

## Form AR27

Trade Union and Labour relations (Consolidation) Act 1992

### Employers' Association's details

Name of Employers' Association:

National Federation of Retail Newsagents

Year ended:

31<sup>st</sup> December 2018

List number:

67E

Head or Main Office:

Yeoman House  
Sekforde Street  
London  
EC1R 0HF

Has the address changed during the year to which the return relates?

Yes

No

X

(Tick as appropriate)

Website address (if available)

General Secretary:

Mike Mitchelson

Contact name for queries regarding the completion of this return:

Sanjiv Dembla

Telephone Number:

0207 017 8855

E-mail:

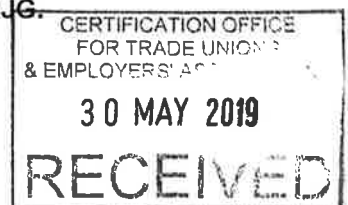
Sanjiv.dembla@nfrn.org.uk

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.



## 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
<b>11,441</b>	<b>535</b>	<b>248</b>	<b>44</b>	<b>12,268</b>

## Change of officers

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

Position held	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
National President	Mrs L Sood	Mr M Mitchelson	June 2018
National Vice President	Mr M Mitchelson	Mr S Reddish	June 2018
Immediate Vice President	Mr R Monelle	Mrs L Sood	June 2018
National Deputy Vice President	Mr S Reddish	Mr M Dipoti	June 2018

## Officers in post

(see note 10)

Please insert a complete list of all officers in post at the end of the year to which this form relates.

Name of Officer		Position Held
Michael	Mitchelson	National President
Stuart	Reddish	National Vice President
Muntazir	Dipoti	National Deputy Vice President
Linda	Sood	Immediate Past President
Martin	Ward	National Trustee
Sunilkumar	Patel	National Trustee
Nilesh	Patel	National Trustee
Shahid	Razzaq	National Finance Committee
James	Wilkinson	National Finance Committee
Jason	Birks	National Executive Committee
John	Parkinson	National Executive Committee
Peter	Wagg	National Executive Committee
Bhavesh	Patel	National Executive Committee
Gwen	Patterson	National Executive Committee
Hussan	Lal	National Councillor
David	Woodrow	National Councillor
Gail	Winfield	National Councillor
Colin	Reed	National Councillor
Paul	Donovan	National Councillor
Andrew	Taylor	National Councillor
Tas	Sangha	National Councillor
Suleman	Khonat	National Councillor
Hanif	Khonat	National Councillor
Arif	Mohammed	National Councillor
John	Green	National Councillor
Stuart	McClymont	National Councillor
Hamalata	Patel	National Councillor
Narinder	Randhawa	National Councillor
Julia	Bywater	National Councillor
Sukhdeep	Balaghan	National Councillor
Owen	Church	National Councillor
Josephine	Dixon	National Councillor
Mark	Dudden	National Councillor
Peter	Robinson	National Councillor
Ray	Monelle	National Councillor
Andrea	Monelle	National Councillor
Andrew	White	National Councillor
Roy	Crawford	National Councillor
Devendra	Patel	National Councillor
Pravin	Shah	National Councillor

Kamal	Thaker	National Councillor
Hetal	Patel	National Councillor
Kishore	Chandarana	National Councillor
Jeet	Chopra	National Councillor
Naresh	Purohit	National Councillor
Hitesh	Pandya	National Councillor
Judith	Mercer	National Councillor
Peter	Steemers	National Councillor
Martin	Mulligan	National Councillor

## Revenue account/General Fund

(see notes 11 to 16)

Previous Year			£	£
	<b>Income</b>			
3,716,825	From Members	Subscriptions, levies, etc	3,528,828	
3,923	Investment income	Interest and dividends (gross) Bank interest (gross) Other interest		
79,560	Other income	Rents received	105,748	
200,000		Insurance commission		
4,474		Consultancy fees	324,478	
		Publications/Seminars		
		Miscellaneous receipts:		
		Business development	212,325	
		Management fees	35,000	
4,004,782	<b>Total income</b>			4,206,378
	<b>Expenditure</b>			
	Administrative expenses			
2,752,986		Remuneration and expenses of staff	2,718,152	
177,539		Occupancy costs	196,811	
45,897		Printing, Stationery, Post & Telephones	51,428	
117,256		Legal and Professional fees	251,322	
		Miscellaneous:		
72,403		Computer	61,357	
126,446		Collection costs	110,817	
(34,169)		Sundries	83,099	
50,104		HR/Training/Recruitment	28,828	
8,535	Other charges	Bank charges and other finance	15,530	
31,551		Depreciation	57,250	
237,889		Conference & Meeting fees	192,125	
182,870		Publications & Promotional	260,835	
102,743		Call Centre	128,471	
(743)		FOREX		
(92,557)		Fair value adjustments	(9,435)	
883,994	Exceptional items – NFRN Commercial/National Newsagent Network liquidation		53,721	
4,662,734				4,200,311
15,414	Taxation			20,092
4,678,147	<b>Total expenditure</b>			4,220,403
(673,366)	Surplus/Deficit for year			(14,025)
4,487,498	Amount of fund at beginning of year			3,814,132
3,814,132	Amount of fund at end of year			3,800,107

