

# 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 2020			
List No:	67E			
Head or Main Office:	Bede House			
	Belmont Business Park			
	Durham			
Postcode	DH1 1TW			
Website address (if available)	TheFedOnline.com			
Has the address changed during the year to which the return relates?	Yes	<input checked="" type="checkbox"/>	No <input 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:	<a href="mailto:adrian.roper@nfrn.org.uk">adrian.roper@nfrn.org.uk</a>			

**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](mailto:returns@certoffice.org)

For Employers' Associations based in Scotland: [ymw@tcyoung.co.uk](mailto: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
9,648	487	213	27	10,375

## 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
None			

# 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 Position Held

Hussan Lal National Councillor

David Woodrow National Councillor

Shahid Razzaq National Councillor & National Executive Committee

Colin Reed National Councillor

Jason Birks National Deputy Vice President, National Councillor & National Executive Committee

John Abbott National Councillor

Michael Mitchelson Immediate Past President, National Councillor & National Executive Committee

Martin Ward Trustee

Andrew Taylor National Councillor & National Executive Committee

Stuart Reddish National President, National Councillor & National Executive Committee

James Wilkinson National Councillor & National Finance Committee

Suleman Khonat National Councillor & National Executive Committee

Hanif Khonat National Councillor

Muntazir Dipoti National Vice President, National Councillor & National Executive Committee

Arif Mohammed National Councillor

Chris Bridgette National Councillor

Stuart McClymont National Councillor

Sunilkumar Patel Trustee

Hamlatta Patel National Councillor

Julia Bywater National Councillor

Sukhdeep Balaghan National Councillor

Owen Church National Councillor

Barry Starling National Councillor

Sam Whiteside National Councillor

Peter Robinson National Councillor

Ray Monelle National Councillor

Andrew White National Councillor

Alpesh Patel National Councillor

Pravin Shah National Councillor

Kamal Thaker National Councillor

Peter Wagg National Councillor & National Executive Committee

Hetal Patel National Councillor & National Finance Committee

Nilesh Patel Trustee

Mike Garner National Councillor

Bhavesh Patel National Councillor & National Executive Committee

Hitesh Pandya National Councillor

Judith Mercer National Councillor

Gwen Patterson National Councillor & National Executive Committee

Peter Steemers National Councillor

Martin Mulligan National Councillor

## Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	<b>Income</b>			
3,246,282	From Members	Subscriptions, levies, etc	2,936,823	2,936,823
	Investment income	Interest and dividends (gross)		
		Bank interest (gross)		
		Other (specify)		
		Total Investment Income		
123,566	Other Income	Rents received	16,257	16,257
		Insurance commission		
		Consultancy fees		
311,053		Publications/Seminars	375,927	375,927
		Miscellaneous receipts (specify)		
277,978		Business development	198,719	198,719
35,000		Management fees	35,000	35,000
		Furlough Scheme	158,150	158,150
747,597		Total of other income		784,053
3,993,879		<b>Total income</b>		<b>3,720,876</b>
		<b>Interfund Transfers IN</b>		
	<b>Expenditure</b>			
2,677,467	Administrative expenses	Remuneration and expenses of staff	2,539,142	2,539,142
206,852		Occupancy costs	299,548	299,548
52,260		Printing, Stationery, Post	59,443	59,443
37,197		Telephones	85,037	85,037
184,015		Legal and Professional fees	162,477	162,477
		Miscellaneous (specify)		
74,374		Computer	80,663	80,663
99,077		Collection costs	91,218	91,218
96,754		Sundries	39,116	39,116
32,058		HR/Training/Recruitment		
3,463,024		Total of Admin expenses		3,356,644
19,231	Other Charges	Bank charges	28,271	28,271
80,766		Depreciation	91,870	91,870
		Sums written off		
		Affiliation fees		
		Donations		
122,753		Conference and meeting fees	110,264	110,264
		Expenses		
		Miscellaneous (specify)		
332,393		Publications & promotional	237,403	237,403
163,716		Call centre	116,930	116,930
		Sale of assets/Fair value adjustments	-866,684	-866,684
22,161		Related party loans written off		
741,030		Total of other charges		-281,946
23,478		Taxation	167,662	167,662
4,227,532		<b>Total expenditure</b>		<b>3,242,360</b>
		<b>Interfund Transfers OUT</b>		
-233,653		Surplus/Deficit for year		478,516
3,443,857		Amount of fund at beginning of year		-203,653
3,210,204		Amount of fund at end of year		274,863

### Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 2		Fund Account	
Name of account:	NFRN Benefits Fund	£	£
<b>Income</b>			
	From members		
	Investment income	122,525	122,525
	Other Income (specify)		
	Profit on disposal of investments	86,610	
		86,610	86,610
		<b>Total Income</b>	<b>209,135</b>
	<b>Interfund Transfers IN</b>		
<b>Expenditure</b>			
	Administrative expenses		
	Other expenditure (specify)		
	Benefits paid	61,800	
	Depreciation	3,481	
	Fair value adjustments on investments	117,959	
		183,240	183,240
		<b>Total Expenditure</b>	<b>183,240</b>
	<b>Interfund Transfers OUT</b>		
		Surplus (Deficit) for the year	25,895
		Amount of fund at beginning of year	3,115,526
		Amount of fund at the end of year (as Balance Sheet)	3,141,421

Account 3		Fund Account	
Name of account:	Ratcliffe Benevolent Fund	£	£
<b>Income</b>			
	From members		
	Investment income	228	228
	Other income (specify)		
		<b>Total Income</b>	<b>228</b>
	<b>Interfund Transfers IN</b>		
<b>Expenditure</b>			
	Administrative expenses		
	Other expenditure (specify)		
	Grants made	300	
	Bank charges	17	
		317	317
		<b>Total Expenditure</b>	<b>317</b>
	<b>Interfund Transfers OUT</b>		
		Surplus (Deficit) for the year	-89
		Amount of fund at beginning of year	252,487
		Amount of fund at the end of year (as Balance Sheet)	252,398



### Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 4		Fund Account	
Name of account:		£	£
Carl Bridgewater Fund			
<b>Income</b>			
From members			
Investment income			
Other income (specify)			
		<b>Total Income</b>	
<b>Interfund Transfers IN</b>			
<b>Expenditure</b>			
Administrative expenses			
Other expenditure (specify)			
Donations		1,750	
Sundry		130	
		1,880	1,880
		<b>Total Expenditure</b>	1,880
<b>Interfund Transfers OUT</b>			
		Surplus (Deficit) for the year	-1,880
		Amount of fund at beginning of year	172,236
		Amount of fund at the end of year (as Balance Sheet)	170,356

