

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 2021				
List No:	67E				
Head or Main Office:	Bede House				
	Belmont Business Park				
	Durham				
Postcode	DH1 1TW				
Website address (if available)	www.TheFedOnline.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:	Narinder Randhawa				
Contact name for queries regarding the completion of this return:	Adrian Roper				
Telephone Number:	07881 276617				
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@tctyoung.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
9,545	482	206	77	10,310

Change of Officers

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

Position held	Name of Officer ceasing to hold office	Name of Officer appointed	Date of Change
National President	Stuart Reddish	Narinder Randhawa	6th October 2021
National Vice President	Muntazir Dipoti	Jason Birks	6th October 2021
National Deputy Vice President	Jason Birks	Shahid Razzaq	6th October 2021
Immediate Past President	Michael Mitchelson	Stuart Reddish	6th October 2021

Narinder Randhawa	National President
Jason Birks	National Vice President
Mo Razzaq	National Deputy Vice President
Stuart Reddish	Immediate Past President
Hussan Lal	National Councillor
Abdul Qadar	National Councillor
Ferhan Ashiq	National Councillor
Colin Reed	National Councillor
Michael Mitchelson	National Councillor
Andrew Taylor	National Councillor
James Wilkinson	National Councillor
Shumaila Malik	National Councillor
Craig Etchells	National Councillor
Jayesh Parekh	National Councillor
Jayendra Patel	National Councillor
Ketan Lekani	National Councillor
Trudy Davies	National Councillor
Sunder Sandher	National Councillor
Barry Starling	National Councillor
Mark Dudden	National Councillor
Samuel Whiteside	National Councillor
Andrew White	National Councillor
Raymond Monelle	National Councillor
Anant Patel	National Councillor
Kamal Thaker	National Councillor
Hetal Patel	National Councillor
Kishore Chandarana	National Councillor
Jeet Chopra	National Councillor
Bhavesh Patel	National Councillor
Judith Mercer	National Councillor
Peter Steemers	National Councillor
Martin Ward	Trustee & Chaiman National Finance Committee
Sunil Patel	Trustee
Nilesh Patel	Trustee
Colin Reed	National Finance Committee Member
James Wilkinson	National Finance Committee Member

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
2,936,823	From Members	Subscriptions, levies, etc	2,879,441	2,879,441
	Investment income	Interest and dividends (gross)		
		Bank interest (gross)		
		Other (specify)		
		Total Investment Income		
16,257	Other Income	Rents received	211,147	211,147
		Insurance commission		
		Consultancy fees		
		Publications/Seminars		
		Miscellaneous receipts (specify)		
574,646		Business development and sponsorship	707,774	707,774
35,000		Management fees	35,000	35,000
158,150		Furlough scheme		
784,053		Total of other income		953,921
3,720,876		Total income		3,833,362
		Interfund Transfers IN		
	Expenditure			
2,539,142	Administrative expenses	Remuneration and expenses of staff	2,145,774	2,145,774
299,548		Occupancy costs	-5,711	-5,711
59,443		Printing, Stationery, Post	55,935	55,935
85,037		Telephones	63,573	63,573
162,477		Legal and Professional fees	215,677	215,677
		Miscellaneous (specify)		
80,663		Computer costs	97,281	97,281
91,218		Collection costs	87,494	87,494
39,116		Sundries	63,355	63,355
3,356,644		Total of Admin expenses		2,723,378
28,271	Other Charges	Bank charges	15,186	15,186
91,870		Depreciation	71,560	71,560
		Sums written off	30,992	30,992
		Affiliation fees		
		Donations	5,720	5,720
110,264		Conference and meeting fees	280,646	280,646
		Expenses		
		Miscellaneous (specify)		
237,403		Publications and promotional	358,266	358,266
116,930		Call centre	176,460	176,460
-866,684		Sale of assets/Fair value adjustments	-2,485,708	-2,485,708
-281,946		Total of other charges		-1,546,878
167,662		Taxation	500,602	500,602
3,242,360		Total expenditure		1,677,102
		Interfund Transfers OUT		
478,516		Surplus/Deficit for year		2,156,260
-203,651		Amount of fund at beginning of year		274,865
274,865		Amount of fund at end of year		2,431,125

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	97,494	97,494
	Other Income (specify)		
	Profit on disposal of investments	32,169	
	Fair value adjustments on investments	97,726	
		129,895	129,895
		Total Income	227,389
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
	Benefits paid	83,100	
	Depreciation	3,481	
		86,581	86,581
		Total Expenditure	86,581
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	140,808
		Amount of fund at beginning of year	3,141,421
		Amount of fund at the end of year (as Balance Sheet)	3,282,229

Account 3		Fund Account	
Name of account:	Ratcliffe Benevolent Fund	£	£
Income			
	From members		
	Investment income	63	63
	Other income (specify)		
	Donations	2,571	
		2,571	2,571
		Total Income	2,634
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
	Grants made	2,000	
		2,000	2,000
		Total Expenditure	2,000
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	634
		Amount of fund at beginning of year	252,398
		Amount of fund at the end of year (as Balance Sheet)	253,032

