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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

Year ended:

List No:

Head or Main Office:

Website address (if available)

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

General Secretary:

Contact name for queries regarding the completion of this return:

Telephone Number:

e-mail:

PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.
Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 0330 109 3602

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
Lower Ground Floor, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX

For Employers' Associations based in Scotland:
Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG



Title of Office	Name of Officer	
National President	Linda	Sood
National Vice President	Mike	Mitchelson
National Deputy President	Stuart	Reddish
Immediate Past President	Ray	Monelle
National Trustee	Sam	Whiteside
National Trustee	Dee	Goberdhan
National Trustee	Pradip	Amin
National Finance Committee	Martin	Ward
National Finance Committee	Sunil	Patel
National Executive Committee	Jason	Birks
National Executive Committee	Muntazir	Dipoti
National Executive Committee	John	Parkinson
National Executive Committee	Steve	Archer
National Executive Committee	Kamal	Thakar
National Executive Committee	Peter	Wagg
National Councillor	Hussan	Lal
National Councillor	Abdul	Qadar
National Councillor	Gain	Woodrow
National Councillor	Martin	Ward
National Councillor	Colin	Reed
National Councillor	Andrew	Taylor
National Councillor	James	Wilkinson
National Councillor	Hanif	Khonat
National Councillor	Sulaman	Khonat
National Councillor	John	Green
National Councillor	Sunilkumar	Pael
National Councillor	Sukhdeep	Balaghan
National Councillor	Narinder	Randhawa
National Councillor	Manjit	Samra
National Councillor	Owen	Church
National Councillor	Josephine	Dixon
National Councillor	Peter	Robinson
National Councillor	Mark	Ddden
National Councillor	Andrea	Monelle
National Councillor	John	Jackson
National Councillor	Roy	Crawford
National Councillor	Andrew	White
National Councillor	Ralph	Patel
National Councillor	Devendra	Patel
National Councillor	Pravin	Shah
National Councillor	Nelish	Patel
National Councillor	Naresh	Prohit
National Councillor	Hitesh	Pandya
National Councillor	Michael	Garner
National Councillor	Bhevesh	Patel
National Councillor	Gwen	Patterson
National Councillor	Judith	Mercer
National Councillor	Martin	Mulligan
National Councillor	Peter	Steemers

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
12,247	567	294	44	13,152

OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
National President	Mr R Monelle	Mrs L Sood	June 2017
National Vice President	Mrs L Sood	Mr M Mitchelson	June 2017
Immediate Past President	Mr R Petel	Mr R Monelle	June 2017
National Deputy Vice President	Mr M Mitchelson	Mr S Reddish	June 2017

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£	£
	INCOME		
3,900,361	From Members Subscriptions, levies, etc	3,716,825	
-	Investment income Interest and dividends (gross)	-	
-	Bank interest (gross)	-	
14,756	Other interest	3,923	
79,560	Other income Rents received	79,560	
-	Insurance commission	-	
-	Consultancy fees	-	
200,000	Publications/Seminars	200,000	
13,798	Other income	4,474	
4,208,475	TOTAL INCOME		4,004,782
	EXPENDITURE		
	Administrative expenses		
2,630,314	Remuneration and expenses of staff	2,752,986	
156,414	Occupancy costs	177,539	
43,992	Printing, Stationery, Post & Telephones	45,897	
159,045	Legal and Professional fees	117,256	
	Miscellaneous (specify)		
66,609	Computer costs	72,403	
123,461	Collection costs	126,446	
(45,479)	Sundries	(34,169)	
-	HR/Training/Recruitment	50,104	
68,871	Net transfers from reserves	-	
-	Provision for NFRN Commercial	(74,995)	
9,284	Other charges: Bank charges	8,535	
20,194	Depreciation	31,551	
705,755	Conference & Meeting Fees	237,889	
186,341	Publications & Promotional Services	182,870	
104,149	Call Centre	102,743	
(13,550)	Foreign Currency Translation	(753)	
(54,932)	Fair value movement on revaluation	(92,557)	
25,000	Increase of Provision against NFRN Commercial	958,989	
-	Exceptional costs (liquidation of NFRN Commercial)		
4,185,468			4,662,734
20,004	Taxation		15,414
4,205,472	TOTAL EXPENDITURE		4,678,147
3,003	Surplus/Deficit for year		(673,366)
4,484,495	Amount of fund at beginning of year		4,487,498
4,487,498	Amount of fund at end of year		3,814,132

