

Form AR27

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for an Employers' Association

Name of Employers' Association:	National Federation of Retail Newsagents				
Year ended:	31st December 2019				
List No:	67E				
Head or Main Office:	Yeoman House				
	Sekforde Street				
	London				
Postcode	EC1R 0HF				
Website address (if available)	NFRNOnline.com				
Has the address changed during the year to which the return relates?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	('X' in appropriate box)
General Secretary:	Stuart Reddish				
Contact name for queries regarding the completion of this return:	Adrian Roper				
Telephone Number:	020 7017 8856				
E-mail:	adrian.roper@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 1093602

You should sent the annual return to the following address stating the name of the union in subject:

For Employers' Associations based in England and Wales: returns@certoffice.org

For Employers' Associations based in Scotland: ymw@tcyoung.co.uk

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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
10,703	516	141	83	11,443

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
Immediate Past President	Mrs Linda Sood	Mike Mitchelson	19th June 2019
National President	Mike Mitchelson	Stuart Reddish	19th June 2019
National Vice President	Stuart Reddish	Muntazir Dipoti	19th June 2019
National Deputy Vice President	Muntazir Dipoti	Jason Birks	19th June 2019

Officers in post

(see note 10)

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

Name of Officer	Position held
Please see attached list	

Name

Hussan Lal
David Woodrow
Shahid Razzaq
Colin Reed

Jason Birks
John Abbott

Michael Mitchelson
Martin Ward
Andrew Taylor

Stuart Reddish
James Wilkinson
Suleman Khonat
Hanif Khonat

Muntazir Dipoti
Arif Mohammed
Chris Bridgette
Stuart McClymont
Sunilkumar Patel
Hamlatta Patel
Julia Bywater
Sukhdeep Balaghan
Owen Church
Barry Starling
Sam Whiteside
Peter Robinson
Ray Monelle
Andrew White
Alpesh Patel
Pravin Shah
Kamal Thaker
Peter Wagg
Hetal Patel
Nilesh Patel
Mike Garner
Bhavesh Patel
Hitesh Pandya
Judith Mercer
Gwen Patterson
Peter Steemers
Martin Mulligan

Position Held

National Councillor

National Councillor

National Councillor & National Executive Committee

National Councillor

National Deputy Vice President, National Councillor & National Executive Committee

National Councillor

Immediate Past President, National Councillor & National Executive Committee

Trustee

National Councillor & National Executive Committee

National President, National Councillor & National Executive Committee

National Councillor & National Finance Committee

National Councillor & National Executive Committee

National Councillor

National Vice President, National Councillor & National Executive Committee

National Councillor

National Councillor

National Councillor

Trustee

National Councillor

National Councillor

National Councillor

National Councillor

National Councillor

National Councillor

National Councillor

National Councillor

National Councillor

National Councillor

National Councillor

National Councillor

National Councillor & National Executive Committee

National Councillor & National Finance Committee

Trustee

National Councillor

National Councillor & National Executive Committee

National Councillor

National Councillor

National Councillor & National Executive Committee

National Councillor

National Councillor

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
3,528,828	From Members	Subscriptions, levies, etc	3,246,282	3,246,282
	Investment income	Interest and dividends (gross)		
		Bank interest (gross)		
		Other (specify)		
		Total Investment Income		
105,748	Other Income	Rents received	123,566	123,566
		Insurance commission		
		Consultancy fees		
324,478		Publications/Seminars	311,053	311,053
		Miscellaneous receipts (specify)		
212,324		Business development	277,978	277,978
35,000		Management fees	35,000	35,000
4,206,378		Total of other income		747,597
		Total income		3,993,879
		Interfund Transfers IN		
	Expenditure			
2,718,152	Administrative expenses	Remuneration and expenses of staff	2,677,467	2,677,467
196,811		Occupancy costs	206,852	206,852
37,618		Printing, Stationery, Post	52,260	52,260
13,810		Telephones	37,197	37,197
251,322		Legal and Professional fees	184,015	184,015
		Miscellaneous (specify)		
61,357		Computer	74,374	74,374
110,817		Collection costs	99,077	99,077
83,099		Sundries	96,754	96,754
28,828		HR/Training/Recruitment	35,028	35,028
3,501,814		Total of Admin expenses		3,463,024
	Other Charges	Bank charges	19,231	19,231
15,530		Depreciation	80,776	80,776
57,250		Sums written off		
		Affiliation fees		
		Donations		
192,125		Conference and meeting fees	122,753	122,753
		Expenses		
		Miscellaneous (specify)		
260,835		Publications & promotional	332,393	332,393
128,471		Call centre	163,716	163,716
-9,435		Fair value adjustments		
53,721		Related party loans written off	22,161	22,161
698,497		Total of other charges		741,030
20,092		Taxation	23,478	23,478
4,220,403		Total expenditure		4,227,532
		Interfund Transfers OUT		
-14,025		Surplus/Deficit for year		-233,653
3,814,132		Amount of fund at beginning of year		3,443,857
3,800,107		Amount of fund at end of year		3,210,204

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 2		Fund Account	
Name of account:	NFRN Benefits Fund	£	£
Income			
	From members		
	Investment income	76,265	76,265
	Other Income (specify)		
	Rental income	10,000	
	Fair value adjustments to property	159,675	
		169,675	169,675
		Total Income	245,940
	Interfund Transfers IN		
Expenditure			
	Administrative expenses	6,078	6,078
	Other expenditure (specify)		
	Benefits paid	76,200	
	Legal advice & claims line	145,116	
	Depreciation	3,481	
	Sundry expenses	1	
	Profit on disposal of investments	-43,137	
	Fair value adjustments	-194,426	
		-12,765	-12,765
		Total Expenditure	-6,687
	Interfund Transfers OUT		
			Surplus (Deficit) for the year
			252,627
			Amount of fund at beginning of year
			2,876,121
			Amount of fund at the end of year (as Balance Sheet)
			3,128,748

Account 3		Fund Account	
Name of account:	Ratcliffe Benevolent Fund	£	£
Income			
	From members		
	Investment income	1,422	1,422
	Other income (specify)		
	Donations	7,195	
		7,195	7,195
		Total Income	8,617
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
	Grants paid	2,600	
	Bank charges	629	
		3,229	3,229
		Total Expenditure	3,229
	Interfund Transfers OUT		
			Surplus (Deficit) for the year
			5,388
			Amount of fund at beginning of year
			247,099
			Amount of fund at the end of year (as Balance Sheet)
			252,487