## Accounts other than the revenue account/general fund

(See notes 11 to 16)

Account 2		Fund Account	
Name of account:	NFRN Benefits Fund	£	£
<b>Income</b>			
	From members		
	Investment income	218,481	
	Other income (specify):		
	Rental income	10,000	
	<b>Total Income</b>		228,481
<b>Expenditure</b>			
	Other expenditure (specify)		
	ROI Office costs	14,418	
	Benefits paid	79,800	
	Legal advice & claims line	210,550	
	Depreciation	3,481	
	Fair value adjustments	323,641	
	Loss on disposal of investments	10,414	
	<b>Total Expenditure</b>		642,304
	Surplus (Deficit) for the year		(413,823)
	Amount of fund at beginning of year		3,289,944
	Amount of fund at the end of year (as Balance Sheet)		2,876,121

Account 3		Fund Account	
Name of account:	Ratcliffe Benevolent Fund	£	£
<b>Income</b>			
	From members		
	Investment income	1,302	
	Other income (specify)		
	Donations	13,334	
	<b>Total Income</b>		14,636
<b>Expenditure</b>			
	Administrative expenses	1,593	
	Other expenditure (specify)		
	Grants paid	600	
	<b>Total Expenditure</b>		2,193
	Surplus (Deficit) for the year		12,443
	Amount of fund at beginning of year		234,656
	Amount of fund at the end of year (as Balance Sheet)		247,099

## Accounts other than the revenue account/general fund

(See notes 11 to 16)

Account 4		Fund Account	
Name of account:	£	£	
<b>Carl Bridgewater Fund</b>			
<b>Income</b>			
From members			
Investment income		1,008	
Other income (specify)			
Donations		435	
		<b>Total Income</b>	1,443
<b>Expenditure</b>			
Administrative expenses			
Other expenditure (specify)			
Grants paid		1,500	
		<b>Total Expenditure</b>	1,500
		Surplus (Deficit) for the year	(57)
		Amount of fund at beginning of year	171,430
		Amount of fund at the end of year (as Balance Sheet)	171,373

Account 5		Fund Account	
Name of account:	£	£	
<b>Income</b>			
From members			
Investment income			
Other income (specify)			
		<b>Total Income</b>	
<b>Expenditure</b>			
Administrative expenses			
Other expenditure (specify)			
		<b>Total Expenditure</b>	
		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:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
		<b>Total Income</b>	
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
			<b>Total Expenditure</b>
		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:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
		<b>Total Income</b>	
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
			<b>Total Expenditure</b>
		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 December 2018**

(see notes 19 and 20)



Previous Year		£	£
4,129,582	<b>Fixed Assets</b> (as at page 8)	4,013,443	
	<b>Investments</b> (as per analysis on page 9)		
2,711,498	Quoted (Market value £)	2,197,174	
150,003	Unquoted	150,003	
2,861,501	<b>Total Investments</b>		6,360,620
	<b>Other Assets</b>		
685,043	Sundry debtors	703,917	
545,986	Cash at bank and in hand	791,064	
	Stocks of goods		
	Others (specify)		
1,231,029	<b>Total of other assets</b>		1,494,981
8,222,112		<b>Total assets</b>	7,855,601
3,814,132	General Fund (Account 1)	3,800,107	
3,289,944	Benefits Fund (Account 2)	2,876,121	
234,656	Ratcliffe Fund (Account 3)	247,099	
171,430	Carl Bridgewater Fund (Account 4)	171,373	
7,510,162	<b>Liabilities</b>		7,094,700
	Loans		
	Bank overdraft		
15,851	Tax payable	20,518	
436,940	Sundry creditors	634,092	
159,159	Accrued expenses	106,291	
	Provisions		
	Other liabilities		
711,950		<b>Total liabilities</b>	760,901
7,510,162		<b>Total assets</b>	7,094,700