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 2		Fund Account	
Name of account: Benefits Fund		£	£
Income			
From members		-	
Investment income		67,972	
Other income (specify)			
Dividend		166,667	
Profit on sale of investments		-	
Rent received		10,000	
Interest received		75	
	Total Income		244,714
Expenditure			
Administrative expenses		8,536	
Other expenditure (specify)			
ROI office costs		5,533	
Benefits paid		77,337	
Legal advice & claims line		207,973	
Interest payable		3,833	
Fair value movement on revaluation of investment		(299,554)	
Loss on disposal of listed investments		82,529	
	Total Expenditure		86,187
	Surplus (Deficit) for the year		158,527
	Amount of fund at beginning of year		3,131,417
	Amount of fund at the end of year (as Balance Sheet)		3,289,944

ACCOUNT 3		Fund Account	
Name of account: Ratcliffe Fund		£	£
Income			
From members		-	
Investment income		211	
Other income (specify)			
Donations		17,375	
	Total Income		17,586
Expenditure			
Administrative expenses		646	
Other expenditure (specify)			
Grants paid		1,248	
	Total Expenditure		1,894
	Surplus (Deficit) for the year		15,692
	Amount of fund at beginning of year		218,964
	Amount of fund at the end of year (as Balance Sheet)		234,656

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 4		Fund Account	
Name of account: Carl Bridgewater Fund		£	£
Income			
	From members	-	
	Investment income	43	
	Other income (specify)		
	Donations	400	
	Total Income		443
Expenditure			
	Administrative expenses	-	
	Other expenditure (specify)		
	Grants paid	2,150	
	Total Expenditure		2,150
	Surplus (Deficit) for the year		(1,707)
	Amount of fund at beginning of year		173,137
	Amount of fund at the end of year (as Balance Sheet)		171,430

ACCOUNT 5		Fund Account	
Name of account: N/A		£	£
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: N/A		£	£
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: N/A		£	£
Income	From members Investment income Other income (specify)		
		Total Income	
Expenditure	Administrative expenses Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

BALANCE SHEET AS AT 31st DECEMBER 2017

(see notes 19 and 20)

Previous Year		£	£
3,987,599	Fixed Assets (as at page 11)		4,129,582
	Investments (as per analysis on page 13)		
2,707,473	Quoted (Market value)	2,711,498	
540,006	Unquoted	150,003	
	Total Investments		2,861,501
3,247,479	Other Assets		
839,705	Sundry debtors	685,043	
754,868	Cash at bank and in hand	545,986	
-	Stocks of goods	-	
	Others (specify)		
20,004	Tax repayable	-	
	Total of other assets		1,231,029
1,614,577			
8,849,655		TOTAL ASSETS	8,222,112
4,487,498	General Fund (Account 1)	3,814,132	
3,131,417	Benefits Fund (Account 2)	3,289,944	
218,964	Ratcliffe Fund (Account 3)	234,656	
173,137	Carl Bridgewater Fund (Account 4)	171,430	
8,011,016			7,510,162
	Liabilities		
-	Loans	-	
-	Bank overdraft	-	
20,419	Tax payable	15,851	
677,441	Sundry creditors	436,940	
140,779	Accrued expenses	259,159	
	Provisions	-	
	Other liabilities	-	
838,639		TOTAL LIABILITIES	711,950
8,849,655		TOTAL ASSETS	7,510,162

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period	3,799,863	114,322	73,414	3,987,599
Additions during period	-	21,223	67,381	88,604
Revaluations during period	92,557			92,557
Less: Disposals during period	-	-	(8,259)	(8,259)
Less: DEPRECIATION:	-	(14,477)	(16,442)	(30,919)
Total to end of period				
BOOK AMOUNT at end of period	3,892,420	121,068	116,094	4,129,582
Freehold	3,842,681			3,842,681
Leasehold (50 or more years unexpired)	49,739			49,739
Leasehold (less than 50 years unexpired)	-			-
AS BALANCE SHEET	3,892,420			3,892,420

ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
QUOTED	British Government & British Government Guaranteed Securities	234,538
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	Fixed Interest Securities	204,589
	Equities	1,727,906
	Managed Property Funds	217,939
	Emerging Economies	98,236
	Other Alternative Assets	217,666
	Cash held for investment	10,624
	TOTAL QUOTED (as Balance Sheet) *	2,711,498
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	NFRN Holdings	3
	Newtrade Publishing Ltd	150,000
	TOTAL UNQUOTED (as Balance Sheet)	150,003

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

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME NFRN Holdings Limited Newtrade Publishing Limited Newtrade Media Limited NFRN Commercial Ltd	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered) 04588787 00454555 09338494 02907790		
INCORPORATED EMPLOYERS' ASSOCIATIONS			
Are the shares which are controlled by the association registered in the association's name		YES <input type="checkbox"/>	NO <input type="checkbox"/>
If NO, please state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
UNINCORPORATED EMPLOYERS ASSOCIATIONS			
Are the shares which are controlled by the association registered in the names of the association's trustees?		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME NFRN Holdings Limited Newtrade Publishing Limited Newtrade Media Limited NFRN Commercial Ltd	NAMES OF SHAREHOLDERS 100% owned by Trustees of the Benefits Fund 100% owned by the NFRN Holdings Ltd 100% owned by Newtrade Publishing Ltd 100% owned by Trustees of the General Fund		

SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	3,716,825	-	3,716,825
From Investments	72,224	-	72,224
Other Income (including increases by revaluation of assets)	478,476	-	478,476
Total Income	426,725	-	426,725
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	4,768,379	-	4,768,379
Funds at beginning of year (including reserves)	8,011,016	-	8,011,016
Funds at end of year (including reserves)	7,510,162	-	7,510,162
ASSETS			
Fixed Assets			4,129,582
Investment Assets			2,861,501
Other Assets			1,231,029
		Total Assets	8,222,112
LIABILITIES			
		Total Liabilities	711,950
NET ASSETS (Total Assets less Total Liabilities)			7,510,162

NOTES TO THE ACCOUNTS

(see note 36)

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

See attached

ACCOUNTING POLICIES

(see notes 37 and 38)

SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u>[Signature]</u> Name: <u>JIVANT REDDISA</u> Date: <u>30/5/18</u>	Chairman's Signature: <u>MP Ward</u> (or other official whose position should be stated) Name: <u>MARTIN WARD</u> Date: <u>30/5/18</u>
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CHECK LIST

(see note 41)

(please tick as appropriate)

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

AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

YES/~~NO~~

If "No" please explain below.

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

YES/~~NO~~

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in note 43)

YES/~~NO~~

If "No" please explain below.

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

AUDITOR'S REPORT (continued)

See attached

Signature(s) of auditor or auditors:	Grant Thornton UK LLP	
Name(s):	GRANT THORNTON UK LLP	
Profession(s) or Calling(s):	CHARTERED ACCOUNTANTS & REGISTERED AUDITORS	
Address(es):	80, COMPAIR CRESCENT, IPSWICH, SUFFOLK IP2 0EH	
Date:	30 / 5 / 18	
Contact name and telephone number:	TIM TAYLOR 01473 221491	

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

Independent Auditors' Report to the Trustees of the National Federation of Retail Newsagents

For the Year ended 31 December 2017

Opinion

We have audited the financial statements of National Federation of Retail Newsagents (the 'Federation') for the year ended 31 December 2017 which comprise: The Combined Income and Expenditure Account, Balance Sheet and Cash Flow, The General Fund Income and Expenditure Account and Balance Sheet; the Benefit Fund Income and Expenditure Account and Balance Sheet; the Ratcliffe Benevolent Fund Income and Expenditure Account and Balance Sheet; the Carl Bridgewater Fund Income and Expenditure Account and Balance Sheet; and 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, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Federation's affairs as at 31 December 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

Basis for opinion

We have been appointed as auditor under section 33 of the Trade Union and Labour Relations (Consolidation) Act 1992 and report in accordance with regulations made under section 33 of that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Federation 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.