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 [31.12.21]

(see notes 19 and 20)

Previous Year		£	£
9,411,088	Fixed Assets (as at Page 8)	12,394,236	12,394,236
	Investments (as per analysis on page 9)		
2,013,386	Quoted (Market value £ 1,551,080) as at Page 9		1,551,080
150,003	Unquoted (Market value £) as at Page 9		150,003
	Total Investments	1,701,083	1,701,083
	Other Assets		
183,207	Sundry debtors	228,322	228,322
948,779	Cash at bank and in hand	862,743	862,743
	Stocks of goods		
	Others (specify)		
334,327	Prepayments and accrued income	438,858	
	Total of other assets	1,529,923	1,529,923
	Total Assets		15,625,242
274,865	Revenue Account/ General Fund	2,431,125	
3,141,421	NFRN Benefits Fund	3,282,229	
252,398	Ratcliffe Benevolent Fund	253,032	
170,356	Carl Bridgewater Fund	168,256	
7,559,808	Revaluation Reserve	7,553,233	#
100,000	Strategic Reserve	100,000	
	Liabilities		#
3,089	Corporation tax	27,780	
85,892	PAYE/NI & VAT	42,784	
859,469	Other creditors	855,435	
386,607	Accruals and deferred income	265,509	
42,314	Hire purchase liabilities	8,464	
164,573	Provisions - deferred tax	637,395	
	Total Liabilities		1,837,367
	Total Assets		15,625,242

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period	9,161,719	255,549	186,618	9,603,886
Additions during period	3,070,300	2,295		3,072,595
Less: Disposals	-14,231		-10,994	-25,225
Less: Depreciation		-106,831	-150,189	-257,020
Total to end of period	12,217,788	151,013	25,435	12,394,236
Book Amount at end of period	12,217,788	151,013	25,435	12,394,236
Freehold	11,970,000			11,970,000
Leasehold (50 or more years unexpired)	188,964			188,964
Leasehold (less than 50 years unexpired)	58,824			58,824
Total of Fixed Assets	12,217,788	151,013	25,435	12,394,236

Analysis of Investments

(see note 22)

Quoted		Other Funds
	British Government & British Government Guaranteed Securities	
	UK Fixed Interest	221,409
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	Equities	889,366
	Managed property	107,860
	Emerging economies	61,759
	Other alternative assets	90,504
	Cash	180,182
	Total Quoted (as Balance Sheet)	1,551,080
	Market Value of Quoted Investments	1,551,080
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	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	
-----	--	----	--

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

Company name	Names of shareholders

Unincorporated Employers' Associations

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

Yes		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
Newtrade Media Limited	NFRN Holdings Limited
Newtrade Publishing Limited	NFRN Holdings Limited

Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
		£
Income		
From Members	2,879,441	2,879,441
From Investments	97,557	97,557
Other Income (including increases by revaluation of assets)	1,086,387	1,086,387
Total Income	4,063,385	4,063,385
Expenditure (including decreases by revaluation of assets)		
Total Expenditure		
Funds at beginning of year (including reserves)	11,498,848	11,498,848
Funds at end of year (including reserves)	13,787,875	13,787,875
ASSETS		
Fixed Assets		12,394,236
Investment Assets		1,701,083
Other Assets		1,529,923
Total Assets		15,625,242
Liabilities		
Total Liabilities		1,837,367
Net Assets (Total Assets less Total Liabilities)		13,787,875

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	1,774,358	1,774,358
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 accounts



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.

Please copy and paste your electronic signature here

Secretary's Signature:		Chairman's Signature:	
			(or other official whose position should be stated)
Name:		Name:	
Date:		Date:	

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	

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.

Please copy and paste your electronic signature here

Secretary's Signature:		Chairman's Signature:	MP Ward
			(or other official whose position should be stated)
Name:		Name:	MARTIN WARD
Date:		Date:	30/5/22

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	

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.

Please copy and paste your electronic signature here

Secretary's Signature:		Chairman's Signature:	
			<small>(or other official whose position should be stated)</small>
Name:		Name:	N. RANAHAWA
Date:		Date:	29-5-22

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:

John Leyden

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:

26th May 2022

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

For the Year ended 31 December 2021

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 2021

The Trustees present their report and financial statements of the National Federation of Retail Newsagents for the year ended 31 December 2021.

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 (net of tax) £	2021 £	2020 £
General Fund	(Page 10)	140,543	2,015,717	2,156,260	478,516
Benefits Fund	(Page 12)	140,808	-	140,808	25,895
Ratcliffe Benevolent Fund	(Page 14)	634	-	634	(89)
Carl Bridgewater Fund	(Page 16)	(2,100)	-	(2,100)	(1,880)
		279,885	2,015,717	2,295,602	502,442

The exceptional item relates to the fair value gain net of deferred tax arising on investment property Yeoman House during the period.

