

Form AR27

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for an Employers' Association

Name of Employers' Association:

Year ended:

List No:

Head or Main Office:

Postcode

Website address (if available)

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

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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 ('X' in appropriate box)

General Secretary:

Contact name for queries regarding the completion of this return:

Telephone Number:

E-mail:

Please follow the guidance notes in the completion of this return

Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 0330 1093602

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

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

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

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Return of Members

(see note 9)

Number of members at the end of the year				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (Including Channel Islands)	Totals
8,932	447	186	77	9,642

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	Narinder Randhawa	Jason Birks	20th June 2022
National Vice President	Jason Birks	Muntazir Dipoti	20th June 2022
National Deputy Vice President	Shahid Razzaq	Shahid Razzaq	20th June 2022
Immediate Past President	Stuart Reddish	Narinder Randhawa	20th June 2022

Name of Officer	Position Held	
Jason Birks	National President	14-Jun-22
Muntazir Dipoti	National Vice President	14-Jun-22
Shahid Razzaq	National Deputy Vice President	14-Jun-22
Narinder Randhawa	Immediate Past President	14-Jun-22
Hussan Lal	National Councillor	14-Jun-22
Ferhan Ashiq	National Councillor	14-Jun-22
Colin Reed	National Councillor & National Finance Committee Member	14-Jun-22
Martin Ward	National Councillor	14-Jun-22
Andrew Taylor	National Councillor	14-Jun-22
Taz Sangha	National Councillor	14-Jun-22
Jayesh Parekh	National Councillor	14-Jun-22
Shumaila Malik	National Councillor	14-Jun-22
Craig Etchells	National Councillor	14-Jun-22
Jayendra Patel	National Councillor	14-Jun-22
Ketan Lekani	National Councillor	14-Jun-22
Stephen Archer	National Councillor	14-Jun-22
Sunder Sander	National Councillor	14-Jun-22
Mark Dudden	National Councillor	14-Jun-22
Vince Malone	National Councillor	14-Jun-22
Andrew White	National Councillor	14-Jun-22
Raymond Monelle	National Councillor	14-Jun-22
Anant Patel	National Councillor	14-Jun-22
Hetal Patel	National Councillor	14-Jun-22
Devendra Patel	National Councillor & National Finance Committee Member	14-Jun-22
Alpesh Patel	National Councillor	14-Jun-22
Jeet Chopra	National Councillor	14-Jun-22
Bhavesh Patel	National Councillor	14-Jun-22
Judith Mercer	National Councillor	14-Jun-22
Peter Steemers	National Councillor	14-Jun-22
Sunil Patel	Trustee and Chair of National Finance Committee	14-Jun-22
Surjit Khunkhun	Trustee & National Finance Committee Member	14-Jun-22
Nilesh Patel	Trustee & National Finance Committee Member	14-Jun-22

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
2,879,441	From Members	Subscriptions, levies, etc	2,769,342	2,769,342
	Investment Income	Interest and dividends (gross) Bank Interest (gross) Other (specify)		
		Total Investment Income		
211,147	Other Income	Rents received Insurance commission Consultancy fees Publications/Seminars Miscellaneous receipts (specify)	491,709	491,709
707,774		Business development and sponsorship	939,586	939,586
35,000		Management fees	35,000	35,000
		Total of other Income		1,466,295
953,921		Total Income		4,235,637
3,833,362		Interfund Transfers IN		
	Expenditure			
2,145,774	Administrative expenses	Remuneration and expenses of staff	2,452,451	2,452,451
-5,711		Occupancy costs	98,541	98,541
55,935		Printing, Stationery, Post	53,193	53,193
63,573		Telephones	56,356	56,356
215,677		Legal and Professional fees	209,126	209,126
		Miscellaneous (specify)		
97,281		Computer costs	70,992	70,992
87,494		Collection costs	82,363	82,363
280,646		Branch costs	372,518	372,518
46,657		Sundries	30,988	30,988
		Total of Admin expenses		3,426,528
2,987,326	Other Charges	Bank charges	2,058	2,058
15,186		Depreciation	91,683	91,683
71,560		Sums written off	-22,583	-22,583
30,992		Affiliation fees		
		Donations	1,000	1,000
5,720		Conference and meeting fees		
		Expenses		
		Miscellaneous (specify)		
358,266		Publications and promotional	302,538	302,538
176,460		Members services	173,538	173,538
-2,485,708		Sale of assets/Fair value adjustments	1,436,800	1,436,800
16,698		Interest payable	18,663	18,663
-1,810,826		Total of other charges		2,003,697
500,602		Taxation	-265,775	-265,775
1,677,102		Total expenditure		5,164,450
		Interfund Transfers OUT		
2,156,260		Surplus/Deficit for year		-928,813
274,865		Amount of fund at beginning of year		2,431,125
2,431,125		Amount of fund at end of year		1,502,312

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		695,202	695,202
Other Income (specify)			
Profit on disposal of investments		358,927	
Fair value adjustments on investments		-427,480	
		-68,553	-68,553
		Total Income	626,649
Interfund Transfers IN			
Expenditure			
Administrative expenses			
Other expenditure (specify)			
Benefits paid		58,200	
Depreciation		3,189	
		61,389	61,389
		Total Expenditure	61,389
Interfund Transfers OUT			
		Surplus (Deficit) for the year	565,260
		Amount of fund at beginning of year	3,282,229
		Amount of fund at the end of year (as Balance Sheet)	3,847,489