Who we are reporting to

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

Independent Auditors' Report to the Trustees of the National Federation of Retail Newsagents (continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, set out on pages 1 to 3 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

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

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 3, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing 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 trustees either intend to liquidate the federation or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Trustees of the National Federation of Retail Newsagents (continued)

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Paul Dearsley FCA ACCA

Grant Thornton UK LLP
Registered Auditor
Chelmsford

Date

24/4/2015

Notes to the financial statements

For the Year ended 31 December 2017

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

The following principal accounting policies have been applied:

2.2 Basis of combination

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

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

2.3 Going concern

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

2.4 Foreign Exchange Conversions

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

Notes to the financial statements

For the Year ended 31 December 2017

2.5 Tangible fixed assets and depreciation

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

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

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

Investment property

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

2.6 Leasing and rental transactions

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

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

2.7 Capitation fees

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

2.8 Valuation of investments

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

Trade investments are stated at historic cost.

2.9 Pensions

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

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

Notes to the financial statements

For the Year ended 31 December 2017

3. Judgements in applying key accounting policies

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

4. Surplus for the year before taxation and reserve transfers

	2017	2016
	£	£
Surplus for the year is after charging/(crediting):		
Auditors remuneration	44,950	30,000
Depreciation of tangible fixed assets:		
Charge for the year	35,565	26,972
Provisions and Fund transfers:		
Release of provisions relating to NFRN Commercial Ltd	(74,995)	-
Release of provision against loan to NFRN Commercial Ltd	-	25,000
Exceptional costs *	958,989	-
Hire of other assets – operating leases	64,536	151,902
	<u>64,536</u>	<u>151,902</u>

* Exceptional costs consist of balances written off following the liquidation of NFRN Commercial Ltd, as follows;

	£
Sales ledger balance	374,771
Intercompany balance	69,854
Shares held in NFRN Commercial Ltd (note 8(b))	390,003
Intercompany loan	124,351
	<u>124,351</u>

Notes to the financial statements

For the Year ended 31 December 2017

5. Taxation

Combined and General fund

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

	2017 £	2016 £
Domestic current year tax		
U.K. corporation tax	15,414	19,993
Adjustment in respect of previous periods	-	11
Total current tax	<u>15,414</u>	<u>20,004</u>

Factors affecting the year

The tax assessed for the year is higher than (2016 – lower than) the standard rate of corporation tax due in the UK of 19.25% (2016 – 20%). The differences are explained below:

	2017 £	2016 £
(Deficit)/Surplus before taxation, reserve transfers	(485,440)	374,719
(Deficit)/Surplus before taxation and reserve transfers multiplied by standard rate of corporation tax in the UK of 19.25% (2016 – 20%)	(93,447)	74,944
Effects of:		
Expenses not deductible for tax purposes	711,217	859,928
Expenses not deductible for tax purposes – exceptional cost	184,605	-
Non-taxable income	(817,789)	(914,879)
Adjustment in respect of prior period	-	11
Total tax charge for the year	<u>15,414</u>	<u>20,004</u>

Notes to the financial statements

For the Year ended 31 December 2017

6. Tangible fixed assets**(a) Combined**

	Freehold property £	Long leasehold £	Fixtures and fittings £	Computer £	Motor vehicles £	Total £
Cost						
At 1 January 2017	1,477,116	49,739	685,365	559,764	79,043	2,851,027
Additions	-	-	-	21,223	67,381	88,604
Disposals	-	-	-	-	(8,259)	(8,259)
At 31 December 2017	<u>1,477,116</u>	<u>49,739</u>	<u>685,365</u>	<u>580,987</u>	<u>138,165</u>	<u>2,931,372</u>
Depreciation						
At 1 January 2017	-	-	580,765	550,042	5,629	1,136,436
Charge for the year	-	-	7,008	7,469	21,088	35,565
On disposals	-	-	-	-	(4,646)	(4,646)
At 31 December 2017	<u>-</u>	<u>-</u>	<u>587,773</u>	<u>557,511</u>	<u>22,071</u>	<u>1,167,355</u>
Net book value						
At 31 December 2017	<u>1,477,116</u>	<u>49,739</u>	<u>97,592</u>	<u>23,475</u>	<u>116,094</u>	<u>1,764,017</u>
At 31 December 2016	<u>1,477,116</u>	<u>49,739</u>	<u>104,600</u>	<u>9,722</u>	<u>73,414</u>	<u>1,714,591</u>

The net book value of assets held under HP is £110,566 (2016 - £63,646). The depreciation charge in respect of these assets is £21,088 (2016 - £1,354).