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 4		Fund Account	
Name of account: Carl Bridgewater Fund		£	£
Income			
From members			
Investment income		1,035	1,035
Other income (specify)			
Donations		528	
		528	528
		Total Income	1,563
	Interfund Transfers IN		
Expenditure			
Administrative expenses			
Other expenditure (specify)			
Grants paid		700	
		700	700
		Total Expenditure	700
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	863
		Amount of fund at beginning of year	171,373
		Amount of fund at the end of year (as Balance Sheet)	172,236

Account 5		Fund Account	
Name of account:		£	£
Income			
From members			
Investment income			
Other income (specify)			
		Total Income	
	Interfund Transfers IN		
Expenditure			
Administrative expenses			
Other expenditure (specify)			
		Total Expenditure	
	Interfund Transfers OUT		
		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 Revenue Account/General Fund

(see notes 17 to 18)

Account 6		Fund Account	
Name of account:		£	£
Income			
From members			
Investment income			
Other income (specify)			
		Total Income	
Interfund Transfers IN			
Expenditure			
Administrative expenses			
Other expenditure (specify)			
		Total Expenditure	
Interfund Transfers OUT			
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

Account 7		Fund Account	
Name of account:		£	£
Income			
From members			
Investment income			
Other income (specify)			
		Total Income	
Interfund Transfers IN			
Expenditure			
Administrative expenses			
Other expenditure (specify)			
		Total Expenditure	
Interfund Transfers OUT			
		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 [31.12.2019]

(see notes 19 and 20)

Previous Year		£	£
4,013,443	Fixed Assets (as at Page 8)	3,914,016	3,914,016
	Investments (as per analysis on page 9)		
2,191,174	Quoted (Market value £ 2,254,735) as at Page 9		2,254,735
150,003	Unquoted (Market value £ 150,003) as at Page 9		150,003
2,341,177	Total Investments	2,404,738	2,404,738
	Other Assets		
703,917	Sundry debtors	700,399	700,399
791,064	Cash at bank and in hand	604,471	604,471
	Stocks of goods		
	Others (specify)		
1,494,981	Total of other assets	1,304,870	1,304,870
	Total Assets		7,623,624
3,443,857	Revenue Account/ General Fund	3,210,204	
2,876,121	NFRN Benefits Fund	3,128,748	
247,099	Ratcliffe Benevolent Fund	252,487	
171,373	Carl Bridgewater Fund	172,236	
	Revaluation Reserve		
	Liabilities		
20,518	Corporation tax	23,904	
141,340	PAYE/NI & VAT	94,970	
351,419	Other creditors	426,947	
106,291	Accruals & deferred income	211,574	
123,333	Hire purchase liabilities	102,554	
	Total Liabilities		859,949
	Total Assets		7,623,624

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period	3,760,785	110,879	141,779	4,013,443
Additions during period		143,182	39,340	182,522
Less: Disposals	-196,575			-196,575
Less: Depreciation		-25,285	-60,089	-85,374
Total to end of period	3,564,210	228,776	121,030	3,914,016
Book Amount at end of period	3,564,210	228,776	121,030	3,914,016
Freehold	3,389,796			3,389,796
Leasehold (50 or more years unexpired)	174,414			174,414
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets	3,564,210	228,776	121,030	3,914,016

Analysis of Investments

(see note 22)

Quoted		Other Funds
	British Government & British Government Guaranteed Securities	326,836
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	Equities	1,318,497
	Managed property	191,241
	Emerging economies	105,205
	Other alternative assets	184,934
	Cash	128,022
	Total Quoted (as Balance Sheet)	2,254,735
	Market Value of Quoted Investments	2,254,735
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified)	
	NFRN Holdings Limited	3
	Newtrade Media Limited	150,000
	Total Unquoted (as Balance Sheet)	150,003
	Market Value of Unquoted Investments	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 note 23)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?

Yes	X	No	
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If Yes name the relevant companies:

Company name	Company registration number (if not registered in England & Wales, state where registered)
NFRN Holdings Limited	04588787
Newtrade Media Limited	00454555
Newtrade Publishing Limited	09338494

Incorporated Employers' Associations

Are the shares which are controlled by the association registered in the association's name

Yes		No	X
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If NO, please state the names of the persons in whom the shares controlled by the association are registered.

Company name	Names of shareholders
Newtrade Media Limited Newtrade Publishing Limited	NFRN Holdings Limited NFRN Holdings Limited

Unincorporated Employers' Associations

Are the shares which are controlled by the association registered in the names of the association's trustees?

Yes		No	X
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If NO, state the names of the persons in whom the shares controlled by the association are registered.

Company name	Names of shareholders
NRN Holdings Limited	Trustees of the Benefits Fund

Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
		£
Income		
From Members	3,246,282	3,246,282
From Investments	78,722	78,722
Other Income (including increases by revaluation of assets)	924,995	924,995
Total Income	4,249,999	4,249,999
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	4,224,774	4,224,774
Funds at beginning of year (including reserves)	6,738,450	6,738,450
Funds at end of year (including reserves)	6,763,675	6,763,675
ASSETS		
Fixed Assets		3,914,016
Investment Assets		2,404,738
Other Assets		1,304,870
Total Assets		7,623,624
Liabilities		
Total Liabilities		859,949
Net Assets (Total Assets less Total Liabilities)		6,763,675

Summary Sheet

(see notes 24 to 33)