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

	2021 No.	2020 No.
Full members	7,962	8,278
Full partner members	152	152
Multiple secondary members	1,217	1,217
Partner members	355	355
Life members	302	302
Affiliate member	99	99
	10,087	10,403

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 2021

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

Covid-19 remains the most significant pre-eminent risk we currently face impacting all aspects of our operations; our members, colleagues, supply chain and offices, and across all of the communities in which we operate. Areas of uncertainty include: the extent and timing of lifting of international and local travel restrictions; the speed and extent of recovery in the local communities in which our members operate; and the speed and confidence of customers in restoring previous shopping habits.

During the course of the pandemic, the safety of our members and colleagues has been at the forefront of our response and has shaped all of the measures we have taken up to date and into 2022.

The trustees have resolved to further invest in property with the acquisition of the entire business premises which comprises Bede House in Durham, part of which is currently let by the federation under a ten-year lease which commenced in 2020.

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 _____ 2022 and signed on its behalf by:



S Patel
Trustee



M Ward
Trustee



N Patel
Trustee

Trustees' Responsibilities Statement

For the Year ended 31 December 2021

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:

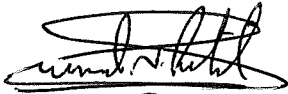
- so far as each Trustee is aware, there is no audit information of which the Federation's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are 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 2021

Opinion

We have audited the financial statements of National Federation of Retail Newsagents (the 'Federation') for the year ended 31 December 2021 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 2021 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. 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 April 2022

Combined Income and Expenditure Account

For the Year ended 31 December 2021

Income	Note	2021 £	2020 £
Capitation fees		2,879,441	2,936,823
Less: Cost of collection		<u>(87,494)</u>	<u>(91218)</u>
		2,791,947	2,845,605
Rental income		211,147	16,257
Business development and sponsorship		707,774	574,646
Interest received		63	228
Management fees		35,000	35,000
Dividends received		70,000	70,000
Income from investments		27,494	41,186
Donations		<u>2,571</u>	<u>-</u>
Total income		<u>3,845,996</u>	<u>3,582,922</u>
Expenditure			
Meetings		291,851	288,608
Members' services		558,729	588,101
District & branch expenditure		781,057	564,737
President, field operations and communications		692,190	748,511
Finance & head office overheads		1,089,011	1,254,337
Claims paid: Death of member and Serious illness		83,100	61,800
NFRN Legal line		148,659	253,560
Grants		-	300
Gifts and donations		4,100	1,750
Interest payable		16,698	16,449
Loss/(profit) on disposal of investments		(32,169)	(86,610)
Fair value (gain) / loss on revaluation of investments		(97,726)	117,959
Loss/(profit) on disposal of fixed assets		<u>2,831</u>	<u>(509)</u>
Total expenditure		<u>3,538,331</u>	<u>3,778,993</u>
Surplus/(deficit) before exceptional items		307,665	(196,071)
Exceptional items:			
Fair value gain on revaluation of properties		<u>2,488,539</u>	<u>866,175</u>
Surplus before tax and reserve transfers	4	2,796,204	670,104
Taxation	5	<u>(500,602)</u>	<u>(167,662)</u>
Surplus after taxation and before transfers		2,295,602	502,442
Net transfers from other reserves	12(c)	<u>-</u>	<u>-</u>
Surplus after taxation and reserve transfers		<u>2,295,602</u>	<u>502,442</u>

Combined Income and Expenditure Account cont/d.

For the Year ended 31 December 2021

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.

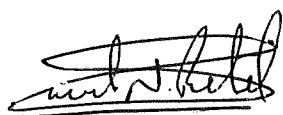
The notes on pages 19 to 32 form part of these financial statements.

Combined Balance Sheet

As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6 (a)	644,236	507,088
Investment property	6 (d)	11,750,000	8,904,000
Listed investments	7	1,551,080	2,013,386
Trade investments	8 (a)	<u>150,003</u>	<u>150,003</u>
		14,095,319	11,574,477
Current assets			
Debtors: amounts falling due within one year	9	667,180	517,536
Cash at bank		<u>862,743</u>	<u>948,779</u>
		1,529,923	1,466,315
Current liabilities			
Creditors: amounts falling due within one year	10	<u>(1,199,972)</u>	<u>(1,368,709)</u>
Net current assets		329,951	97,606
Creditors: amounts falling due after more than one year	11	-	(8,662)
Deferred taxation	12	<u>(637,395)</u>	<u>(164,573)</u>
Total assets less current liabilities		<u>13,787,875</u>	<u>11,498,848</u>
Represented by:			
Investment property reserve	13(b)	7,553,233	7,559,808
Capital account	13(c)	6,134,642	3,839,040
Strategic reserve	13(d)	100,000	100,000
Yeoman House development reserve	13(e)	-	-
		<u>13,787,875</u>	<u>11,498,848</u>

These accounts were approved and authorised for issue by the Trustees on and signed on _____ 2022 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 2021