## Fixed Assets Account

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At start of period	3,892,420	687,999	716,518	5,296,937
Additions during period	5,383		76,227	81,610
Less: Disposals during period				
Fair value adjustments	(137,018)			(137,018)
Less: DEPRECIATION:				
Total to end of period	-	597,711	630,375	1,228,086
<b>Book amount at end of period</b>	3,760,785	90,288	162,370	4,013,443
Freehold	3,711,046			3,711,046
Leasehold (50 or more years unexpired)	49,739			49,739
Leasehold (less than 50 years unexpired)				
As balance sheet	3,760,785			3,760,785

### Analysis of investments [\(see note 22\)](#)

		Other Funds £
<b>Quoted</b>	British Government & British Government Guaranteed Securities	209,346
	Other quoted securities:	
	Fixed Interest Securities	196,664
	Equities	1,413,588
	Managed Property Funds	178,388
	Emerging Economies	174,770
	Other Alternative Assets	24,418
	Cash	
	Total quoted (as Balance Sheet)	2,197,174
	*Market Value of Quoted Investments	
<b>Unquoted</b>	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified):	
	NFRN Holdings Limited	3
	Newtrade Publishing Limited	150,000
	Total quoted (as Balance Sheet)	150,003
	*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)

<b>Does the association, or any constituent part of the association, have a controlling interest in any limited company?</b>		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	Company registration number (if not registered in England & Wales, state where registered) 04588787 00454555 09338494		
<b>Incorporated Employers' Associations</b>			
<b>Are the shares which are controlled by the association registered in the association's name</b>		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		
<b>Unincorporated Employers' Associations</b>			
<b>Are the shares which are controlled by the association registered in the names of the association's trustees?</b>		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	Names of shareholders 100% owned by Trustees of the Benefits Fund 100% owned by NFRN Holdings Limited 100% owned by Newtrade Publishing Limited		

## Summary sheet

(see notes 24 to 33)

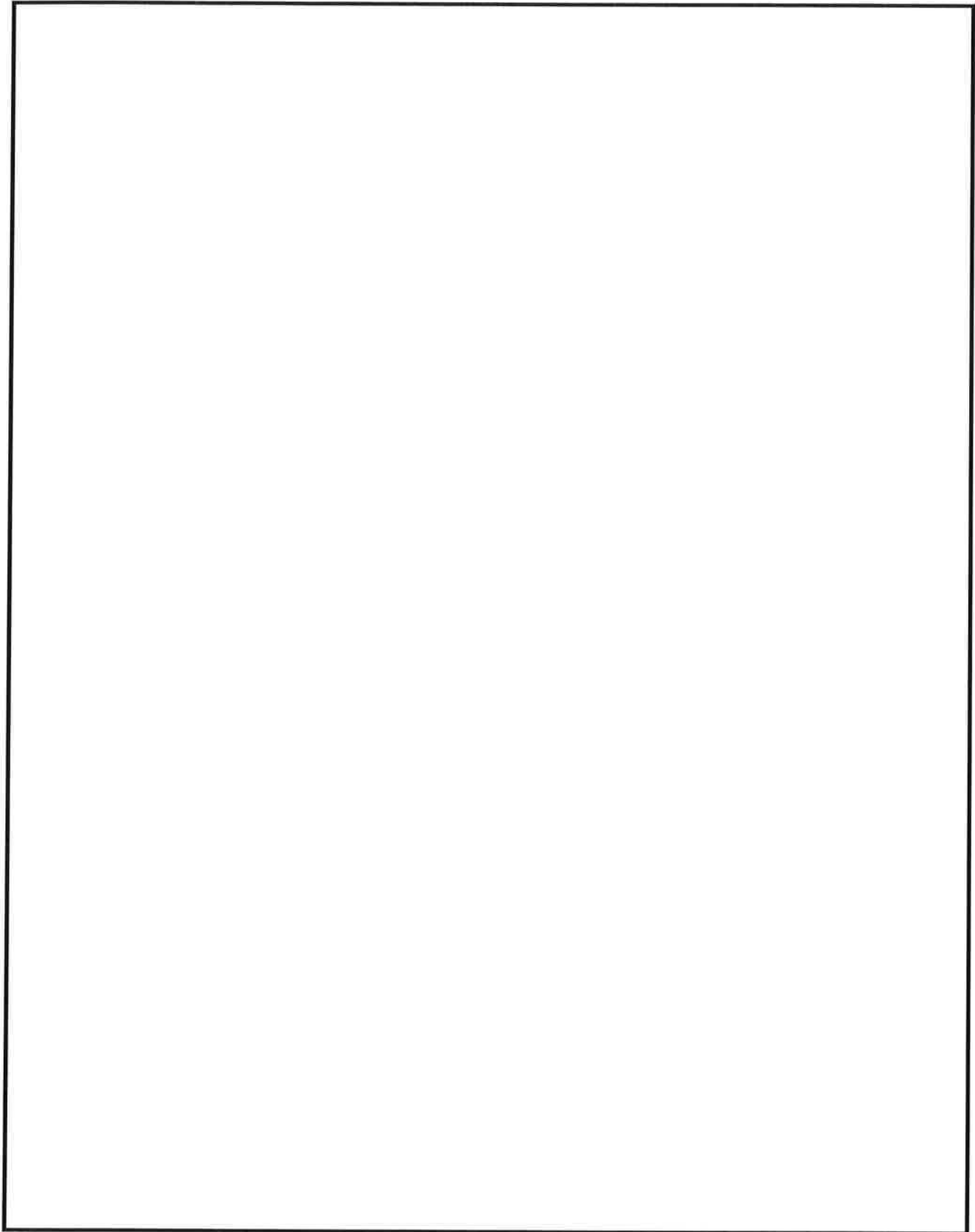
	All funds except Political Funds £	Political Funds £	Total Funds £
<b>Income</b>			
From Members	3,528,828		3,528,828
From Investments	58,777		58,777
Other Income (including increases by revaluation of assets)	851,320		851,320
<b>Total Income</b>	4,438,925		4,438,925
<b>Expenditure</b> (including decreases by revaluation of assets)	4,854,387		4,854,387
<b>Total Expenditure</b>	4,854,387		4,854,387
<b>Funds at beginning of year</b> (including reserves)	7,510,162		7,510,162
<b>Funds at end of year</b> (including reserves)	7,094,700		7,094,700
<b>Assets</b>			
Fixed Assets			4,013,443
Investment Assets			2,197,174
Other Assets			1,644,984
		<b>Total Assets</b>	7,855,601
<b>Liabilities</b>		<b>Total Liabilities</b>	760,901
<b>Net assets (Total Assets less Total Liabilities)</b>			7,094,700