Account 5		Fund Account	
Name of account:		£	£
<b>Income</b>			
From members			
Investment income			
Other income (specify)			
		<b>Total Income</b>	
<b>Interfund Transfers IN</b>			
<b>Expenditure</b>			
Administrative expenses			
Other expenditure (specify)			
		<b>Total Expenditure</b>	
<b>Interfund Transfers OUT</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 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>Interfund Transfers IN</b>		
<b>Expenditure</b>			
	Administrative expenses		
	Other expenditure (specify)		
		<b>Total Expenditure</b>	
	<b>Interfund Transfers OUT</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>Interfund Transfers IN</b>		
<b>Expenditure</b>			
	Administrative expenses		
	Other expenditure (specify)		
		<b>Total Expenditure</b>	
	<b>Interfund Transfers OUT</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 [ 31.12.2020 ]**

(see notes 19 and 20)

Previous Year		£	£
3,914,016	<b>Fixed Assets</b> (as at Page 8)	9,411,088	9,411,088
	<b>Investments</b> (as per analysis on page 9)		
2,254,735	Quoted (Market value £ ) as at Page 9		2,013,386
150,003	Unquoted (Market value £ ) as at Page 9		150,003
2,404,738	<b>Total Investments</b>	2,163,389	2,163,389
	<b>Other Assets</b>		
700,399	Sundry debtors	183,207	183,207
604,471	Cash at bank and in hand	948,779	948,779
	Stocks of goods		
	Others (specify)		
	Prepayments and accrued income	334,327	
1,304,870	<b>Total of other assets</b>	1,466,313	1,466,313
	<b>Total Assets</b>		13,040,790
-203,653	Revenue Account/ General Fund	274,863	
3,115,526	NFRN Benefits Fund	3,141,421	
252,487	Ratcliffe Benevolent Fund	252,398	
172,236	Carl Bridgewater Fund	170,356	
	Revaluation Reserve	7,559,808	#
	Strategic reserve	100,000	#
	<b>Liabilities</b>		#
23,904	Corporation tax	3,089	
94,970	PAYE/NI & VAT	85,892	
426,947	Other creditors	859,469	
211,574	Accruals & deferred income	386,607	
102,554	Hire purchase liabilities	42,314	
	Provisions - deferred tax	164,573	
859,949	<b>Total Liabilities</b>		1,541,944
7,623,624	<b>Total Assets</b>		13,040,790

## Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
<b>Cost or Valuation</b>				
At start of period	3,564,210	228,776	121,030	3,914,016
Additions during period	5,597,509	21,047		5,618,556
Less: Disposals		-12,080	-23,710	-35,790
Less: Depreciation		-44,964	-40,730	-85,694
Total to end of period	9,161,719	192,779	56,590	9,411,088
<b>Book Amount</b> at end of period	9,161,719	192,779	56,590	9,411,088
Freehold	8,904,000			8,904,000
Leasehold (50 or more years unexpired)	195,539			195,539
Leasehold (less than 50 years unexpired)	62,180			62,180
<b>Total of Fixed Assets</b>	9,161,719	192,779	56,590	9,411,088

# Analysis of Investments

(see note 22)

Quoted		Other Funds
	British Government & British Government Guaranteed Securities	251,681
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	Equities	781,621
	Managed property	106,065
	Emerging economies	65,658
	Other alternative assets	82,847
	Cash	725,514
	Total Quoted (as Balance Sheet)	2,013,386
	Market Value of Quoted Investments	
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	

\* 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	<b>X</b>	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	<b>X</b>
-----	--	----	----------

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	<b>X</b>
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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
NFRN Holdings Limited	Trustees of the Benefits Fund

## Summary Sheet

(see notes 24 to 33)

		All Funds	Total Funds
		£	
<b>Income</b>			
From Members		2,936,823	2,936,823
From Investments		122,753	122,753
Other Income (including increases by revaluation of assets)		8,530,471	8,530,471
	<b>Total Income</b>	11,590,047	11,590,047
<b>Expenditure</b> (including decreases by revaluation of assets)			
	<b>Total Expenditure</b>	3,427,797	3,427,797
<b>Funds at beginning of year</b> (including reserves)			
		3,336,596	3,336,596
<b>Funds at end of year</b> (including reserves)			
		11,498,846	11,498,846
<b>ASSETS</b>			
	Fixed Assets		9,411,088
	Investment Assets		2,163,389
	Other Assets		1,466,313
	<b>Total Assets</b>		13,040,790
<b>Liabilities</b>			
	<b>Total Liabilities</b>		1,541,944
<b>Net Assets (Total Assets less Total Liabilities)</b>			11,498,846

# Summary Sheet

(see notes 24 to 33)

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



## 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 accounts

## 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.


## Accounting policies

(see notes 35 & 36)

## 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:	MP Ward. TRUSTEE.
			(or other official whose position should be stated)
Name:	STUART REDDICK	Name:	MARTIN WARD.
Date:	18/8/21	Date:	2/8/21

## 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	

## Auditor's report (continued)

See attached accounts

Signature(s) of auditor or auditors:	<i>John Leyden</i>	
Name(s):	John Leyden FCA	
Profession(s) or Calling(s):	Chartered Accountant	
Address(es)	Carbon Accountancy Limited 80-83 Long Lane London EC1A 9ET	
Date:	6th August 2021	
Contact name for enquiries and telephone number:	John Leyden 0207 710 5302	

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

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**For the Year ended 31 December 2020**

## 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 2020

The Trustees present their report and financial statements of the National Federation of Retail Newsagents for the year ended 31 December 2020.

## 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 items	Exceptional items	2020	2019
		£	£	£	£
General Fund	(Page 9)	(223,086)	701,602	478,516	(233,653)
Benefits Fund	(Page 11)	25,895	-	25,895	92,952
Ratcliffe Benevolent Fund	(Page 13)	(89)	-	(89)	5,388
Carl Bridgewater Fund	(Page 15)	(1,880)	-	(1,880)	863
		<u>(199,160)</u>	<u>701,602</u>	<u>502,442</u>	<u>(134,450)</u>

The exceptional item relates to the fair value gain net of deferred tax arising on Yeoman House following the re-classification of the operating premises element as investment property during the period.