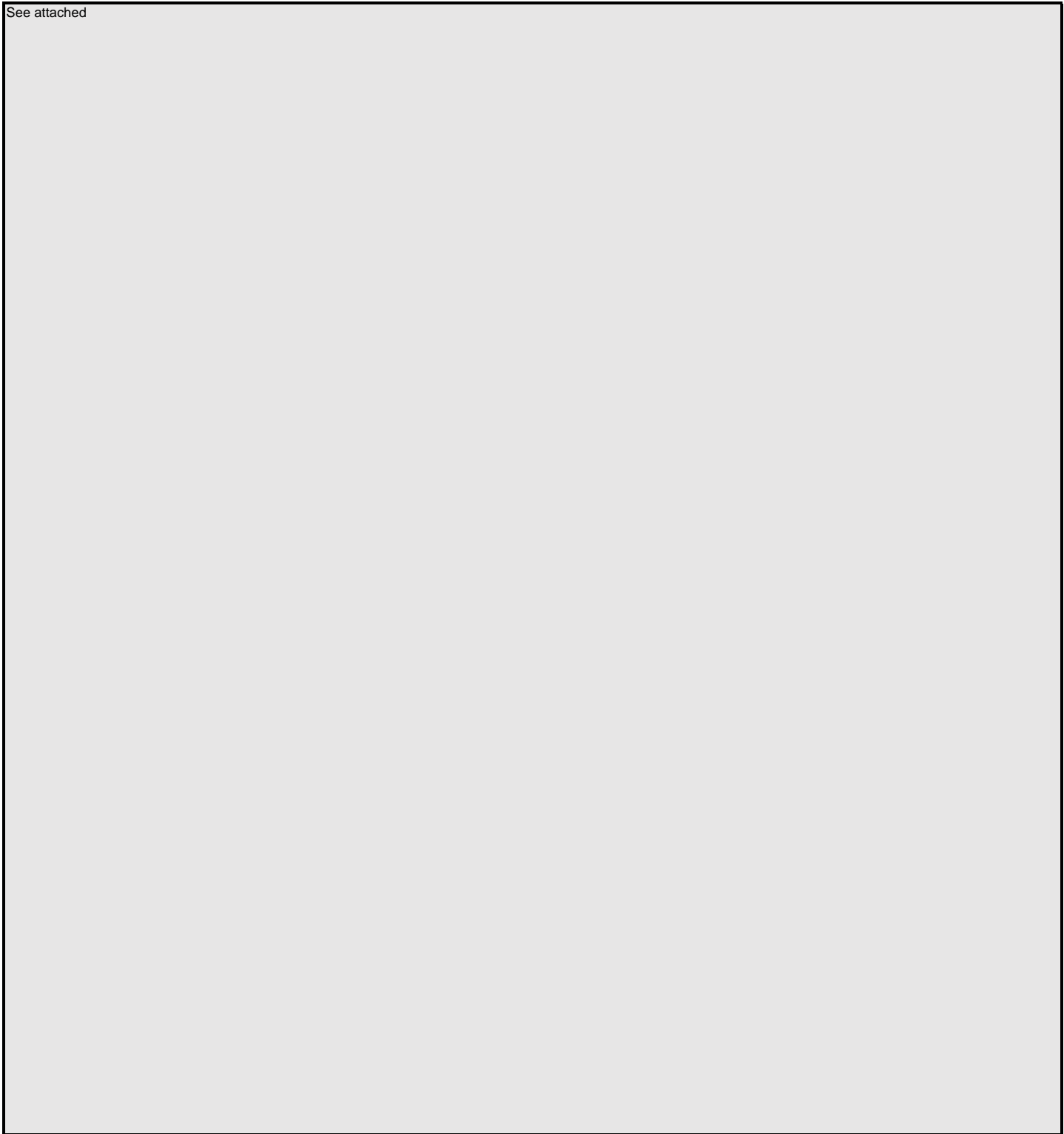
		All Funds	Total Funds
		£	£
Income			
From Members			
From Investments			
Other Income (including increases by revaluation of assets)			
	Total Income		
Expenditure (including decreases by revaluation of assets)			
	Total Expenditure		
Funds at beginning of year (including reserves)			
Funds at end of year (including reserves)			
ASSETS			
	Fixed Assets		
	Investment Assets		
	Other Assets		
	Total Assets		
Liabilities			
	Total Liabilities		
Net Assets (Total Assets less Total Liabilities)			

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



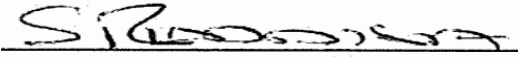

(see notes 35 & 36)

See attached accounts

Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.

Secretary's Signature: 	Chairman's Signature: 
(or other official whose position should be stated)	
Name: 	Name: MARTIN P WARD
Date: 	Date: 19/10/20

Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (see Page 2)	Yes		No	
Has the list of officers been completed? (see Page 2A)	Yes		No	
Has the return been signed? (see Note 37)	Yes		No	
Has the auditor's report been completed? (see Note 41)	Yes		No	
Is the rule book enclosed? (see Note 39)	Yes		No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes		No	

Checklist for auditor's report

(see notes 41 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:

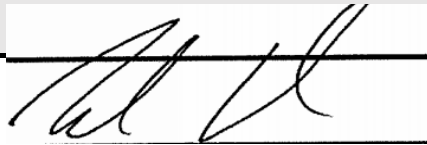
In our opinion the financial statements:

- 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)

See attached accounts

Signature(s) of auditor or auditors:



Name(s):

John Leyden FCA

Carbon Accountancy Limited

Profession(s) or Calling(s):

Chartered Accountant

Address(es)

Carbon Accountancy Limited, 80-83 Long Lane, London EC1A 9ET

Date:

19th October 2020

Contact name for enquiries and telephone number:

John Leyden 0207 710 5301

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

Trustees' Report & Financial
Statements
National Federation of Retail
Newsagents

For the Year ended 31 December 2019

Legal and Administrative Information

Trustees

S Patel
M Ward
N Patel

Registered office

Bede House
Belmont Business Park
Durham
DH1 1TW

Auditors

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

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Trustees' report

For the Year ended 31 December 2019

The Trustees present their report and financial statements of the National Federation of Retail Newsagents for the year ended 31 December 2019.

Results

The (deficit) / surplus of income over expenditure for each of the Federation's Funds for the year after taxation and transfers to reserves, were as follows:

		Before exceptional costs	Exceptional costs	2019	2018
		£	£	£	£
General Fund	(Page 9)	(211,492)	(22,161)	(233,653)	(14,025)
Benefits Fund	(Page 11)	92,952	-	92,952	(413,823)
Ratcliffe Benevolent Fund	(Page 13)	5,388	-	5,388	12,443
Carl Bridgewater Fund	(Page 15)	863	-	863	(57)
		(112,289)	(22,161)	(134,450)	(415,462)

The exceptional costs relate to the write down of loans made to NFRN Direct plus smaller write downs on loans to Newtrade Publishing Ltd and National Newsagent Network Limited as they are no longer considered recoverable. Further details of this write off is given in note 4 to the financial statements.

The membership of the Federation on 31 December was made up as follows:

	2019	2018
	No.	No.
Full members	9,019	10,486
Full partner members	162	196
Multiple secondary members	1,402	770
Partner members	385	476
Life members	305	305
Affiliate member	170	35
	11,443	12,268

Review of activities

The principal activity of the Federation is to provide various services to its members in accordance with the objectives set out in its rules. The Trustees are continually aware of the pressures of the members and the need to ensure the Federation's activities take account of these circumstances.

Trustees' report (Continued)

For the Year ended 31 December 2019

Trustees

The Trustees of the Federation during the year were:

S Patel

M Ward

N Patel

None of the Trustees have any beneficial interest in the Federation.

Fixed assets

Movement in fixed assets is detailed in note 6 to the financial statements. The Trustees are of the opinion that no diminution in the historical cost value of Yeoman House is likely to occur over the remaining useful life of the asset.

