 10 | 7 | 10 | 7 |
| Losses carried forward | 857 | 874 | 849 | 866 |
| FRS 102 pension deficit | 529 | 557 | 529 | 557 |
| | <u>1,463</u> | <u>1,521</u> | <u>1,455</u> | <u>1,513</u> |

The deferred taxation asset detailed above has not been recognised in the financial statements of the Federation or the Group as profits are not anticipated to arise in the immediate future.

15. OPERATING LEASE COMMITMENTS

At the reporting end date the group had future minimum operating lease payments under non-cancellable operating leases which fall due as follows:

| | Group | |
|----------------------------|---------------|---------------|
| | 2018 £'000 | 2017 £'000 |
| Within one year | 60 | 60 |
| Between two and five years | 50 | 110 |
| | <u>110</u> | <u>170</u> |

16. RELATED PARTY TRANSACTIONS

The board of BPIF includes representatives of various companies that pay subscriptions to BPIF.

The subscription income relates to income received from British Printing Industries Federation Limited, a company limited by guarantee in England and Wales. This company is one of two members of BPIF along with BPIF 2009 Limited and is the vehicle by which the members of BPIF enjoy limited liability status. At the year end a balance of £365,671 (2017: £490,440) was due to British Printing Industries Federation Limited from BPIF. BPIF has provided a direct debit guarantee to Barclays Bank in respect of transactions with British Printing Industries Federation Limited.

The non-executive directors of the federation are directors or senior managers of member companies that have subscribed to membership during the year and purchased other services as arms-length transactions at market rates.