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

	2020 No.	2019 No.
Full members	8,278	9,019
Full partner members	152	162
Multiple secondary members	1,217	1,402
Partner members	355	385
Life members	302	305
Affiliate member	99	170
	<u>10,403</u>	<u>11,443</u>

## 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 2020

## 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.

## 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.

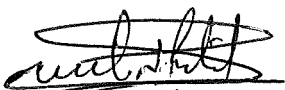
It has been a dramatic period for us as an organisation and our approach has been firstly to serve and protect our 10,000 plus members, recognising that many were going to be in hardship – 900 stores closed initially in the first wave – so we have supported as many as we could with our Hardship Fund 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 27th July 2021 and signed on its behalf by:



S Patel  
Trustee



M Ward  
Trustee



N Patel  
Trustee

# Trustees' Responsibilities Statement

For the Year ended 31 December 2020

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.

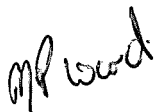
Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

## 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 2020

## Opinion

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

## 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

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

## **Other information (cont/d)**

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.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

## **Auditor's responsibilities for the audit of the financial statements (cont/d)**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the federation's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and involving relevant internal specialists, including tax, and business advisory specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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.

## **Use of our report**

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.



**John Leyden FCA**  
Senior Statutory Auditor

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

Date: 27th July 2021

# Combined Income and Expenditure Account

For the Year ended 31 December 2020

Income	Note	2020 £	2019 £
Capitation fees		2,936,823	3,249,110
Less: Cost of collection		<u>(91,218)</u>	<u>(101,904)</u>
		2,845,605	3,147,206
Rental income		16,257	123,566
Other income		380,131	344,279
Interest received		228	422
Sponsorship income		229,515	393,346
Dividends received		70,000	10,000
Income from investments		41,186	60,896
Donations		<u>-</u>	<u>7,723</u>
<b>Total income</b>		<b><u>3,582,922</u></b>	<b><u>4,087,438</u></b>
<b>Expenditure</b>			
Meetings		288,608	468,113
Members' services		558,101	920,817
District & branch expenditure		564,737	1,066,171
President, field operations and communications		748,511	694,063
Finance & head office overheads		1,254,337	1,032,490
Foreign currency translation		-	177
Claims paid: Death of member and Serious illness		61,800	76,200
NFRN Legal line		253,560	145,117
Grants		300	2,600
Gifts and donations		1,750	700
Interest payable		16,449	7,364
Loss/(profit) on disposal of investments		(86,610)	(43,137)
Fair value movement on revaluation of investments		117,959	(194,426)
Loss/(profit) on disposal of fixed assets		<u>(509)</u>	<u>-</u>
<b>Total expenditure</b>		<b><u>3,778,993</u></b>	<b><u>4,176,249</u></b>
<b>(Deficit) before exceptional items</b>	4	<b>(196,071)</b>	<b>(88,811)</b>
Exceptional items:			
Fair value movement on revaluation of properties		866,175	-
Irrecoverable balances – associated entities		<u>-</u>	<u>(22,161)</u>
<b>Surplus/(deficit) before tax and reserve transfers</b>		<b>670,104</b>	<b>(110,972)</b>
Taxation	5	<u>(167,662)</u>	<u>(23,478)</u>
<b>Surplus/(deficit) after taxation and before transfers</b>		<b>502,442</b>	<b>(134,450)</b>
Net transfers from other reserves	12(c)	<u>-</u>	<u>137,018</u>
<b>Surplus/(deficit) after taxation and reserve transfers</b>		<b><u>502,442</u></b>	<b><u>2,568</u></b>

## Combined Income and Expenditure Account cont/d.

**For the Year ended 31 December 2020**

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.

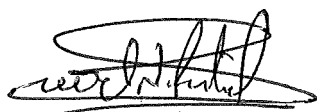
The notes on pages 19 to 32 form part of these financial statements.

# Combined Balance Sheet

## As at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	6 (a)	507,088	1,895,266
Investment property	6 (d)	8,904,000	2,018,750
Listed investments	7 (a)	2,013,386	2,254,735
Trade investments	8 (a)	<u>150,003</u>	<u>150,003</u>
		<b>11,574,477</b>	<b>6,318,754</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	517,534	700,399
Cash at bank		<u>948,779</u>	<u>604,471</u>
		<b>1,466,313</b>	<b>1,304,870</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	<u>(1,368,709)</u>	<u>(812,238)</u>
<b>Net current assets</b>		<b>97,604</b>	<b>492,632</b>
Creditors: amounts falling due after more than one year	11	(8,662)	(47,711)
Deferred taxation	12	<u>(164,573)</u>	<u>-</u>
<b>Total assets less current liabilities</b>		<b><u>11,498,846</u></b>	<b><u>6,763,675</u></b>
<b>Represented by:</b>			
Property and equipment reserve	13(a)	-	1,305,661
Investment property reserve	13(b)	7,559,808	1,939,418
Capital account	13(c)	3,839,038	3,336,596
Strategic reserve	13(d)	100,000	100,000
Yeoman House development reserve	13(e)	<u>-</u>	<u>82,000</u>
		<b><u>11,498,846</u></b>	<b><u>6,763,675</u></b>

These accounts were approved and authorised for issue by the Trustees on and signed on \_\_\_\_\_ 2021 and signed their behalf by:



S Patel  
Trustee



M Ward  
Trustee



N Patel  
Trustee

The notes on pages 19 to 32 form part of these financial statements.