Notes to the financial statements

For the Year ended 31 December 2017

(b) General Fund

	Freehold property £	Fixtures and fittings £	Computer £	Motor vehicles £	Total £
Cost					
At 1 January 2017	1,145,663	653,483	557,130	79,043	2,435,319
Additions	-	-	21,223	67,381	88,604
Disposals	-	-	-	(8,259)	(8,259)
At 31 December 2017	<u>1,145,663</u>	<u>653,483</u>	<u>578,353</u>	<u>138,165</u>	<u>2,515,664</u>
Depreciation					
At 1 January 2017	-	575,451	548,578	5,629	1,129,658
Charge for the year	-	3,820	6,591	21,088	31,499
On disposals	-	-	-	(4,646)	(4,646)
At 31 December 2017	<u>-</u>	<u>579,271</u>	<u>555,169</u>	<u>22,071</u>	<u>1,156,511</u>
Net book value					
At 31 December 2017	<u>1,145,663</u>	<u>74,212</u>	<u>23,183</u>	<u>116,094</u>	<u>1,359,153</u>
At 31 December 2016	<u>1,145,663</u>	<u>78,032</u>	<u>8,552</u>	<u>73,414</u>	<u>1,305,661</u>

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

The net book value of assets held under HP is £110,566 (2016 - £63,646). The depreciation charge in respect of these assets is £21,088 (2016 - £1,354).

(c) Benefits Fund

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Computer £	Total £
Cost					
At 1 January 2017	331,453	49,739	31,882	2,634	415,708
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2017	<u>331,453</u>	<u>49,739</u>	<u>31,882</u>	<u>2,634</u>	<u>415,708</u>
Depreciation					
At 1 January 2017	-	-	5,314	1,464	6,778
Charge for the year	-	-	3,188	878	4,066
At 31 December 2017	<u>-</u>	<u>-</u>	<u>8,502</u>	<u>2,342</u>	<u>10,844</u>
Net book value					
At 31 December 2017	<u>331,453</u>	<u>49,739</u>	<u>23,380</u>	<u>292</u>	<u>404,864</u>
At 31 December 2016	<u>331,453</u>	<u>49,739</u>	<u>26,568</u>	<u>1,170</u>	<u>408,930</u>

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

Notes to the financial statements

For the Year ended 31 December 2017

(d) Investment Property – General Fund and Combined

Valuation	2017 £	2016 £
At 1 January 2017 (1 January 2016)	2,273,008	2,218,076
Fair value movement on revaluation	92,557	54,932
At 31 December 2017 (31 December 2016)	2,365,565	2,273,008

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

7. Listed investments

(a) Combined and Benefits Fund

Valuation	£
At 1 January 2017	2,707,473
Additions	321,868
Disposals	(617,179)
Revaluation	299,336
At 31 December 2017	2,711,498

Market value broken down as follows:	2017 £	2016 £
UK Fixed Interest	439,127	406,195
UK Equities	814,136	831,009
European Equities	204,250	180,631
North American Equities	445,073	402,920
Japanese Equities	139,818	115,716
Far East & Australian Equities	124,629	174,975
Emerging Economies	98,236	97,064
UK Property	217,939	270,931
Alternative Assets	217,666	219,176
Cash	10,624	8,856
	2,711,498	2,707,473

Historical cost	£
At 1 January 2017	1,843,597
Additions	321,868
Disposals	(617,179)
At 31 December 2017	1,548,104

Notes to the financial statements

For the Year ended 31 December 2017

8. Trade Investments

(a) Combined

Cost	2017 £	2016 £
At 1 January 2017 (1 January 2017)	540,006	540,006
Amounts written off	(390,003)	-
At 31 December 2017 (31 December 2017)	<u>150,003</u>	<u>540,006</u>

(b) General Fund

	2017 £	2016 £
NFRN Commercial Ltd		
390,003 Ordinary shares of £1 each (note 4)	-	390,003
	<u>-</u>	<u>390,003</u>

NFRN Commercial Ltd is a company registered in England and Wales and is wholly owned by the General Fund. The company began liquidation proceedings in January 2018 and no return on the investment is expected.