**Notes to the accounts**

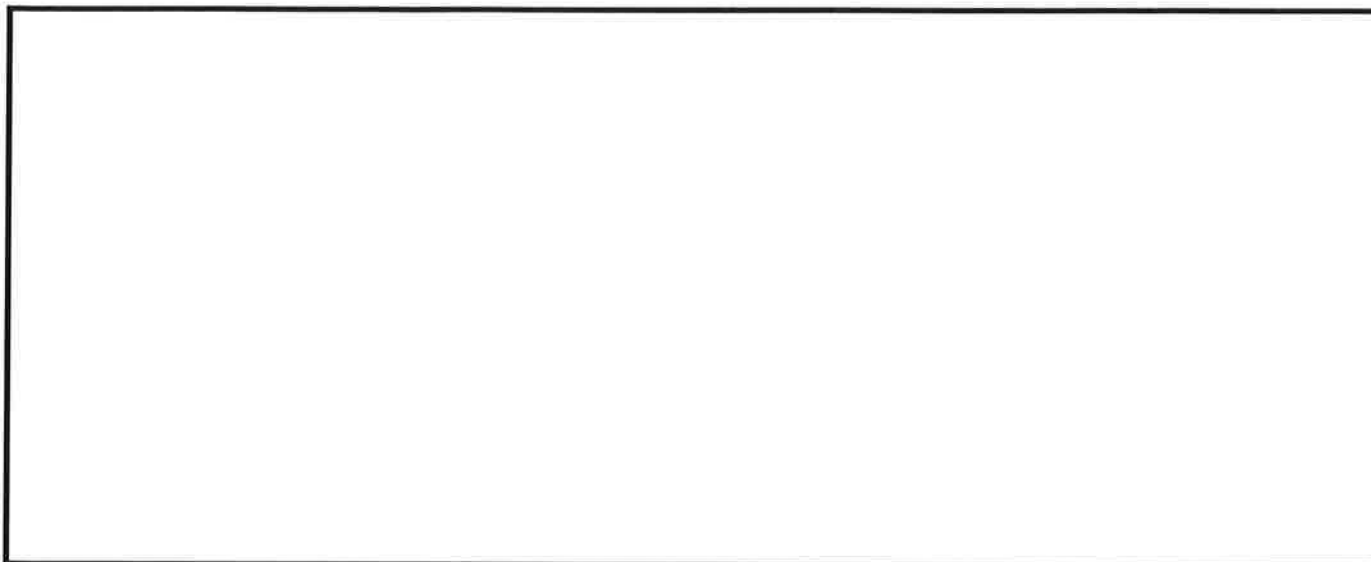
(see note 34)

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

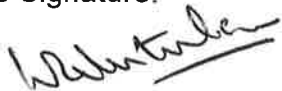
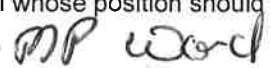
See attached