# General Fund

## Income and Expenditure Account

### For the Year ended 31 December 2020

	Note	2020 £	2019 £
<b>Income</b>			
Capitation fees		2,936,823	3,249,110
Less: Cost of collection		<u>(91,218)</u>	<u>(101,904)</u>
		<b>2,845,605</b>	<b>3,147,206</b>
Rental income		16,257	123,566
Other income		380,131	344,279
Sponsorship income		229,515	393,346
<b>Total income</b>		<b><u>3,471,508</u></b>	<b><u>4,008,397</u></b>
<b>Expenditure</b>			
Meetings		288,608	468,113
Members' services		558,101	920,817
District & branch expenditure		564,737	1,060,093
President, field operations and communications		748,511	694,063
Finance & head office overheads		1,250,709	1,038,380
NFRN legal line		253,560	-
Interest payable		27,788	14,768
Foreign currency translation		-	177
Profit on sale of assets		(509)	-
<b>Total expenditure</b>		<b><u>3,691,505</u></b>	<b><u>4,196,411</u></b>
<b>(Deficit) before taxation, reserve transfers and exceptional items</b>		<b>(219,977)</b>	<b>(188,014)</b>
Exceptional items		<u>866,175</u>	<u>(22,161)</u>
<b>Surplus/(deficit) before taxation, reserve transfers</b>		<b>646,178</b>	<b>(210,175)</b>
Taxation	5	<u>(167,662)</u>	<u>(23,478)</u>
<b>Surplus/ (deficit) after taxation and before reserve transfers</b>		<b>478,516</b>	<b>(233,653)</b>
Net transfers (to)/from Reserves	12(c)	<u>-</u>	<u>(9,435)</u>
<b>Surplus/(deficit) after taxation and reserve transfers</b>		<b><u>478,516</u></b>	<b><u>(243,088)</u></b>

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

The NFRN Benefits Fund have paid an annuity of approximately £24 (2019 - £Nil) per member which has been commuted to provide a policy which provides legal help and assistance to members in times of need.

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 19 to 32 form part of these financial statements.

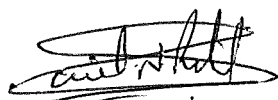
# General Fund

## Balance sheet

### As at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	6 (b)	298,320	1,484,142
Investment property	6 (d)	8,684,000	2,018,750
		<u>8,982,320</u>	<u>3,502,892</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	503,582	686,833
Cash at bank		513,152	357,988
		1,016,734	1,044,821
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	(1,925,495)	(1,289,798)
		<u>(908,761)</u>	<u>(244,977)</u>
<b>Net current (liabilities)/assets</b>			
Creditors: amounts falling due after more than one year	11	(8,682)	(47,711)
Deferred taxation	12	(164,573)	-
		<u>7,900,324</u>	<u>3,210,204</u>
<b>Net assets</b>			
<b>Represented by:</b>			
Property and equipment reserve	13(a)	-	1,305,661
Investment reserve	13(b)	7,525,461	1,926,196
Capital account	13(c)	274,863	(203,653)
Strategic reserve	13(d)	100,000	100,000
Yeoman House development reserve	13(e)	-	82,000
		<u>7,900,324</u>	<u>3,210,204</u>

These accounts were approved and authorised for issue by the Trustees on 27th July 2021 and signed on their behalf by:



S Patel  
Trustee



M Ward  
Trustee



N Patel  
Trustee

The notes on pages 19 to 32 form part of these financial statements.

# Benefits Fund

## Income and Expenditure Account

### For the Year ended 31 December 2020

	Notes	2020 £	2019 £
<b>Income</b>			
Dividends received – NFRN Holdings Limited		70,000	10,000
Income from listed investments		41,186	60,896
Interest received		11,339	5,369
Rent received		<u>-</u>	<u>10,000</u>
		<b><u>122,525</u></b>	<b><u>86,265</u></b>
<b>Expenditure</b>			
Claims paid: Death of member		4,000	72,000
Serious illness		57,800	4,200
NFRN Legal Line		-	145,117
ROI office costs		-	6,078
Depreciation of fixed assets	6(c)	<u>3,481</u>	<u>3,481</u>
		<b><u>65,281</u></b>	<b><u>230,876</u></b>
Surplus/(deficit) on disposal of listed investments		86,610	43,137
Fair value movement on revaluation of properties		-	-
Fair value movement on revaluation of investments	7(a)	<u>(117,959)</u>	<u>194,426</u>
		<b><u>(31,349)</u></b>	<b><u>237,563</u></b>
<b>Surplus/(deficit) for the year</b>		<b>25,895</b>	<b>92,952</b>
Net transfers (to)/from Reserves	13(c)	<u>-</u>	<u>146,453</u>
<b>Surplus/(Deficit) transferred to Reserves</b>	<b>13(c)</b>	<b><u>25,895</u></b>	<b><u>239,405</u></b>

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 £Nil (2019 - £13) per member which has been commuted to provide a policy which provides legal help and assistance to members in times of need.

Tax status:

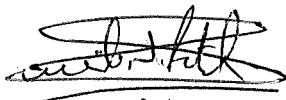
No tax is payable as S981 of the Corporation Tax Act 2010 specifically exempts employers' associations from tax on income (except trading income) and chargeable gains, which are applicable and applied for the purpose of provident benefits.

The notes on pages 19 to 32 form part of these financial statements.

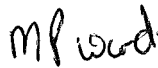
**Benefits Fund  
Balance Sheet  
As at 31 December 2020**

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	6 (c)	428,768	411,124
Listed investments	7 (a)	2,013,386	2,254,735
Trade investments	8 (c)	<u>150,003</u>	<u>150,003</u>
		<u>2,592,157</u>	<u>2,815,8662</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	565,548	283,323
Cash at bank		<u>18,063</u>	<u>29,563</u>
		<u>583,611</u>	<u>312,886</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	-	-
<b>Net current assets/(liabilities)</b>		<u>583,611</u>	<u>312,886</u>
<b>Net assets</b>		<u>3,175,768</u>	<u>3,128,748</u>
<b>Represented by:</b>			
Investment property reserve	13(b)	34,347	13,222
Capital account	13(c)	<u>3,141,421</u>	<u>3,115,526</u>
		<u>3,175,768</u>	<u>3,128,748</u>

These accounts were approved and authorised for issue by the Trustees on 27th July 2021 and signed on their behalf by:



S Patel  
Trustee



M Ward  
Trustee



N Patel  
Trustee

The notes on pages 19 to 32 form part of these financial statements.

**Ratcliffe Benevolent Fund Income  
and Expenditure Account  
For the Year ended 31 December 2020**

	Notes	2020 £	2019 £
<b>Income</b>			
Donations		-	7,195
Bank interest		228	422
Inter-company interest		-	1,000
		<u>228</u>	<u>8,617</u>
<b>Expenditure</b>			
Grants		300	2,600
Sundry		17	-
Bad debts		-	-
Bank charges		-	629
		<u>317</u>	<u>3,229</u>
<b>(Deficit)/ surplus before taxation</b>		<b>(89)</b>	<b>5,388</b>
Taxation		-	-
<b>(Deficit)/surplus for year</b>		<b>(89)</b>	<b>5,388</b>
Capital account balance brought forward	13(e)	<u>252,487</u>	<u>247,099</u>
<b>Capital account balance carried forward</b>	13(e)	<u><b>252,398</b></u>	<u><b>252,487</b></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 19 to 32 form part of these financial statements.