Post balance sheet events

As a nation we are likely to feel the societal and financial consequences of the Covid-19 pandemic, and the measures to contain and mitigate its effects, for years to come.

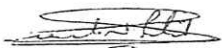
It has been a dramatic period for us as an organisation and our approach has been firstly to serve and protect our 11,000 members, recognising that many were going to be in hardship – 900 stores closed initially in the first wave – so we have supported as many as we could with our Hardship Fund providing a lifeline to those who needed it most. We have also created a Shop Local campaign to give small shops a voice which went national and we will continue to work hard to help the remaining business get back on their feet.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as the Trustees are aware, there is no relevant audit information of which the Federation's auditor is unaware, and
- The Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any relevant audit information and to establish that the Federation's auditor is aware of that information.

These accounts were approved and authorised for issue by the Board of Trustees on 4th September 2020 and signed on its behalf by:



S Patel
Trustee



M Ward
Trustee



N Patel
Trustee

Trustees' Responsibilities Statement

For the Year ended 31 December 2019

The Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 1999 requires the Trustees of the Federation to:

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

The Trustees confirm that:

- so far as each Trustee is aware, there is no audit information of which the Federation's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The maintenance and integrity of the National Federation of Retail Newsagents website is the responsibility of the Federation. The work carried out by the auditors does not involve the consideration of these matters, and accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

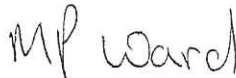
Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Auditors

Carbon Accountancy Limited have expressed the willingness to continue in office.



S Patel
N Trustee



M Ward
Trustee



N Patel
Trustee

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

For the Year ended 31 December 2019

Opinion

We have audited the financial statements of National Federation of Retail Newsagents (the 'Federation') for the year ended 31 December 2019 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 2019 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. 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: 04/09/2020 2020

Combined Income and Expenditure Account For the Year ended 31 December 2019

Income	Note	2019 £	2018 £
Capitation fees		3,249,110	3,528,828
Less: Cost of collection		<u>(101,904)</u>	<u>(110,817)</u>
		3,147,206	3,418,011
Rental income		123,566	105,748
Other income		344,279	247,325
Interest received		422	296
Sponsorship income		393,346	324,478
Dividends received		10,000	160,000
Income from investments		60,896	58,481
Donations		<u>7,723</u>	<u>13,769</u>
Total income		<u>4,087,438</u>	<u>4,328,108</u>
Expenditure			
Meetings		468,113	499,121
Members' services		920,817	867,957
District & branch expenditure		1,060,093	1,006,641
President, field operations and communications		694,063	645,630
Finance & head office overheads		1,032,490	1,012,086
Foreign currency translation		177	82
Claims paid: Death of member and Serious illness		76,200	79,800
NFRN Legal line		145,117	210,548
Grants		2,600	600
Gifts and donations		700	1,500
ROI Office Costs		6,078	14,418
Interest payable		7,364	5,519
Sundry expenses		-	1,235
Loss/(profit) on disposal of investments		(43,137)	10,414
Fair value movement on revaluation of properties		-	137,018
Fair value movement on revaluation of investments		(194,426)	177,188
Provisions and fund transfers		-	-
Total expenditure		<u>4,176,249</u>	<u>4,669,757</u>
(Deficit)/Surplus before exceptional costs	4	(88,811)	(341,649)
Exceptional costs	4	<u>(22,161)</u>	<u>(53,721)</u>
(Deficit) before tax and reserve transfers		(110,972)	(395,370)
Taxation	5	<u>(23,478)</u>	<u>(20,092)</u>
Surplus/(Deficit) after taxation and before transfers		(134,450)	(415,462)
Net transfers from other reserves	12(c)	<u>137,018</u>	<u>-</u>
Surplus/(Deficit) after taxation and reserve transfers		<u>2,568</u>	<u>(415,462)</u>

The Income and Expenditure account has been prepared on the basis that all operations are continuing operations.

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the Income and Expenditure account.

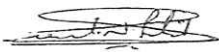
The notes on pages 18 to 32 form part of these financial statements.

Combined Balance Sheet

As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	6 (a)	1,895,266	1,638,443
Investment property	6 (d)	2,018,750	2,375,000
Listed investments	7 (a)	2,254,735	2,197,174
Trade investments	8 (a)	<u>150,003</u>	<u>150,003</u>
		6,318,754	6,630,620
Current assets			
Debtors: amounts falling due within one year	9	700,399	703,917
Cash at bank		<u>604,471</u>	<u>791,064</u>
		1,304,870	1,494,981
Current liabilities			
Creditors: amounts falling due within one year	10	<u>(812,238)</u>	<u>(703,186)</u>
Net current assets		492,632	791,795
Creditors: amounts falling due more than one year	11	<u>(47,711)</u>	<u>(57,715)</u>
Total assets less current liabilities		<u>6,763,675</u>	<u>7,094,700</u>
Represented by:			
Property and equipment reserve	12(a)	1,305,661	1,305,661
Investment reserve	12(b)	1,939,418	2,273,011
Capital account	12(c)	3,336,596	3,334,028
Strategic reserve	12(d)	100,000	100,000
Yeoman House Development reserve	12(e)	<u>82,000</u>	<u>82,000</u>
		<u>6,763,675</u>	<u>7,094,700</u>

These accounts were approved and authorised for issue by the Trustees on and signed on 4th September 2020 and signed their behalf by:



S Patel
Trustee



M Ward
Trustee



N Patel
Trustee

The notes on pages 18 to 32 form part of these financial statements.

General Fund

Income and Expenditure Account

For the Year ended 31 December 2019

	Note	2019 £	2018 £
Income			
Capitation fees		3,249,110	3,528,828
Less: Cost of collection		<u>(101,904)</u>	<u>(110,817)</u>
		3,147,206	3,418,011
Rental income		123,566	105,748
Other income		344,279	247,325
Sponsorship income		393,346	324,748
Total income		<u>4,008,397</u>	<u>4,095,562</u>
Expenditure			
Meetings		468,113	499,121
Members' services		920,817	867,957
District & branch expenditure		1,060,093	1,006,641
President, field operations and communications		694,063	645,630
Finance & head office overheads		1,053,148	1,025,778
Foreign currency translation		177	82
Fair value movement on revaluation of investment property		-	(9,435)
Total expenditure		<u>4,196,411</u>	<u>4,035,774</u>
(Deficit)/surplus before taxation, reserve transfers and exceptional costs		(188,014)	59,788
Exceptional costs	4	<u>(22,161)</u>	<u>(53,721)</u>
(Deficit)/surplus before taxation, reserve transfers		(210,175)	6,067
Taxation	5	<u>(23,478)</u>	<u>(20,092)</u>
(Deficit) after taxation and before reserve transfers		(233,653)	(14,025)
Net transfers (to)/from Reserves	12(c)	<u>(9,435)</u>	<u>-</u>
(Deficit) after taxation and reserve transfers		<u>(243,088)</u>	<u>(14,025)</u>

The Income and Expenditure account has been prepared on the basis that all operations are continuing operations.