**Accounting policies**  
(see notes 35 and 36)



**Signatures to the annual return**  
 including the accounts and balance sheet contained in the return.  
 (see notes 37 and 38)

Secretary's Signature:  Name: MIKE MITCHELSON Date: 20/5/19	Chairman's Signature: (or other official whose position should be stated)  Name: MARTIN WARD. Date: 20/5/19
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**Checklist**  
 (see note 39)  
 (please tick as appropriate)

Has the return of change of officers been completed? (see Page 2)	Yes	✓	No	
Has the list of officers been completed? (see page 2a)	Yes	✓	No	
Has the return been signed? (see Note 38)	Yes	✓	No	
Has the auditor's report been completed? (see Note 39)	Yes	✓	No	
Is the rule book enclosed? (see Note 40)	Yes	✓	No	
Has the summary sheet been completed? (see Notes 6 and 25 to 34)	Yes	✓	No	



## Checklist for auditor's report

(see notes 40 to 44)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

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)

Please explain in your report overleaf or attached.

2. 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)

Please explain in your report overleaf or attached.


3. Your auditors or auditor must include in their report the following wording:

**In our opinion the financial statements:**

- **give a true and fair view of the matters to which they relate to.**
- **have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.**

**Auditor's report (continued)**

[Empty space for auditor's report content]

Signature(s) of auditor or auditors:		
Name(s):	Carbon Accountancy Limited	
Profession(s) or Calling(s):	Chartered Accountants & Registered Auditors	
Address(es):	80-83 Long Lane, London EC1A 9ET	
Date:	20/05/2019	
Contact name for enquiries and telephone number:	John Leyden FCA	

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 2018

## Opinion

We have audited the financial statements of National Federation of Retail Newsagents (the 'Federation') for the year ended 31 December 2018 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 2018 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 were:

- 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.

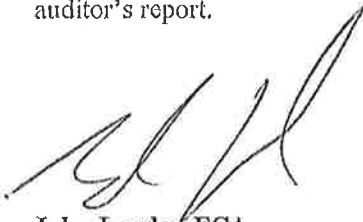
# Independent Auditors' Report to the Trustees of the National Federation of Retail Newsagents (continued)

## 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**John Leyden FCA**  
Senior Statutory Auditor

Carbon Accountancy Limited  
Chartered Accountants & Registered Auditor  
80-83 Long Lane  
London EC1A 9ET

Date 20<sup>th</sup> May 2019

# Notes to the financial statements

## For the Year ended 31 December 2018

### 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. Interfund 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 Conversion

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 2018

### 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 provide
- Benefits Fund – Durham office	No depreciation is provide
Long leasehold property	
- Benefits Fund – ROI district office	No depreciation is provide
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 2018

#### 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

	2018 £	2017 £
Surplus for the year is after charging/(crediting):		
Auditors remuneration	18,500	44,950
Depreciation of tangible fixed assets:		
Charge for the year	60,731	35,565
Provisions and Fund transfers:		
Release of provisions relating to NFRN Commercial Ltd	-	(74,995)
Exceptional costs *	53,721	958,989
Hire of other assets – operating leases	<u>54,299</u>	<u>64,536</u>

\* Exceptional costs consist of balances written off following the liquidation of National Newsagent Network Limited and NFRN Commercial Ltd balances (2017 - NFRN Commercial Ltd), as follows;

	2018 £	2017 £
Sales ledger balance (NFRN Commercial Ltd)	-	374,771
Intercompany balance (NNN Ltd) (2017 – NFRN Commercial Ltd)	40,458	194,215
Shares held in NFRN Commercial Ltd (note 8(b))	-	390,003
Other balances (NFRN Commercial Ltd)	<u>13,263</u>	<u>-</u>
	<u>53,721</u>	<u>958,989</u>



## Notes to the financial statements

For the Year ended 31 December 2018

## 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.

	2018 £	2017 £
<b>Domestic current year tax</b>		
U.K. corporation tax	20,092	15,414
Adjustment in respect of previous periods	<u>-</u>	<u>-</u>
<b>Total current tax</b>	<u><u>20,092</u></u>	<u><u>15,414</u></u>

## Factors affecting the year

The tax assessed for the year is lower than (2017 – lower than) the standard rate of corporation tax due in the UK of 19% (2017 – 19.25%). The differences are explained below:

	2018 £	2017 £
(Deficit)/Surplus before taxation, reserve transfers	(395,635)	(485,440)
(Deficit)/Surplus before taxation and reserve transfers multiplied by standard rate of corporation tax in the UK of 19% (2017 – 19.25%)	(75,171)	(93,447)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	897,460	711,217
Expenses not deductible for tax purposes – exceptional cost	53,721	184,605
Non-taxable income	(855,918)	(817,789)
Adjustment in respect of prior period	<u>-</u>	<u>-</u>
<b>Total tax charge for the year</b>	<u><u>20,092</u></u>	<u><u>15,414</u></u>