	Note	2021 £	2020 £
Income			
Capitation fees		2,879,441	2,936,823
Less: Cost of collection		<u>(87,494)</u>	<u>(91,218)</u>
		2,791,947	2,845,605
Rental income		211,147	16,257
Business development and sponsorship		707,774	574,646
Management fees		35,000	35,000
Total income		<u>3,745,868</u>	<u>3,471,508</u>
Expenditure			
Meetings		291,851	288,608
Members' services		558,729	558,101
District & branch expenditure		781,057	564,737
President, field operations and communications		692,190	748,511
Finance & head office overheads		1,085,528	1,250,709
NFRN legal line		148,659	253,560
Interest payable		16,698	27,788
Foreign currency translation		-	-
Loss /(profit) on sale of assets		2,831	(509)
Total expenditure		<u>3,577,545</u>	<u>3,691,505</u>
Surplus/(deficit) before taxation, reserve transfers and exceptional items		168,323	(219,977)
Fair value adjustment on investment property		<u>2,488,539</u>	<u>866,175</u>
Surplus/(deficit) before taxation, reserve transfers		2,656,862	646,178
Taxation	5	<u>(500,602)</u>	<u>(167,662)</u>
Surplus/ (deficit) after taxation and before reserve transfers	13(c)	2,156,260	478,516
Net transfers (to)/from Reserves		<u>-</u>	<u>-</u>
Surplus/(deficit) after taxation and reserve transfers		<u>2,156,260</u>	<u>478,516</u>

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 £15 (2020 - £24) 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.

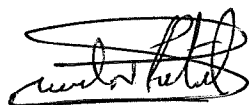
General Fund

Balance sheet

As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6 (b)	225,524	298,320
Investment property	6 (d)	<u>11,750,000</u>	<u>8,684,000</u>
		<u>11,975,524</u>	<u>8,982,320</u>
Current assets			
Debtors: amounts falling due within one year	9	656,278	503,584
Cash at bank		<u>440,437</u>	<u>513,152</u>
		<u>1,096,715</u>	<u>1,016,736</u>
Current liabilities			
Creditors: amounts falling due within one year	10	<u>(2,378,258)</u>	<u>(1,925,495)</u>
Net current (liabilities)/assets		<u>(1,281,543)</u>	<u>(908,759)</u>
Creditors: amounts falling due after more than one year	11	-	(8,682)
Deferred taxation	12	<u>(637,395)</u>	<u>(164,573)</u>
Net assets		<u>10,056,586</u>	<u>7,900,326</u>
Represented by:			
Investment reserve	13(b)	7,525,461	7,525,461
Capital account	13(c)	2,431,125	274,865
Strategic reserve	13(d)	100,000	100,000
Yeoman House development reserve	13(e)	<u>-</u>	<u>-</u>
		<u>10,056,586</u>	<u>7,900,326</u>

These accounts were approved and authorised for issue by the Trustees on _____ 2022 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 2021

	Notes	2021 £	2020 £
Income			
Dividends received – NFRN Holdings Limited		70,000	70,000
Income from listed investments		27,494	41,186
Interest received		-	11,339
Rent received		-	-
		<u>97,494</u>	<u>122,525</u>
Expenditure			
Claims paid: Death of member		78,000	58,000
Serious illness		5,100	3,800
Depreciation of fixed assets	6(c)	<u>3,481</u>	<u>3,481</u>
		<u>86,581</u>	<u>65,281</u>
Surplus/(deficit) on disposal of listed investments		32,169	86,610
Fair value movement on revaluation of properties		-	-
Fair value movement on revaluation of investments		<u>97,726</u>	<u>(117,959)</u>
		<u>129,895</u>	<u>(31,349)</u>
Surplus/(deficit) for the year		140,808	25,895
Net transfers (to)/from Reserves		-	-
Surplus/(Deficit) transferred to Reserves	13(c)	<u>140,808</u>	<u>25,895</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.

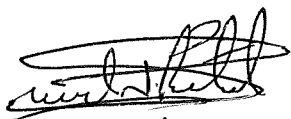
Tax status: No tax is payable as S981 of the Corporation Tax Act 2010 specifically exempts employers' associations from tax on income (except trading income) and chargeable gains, which are applicable and applied for the purpose of provident benefits.

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

Benefits Fund
Balance Sheet
As at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	6 (c)	418,712	428,768
Listed investments	7 (a)	1,551,080	2,013,386
Trade investments	8 (b)	<u>150,003</u>	<u>150,003</u>
		<u>2,119,795</u>	<u>2,592,157</u>
Current assets			
Debtors: amounts falling due within one year	9	1,184,498	565,548
Cash at bank		<u>5,708</u>	<u>18,063</u>
		<u>1,190,206</u>	<u>583,611</u>
Current liabilities			
Creditors: amounts falling due within one year	10	-	-
Net current assets/(liabilities)		<u>1,190,206</u>	<u>583,611</u>
Net assets		<u>3,310,001</u>	<u>3,175,768</u>
Represented by:			
Investment property reserve	13(b)	27,772	34,347
Capital account	13(c)	<u>3,282,229</u>	<u>3,141,421</u>
		<u>3,310,001</u>	<u>3,175,768</u>