# Ratcliffe Benevolent Fund

## Balance Sheet

### As at 31 December 2020

	Notes	2020 £	2019 £
<b>Current assets</b>			
Debtors: amounts falling due within one year <sup>1</sup>	9	5,616	107,133
Cash at bank		<u>247,020</u>	<u>145,592</u>
		<b>252,636</b>	<b>252,725</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	<u>(238)</u>	<u>(238)</u>
<b>Net assets</b>		<b>252,398</b>	<b>252,487</b>
<b>Represented by:</b>			
Capital account 2	13	<u>252,398</u>	<u>252,487</u>

1. Included in Loan debtors is £nil (2019 - £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 27th July 2021 and signed on their behalf by:



S Patel  
Trustee



M Ward  
Trustee



N Patel  
Trustee

The notes on pages 19 to 32 form part of these financial statements.

# Carl Bridgewater Fund

## Income and Expenditure Account

### For the Year ended 31 December 2020

	Notes	2020 £	2019 £
<b>Income</b>			
Donations		-	528
Intercompany/bank interest		<u>-</u>	<u>1,035</u>
		<u>-</u>	<u>1,563</u>
<b>Expenditure</b>			
Gifts and donations		1,750	700
Sundry expenses		<u>130</u>	<u>-</u>
		<u>1,880</u>	<u>700</u>
<b>(Deficit)/surplus before taxation</b>		<b>(1,880)</b>	<b>863</b>
Taxation		-	-
<b>(Deficit)/surplus for the year</b>		<b>(1,880)</b>	<b>863</b>
Capital account balance brought forward	13(c)	<u>172,236</u>	<u>171,373</u>
<b>Capital account balance carried forward</b>	13 (c)	<u>170,356</u>	<u>172,236</u>

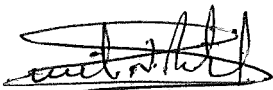
The Income and Expenditure account has been prepared on the basis that all operations are continuing operations. There are no gains or losses other than those recognised above.

The notes on pages 19 to 32 form part of these financial statements.

Carl Bridgewater Fund  
 Balance Sheet  
 As at 31 December 2020

	Note	2019 £	2019 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	-	101,096
Cash at bank		<u>170,544</u>	<u>71,328</u>
		<b>170,544</b>	<b>172,424</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	<u>(188)</u>	<u>(188)</u>
<b>Net assets</b>		<u><b>170,356</b></u>	<u><b>172,236</b></u>
<b>Represented by:</b>			
Capital account	13(c)	<u><b>170,356</b></u>	<u><b>172,236</b></u>

These accounts were approved and authorised for issue by the Trustees on 27th July 2021 and signed on their behalf by:



S Patel  
Trustee



M Ward  
Trustee



N Patel  
Trustee

The notes on pages 19 to 32 form part of these financial statements.



## Combined Statement of Cash Flows For the Year ended 31 December 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Surplus/(Deficit) for the financial year		502,442	2,568
Adjustments for:			
Depreciation of tangible assets	6(a)	85,694	85,374
Loss / (Profit) on disposal of investments		(86,610)	(43,137)
Movement in debtors		182,865	3,518
Movement in creditors		(1,182,263)	(108,321)
Interest received		11,567	422
Taxation paid		(23,478)	(20,092)
Dividends received		(10,000)	(70,896)
Fair value movements	7	117,959	(194,426)
Corporation tax	5	<u>3,089</u>	<u>23,478</u>
<b>Net cash generated from operating activities</b>		<b><u>(398,735)</u></b>	<b><u>(321,512)</u></b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	6(a)	(83,227)	(182,552)
Sale of tangible fixed assets		14,055	-
Purchase of listed investments	7	(28,258)	(28,258)
Sale of listed investments		910,951	326,217
Interest received		-	422
Dividends received		<u>10,000</u>	<u>70,896</u>
<b>Net cash from investing activities</b>		<b><u>823,521</u></b>	<b><u>186,725</u></b>
<b>Cashflows from financing activities</b>			
Interest paid		(27,788)	(6,703)
Repayment of finance lease obligations		<u>(52,690)</u>	<u>(47,671)</u>
<b>Net cash used in financing activities</b>		<b><u>(80,478)</u></b>	<b><u>(54,374)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>344,308</b>	<b>(186,593)</b>
Cash and cash equivalents at beginning of year		<u>604,471</u>	<u>791,064</u>
<b>Cash and cash equivalents at the end of the year</b>		<b><u>948,779</u></b>	<b><u>604,471</u></b>

The notes on pages 19 to 32 form part of these financial statements.

# Notes to the financial statements

## For the Year ended 31 December 2020

### 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.

#### 2.5 Current and Deferred Taxation

The tax expense for the year comprises current and deferred tax. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date where the Federation generates taxable income.

# Notes to the financial statements

## For the Year ended 31 December 2019

### Accounting Policies (cont/d)

#### 2.5 Current and Deferred Taxation (cont/d)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### 2.6 Tangible fixed assets and depreciation

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

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

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

#### Investment property

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

#### 2.7 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.

## Notes to the financial statements

For the Year ended 31 December 2020

### Accounting Policies (cont/d)

#### 2.8 Capitation fees

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

#### 2.9 Valuation of investments

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

#### 2.10 Pensions

The Federation participates in a pension scheme providing benefits on 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.