## Notes to the financial statements

For the Year ended 31 December 2018

## 6. Tangible fixed assets

## (a) Combined

	Freehold property £	Long leasehold £	Fixtures and fittings £	Computer £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 January 2018	1,477,116	49,739	687,999	578,353	138,165	2,931,372
Additions	5,383	-	-	9,835	66,392	81,610
Impairment	(146,453)	-	-	-	-	(146,453)
At 31 December 2018	<u>1,366,046</u>	<u>49,739</u>	<u>687,999</u>	<u>588,188</u>	<u>204,557</u>	<u>2,866,529</u>
<b>Depreciation</b>						
At 1 January 2018	-	-	590,115	555,169	22,071	1,167,355
Charge for the year	-	-	7,596	12,428	40,727	60,731
On disposals	-	-	-	-	-	-
At 31 December 2018	<u>-</u>	<u>-</u>	<u>597,711</u>	<u>567,597</u>	<u>62,778</u>	<u>1,228,086</u>
<b>Net book value</b>						
At 31 December 2018	<u>1,366,046</u>	<u>49,739</u>	<u>90,288</u>	<u>20,591</u>	<u>141,777</u>	<u>1,638,443</u>
At 31 December 2017	<u>1,477,116</u>	<u>49,739</u>	<u>97,884</u>	<u>23,184</u>	<u>116,094</u>	<u>1,764,017</u>

The net book value of assets held under HP is £141,779 (2017 - £110,566). The depreciation charge in respect of these assets is £40,727 (2017 - £21,088).

## Notes to the financial statements

### For the Year ended 31 December 2018

**(b) General Fund**

	Freehold property £	Fixtures and fittings £	Computer £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2018	1,145,663	653,483	578,353	138,165	2,515,664
Additions	5,383	-	9,835	66,392	81,610
Disposals	-	-	-	-	-
At 31 December 2018	<u>1,151,046</u>	<u>653,483</u>	<u>588,188</u>	<u>204,557</u>	<u>2,597,274</u>
<b>Depreciation</b>					
At 1 January 2018	-	579,271	555,169	22,071	1,156,511
Charge for the year	-	4,115	12,428	40,707	57,250
On disposals	-	-	-	-	-
At 31 December 2018	<u>-</u>	<u>583,386</u>	<u>567,597</u>	<u>62,778</u>	<u>1,213,761</u>
<b>Net book value</b>					
At 31 December 2018	<u>1,151,046</u>	<u>70,097</u>	<u>20,591</u>	<u>141,779</u>	<u>1,383,513</u>
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>

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 £141,779 (2017 - £110,566). The depreciation charge in respect of these assets is £40,707 (2017 - £21,088).

**(c) Benefits Fund**

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Computer £	Total £
<b>Cost</b>					
At 1 January 2018	331,453	49,739	31,882	2,634	415,708
Additions/Disposals	-	-	-	-	-
Impairment	(146,453)	-	-	-	(146,453)
At 31 December 2018	<u>185,000</u>	<u>49,739</u>	<u>31,882</u>	<u>2,634</u>	<u>269,255</u>
<b>Depreciation</b>					
At 1 January 2018	-	-	8,502	2,342	10,844
Charge for the year	-	-	3,190	291	3,481
At 31 December 2018	<u>-</u>	<u>-</u>	<u>11,692</u>	<u>2,633</u>	<u>14,325</u>
<b>Net book value</b>					
At 31 December 2018	<u>185,000</u>	<u>49,739</u>	<u>20,190</u>	<u>1</u>	<u>254,930</u>
At 31 December 2017	<u>331,453</u>	<u>49,739</u>	<u>23,380</u>	<u>292</u>	<u>404,864</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 2018

#### (d) Investment Property – General Fund and Combined

	2018 £	2017 £
<b>Valuation</b>		
At 1 January 2018 (1 January 2017)	2,365,565	2,273,008
Fair value movement on revaluation	<u>9,435</u>	<u>92,557</u>
<b>At 31 December 2018 (31 December 2017)</b>	<u><b>2,375,000</b></u>	<u><b>2,365,565</b></u>

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

	£
<b>Valuation</b>	
At 1 January 2018	2,711,498
Additions	253,954
Disposals	(591,090)
Revaluation	<u>177,188</u>
<b>At 31 December 2018</b>	<u><b>2,197,174</b></u>