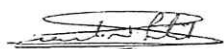
No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the Income and Expenditure account.

The notes on pages 18 to 32 form part of these financial statements.

General Fund
Balance sheet
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	6 (b)	1,484,142	1,383,513
Investment property	6 (d)	2,018,750	2,375,000
		<u>3,502,892</u>	<u>3,758,513</u>
Current assets			
Debtors: amounts falling due within one year	9	686,833	534,221
Cash at bank		357,988	267,848
		1,044,821	802,069
Current liabilities			
Creditors: amounts falling due within one year	10	<u>(1,289,798)</u>	<u>(702,760)</u>
Net current (liabilities)/assets		<u>(244,977)</u>	<u>99,309</u>
Creditors: amounts falling due more than one year	11	<u>(47,711)</u>	<u>(57,715)</u>
Net assets		<u>3,210,204</u>	<u>3,800,107</u>
Represented by:			
Property and equipment reserve	12(a)	1,305,661	1,305,661
Investment reserve	12(b)	1,926,196	2,273,011
Capital account	12(c)	(203,653)	39,435
Strategic reserve	12(d)	100,000	100,000
Yeoman House Development reserve	12(e)	<u>82,000</u>	<u>82,000</u>
		<u>3,210,204</u>	<u>3,800,107</u>

These accounts were approved and authorised for issue by the Trustees on 4th September 2020 and signed on their behalf by:



S Patel
Trustee



M Ward
Trustee



N Patel
Trustee

The notes on pages 18 to 32 form part of these financial statements.

Benefits Fund

Income and Expenditure Account

For the Year ended 31 December 2019

	Notes	2019 £	2018 £
Income			
Dividends received – NFRN Holdings Limited		10,000	160,000
Income from listed investments		60,896	54,481
Interest received		5,369	-
Rent received		<u>10,000</u>	<u>10,000</u>
		<u>86,265</u>	<u>228,481</u>
Expenditure			
Claims paid: Death of member		72,000	75,000
Serious illness		4,200	4,800
NFRN Legal Line		145,117	210,550
ROI office costs		6,078	14,418
Depreciation of fixed assets	6(c)	<u>3,481</u>	<u>3,481</u>
		<u>230,876</u>	<u>308,249</u>
Surplus/(deficit) on disposal of listed investments		43,137	(10,414)
Fair value movement on revaluation of properties		-	(146,453)
Fair value movement on revaluation of investments	7(a)	<u>194,426</u>	<u>(177,188)</u>
		<u>237,563</u>	<u>(334,055)</u>
Surplus/(deficit) for the year		92,952	(413,823)
Net transfers (to)/from Reserves	12(c)	<u>146,453</u>	<u>-</u>
Surplus/(Deficit) transferred to Reserves	12(c)	<u>239,405</u>	<u>(413,823)</u>

The Income and Expenditure account has been prepared on the basis that all operations are continuing operations. There are no gains or losses other than those recognised above.

The NFRN Benefits Fund have paid an annuity of approximately £13 (2018 - £17) per member which has been commuted to provide a policy which provides legal help and assistance to members in times of need.

Tax status:

No tax is payable as S981 of the Corporation Tax Act 2010 specifically exempts employers' associations from tax on income (except trading income) and chargeable gains, which are applicable and applied for the purpose of provident benefits.

The notes on pages 18 to 32 form part of these financial statements.

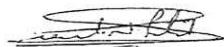
Benefits Fund

Balance Sheet

As at 31 December 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	6 (c)	411,124	254,930
Listed investments	7 (a)	2,254,735	2,197,174
Trade investments	8 (c)	<u>150,003</u>	<u>150,003</u>
		<u>2,815,862</u>	<u>2,602,107</u>
Current assets			
Debtors: amounts falling due within one year	9	283,323	162,540
Cash at bank		<u>29,563</u>	<u>111,474</u>
		<u>312,886</u>	<u>274,014</u>
Current liabilities			
Creditors: amounts falling due within one year	10	-	-
Net current assets/(liabilities)		<u>312,886</u>	<u>274,014</u>
Net assets		<u>3,128,748</u>	<u>2,876,121</u>
Represented by:			
Investment property reserve	12(b)	13,222	-
Capital account	12(c)	<u>3,115,526</u>	<u>2,876,121</u>
		<u>3,128,748</u>	<u>2,876,121</u>

These accounts were approved and authorised for issue by the Trustees on 4th September 2020 and signed on their behalf by:



S Patel
Trustee



M Ward
Trustee



N Patel
Trustee

The notes on pages 18 to 32 form part of these financial statements.

Ratcliffe Benevolent Fund Income and Expenditure Account For the Year ended 31 December 2019

	Notes	2019 £	2018 £
Income			
Donations		7,195	13,334
Bank interest		422	295
Inter-company interest		<u>1,000</u>	<u>1,007</u>
		<u>8,617</u>	<u>14,636</u>
Expenditure			
Grants		2,600	600
Sundry		-	1,233
Bad debts		-	-
Bank charges		<u>629</u>	<u>360</u>
		<u>3,229</u>	<u>2,193</u>
Surplus before taxation		5,388	12,443
Taxation		-	-
Surplus for year		5,388	12,443
Capital account balance brought forward	12(c)	<u>247,099</u>	<u>234,656</u>
Capital account balance carried forward	12(c)	<u>252,487</u>	<u>247,099</u>

The Income and Expenditure account has been prepared on the basis that all operations are continuing operations. There are no gains or losses other than those recognised above.

The notes on pages 18 to 32 form part of these financial statements.

Ratcliffe Benevolent Fund

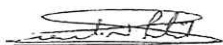
Balance Sheet

As at 31 December 2019

	Notes	2019 £	2018 £
Current assets			
Debtors: amounts falling due within one year ¹	9	107,133	6,506
Cash at bank		<u>145,592</u>	<u>240,831</u>
		252,725	247,337
Current liabilities			
Creditors: amounts falling due within one year	10	<u>(238)</u>	<u>(238)</u>
Net assets		<u>252,487</u>	<u>247,099</u>
Represented by:			
Capital account 2	12	<u>252,487</u>	<u>247,099</u>

1. Included in Loan debtors is £nil (2018 - £nil) which represents an amount falling due after one year.
2. Includes legacy of £89,007 (excluding any income and expenditure incurred in prior years) from the estate of Mr E D McKinney. This legacy provides for Federation staff as well as Federation members.