### 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	2019
	£	£
Surplus for the year is after charging/(crediting):		
Auditors' remuneration	18,500	18,500
Depreciation of tangible fixed assets:		
Charge for the year	85,694	85,374
Provisions and Fund transfers:		
Exceptional costs	-	22,161
Hire of other assets – operating leases	<u>57,945</u>	<u>51,502</u>

# Notes to the financial statements

## For the Year ended 31 December 2020

### 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.

	2020 £	2019 £
<b>Current year tax</b>		
U.K. corporation tax	3,089	23,478
Adjustment in respect of previous periods		
<b>Deferred tax</b>		
Charge arising on fair value gain on investment property	<u>164,573</u>	-
<b>Total Current and Deferred tax</b>	<u>167,662</u>	<u>23,478</u>

#### Factors affecting current tax charge

The tax assessed for the year is at the standard rate of corporation tax due in the UK of 19% (2019 – 19%). The differences are explained below:

	2020 £	2019 £
Surplus/(deficit) before taxation, reserve transfers	670,104	(110,972)
Surplus/(deficit) before taxation and reserve transfers multiplied by standard rate of corporation tax in the UK of 19% (2019 – 19%)	127,320	(21,085)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	714,303	774,538
Expenses not deductible for tax purposes – exceptional cost	-	22,161
Non-taxable income	(838,534)	(752,136)
Adjustment in respect of prior period	-	-
<b>Total tax charge for the year</b>	<u>3,089</u>	<u>23,478</u>

## Notes to the financial statements

### For the Year ended 31 December 2020

#### 6. Tangible fixed assets

##### (a) Combined

	Freehold property £	Leasehold property £	Fixtures and fittings £	Computer £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 January 2020	1,371,046	174,414	786,158	633,211	243,897	3,208,726
Add/Disp/Trans	(5,362,650)	62,180	(598,099)	(565,721)	(57,279)	(6,521,569)
Revaluation	4,211,604	21,125	-	-	-	4,232,729
At 31 December 2020	<u>220,000</u>	<u>257,719</u>	<u>188,059</u>	<u>67,490</u>	<u>186,618</u>	<u>919,886</u>
<b>Depreciation</b>						
At 1 January 2020	-	-	607,933	582,660	122,867	1,313,460
Charge for the Year	-	-	23,113	21,851	40,730	85,694
On disposals	-	-	(590,127)	(582,660)	(33,569)	(1,206,356)
At 31 December 2020	<u>-</u>	<u>-</u>	<u>40,919</u>	<u>21,851</u>	<u>130,028</u>	<u>192,798</u>
<b>Net book value</b>						
At 31 December 2020	<u>220,000</u>	<u>257,719</u>	<u>147,140</u>	<u>45,639</u>	<u>56,590</u>	<u>727,088</u>
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>

Freehold property at the start of the period represented the freehold interests in Yeoman House, London, revalued prior to its re-classification as investment property, and the former NFRN office premises at 108-109 Gilesgate, Durham. Freehold property at the year-end represented the Durham premises.

Leasehold property comprises the Federation's long leasehold interest in the Republic of Ireland office and the short leasehold improvements undertaken at the NFRN office premises at Bede House in Durham. No depreciation has been charged on these properties.

The net book value of assets held under HP is £121,030 (2019 - £121,030). The depreciation charge in respect of these assets is £60,089 (2019 - £60,089).

## Notes to the financial statements

### For the Year ended 31 December 2020

**(b) General Fund**

	Freehold/ leasehold property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2020	1,151,046	751,642	633,211	243,897	2,779,796
Additions	62,180	-	21,047	-	83,227
Revaluation	4,211,604	-	-	-	4,211,604
Disposals/reclassification	(5,362,650)	(598,099)	(586,768)	(57,279)	(6,604,796)
At 31 December 2020	<u>62,180</u>	<u>153,543</u>	<u>67,490</u>	<u>186,618</u>	<u>469,831</u>
<b>Depreciation</b>					
At 1 January 2020	-	590,127	582,660	122,867	1,295,654
Charge for the year	-	19,632	21,851	40,730	82,213
On disposals	-	(590,127)	(582,660)	(33,569)	(1,206,356)
At 31 December 2020	<u>-</u>	<u>19,632</u>	<u>21,851</u>	<u>130,028</u>	<u>171,511</u>
<b>Net book value</b>					
At 31 December 2020	<u>62,180</u>	<u>133,911</u>	<u>45,639</u>	<u>60,670</u>	<u>298,320</u>
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>

Property at the start of the period represented the freehold interest in Yeoman House, revalued prior to its re-classification as investment property. No depreciation has been charged in accordance with the accounting policies. Property at the balance sheet date represents leasehold improvements at the NFRN office premises at Bede House in Durham.

The net book value of assets held under HP is £120,030 (2019 - £120,030). The depreciation charge in respect of these assets is £60,089 (2019 -£60,089).

**(c) Benefits Fund**

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2020	220,000	174,414	31,882	2,634	428,930
Additions/Disposals	-	-	-	-	-
Revaluation	-	21,125	-	-	21,125
At 31 December 2020	<u>220,000</u>	<u>195,539</u>	<u>31,882</u>	<u>2,634</u>	<u>450,055</u>
<b>Depreciation</b>					
At 1 January 2020	-	-	15,173	2,633	17,806
Charge for the year	-	-	3,481	-	3,481
At 31 December 2020	<u>-</u>	<u>-</u>	<u>18,654</u>	<u>2,633</u>	<u>21,287</u>
<b>Net book value</b>					
At 31 December 2020	<u>220,000</u>	<u>195,539</u>	<u>13,228</u>	<u>1</u>	<u>428,768</u>
At 31 December 2019	<u>220,000</u>	<u>174,414</u>	<u>16,709</u>	<u>1</u>	<u>411,124</u>

Freehold property comprises the Durham premises at 107 Gillesgate, Durham, DH1 1JA. Long leasehold property comprises the Republic of Ireland office. No depreciation has been charged on these properties.

## Notes to the financial statements

### For the Year ended 31 December 2020

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

	2020 £	2019 £
<b>Valuation</b>		
At 1 January 2020 (1 January 2019)	2,018,750	2,375,000
Additions	436,425	-
Fair value adjustment	866,175	(356,250)
Re-classification from property, plant & equipment	<u>5,362,650</u>	<u>-</u>
<b>At 31 December 2020 (31 December 2019)</b>	<u><b>8,684,000</b></u>	<u><b>2,018,750</b></u>

Investment property represents the market value, as assessed by the Trustees based on professional valuation, of Yeoman House, Sekforde Street, London which was in the process of being renovated and redesignated from mixed operating premises/investment use to sole investment in order to rent to third parties in the 2021 financial year.