Market value broken down as follows:	2018 £	2017 £
UK Fixed Interest	406,010	439,127
UK Equities	530,625	814,136
European Equities	102,721	204,250
North American Equities	443,881	445,073
Japanese Equities	122,886	139,818
Far East & Australian Equities	112,733	124,629
Emerging Economies	101,466	98,236
UK Property	178,388	217,939
Alternative Assets	174,770	217,666
Cash	<u>24,418</u>	<u>10,624</u>
	<u><b>2,197,174</b></u>	<u><b>2,711,498</b></u>

##### Historical cost

	£
At 1 January 2018	1,548,104
Additions	575,815
Disposals	<u>(507,433)</u>
<b>At 31 December 2018</b>	<u><b>1,616,486</b></u>

## Notes to the financial statements

### For the Year ended 31 December 2018

#### 8. Trade Investments

##### (a) Combined

Cost	2018 £	2017 £
At 1 January 2018 (1 January 2017)	150,003	540,006
Amounts written off	-	(390,003)
At 31 December 2018 (31 December 2017)	<u>150,003</u>	<u>150,003</u>

##### (b) General Fund

Cost	2018 £	2017 £
At 1 January 2018 (1 January 2017)	-	390,000
Amounts written off	<u>-</u>	<u>(390,000)</u>
At 31 December 2018 (31 December 2017)	<u>-</u>	<u>-</u>

Trade investments represented the issued shares of NFRN Commercial Ltd, a company registered in England and Wales which was wholly owned by the General Fund. The company began liquidation proceedings in January 2018 and the investment was written off in the previous accounting period as no return on the investment was expected.

## Notes to the financial statements

For the Year ended 31 December 2018

## (c) Benefits Fund

	2018 £	2017 £
Newtrade Publishing Limited *	150,000	150,000
N 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/ incorporation	Shares held		Class	% Capital and reserves	Profit and (loss) for the year
		Principal activity				
					£	£
<b>Subsidiary undertakings</b>						
NFRN Holdings Limited	UK	Holding	Ordinary	100	3	160,000
Newtrade Publishing Limited *	UK	Publishing	Ordinary	100	1,614,252	(106,820)
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:

	2018 £	2017 £
<b>Profit and loss reserve</b>		
At 1 January 2018	1,725,072	1,843,597
(Loss)/Profit for the year	(106,820)	48,808
Dividends paid	<u>(160,000)</u>	<u>(167,333)</u>
At 31 December 2018	<u>1,458,252</u>	<u>1,725,072</u>
<b>Balance sheet</b>		
Called up share capital	150,000	150,000
Share premium account	6,000	6,000
Profit and loss account	<u>1,458,252</u>	<u>1,725,072</u>
Shareholders' funds	<u>1,614,252</u>	<u>1,881,072</u>

## Notes to the financial statements

For the Year ended 31 December 2018

### 9. Debtors: Amounts falling due within one year

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2018	Combined 2017
	£	£	£	£	£	£
Amounts owed by group undertakings	557	-	-	-	557	52,825
Other debtors	73,299	162,650	6,506	650	242,995	124,711
Prepayments and accrued income	460,365	-	-	-	460,365	507,507
	<b>534,221</b>	<b>162,650</b>	<b>6,506</b>	<b>650</b>	<b>703,917</b>	<b>685,043</b>

Included in the General Fund is £nil (2017 -£nil) due in more than one year.

Included in the General Fund is a provision of £nil (2017 - £nil) against an amount owed by group undertaking.

### 10. Creditors: Amounts falling due within one year

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2018	Combined 2017
	£	£	£	£	£	£
Amounts owed to group undertakings	-	-	-	-	-	15,285
Taxation	20,092	-	238	188	20,518	15,851
Other taxation and social security	141,340	-	-	-	141,340	164,850
Other creditors	475,710	-	-	-	475,710	414,747
Amounts due under hire purchase	65,618	-	-	-	65,618	40,436
	<b>702,760</b>	<b>-</b>	<b>238</b>	<b>188</b>	<b>703,186</b>	<b>651,169</b>

## Notes to the financial statements

### For the Year ended 31 December 2018

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

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2018	Combined 2017
	£	£	£	£	£	£
Amounts due under hire purchase	57,715	-	-	-	57,715	60,781
	<u>57,715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,715</u>	<u>60,781</u>

#### 12. Reserves

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

	2018 £	2017 £
Amounts due under hire purchase (1 – 2 years)	39,097	43,585
Amounts due under hire purchase (2 – 5 years)	<u>18,618</u>	<u>17,196</u>
	<u>57,715</u>	<u>60,781</u>