Notes to the financial statements

For the Year ended 31 December 2017

(c) Benefits Fund

	2017	2016
	£	£
Newtrade Publishing Limited *	150,000	150,000
NFRN Holdings Limited	3	3
	<u>150,003</u>	<u>150,003</u>

Holdings of more than 20%

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

Company	Country of registration of incorporation	Principal activity	Shares held		Capital and reserves £	Profit or loss for the year £
			Class	%		
Subsidiary undertakings						
NFRN Holdings Limited	UK	Holding	Ordinary	100	3	166,667
Newtrade Publishing Limited *	UK	Publishing	Ordinary	100	1,881,072	48,808
Newtrade Media Limited **	UK	Dormant	Ordinary	100	1	-

* Shares held via NFRN Holdings Limited

** Shares held via Newtrade Publishing Limited

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

	2017	2016
	£	£
Profit and loss reserve		
At 1 January 2017	1,843,597	1,731,320
Profit for the year	48,808	278,944
Dividends paid	(167,333)	(166,667)
At 31 December 2017	<u>1,725,072</u>	<u>1,843,597</u>
Balance sheet		
Called up share capital	150,000	150,000
Share premium account	6,000	6,000
Profit and loss account	1,725,072	1,843,597
Shareholders' funds	<u>1,881,072</u>	<u>1,999,597</u>

Notes to the financial statements

For the Year ended 31 December 2017

9. Debtors: Amounts falling due within one year

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge-water Fund £	Combined 2017 £	Combined 2016 £
Amounts owed by group undertakings	52,825	-	-	-	52,825	264,432
Other debtors	111,549	8,536	3,474	1,151	124,711	131,916
Prepayments and accrued income	507,508	-	-	-	507,507	463,361
	671,882	8,536	3,474	1,151	685,043	859,709

Included in the General Fund is £nil (2016 -£124,352) due in more than one year.

Included in the General Fund is a provision of £nil (2016 - £85,000) against an amount owed by a group undertaking.

10. Creditors: Amounts falling due within one year

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge-water Fund £	Combined 2017 £	Combined 2016 £
Amounts owed to group undertakings	15,285	-	-	-	15,285	193,148
Taxation	15,425	-	238	188	15,851	20,419
Other taxation and social security	164,850	-	-	-	164,850	173,786
Other creditors	414,747	-	-	-	414,747	388,235
Amounts due under hire purchase	40,436	-	-	-	40,436	20,423
	650,743	-	238	188	651,169	796,011

Notes to the financial statements

For the Year ended 31 December 2017

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

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge-water Fund £	Combined 2017 £	Combined 2016 £
Amounts due under hire purchase	60,781	-	-	-	60,781	42,628
	<u>60,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,781</u>	<u>42,628</u>

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

	2017 £	2016 £
Amounts due under hire purchase (1 – 2 years)	43,585	21,738
Amounts due under hire purchase (2 – 5 years)	17,196	20,890
	<u>60,781</u>	<u>42,628</u>

12. Reserves**Property and equipment reserve**

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge-water Fund £	Combined 2017 £	Combined 2016 £
At 1 January 2017	1,305,661	-	-	-	1,305,661	1,243,722
Transfer from income and expenditure account	-	-	-	-	-	61,939
At 31 December 2017	<u>1,305,661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,305,661</u>	<u>1,305,661</u>

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

Investment property reserve

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge-water Fund £	Combined 2017 £	Combined 2016 £
At 1 January 2017	2,273,011	-	-	-	2,273,011	2,218,079
Transfer from capital reserve	-	-	-	-	-	54,932
At 31 December 2017	<u>2,273,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,273,011</u>	<u>2,273,011</u>

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

Notes to the financial statements

For the Year ended 31 December 2017

Capital account

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge-water Fund £	Combined 2017 £	Combined 2016 £
At 1 January 2017	726,826	3,131,417	218,964	173,137	4,250,344	3,964,401
(Deficit)/Surplus for the year after taxation	(673,366)	158,527	15,692	(1,707)	(500,854)	354,814
Transfer to Property & Equipment reserve	-	-	-	-	-	(61,939)
Transfer to investment property reserve	-	-	-	-	-	(54,932)
Transfer from Yeoman House Development reserve	-	-	-	-	-	23,000
Transfer from Development reserve	-	-	-	-	-	25,000
At 31 December 2017	53,460	3,289,944	234,656	171,430	3,749,490	4,250,344

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

Strategic reserve

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge-water Fund £	Combined 2017 £	Combined 2016 £
At 1 January 2017	100,000	-	-	-	100,000	100,000
Transfer (to)/from income and expenditure account	-	-	-	-	-	-
At 31 December 2017	100,000	-	-	-	100,000	100,000

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

Notes to the financial statements

For the Year ended 31 December 2017

Yeoman House Development reserve

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge-water Fund £	Combined 2017 £	Combined 2016 £
At 1 January 2017	82,000	-	-	-	82,000	105,000
Transfer to income and expenditure account	-	-	-	-	-	(23,000)
At 31 December 2017	<u>82,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,000</u>	<u>82,000</u>

This reserve represents a development reserve for Yeoman House.