These accounts were approved and authorised for issue by the Trustees on _____ 2022 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 2021

	Notes	2021 £	2020 £
Income			
Donations		2,571	-
Bank interest		63	228
Inter-company interest		-	-
		<u>2,634</u>	<u>228</u>
Expenditure			
Grants		2,000	300
Sundry		-	17
Bank charges		-	-
		<u>2,000</u>	<u>317</u>
Surplus/(deficit) before taxation		634	(89)
Taxation		-	-
Surplus/(deficit) for year		634	(89)
Capital account balance brought forward	13(c)	<u>252,398</u>	<u>252,487</u>
Capital account balance carried forward	13(c)	<u>253,032</u>	<u>252,398</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

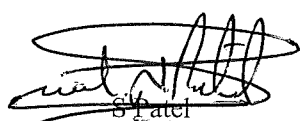
Balance Sheet

As at 31 December 2021

	Notes	2021 £	2020 £
Current assets			
Debtors: amounts falling due within one year ¹	9	5,616	5,616
Cash at bank		<u>248,154</u>	<u>247,020</u>
		253,770	252,636
Current liabilities			
Creditors: amounts falling due within one year	10	<u>(738)</u>	<u>(238)</u>
Net assets		<u>253,032</u>	<u>252,398</u>
Represented by:			
Capital account	13(c)	<u>253,032</u>	<u>252,398</u>

1. Included in Loan debtors is £nil (2020 - £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 _____ 2022 and signed on their behalf by:



N 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 2021

	Notes	2021 £	2020 £
Income			
Donations		-	-
Intercompany/bank interest		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Expenditure			
Gifts and donations		2,100	1,750
Sundry expenses		<u>-</u>	<u>130</u>
		<u>2,100</u>	<u>1,880</u>
(Deficit)/surplus before taxation		(2,100)	(1,880)
Taxation		-	-
(Deficit)/surplus for the year		(2,100)	(1,880)
Capital account balance brought forward	13(c)	<u>170,356</u>	<u>172,236</u>
Capital account balance carried forward	13 (c)	<u>168,256</u>	<u>170,356</u>

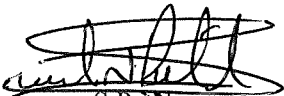
The Income and Expenditure account has been prepared on the basis that all operations are continuing operations. There are no gains or losses other than those recognised above.

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

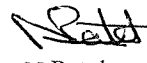
Carl Bridgewater Fund
 Balance Sheet
 As at 31 December 2021

	Note	2021 £	2020 £
Current assets			
Debtors: amounts falling due within one year	9	-	-
Cash at bank		<u>168,444</u>	<u>170,544</u>
		168,444	170,544
Current liabilities			
Creditors: amounts falling due within one year	10	<u>(188)</u>	<u>(188)</u>
Net assets		<u>168,256</u>	<u>170,544</u>
Represented by:			
Capital account	13(c)	<u>168,256</u>	<u>170,544</u>

These accounts were approved and authorised for issue by the Trustees on _____ 2022 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 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Surplus/(Deficit) for the financial year		2,295,602	502,442
Adjustments for:			
Depreciation of tangible assets	6(a)	75,041	85,694
Loss / (Profit) on disposal of investments		(32,169)	(86,610)
Fair value movements		(1,605,722)	(583,643)
Decrease/(increase) in debtors		(149,646)	182,865
(Decrease)/increase in creditors		(167,814)	(480,661)
Interest received		63	11,567
Taxation paid		(3,089)	(23,478)
Dividends received		(70,000)	(10,000)
Corporation tax	5	27,780	3,089
		<u>370,046</u>	<u>(398,735)</u>
Net cash generated from operating activities			
Cash flows from investing activities			
Purchase of tangible fixed assets	6(a)(d)	(584,056)	(82,227)
Sale of tangible fixed assets		3,006	14,055
Purchase of listed investments	7	(87,989)	(28,258)
Sale of listed investments		175,392	910,951
Interest received		63	11,567
Dividends received		70,000	10,000
		<u>(423,504)</u>	<u>836,088</u>
Net cash from investing activities			
Cashflows from financing activities			
Interest paid		(16,698)	(27,788)
Repayment of finance lease obligations		(15,880)	(65,257)
		<u>(32,578)</u>	<u>(93,045)</u>
Net cash used in financing activities			
		<u>(86,036)</u>	<u>344,308</u>
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of year		<u>948,779</u>	<u>604,471</u>
Cash and cash equivalents at the end of the year		<u>862,743</u>	<u>948,779</u>

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

Notes to the financial statements

For the Year ended 31 December 2021

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 2021

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 2021

Accounting Policies (cont/d)

2.8 Income recognition

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

Other income and sponsorship is recognised when it is probable that an economic benefit will flow to the entity and the revenue can be reliably measured.