These accounts were approved and authorised for issue by the Trustees on 4th September 2020 and signed on their behalf by:



S Patel
Trustee



M Ward
Trustee



N Patel
Trustee

The notes on pages 18 to 32 form part of these financial statements.

Carl Bridgewater Fund
Income and Expenditure Account
For the Year ended 31 December 2019

	Notes	2019 £	2018 £
Income			
Donations		528	435
Intercompany/bank interest		<u>1,035</u>	<u>1,008</u>
		<u>1,563</u>	<u>1,443</u>
Expenditure			
Gifts and donations		<u>700</u>	<u>1,500</u>
		<u>700</u>	<u>1,500</u>
Surplus/(deficit) before taxation		863	(57)
Taxation		-	-
Surplus/(deficit) for the year		863	(57)
Capital account balance brought forward	12(c)	<u>171,373</u>	<u>171,430</u>
Capital account balance carried forward	12 (c)	<u>172,236</u>	<u>171,373</u>

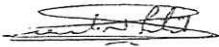
The Income and Expenditure account has been prepared on the basis that all operations are continuing operations. There are no gains or losses other than those recognised above.

The notes on pages 18 to 32 form part of these financial statements.

Carl Bridgewater Fund
 Balance Sheet
 As at 31 December 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due within one year	9	101,096	650
Cash at bank		<u>71,328</u>	<u>170,911</u>
		172,424	171,561
Current liabilities			
Creditors: amounts falling due within one year	10	<u>(188)</u>	<u>(188)</u>
Net assets		<u>172,236</u>	<u>171,373</u>
Represented by:			
Capital account	12(c)	<u>172,236</u>	<u>171,373</u>

These accounts were approved and authorised for issue by the Trustees on 4th September 2020 and signed on their behalf by:



S Patel
Trustee



M Ward
Trustee



N Patel
Trustee

The notes on pages 18 to 32 form part of these financial statements.

Combined Statement of Cash Flows For the Year ended 31 December 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Surplus/(Deficit) for the financial year		2,568	(415,462)
Adjustments for:			
Depreciation of tangible assets	6(a)	85,374	60,731
Loss / (Profit) on disposal of investments		(43,137)	10,414
Movement in debtors		3,518	137,086
Movement in creditors		(108,321)	(85,024)
Interest received		422	296
Taxation paid		(20,092)	(15,403)
Dividends received		(70,896)	(218,481)
Fair value movements	7	(194,426)	314,206
Corporation tax	5	23,478	20,092
Net cash generated from operating activities		<u>(321,512)</u>	<u>223,917</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	6(a)	(182,552)	(81,610)
Sale of tangible fixed assets		-	-
Purchase of listed investments	7	(28,258)	(253,954)
Sale of listed investments		326,217	601,504
Interest received		422	296
Dividends received		70,896	218,481
Net cash from investing activities		<u>186,725</u>	<u>484,717</u>
Cashflows from financing activities			
Interest paid		(6,703)	(5,519)
Repayment of finance lease obligations		(47,671)	(42,575)
Net cash used in financing activities		<u>(54,374)</u>	(48,094)
Net increase/(decrease) in cash and cash equivalents		<u>(186,593)</u>	245,078
Cash and cash equivalents at beginning of year		<u>791,064</u>	<u>545,986</u>
Cash and cash equivalents at the end of the year		<u>604,471</u>	<u>791,064</u>

The notes on pages 18 to 32 form part of these financial statements.

Notes to the financial statements

For the Year ended 31 December 2019

1. General information

The National Federation of Retail Newsagents is an unincorporated Federation. The registered office is Bede House, Belmont Business Park, Durham, DH1 1TW.

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 2019

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 2019

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

	2019	2018
	£	£
Surplus for the year is after charging/(crediting):		
Auditors remuneration	18,500	18,500
Depreciation of tangible fixed assets:		
Charge for the year	85,374	60,731
Provisions and Fund transfers:		
Exceptional costs *	22,161	53,721
Hire of other assets – operating leases	<u>51,502</u>	<u>54,299</u>

* Exceptional costs consist of the provisions against doubtful debts from associated undertakings NFRN Direct, Newtrade Publishing Ltd and National Newsagent Network Limited (“NNN Ltd”) (in liquidation) as follows:

	2019	2018
	£	£
Intercompany balance – NFRN Direct (2018 – NNN Ltd)	16,627	40,458
Shares held in NFRN Commercial Ltd (note 8(b))	-	-
Other balances (Newtrade Pub. Ltd) (2018 - NNN Ltd)	<u>5,534</u>	<u>13,263</u>
	<u>22,161</u>	<u>53,721</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.

	2019 £	2018 £
Domestic current year tax		
U.K. corporation tax	23,478	20,092
Adjustment in respect of previous periods	<u>-</u>	<u>-</u>
Total current tax	<u><u>23,478</u></u>	<u><u>20,092</u></u>

Factors affecting the year

The tax assessed for the year is at the standard rate of corporation tax due in the UK of 19% (2018 – 19%). The differences are explained below:

	2019 £	2018 £
(Deficit)/Surplus before taxation, reserve transfers	(110,972)	(395,635)
(Deficit)/Surplus before taxation and reserve transfers multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19%)	(21,085)	(75,171)
Effects of:		
Expenses not deductible for tax purposes	775,538	843,790
Expenses not deductible for tax purposes – exceptional cost	22,161	53,721
Non-taxable income	(753,136)	(802,248)
Adjustment in respect of prior period	<u>-</u>	<u>-</u>
Total tax charge for the year	<u><u>23,478</u></u>	<u><u>20,092</u></u>

Notes to the financial statements

For the Year ended 31 December 2019

6. Tangible fixed assets

(a) Combined

	Freehold property £	Long leasehold £	Fixtures and fittings £	Computer £	Motor vehicles £	Total £
Cost						
At 1 January 2019	1,336,046	49,739	687,999	588,188	204,557	2,866,529
Additions	-	-	98,159	45,023	39,340	182,522
Revaluation	35,000	124,675	-	-	-	159,675
At 31 December 2019	<u>1,371,046</u>	<u>174,414</u>	<u>786,158</u>	<u>633,211</u>	<u>243,897</u>	<u>3,208,726</u>
Depreciation						
At 1 January 2019	-	-	597,711	567,597	62,778	1,228,086
Charge for the year	-	-	10,222	15,063	60,089	85,374
On disposals	-	-	-	-	-	-
At 31 December 2019	<u>-</u>	<u>-</u>	<u>607,933</u>	<u>582,660</u>	<u>122,867</u>	<u>1,313,460</u>
Net book value						
At 31 December 2019	<u>1,371,046</u>	<u>174,414</u>	<u>178,225</u>	<u>50,551</u>	<u>121,030</u>	<u>1,895,266</u>
At 31 December 2018	<u>1,336,046</u>	<u>49,739</u>	<u>90,288</u>	<u>20,591</u>	<u>141,779</u>	<u>1,638,443</u>

The net book value of assets held under HP is £121,030 (2018 - £141,779). The depreciation charge in respect of these assets is £60,089 (2018 - £40,727).