#### Property and equipment reserve

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2018	Combined 2017
	£	£	£	£	£	£
At 1 January 2018	1,305,661	-	-	-	1,305,661	1,305,661
Transfer from income and expenditure account	-	-	-	-	-	-
At 31 December 2018	<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 2018	Combined 2017
	£	£	£	£	£	£
At 1 January 2018	2,273,011	-	-	-	2,273,011	2,273,011
Transfer from capital reserve	-	-	-	-	-	-
At 31 December 2018	<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 2018

### Capital account

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2018	Combined 2017
	£	£	£	£	£	£
At 1 January 2018	53,460	3,289,944	234,656	171,430	3,749,490	4,250,344
(Deficit)/Surplus for the year after taxation	(14,027)	(413,823)	12,443	(57)	(415,462)	(500,854)
Transfer to Property & Equipment reserve	-	-	-	-	-	-
Transfer to investment property reserve	-	-	-	-	-	-
Transfer from Yeoman House Development Reserve	-	-	-	-	-	-
Transfer from Development reserve	-	-	-	-	-	-
At 31 December 2018	39,433	2,876,121	247,099	171,373	3,334,028	3,749,490

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 2018	Combined 2017
	£	£	£	£	£	£
At 1 January 2018	100,000	-	-	-	100,000	100,000
Transfer (to)/from income and expenditure account	-	-	-	-	-	-
At 31 December 2018	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 2018

## Yeoman House Development reserve

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2018	Combined 2017
	£	£	£	£	£	£
At 1 January 2018	82,000	-	-	-	82,000	82,000
Transfer to income and exp. account	-	-	-	-	-	-
At 31 December 2018	<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

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2018	Combined 2017
	£	£	£	£	£	£
At 1 January 2018	-	-	-	-	-	-
Transfer to income and exp. account	-	-	-	-	-	-
At 31 December 2018	<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:

	2018 £	2017 £
Wages and salaries	1,652,929	1,602,286
Social security costs	157,341	190,524
Cost of defined contribution scheme	<u>61,442</u>	<u>87,862</u>
	<u>1,871,712</u>	<u>1,880,672</u>

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

	2018 No	2017 No
Head office	19	19
Districts	<u>38</u>	<u>40</u>
	<u>57</u>	<u>59</u>

## Notes to the financial statements

### For the Year ended 31 December 2018

#### 14. Pension Costs

##### Defined Benefit

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

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

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

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

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

The last pension scheme accounts as at 31<sup>st</sup> March 2018 showed assets of the scheme of £8,200,000. Pension scheme liabilities were expected to have reduced from the March 2016 actuarial valuation level of £7,162,000.

Pension contributions to the Federation pension scheme for the year amounted to £88,963 (2017 - £89,416).

##### 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 (2017 - £29,523).

## Notes to the financial statements

### For the Year ended 31 December 2018

#### 15. Leasing Commitments – Combined

	Land and Buildings 2018 £	Other 2018 £	Land and Buildings 2017 £	Other 2017 £
Within 1 year	-	38,845	-	40,436
In 2 to 5 years	-	54,037	-	60,781
Greater than 5 years	-	-	-	-
	-	<u>92,882</u>	-	<u>101,217</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.

	2018 £	2017 £
<b>Net recharge to/(from):</b>		
NFRN Commercial Ltd	-	252,799
Newtrade Publishing Limited	<u>226,737</u>	<u>266,882</u>
National Newsagent Network Limited	<u>-</u>	<u>950</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/ (to) those undertakings at the year-end are as follows:

	2018 £	2017 £
NFRN Commercial Ltd *	-	-
Newtrade Publishing Limited	5,140	215
National Newsagent Network Limited*	-	52,550
NFRN Defined Benefits Pension	<u>(11,029)</u>	<u>(12,889)</u>

\* All balances with NFRN Commercial Ltd and National Newsagent Network Ltd were written off as detailed within note 4.

Total remuneration in respect of key management personnel is £158,762 (2017 - £294,560).

## Notes to the financial statements

### For the Year ended 31 December 2018

#### (a) Benefits Fund

The Benefits Fund received dividends of £160,000 (2017 - £166,667) from NFRN Holdings Limited.

#### 18. Contingent liabilities

In the opinion of the Trustees, there are no contingent liabilities which warrant disclosure in the financial statements.

#### 19. Financial instruments

	Combined 2018 £	Combine 2017 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit and loss	<u>2,197,174</u>	<u>2,711,498</u>
Financial assets measured at amortised cost	<u>1,231,029</u>	<u>598,811</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>319,751</u>	<u>858,180</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

The federation proposes to seek new tenants for the office space at Yeoman House, Sekforde Street, London, EC1R 0HF which is included within Investment Properties within note 6 to the accounts. The trustees are confident of securing a tenancy after the year end and the office space will therefore remain as investment property at the balance sheet date.