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

	2021	2020
	£	£
Surplus for the year is after charging/(crediting):		
Auditors' remuneration	18,500	18,500
Depreciation of tangible fixed assets:		
Charge for the year	75,041	85,694
Hire of other assets – operating leases	52,286	57,945
Fair value adjustment – investment property	<u>(2,488,539)</u>	<u>(866,175)</u>

Notes to the financial statements

For the Year ended 31 December 2021

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.

	2021 £	2020 £
Current year tax		
U.K. corporation tax	27,780	3,089
Adjustment in respect of previous periods		
Deferred tax		
Charge arising on fair value gain on investment property	<u>472,822</u>	<u>164,573</u>
Total Current and Deferred tax	<u>500,602</u>	<u>167,662</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% (2020 – 19%). The differences are explained below:

	2021 £	2020 £
Surplus/(deficit) before taxation, reserve transfers	2,976,204	670,104
Surplus/(deficit) before taxation and reserve transfers multiplied by standard rate of corporation tax in the UK of 19% (2020 – 19%)	565,479	127,320
Effects of:		
Non-taxable income	(537,699)	(124,231)
Adjustment in respect of prior period	<u>-</u>	<u>-</u>
Total tax charge for the year	<u>27,780</u>	<u>3,089</u>

Notes to the financial statements

For the Year ended 31 December 2021

6. Tangible fixed assets

(a) Combined

	Freehold property £	Leasehold property £	Fixtures and fittings £	Computer £	Motor vehicles £	Total £
Cost						
At 1 January 2021	220,000	257,719	188,059	67,490	186,618	919,886
Add/Disp/Trans	-	(3,356)	-	2,295	(10,994)	(12,055)
Revaluation	-	(6,575)	-	-	-	(6,575)
At 31 December 2021	<u>220,000</u>	<u>247,788</u>	<u>188,059</u>	<u>69,785</u>	<u>175,624</u>	<u>901,256</u>
Depreciation						
At 1 January 2021	-	-	40,919	21,851	130,028	192,798
Charge for the Year	-	-	23,114	20,947	30,980	75,041
On disposals	-	-	-	-	(10,819)	(10,819)
At 31 December 2021	<u>-</u>	<u>-</u>	<u>64,033</u>	<u>42,798</u>	<u>150,189</u>	<u>257,020</u>
Net book value						
At 31 December 2021	<u>220,000</u>	<u>247,788</u>	<u>124,026</u>	<u>26,987</u>	<u>25,435</u>	<u>644,236</u>
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>

Freehold property represented the former NFRN office premises at 108-109 Gilesgate, Durham.

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 £25,435 (2020 - £56,590). The depreciation charge in respect of these assets is £30,980 (2020 - £35,789).

Notes to the financial statements

For the Year ended 31 December 2021

(b) General Fund

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2021	62,180	153,543	67,490	186,618	469,831
Additions	4,300	-	2,295	-	6,595
Revaluation	-	-	-	-	-
Disposals/reclassification	<u>(7,656)</u>	<u>-</u>	<u>-</u>	<u>(10,994)</u>	<u>(18,650)</u>
At 31 December 2021	<u>58,824</u>	<u>153,543</u>	<u>69,785</u>	<u>175,624</u>	<u>457,776</u>
Depreciation					
At 1 January 2021	-	19,632	21,851	130,028	171,511
Charge for the year	-	19,633	20,947	30,980	71,560
On disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,819)</u>	<u>(10,819)</u>
At 31 December 2021	<u>-</u>	<u>39,265</u>	<u>42,798</u>	<u>150,189</u>	<u>232,252</u>
Net book value					
At 31 December 2021	<u>58,824</u>	<u>114,278</u>	<u>26,987</u>	<u>25,435</u>	<u>225,524</u>
At 31 December 2020	<u>62,180</u>	<u>133,911</u>	<u>45,639</u>	<u>56,590</u>	<u>298,320</u>

Property at the balance sheet date represents leasehold improvements at the NFRN office premises at Bede House in Durham. No depreciation has been charged in accordance with the accounting policies.

The net book value of assets held under HP is £25,435 (2020 - £56,590). The depreciation charge in respect of these assets is £30,980 (2020 -£35,789).

(c) Benefits Fund

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 January 2021	220,000	195,539	31,882	2,634	450,055
Additions/Disposals	-	-	-	-	-
Revaluation	<u>-</u>	<u>(6,575)</u>	<u>-</u>	<u>-</u>	<u>(6,575)</u>
At 31 December 2021	<u>220,000</u>	<u>188,964</u>	<u>31,882</u>	<u>2,634</u>	<u>443,480</u>
Depreciation					
At 1 January 2021	-	-	18,654	2,633	21,287
Charge for the year	-	-	3,481	-	3,481
At 31 December 2021	<u>-</u>	<u>-</u>	<u>22,135</u>	<u>2,633</u>	<u>21,287</u>
Net book value					
At 31 December 2021	<u>220,000</u>	<u>188,964</u>	<u>9,746</u>	<u>1</u>	<u>418,712</u>
At 31 December 2020	<u>220,000</u>	<u>195,539</u>	<u>13,228</u>	<u>1</u>	<u>428,768</u>