Notes to the financial statements

For the Year ended 31 December 2019

(b) General Fund

	Freehold property £	Fixtures and fittings £	Computer £	Motor vehicles £	Total £
Cost					
At 1 January 2019	1,151,046	653,483	588,188	204,557	2,597,274
Additions	-	98,159	45,023	39,340	182,522
Disposals	-	-	-	-	-
At 31 December 2019	<u>1,151,046</u>	<u>751,642</u>	<u>633,211</u>	<u>243,897</u>	<u>2,779,796</u>
Depreciation					
At 1 January 2019	-	583,386	567,597	62,778	1,213,761
Charge for the year	-	6,741	15,063	60,089	81,893
On disposals	-	-	-	-	-
At 31 December 2019	<u>-</u>	<u>590,127</u>	<u>582,660</u>	<u>122,867</u>	<u>1,295,654</u>
Net book value					
At 31 December 2019	<u>1,151,046</u>	<u>161,515</u>	<u>50,551</u>	<u>120,030</u>	<u>1,484,142</u>
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>

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 £120,030 (2018 - £141,779). The depreciation charge in respect of these assets is £60,089 (2018 -£40,707).

(c) Benefits Fund

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Computer £	Total £
Cost					
At 1 January 2019	185,000	49,739	31,882	2,634	269,255
Additions/Disposals	-	-	-	-	-
Revaluation	<u>35,000</u>	<u>124,675</u>	<u>-</u>	<u>-</u>	<u>159,675</u>
At 31 December 2019	<u>220,000</u>	<u>174,414</u>	<u>31,882</u>	<u>2,634</u>	<u>428,930</u>
Depreciation					
At 1 January 2019	-	-	11,692	2,633	14,325
Charge for the year	-	-	3,481	-	3,481
At 31 December 2019	<u>-</u>	<u>-</u>	<u>15,173</u>	<u>2,633</u>	<u>17,806</u>
Net book value					
At 31 December 2019	<u>220,000</u>	<u>174,414</u>	<u>16,709</u>	<u>1</u>	<u>411,124</u>
At 31 December 2018	<u>185,000</u>	<u>49,739</u>	<u>20,190</u>	<u>1</u>	<u>254,930</u>

Freehold property comprises the Durham office at 107 Gilesgate, Durham, DH1 1JA. 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 2019

(d) Investment Property – General Fund and Combined

	2019 £	2018 £
Valuation		
At 1 January 2019 (1 January 2018)	2,375,000	2,365,565
Fair value movement on revaluation	<u>(356,250)</u>	<u>9,435</u>
At 31 December 2019 (31 December 2018)	<u>2,018,750</u>	<u>2,375,000</u>

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

7. Listed investments

(a) Combined and Benefits Fund

	£
Valuation	
At 1 January 2019	2,197,174
Additions	28,258
Disposals	(165,123)
Revaluation	194,426
At 31 December 2019	<u>2,254,735</u>

Market value broken down as follows:	2019 £	2018 £
UK Fixed Interest	326,836	406,610
UK Equities	526,864	530,625
European Equities	38,813	102,721
North American Equities	543,358	443,881
Japanese Equities	83,561	122,886
Far East & Australian Equities	125,901	112,733
Emerging Economies	105,205	101,466
UK Property	191,241	178,388
Alternative Assets	184,934	174,770
Cash	<u>128,022</u>	<u>23,694</u>
	<u>2,254,735</u>	<u>2,197,174</u>

Historical cost	£
At 1 January 2019	1,616,486
Additions	28,258
Disposals	<u>(236,330)</u>
At 31 December 2019	<u>1,408,414</u>

Notes to the financial statements

For the Year ended 31 December 2019

8. Trade Investments

(a) Combined

Cost	2019	2018
	£	£
At 1 January 2019 (1 January 2018)	150,003	150,003
Amounts written off	-	-
At 31 December 2019 (31 December 2018)	<u>150,003</u>	<u>150,003</u>

(b) Benefits Fund

	2019	2018
	£	£
Newtrade Media 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/ incorporation	Shares held		% Capital and reserves	Profit and (loss) for the year	
		Principal activity	Class			
				£	£	
Subsidiary undertakings						
NFRN Holdings Limited	UK	Holding	Ordinary	100	3	10,000
Newtrade Media Ltd *	UK	Publishing	Ordinary	100	1,634,288	30,036
Newtrade Publishing Ltd**	UK	Dormant	Ordinary	100	1	-

* Shares held via NFRN Holdings Limited

** Shares held via Newtrade Media Limited

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

	2019	2018
	£	£
Profit and loss reserve		
At 1 January 2019	1,458,252	1,725,072
Profit (loss) for the year	30,036	(106,820)
Dividends paid	(10,000)	(160,000)
At 31 December 2019	<u>1,478,288</u>	<u>1,458,252</u>
Balance sheet		
Called up share capital	150,000	150,000
Share premium account	6,000	6,000
Profit and loss account	<u>1,478,288</u>	<u>1,458,252</u>
Shareholders' funds	<u>1,634,288</u>	<u>1,614,252</u>

Notes to the financial statements

For the Year ended 31 December 2019

9. Debtors: Amounts falling due within one year

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2019	Combined 2018
	£	£	£	£	£	£
Amounts owed by group	-	-	-	-	-	557
Other debtors	156,233	279,410	107,133	101,096	165,866	242,995
Prepayments and accrued income	530,600	3,913	-	-	534,513	460,365
	686,833	283,323	107,133	101,096	700,399	703,917

Included in the General Fund is £nil (2018 -£nil) due in more than one year.