#### 7. Listed investments

##### (a) Combined and Benefits Fund

	£
<b>Valuation</b>	
At 1 January 2020	2,254,735
Additions	483,448
Disposals	(917,307)
Revaluation	192,510
<b>At 31 December 2020</b>	<u><b>2,13,386</b></u>

	2020 £	2019 £
<b>Market value broken down as follows:</b>		
UK Fixed Interest	251,681	326,836
UK Equities	246,423	526,864
European Equities	23,471	38,813
North American Equities	403,241	543,358
Japanese Equities	53,222	83,561
Far East & Australian Equities	55,264	125,901
Emerging Economies	65,658	105,205
UK Property	106,065	191,241
Alternative Assets	82,847	184,934
Cash	<u>725,514</u>	<u>128,022</u>
	<u><b>2,013,386</b></u>	<u><b>2,254,735</b></u>

	£
<b>Historical cost</b>	
At 1 January 2020	1,408,414
Additions	483,448
Disposals	<u>(210,737)</u>
<b>At 31 December 2020</b>	<u><b>1,681,125</b></u>



## Notes to the financial statements

### For the Year ended 31 December 2020

#### 8. Trade Investments

##### (a) Combined

<b>Cost</b>	<b>2020</b>	2019
	£	£
<b>At 1 January 2020</b> (1 January 2019)	<b>150,003</b>	150,003
Amounts written off	-	-
<b>At 31 December 2020</b> (31 December 2019)	<b><u>150,003</u></b>	<u>150,003</u>

##### (b) Benefits Fund

	<b>2020</b>	2019
	£	£
Newtrade Media Limited *	<b>150,000</b>	150,000
NFRN Holdings Limited	<b>3</b>	3
	<b><u>150,003</u></b>	<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			
				£	£	
<b>Subsidiary undertakings</b>						
NFRN Holdings Limited	UK	Holding	Ordinary	100	3	10,000
Newtrade Media Ltd *	UK	Publishing	Ordinary	100	1,782,414	218,126
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:

	<b>2020</b>	2019
	£	£
<b>Profit and loss reserve</b>		
At 1 January 2019	<b>1,478,288</b>	1,458,252
Profit (loss) for the year	<b>218,126</b>	30,036
Dividends paid	<b>(70,000)</b>	(10,000)
At 31 December 2019	<b><u>1,626,414</u></b>	<u>1,478,288</u>
<b>Balance sheet</b>		
Called up share capital	<b>150,000</b>	150,000
Share premium account	<b>6,000</b>	6,000
Profit and loss account	<b><u>1,626,414</u></b>	<u>1,458,288</u>
Shareholders' funds	<b><u>1,782,414</u></b>	<u>1,634,288</u>

## Notes to the financial statements

For the Year ended 31 December 2020

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

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2020	Combined 2019
	£	£	£	£	£	£
Other debtors	174,054	560,749	5,616	-	183,207	165,886
Prepayments and accrued income	329,528	4,799	-	-	334,327	543,513
	<b>503,582</b>	<b>565,548</b>	<b>5,616</b>	<b>-</b>	<b>517,534</b>	<b>700,399</b>

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

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2020	Combined 2019
	£	£	£	£	£	£
Taxation	3,089	-	238	188	3,515	23,904
Other tax and social security	85,466	-	-	-	85,466	94,970
Other creditors	1,443,681	-	-	-	1,443,681	426,947
Accruals and deferred income	386,607	-	-	-	386,607	211,574
Amounts due – hire purchase	33,652	-	-	-	33,652	54,843
	<b>1,952,495</b>	<b>-</b>	<b>238</b>	<b>188</b>	<b>1,952,921</b>	<b>812,238</b>

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

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2020	Combined 2019
	£	£	£	£	£	£
Amounts due under hire purchase	8,662	-	-	-	8,662	47,711
	<b>8,662</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,662</b>	<b>47,711</b>

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

	2020 £	2019 £
Amounts due under hire purchase (1 – 2 years)	8,662	34,557
Amounts due under hire purchase (2 – 5 years)	-	13,164
	<b>8,662</b>	<b>47,711</b>

## Notes to the financial statements

### For the Year ended 31 December 2020

#### 12. Deferred taxation

##### Combined and General Fund

	2020 £	2019 £
At beginning of the year	-	-
Charged to income and expenditure account	<u>164,573</u>	-
<b>At end of year</b>	<u><b>164,573</b></u>	<u><b>-</b></u>

The liability arises on the fair value gain on investment property.

#### 13. Reserves

##### (a) Property and equipment reserve

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge- water Fund £	Combined 2020 £	Combined 2019 £
At 1 January 2019	1,305,661	-	-	-	1,305,661	1,305,661
Fair value adjustment	4,211,604	-	-	-	4,211,604	-
Transfer to Inv. Prop. Res.	(5,517,265)	-	-	-	(5,517,265)	-
<b>At 31 December 2019</b>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>1,305,661</b></u>

This reserve previously represented the total amount (at cost less depreciation) invested in freehold property used for the functional purpose of the Federation. With the ongoing redevelopment of the property for investment use, the reserve has been transferred to the investment property reserve.

##### (b) Investment property reserve

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge- water Fund £	Combined 2020 £	Combined 2019 £
At 1 January 2020	1,926,196	13,222	-	-	1,939,418	2,273,011
Revaluation adjustments	-	21,125	-	-	21,125	(196,575)
Transfer between reserves	5,599,265	-	-	-	5,599,265	(137,018)
<b>At 31 December 2020</b>	<u><b>7,525,461</b></u>	<u><b>34,347</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>7,559,808</b></u>	<u><b>1,939,418</b></u>

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

## Notes to the financial statements

For the Year ended 31 December 2020

## Reserves (cont/d)

## (c) Capital account

General Fund	Benefits Fund	Ratcliffe Ben. Fund	Carl Bridge-water Fund	Combined 2020	Combined 2019	
£	£	£	£	£	£	
At 1 January 2020	(203,653)	3,115,526	252,487	172,236	3,336,596	3,749,490
Surplus/(deficit) for the year after taxation	478,516	25,895	(89)	(1,880)	502,442	(415,462)
Transfer to Property & Equipment reserve	-	-	-	-	-	-
Transfer to (from) investment property reserve	-	-	-	-	-	-
Transfer from Yeoman House Development Reserve	-	-	-	-	-	-
<b>At 31 December 2020</b>	<b>274,863</b>	<b>3,141,421</b>	<b>252,398</b>	<b>170,356</b>	<b>3,839,038</b>	<b>3,334,028</b>