Development reserve

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge-water Fund £	Combined 2017 £	Combined 2016 £
At 1 January 2017	-	-	-	-	-	25,000
Transfer to income and expenditure account	-	-	-	-	-	(25,000)
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

This reserve represents funds set aside for member store development.

13. Employee Costs – Combined and General Fund

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

	2017 £	2016 £
Wages and salaries	1,602,286	1,860,952
Social security costs	190,524	200,277
Cost of defined contribution scheme	87,862	112,213
	<u>1,880,672</u>	<u>2,173,442</u>

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

	2017 No	2016 No
Head office	19	20
Districts	40	44
	<u>59</u>	<u>64</u>

Notes to the financial statements

For the Year ended 31 December 2017

14. Pension Costs

Defined Benefit

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

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

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

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

The last valuation was carried out as at 31 March 2017. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 3.8% per annum and that salary increases would average 3.2% per annum.

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

Pension contributions to the Federation pension scheme for the year amounted to £89,416 (2016 - £84,180).

Defined Contribution

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

Contributions payable by the Federation for the year amounted to £29,523 (2016 - £28,033).

Notes to the financial statements

For the Year ended 31 December 2017

15. Leasing Commitments - Combined

	Land and Buildings 2017 £	Other 2017 £	Land and Buildings 2016 £	Other 2016 £
Within 1 year	-	40,436	-	22,992
In 2 to 5 years	-	60,781	-	7,327
Greater than 5 years	-	-	-	-
	-	<u>101,217</u>	-	<u>30,319</u>

16. Control

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

17. Related Party Transactions

(a) General Fund

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

	2017 £	2016 £
Net recharge to/(from):		
NFRN Commercial Ltd	252,799	329,685
Newtrade Publishing Limited	266,882	196,159
National Newsagent Network Limited	<u>950</u>	<u>1,142</u>

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

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

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

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

	2017 £	2016 £
NFRN Commercial Ltd *	-	191,836
Newtrade Publishing Limited	215	903
National Newsagent Network Limited	52,550	51,600
NFRN Defined Benefits Pension	<u>12,889</u>	<u>52,821</u>

* All balances with NFRN Commercial Ltd were written off following NFRN Commercial's liquidation. A detail analysis of balances written off in the year can be found within note 4.

Total remuneration in respect of key management personnel is £294,560 (2016 - £270,436)

Notes to the financial statements

For the Year ended 31 December 2017

(a) Benefits Fund

The Benefits Fund received dividends of £166,667 (2016 - £166,667) from NFRN Holdings Limited.

18. Contingent liabilities

The Federation acts as guarantor in respect of loans advanced by the NFRN Credit Union. At the balance sheet date, the value of loans advanced is £nil (2016 - £nil).

19. Financial instruments

	Combined 2017 £	Combined 2016 £
Financial assets		
Financial assets measured at fair value through profit and loss	598,811	1,691,222
Financial assets measured at amortised cost	<u>2,711,498</u>	<u>2,707,473</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>858,180</u>	<u>644,704</u>

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

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

Financial liabilities measured at amortised cost comprises trade creditors, other creditors and accruals.

20. Events After The Balance Sheet Date

In January 2018, NFRN Commercial Ltd, a wholly owned subsidiary of the federation entered liquidation. NFRN have decided to write off all balances held with NFRN Commercial Ltd, as detailed in note 4.

Staff employed by NFRN Commercial Ltd were also transferred to the federation in January 2018 and the federation have also assumed their respective pension liabilities at this time. Detail relating to the pension scheme for the federation can be found within note 14.

NFRN Commercial Ltd had also leased office space at Yeoman House, Sekforde Street, London, EC1R 0HF which are included within Investment Properties within note 6 to the accounts. This office space has now been returned to the federation and as such will be transferred back to freehold property after the year end.