10. Creditors: Amounts falling due within one year

	General Fund	Benefits Fund	Ratcliffe Benev'nt. Fund	Carl Bridge-water Fund	Combined 2019	Combined 2018
	£	£	£	£	£	£
Amounts owed to group entities	-	-	-	-	-	-
Taxation	23,478	-	238	188	23,904	20,518
Other tax and social security	94,970	-	-	-	94,970	141,340
Other creditors	904,933	-	-	-	426,947	351,419
Accruals and deferred income	211,574	-	-	-	211,574	106,291
Amounts due – hire purchase	54,843	-	-	-	54,843	65,618
	1,289,798	-	238	188	812,238	703,186

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

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2019	Combined 2018
	£	£	£	£	£	£
Amounts due under hire purchase	47,711	-	-	-	47,711	57,715
	47,711	-	-	-	47,711	57,715

Notes to the financial statements

For the Year ended 31 December 2019

Creditors: Amounts falling due within one year (cont/d)

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

	2019 £	2018 £
Amounts due under hire purchase (1 – 2 years)	34,557	39,097
Amounts due under hire purchase (2 – 5 years)	<u>13,164</u>	<u>18,616</u>
	<u>47,711</u>	<u>57,715</u>

12. Reserves

(a) Property and equipment reserve

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge- water Fund £	Combined 2019 £	Combined 2018 £
At 1 January 2019	1,305,661		-	-	1,305,661	1,305,661
Transfer from income and expenditure account	-	-	-	-	-	-
At 31 December 2019	<u>1,305,661</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.

(b) Investment property reserve

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge- water Fund £	Combined 2019 £	Combined 2018 £
At 1 January 2019	2,273,011		-	-	2,273,011	2,273,011
Revaluation adjustments	(356,250)	159,675	-	-	(196,575)	-
Transfer between reserves	9,435	146,453)	-	-	(137,018)	-
At 31 December 2019	<u>1,926,196</u>	<u>13,222</u>	-	-	<u>1,939,418</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 2019

Reserves (cont/d)

(c) Capital account

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2019	Combined 2018
	£	£	£	£	£	£
At 1 January 2019	39,435	2,876,121	247,099	171,373	3,334,028	3,749,490
(Deficit)/Surplus for the year after taxation	(233,653)	92,952	5,388	863	(134,450)	(415,462)
Transfer to Property & Equipment reserve	-	-	-	-	-	-
Transfer to (from) investment property reserve	(9,435)	146,453	-	-	137,018	-
Transfer from Yeoman House Development Reserve	-	-	-	-	-	-
Transfer from Development reserve	-	-	-	-	-	-
At 31 December 2019	(203,653)	3,115,526	252,487	172,236	3,336,596	3,334,028

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

(e) Strategic reserve

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2019	Combined 2018
	£	£	£	£	£	£
At 1 January 2019	100,000	-	-	-	100,000	100,000
Transfer (to)/from income and expenditure account	-	-	-	-	-	-
At 31 December 2019	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 2019

Reserves (cont/d)

(d) Yeoman House Development

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2019	Combined 2018
	£	£	£	£	£	£
At 1 January 2019	82,000	-	-	-	82,000	82,000
Transfer to income and exp.	-	-	-	-	-	-
At 31 December 2019	<u>82,000</u>	-	-	-	<u>82,000</u>	<u>82,000</u>

This reserve represents a development reserve for Yeoman House

13. Employee Costs – Combined and General Fund

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

	2019 £	2018 £
Wages and salaries	1,793,965	1,786,120
Social security costs	189,743	185,562
Benefits-in-kind	20,931	22,924
Cost of defined contribution scheme	<u>95,370</u>	<u>112,436</u>
	<u>2,100,009</u>	<u>2,107,042</u>

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

	2019 No	2018 No
Head office	18	19
Districts	<u>37</u>	<u>38</u>
	<u>55</u>	<u>57</u>

Notes to the financial statements

For the Year ended 31 December 2019

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 31st March 2019 showed assets of the scheme of £8,455,509. Pension scheme liabilities were expected to have increased from the March 2016 actuarial valuation level of £7,162,000 but not to the extent that there would be a significant deficit.

Pension contributions to the Federation pension scheme for the year amounted to £31,143 (2018 - £88,963).

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 was also introduced on 1 October 2014.

Contributions payable by the Federation for the year amounted to £34,399 (2018 - £29,523).

Notes to the financial statements

For the Year ended 31 December 2019

15. Leasing Commitments – Combined

	Land and Buildings	Other	Land and Buildings	Other
	2019	2019	2018	2018
	£	£	£	£
Within 1 year	-	-	-	19,160
In 2 to 5 years	-	15,726	-	15,726
Greater than 5 years	-	-	-	-
	<u>-</u>	<u>15,726</u>	<u>-</u>	<u>34,886</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.

	2019	2018
	£	£
Net recharge to/(from):		
Newtrade Media Limited	<u>131,354</u>	<u>226,737</u>

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

The balances outstanding from/ (to) related undertakings at the year-end are as follows:

	2019	2018
	£	£
Newtrade Publishing Limited*	-	5,140
Newtrade Media Limited	(200,730)	-
NFRN Defined Benefits Pension	<u>(10,254)</u>	<u>(11,029)</u>

The amount due to Newtrade Media Limited represents an unsecured interest-bearing loan of £200,000 plus accrued interest of £730. The interest rate is 2.25% per annum.

* All balances with Newtrade Publishing Limited were written off as detailed within note 4.

Total remuneration in respect of key management personnel is £36,175 (2018 - £158,762).

(b) Benefits Fund

The Benefits Fund received dividends of £10,000 (2018 - £160,000) from NFRN Holdings Limited.

Notes to the financial statements

For the Year ended 31 December 2019

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 2019 £	Combined 2018 £
Financial assets		
Financial assets measured at fair value through profit and loss	<u>2,254,735</u>	<u>2,197,174</u>
Financial assets measured at amortised cost	<u>924,273</u>	<u>1,231,029</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>1,116,507</u>	<u>319,751</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 relocation of the finance department to new premises in Durham in early 2020 has enabled the redevelopment of the London premises at Yeoman House, Sekforde Street, to commence. The intention is to create 4 separate business units for letting purposes with the cost of the renovation expected to be £750,000. This will be financed from the federation's own cash resources, further drawdown of the Newtrade Media loan facility, and cost savings and is expected to be completed by the end of 2020.

The Federation entered into a nine-and-a-half-year lease commencing on 14th June 2020 for its new Head Office located at Bede House, Belmont Business Park, Durham for an annual rent of £43,927.

As highlighted in the Trustees report, the COVID-19 pandemic has had adverse effects on our 11,000 members, and we have put measures in place such as our Hardship Fund, and a Shop Local campaign to give small shops a voice.

We have also undertaken a financial viability assessment including a strategic review of the business (staff & operations) which will ensure the Federation is able to weather the impact of the pandemic. The closure of our London office has resulted in cost savings and many of our meetings are now conducted via Zoom which has reduced travel costs and time. The Federation will therefore be best placed to serve its members through increased services such as business utilities, card payments and online tools and information including assistance with additional measures and government packages to support businesses.