Freehold property comprises the Durham premises at 107 Gilesgate, 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 2021

(d) Investment Property – General Fund and Combined

	2021	2020
	£	£
Valuation		
At 1 January 2021 (1 January 2020)	8,684,000	2,018,750
Additions	577,461	436,435
Fair value adjustment	2,488,539	866,175
Re-classification from property, plant & equipment	<u>-</u>	<u>5,362,650</u>
At 31 December 2021 (31 December 2020)	<u>11,750,000</u>	<u>8,684,000</u>

Investment property represents the market value, as assessed by the Trustees based on professional valuation, of Yeoman House, Sekforde Street, London EC1.

7. Listed investments

(a) Combined and Benefits Fund

	£
Valuation	
At 1 January 2021	2,013,386
Additions	87,989
Disposals	(740,223)
Revaluation	189,928
At 31 December 2021	<u>1,551,080</u>

	2021	2020
	£	£
Market value broken down as follows:		
UK Fixed Interest	221,409	251,681
UK Equities	288,442	246,423
European Equities	27,110	23,471
North American Equities	416,772	403,241
Japanese Equities	53,924	53,222
Far East & Australian Equities	55,126	55,264
International Equities	47,992	-
Emerging Economies	61,759	65,658
UK Property	77,587	106,065
International Property	30,273	-
Alternative Assets	90,504	82,847
Cash	<u>180,182</u>	<u>725,514</u>
	<u>1,551,080</u>	<u>2,013,386</u>

Historical cost

	£
At 1 January 2021	1,681,125
Additions	87,989
Disposals	<u>(661,301)</u>
At 31 December 2021	<u>1,107,813</u>

Notes to the financial statements

For the Year ended 31 December 2021

8. Trade Investments

(a) Combined

Cost	2021	2020
	£	£
At 1 January 2021 (1 January 2020)	150,003	150,003
Amounts written off	-	-
At 31 December 2021 (31 December 2020)	<u>150,003</u>	<u>150,003</u>

(b) Benefits Fund

	2021	2020
	£	£
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	70,000
Newtrade Media Ltd *	UK	Publishing	Ordinary	100	2,171,681	459,267
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:

	2021	2020
	£	£
Profit and loss reserve		
At 1 January 2021 (1 January 2020)	1,626,414	1,478,258
Profit (loss) for the year	459,267	218,126
Dividends paid	(70,000)	(70,000)
At 31 December 2021 (31 December 2020)	<u>2,015,681</u>	<u>1,626,414</u>
Balance sheet		
Called up share capital	150,000	150,000
Share premium account	6,000	6,000
Profit and loss account	<u>2,015,681</u>	<u>1,626,414</u>
Shareholders' funds	<u>2,171,681</u>	<u>1,782,414</u>

Notes to the financial statements

For the Year ended 31 December 2021

9. Debtors: Amounts falling due within one year

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2021	Combined 2020
	£	£	£	£	£	£
Inter-fund balances	-	1,179,212			-	-
Other debtors	219,169	3,537	5,616	-	228,322	183,209
Prepayments and accrued income	437,109	1,749	-	-	438,858	334,327
	<u>656,278</u>	<u>1,184,498</u>	<u>5,616</u>	<u>-</u>	<u>667,180</u>	<u>517,536</u>

10. Creditors: Amounts falling due within one year

	General Fund	Benefits Fund	Ratcliffe Benev't. Fund	Carl Bridge-water Fund	Combined 2021	Combined 2020
	£	£	£	£	£	£
Corporation tax	27,780	-	-	-	27,780	3,515
Other tax and social security	42,358	-	238	188	42,784	85,466
Inter-fund balances	1,178,712	-	500	-	-	-
Other creditors	855,435	-	-	-	855,435	859,469
Accruals and deferred income	265,509	-	-	-	265,509	386,607
Amounts due – hire purchase	8,464	-	-	-	8,464	33,652
	<u>2,378,258</u>	<u>-</u>	<u>738</u>	<u>188</u>	<u>1,199,972</u>	<u>1,368,709</u>

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 2020
	£	£	£	£	£	£
Amounts due under hire purchase	-	-	-	-	-	8,662
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,662</u>

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

	2021	2020
	£	£
Amounts due under hire purchase (1 – 2 years)	-	8,662
Amounts due under hire purchase (2 – 5 years)	<u>-</u>	<u>-</u>
	<u>=</u>	<u>8,662</u>

Notes to the financial statements

For the Year ended 31 December 2021

12. Deferred taxation

Combined and General Fund

	2021 £	2020 £
At beginning of the year	164,573	-
Charged to income and expenditure account	<u>472,822</u>	<u>164,573</u>
At end of year	<u>637,395</u>	<u>164,573</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 2021 £	Combined 2020 £
At 1 January 2021	-	-	-	-	-	1,305,661
Fair value adjustment	-	-	-	-	-	4,211,604
Transfer to Inv. Prop. Res.	-	-	-	-	-	(5,517,265)
At 31 December 2021	-	-	-	-	-	-