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

## (d) Strategic reserve

General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge water Fund	Combined 2020	Combined 2019	
£	£	£	£	£	£	
At 1 January 2020	100,000	-	-	-	100,000	100,000
Transfer (to)/from income and expenditure account	-	-	-	-	-	-
<b>At 31 December 2020</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>

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

## (e) Yeoman House development reserve

General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge water Fund	Combined 2020	Combined 2019	
£	£	£	£	£	£	
At 1 January 2020	82,000	-	-	-	82,000	82,000
Transfer to investment property reserve	(82,000)	-	-	-	(82,000)	-
<b>At 31 December 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,000</b>

## Notes to the financial statements

### For the Year ended 31 December 2020

#### 14. Employee Costs – Combined and General Fund

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

	2020 £	2019 £
Wages and salaries	1,626,960	1,793,965
Social security costs	163,184	189,743
Benefits-in-kind	4,377	20,931
Cost of defined benefit and contribution schemes	<u>161,611</u>	<u>95,370</u>
	<u><b>1,956,132</b></u>	<u><b>2,100,009</b></u>

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

	2020 No	2019 No
Head office	15	18
Districts	<u>32</u>	<u>37</u>
	<u><b>47</b></u>	<u><b>55</b></u>

#### 15. 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 2019. 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 3.3% per annum.

## Notes to the financial statements

### For the Year ended 31 December 2019

#### 15. Pension Costs (cont./d)

The last pension scheme accounts as at 31<sup>st</sup> March 2019 showed assets of the scheme of £8,417,000. Pension scheme liabilities were £8,286,000 and therefore at the review date the market value of the Scheme's assets exceeded the present value of the Technical Provisions calculated on the scheme-specific valuation basis adopted. The surplus disclosed by the scheme-specific actuarial valuation as at 31 March 2019 amounted to £131,000. On that basis the Statutory Funding Objective was, therefore, fully met on the review date. There was, therefore, no formal requirement for an arrangement to be put in place to eliminate any deficit based on the 31<sup>st</sup> March 2019 position.

However, an informal updated scheme-specific actuarial valuation as at 30 June 2020 had revealed a deficit in the Scheme of £656,000 as at that date. The Trustees and the Employer have agreed to set the deficit reduction contributions required taking into account the updated financial position of the Scheme as at 30 June 2020 as revealed by the informal calculations made as at that date. The informal scheme-specific actuarial valuation as at 30 June 2020 has been made on assumptions set in accordance with the revised Statement of Funding Principles dated 25 September 2020 but based on the relevant economic indicators as at 30 June 2020. It also takes account of the updated market value of the Scheme's assets as at that date.

For the purposes of calculating the contributions required to eliminate the deficit disclosed by the scheme-specific actuarial valuation it was agreed to adopt the same assumptions used to calculate the value of Technical Provisions with no margin added to the discount rate to allow for any additional investment rate of return that might be achieved on the Scheme's assets. The overall rate of investment return adopted for the calculation of the deficit reduction contribution was, therefore, 1.60% per annum. That rate is equivalent to the annualised yield implied by the BoE UK nominal spot curve data for a term of 20 years at 30 June 2020 plus a margin of 1.00% per annum rounded to the nearest 0.10% per annum.

To eliminate the updated deficit of £656,000 as at 30 June 2020 the Trustees and the Employer have agreed that the Employer will make a contribution of £55,000 payable annually in arrears for a period of 14 years from 1 April 2020.

Pension contributions to the Federation pension scheme for the year amounted to £121,241 (2019 - £60,971).

#### **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 £31,545 (2019 - £34,399).

## Notes to the financial statements

### For the Year ended 31 December 2020

#### 16. Leasing and Other Commitments – Combined

	Land and Buildings	Other	Land and Buildings	Other
	2020	2020	2019	2019
	£	£	£	£
Within 1 year	42,927	13,722	-	19,160
In 2 to 5 years	171,708	3,955	-	15,726
Greater than 5 years	214,635	-	-	-
	<u>429,270</u>	<u>17,677</u>	-	<u>34,886</u>

The Federation had future capital commitments of £550,600 at the balance sheet date in respect of its continuing redevelopment of the Yeoman House property.

#### 17. Control

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

#### 18. Related Party Transactions

##### (a) General Fund

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

	2020	2019
	£	£
<b>Net recharge to/(from):</b>		
Newtrade Media Limited	<u>135,000</u>	<u>131,354</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:

	2020	2019
	£	£
Newtrade Publishing Limited	(730)	(730)
Newtrade Media Limited	(539,375)	(200,000)
NFRN Defined Benefits Pension	<u>(10,254)</u>	<u>(10,254)</u>

The amount due to Newtrade Media Limited includes an unsecured interest-bearing loan of £600,000 (2019 - £200,000) plus accrued interest of £9,750 (2019 - £730). The interest rate is 2.25% per annum.

Total remuneration in respect of key management personnel is £152,067 (2019 - £36,175).

## Notes to the financial statements

### For the Year ended 31 December 2019

#### 18. Related Party Transactions (cont./d)

##### (b) Benefits Fund

The Benefits Fund received dividends of £70,000 (2019 - £10,000) from NFRN Holdings Limited.

#### 19. Contingent liabilities

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

#### 20. Financial instruments

	Combined 2020 £	Combined 2019 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit and loss	<u>2,013,386</u>	<u>2,254,735</u>
Financial assets measured at amortised cost	<u>1,281,989</u>	<u>920,360</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>1,830,288</u>	<u>638,521</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.

#### 21. Events After the Balance Sheet Date

Leading up to the balance sheet date, the ongoing impact of the Covid-19 pandemic resulted in a second lockdown across England and further lockdowns of varying levels across the UK in the period from January this year, as well as continuing international travel restrictions. While the trading environment has remained challenging throughout the first half of the 2021 financial year for our members, we have focused on initiatives within our control that support our members in the immediate term and position us well to emerge operationally stronger as the economy slowly recovers.

The redevelopment of the London premises at Yeoman House, Sekforde Street, completed in March 2021, creating business units for letting purposes with the cost of the renovation coming in under the £1m budget, financed from the federation's own cash resources, further drawdown of the Newtrade Media loan facility, and cost savings. The trustees are in the process of finalising a five-year tenancy which will generate £2.49m in rental income over this period.