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

(b) Investment property reserve

	General Fund £	Benefits Fund £	Ratcliffe Benev't Fund £	Carl Bridge- water Fund £	Combined 2021 £	Combined 2020 £
At 1 January 2021	7,525,461	34,347	-	-	7,559,808	1,939,418
Revaluation adjustments	-	(6,575)	-	-	(6,575)	21,125
Transfer between reserves	-	-	-	-	-	5,599,265
At 31 December 2021	<u>7,525,461</u>	<u>27,772</u>	-	-	<u>7,553,233</u>	<u>7,559,808</u>

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

Notes to the financial statements

For the Year ended 31 December 2021

13. Reserves *cont.*

(c) Capital account

	General Fund	Benefits Fund	Ratcliffe Ben. Fund	Carl Bridge-water Fund	Combined 2021	Combined 2020
	£	£	£	£	£	£
At 1 January 2021	274,865	3,141,421	252,398	170,356	3,839,040	3,336,598
Surplus/(deficit) for the year after taxation	2,156,260	140,808	634	(2,100)	2,295,602	502,442
At 31 December 2021	<u>2,431,125</u>	<u>3,282,229</u>	<u>253,032</u>	<u>168,256</u>	<u>6,134,642</u>	<u>3,839,040</u>

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 2021	Combined 2020
	£	£	£	£	£	£
At 1 January 2021	100,000	-	-	-	100,000	100,000
Transfer (to)/from income and expenditure account	-	-	-	-	-	-
At 31 December 2021	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>

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 2020
	£	£	£	£	£	£
At 1 January 2021	-	-	-	-	-	82,000
Transfer to investment property reserve	-	-	-	-	-	(82,000)
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the financial statements

For the Year ended 31 December 2021

14. Employee Costs – Combined and General Fund

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

	2021 £	2020 £
Wages and salaries	1,540,366	1,626,960
Social security costs	151,967	163,184
Benefits-in-kind	4,887	4,377
Cost of defined benefit and contribution schemes	<u>100,858</u>	<u>161,611</u>
	<u>1,798,078</u>	<u>1,956,132</u>

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

	2021 No	2020 No
Head office	12	15
Districts	<u>27</u>	<u>32</u>
	<u>39</u>	<u>47</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 2021

15. Pension Costs (cont./d)

The last pension scheme accounts as at 31st 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 31st 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 £56,573 (2020 - £121,241).

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 £44,284 (2020 - £31,545).

Notes to the financial statements

For the Year ended 31 December 2021

16. Leasing and Other Commitments – Combined

	Land and Buildings	Other	Land and Buildings	Other
	2021	2021	2020	2020
	£	£	£	£
Within 1 year	42,927	3,872	42,927	13,722
In 2 to 5 years	171,708	-	171,708	3,955
Greater than 5 years	171,781	-	214,635	-
	<u>386,416</u>	<u>3,872</u>	<u>429,270</u>	<u>17,677</u>

The Federation had future capital commitments of £3.4m at the balance sheet date in respect of its acquisition of Bede House, Durham.

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.

	2021	2020
	£	£
Net recharge to/(from):		
Newtrade Media Limited	<u>135,000</u>	<u>135,000</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:

	2021	2020
	£	£
Newtrade Publishing Limited	(730)	(730)
Newtrade Media Limited	(560,000)	(539,375)
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 facility of £600,000 (2020 - £600,000) plus accrued interest of £Nil (2020 - £9,750). The interest rate is 2.25% per annum.

Total remuneration in respect of key management personnel is £12,000 (2020 - £152,067).

Notes to the financial statements

For the Year ended 31 December 2021

18. Related Party Transactions (cont./d)

(b) Benefits Fund

The Benefits Fund received dividends of £70,000 (2020 - £70,000) 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 2021 £	Combined 2020 £
Financial assets		
Financial assets measured at fair value through profit and loss	<u>1,551,080</u>	<u>2,013,386</u>
Financial assets measured at amortised cost	<u>1,679,926</u>	<u>1,281,989</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>1,120,944</u>	<u>1,830,288</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

Covid-19 remains the most significant pre-eminent risk we currently face impacting all aspects of our operations; our members, colleagues, supply chain and offices, and across all of the communities in which we operate. Areas of uncertainty include: the extent and timing of lifting of international and local travel restrictions; the speed and extent of recovery in the local communities in which our members operate; and the speed and confidence of customers in restoring previous shopping habits. To the extent that the pandemic may have a longer and more prolonged impact on global economic conditions, this may have a further negative impact on consumer spending, customer footfall and the efficient working of our members' supply chain, and therefore create further potential business disruption.

The trustees have resolved to further invest in property with the acquisition of the entire business premises which comprises Bede House in Durham, part of which is currently let by the federation under a ten-year lease which commenced in 2020. The acquisition will be funded from cash resources plus loans from Newtrade Media Limited and the vendor.