Account 3		Fund Account	
Name of account: Ratcliffe Benevolent Fund		£	£
Income			
From members			
Investment Income		918	918
Other Income (specify)			
Donations		5,514	
		5,514	5,514
		Total Income	6,432
Interfund Transfers IN			
Expenditure			
Administrative expenses			
Other expenditure (specify)			
Bank charges		60	
		60	60
		Total Expenditure	60
Interfund Transfers OUT			
		Surplus (Deficit) for the year	6,372
		Amount of fund at beginning of year	253,032
		Amount of fund at the end of year (as Balance Sheet)	259,404

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 4		Fund Account	
Name of account: Carl Bridgewater Fund		£	£
Income			
From members			
Investment income			
Other Income (specify)		1,672	1,672
Donations			
		1,000	
		1,000	1,000
Interfund Transfers IN		Total Income	2,672
Expenditure			
Administrative expenses			
Other expenditure (specify)			
Donations		100	
		100	100
Interfund Transfers OUT		Total Expenditure	100
		Surplus (Deficit) for the year	2,572
		Amount of fund at beginning of year	168,256
		Amount of fund at the end of year (as Balance Sheet)	170,828

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

Balance Sheet as at [31.12.22]

(see notes 19 and 20)

Previous Year		£	£
12,394,236	Fixed Assets (as at Page 8)	11,006,988	11,006,988
	Investments (as per analysis on page 9)		
1,551,080	Quoted (Market value £ 90,235) as at Page 9		90,235
150,003	Unquoted (Market value £) as at Page 9		150,003
	Total Investments	240,238	240,238
	Other Assets		
228,322	Sundry debtors	993,150	993,150
862,743	Cash at bank and in hand	439,531	439,531
	Stocks of goods		
	Others (specify)		
438,858	Prepayments and accrued income	283,172	
	Loans to associated undertaking - Bede House Limited	2,376,391	
	Total of other assets	4,092,244	4,092,244
	Total Assets		15,339,470
2,431,125	Revenue Account/ General Fund	1,502,312	
3,282,229	NFRN Benefits Fund	3,847,489	
253,032	Ratcliffe Benevolent Fund	259,404	
168,256	Carl Bridgewater Fund	170,828	
7,553,233	Revaluation Reserve	5,675,774	##
100,000	Strategic Reserve	100,000	##
	Liabilities		
27,780	Corporation tax		##
42,784	PAYE/NI & VAT	121,205	
855,435	Other creditors	191,819	
265,509	Accruals and deferred income	899,017	
8,464	Hire purchase liabilities	301,624	
637,395	Provisions - deferred tax	110,438	
		2,159,560	
	Total Liabilities		3,783,663
	Total Assets		15,339,470

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period	12,217,788	185,425	248,043	12,651,256
Additions during period	3,906	36,173	196,101	236,180
Less: Disposals	-1,472,973	-80,916	-114,679	-1,668,568
Less: Depreciation		-38,590	-173,290	-211,880
Total to end of period	10,748,721	102,092	156,175	11,006,988
Book Amount at end of period	10,748,721	102,092	156,175	11,006,988
Freehold	10,313,200			10,313,200
Leasehold (50 or more years unexpired)	192,870			192,870
Leasehold (less than 50 years unexpired)	22,651			22,651
Total of Fixed Assets	10,748,721	102,092	156,175	11,006,988

Analysis of Investments

(see note 22)

		Other Funds
Quoted	British Government & British Government Guaranteed Securities	
	UK Fixed Interest	9,950
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	Equities	59,915
	Managed property	8,917
	Emerging economies	5,492
	Other alternative assets	5,012
	Cash	949
	Total Quoted (as Balance Sheet)	90,235
	Market Value of Quoted Investments	90,235
	Unquoted	British Government Securities
British Municipal and County Securities		
Mortgages		
Other unquoted investments (to be specified)		
NFRN Holdings Limited		3
Newtrade Media Limited		150,000
Total Unquoted (as Balance Sheet)		150,003
Market Value of Unquoted Investments	150,003	

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

Analysis of investment income (Controlling interests)

(see note 23)

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

Yes	X	No	
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If Yes name the relevant companies:

Company name	Company registration number (if not registered in England & Wales, state where registered)
NFRN Holdings Limited	04588787
Newtrade Media Limited	00454555
Newtrade Publishing Limited	09338494
Bede House Limited	13961957

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
Bede House Limited	NFRN Holdings Limited

Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
		£
Income		
From Members	2,769,342	2,769,342
From Investments	697,792	697,792
Other Income (including increases by revaluation of assets)	1,404,256	1,404,256
Total Income	4,871,390	4,871,390
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	3,348,540	3,348,540
Funds at beginning of year (including reserves)	13,787,875	13,787,875
Funds at end of year (including reserves)	11,555,807	11,555,807
ASSETS		
	Fixed Assets	11,006,988
	Investment Assets	240,238
	Other Assets	4,092,244
	Total Assets	15,339,470
Liabilities	Total Liabilities	3,783,663
Net Assets (Total Assets less Total Liabilities)		11,555,807

Summary Sheet

(see notes 24 to 33)

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

Notes to the accounts

(see note 34)

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

See attached accounts

Accounting policies

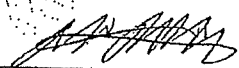

(see notes 35 & 36)

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:	
			<small>(or other official whose position should be stated)</small>
Name:	Muntazir Dipoti	Name:	Jason Birks
Date:	25 November 2023	Date:	25 November 2023

Checklist

(see note 39)

(please enter 'X' as appropriate)

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

Checklist for auditor's report

(see notes 41 to 44)

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

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

Please explain in your report overleaf or attached.

2. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:

- a. kept proper accounting records with respect to its transactions and its assets and liabilities; and
- b. established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.

(See section 36(4) of the 1992 Act set out in note 43)

Please explain in your report overleaf or attached.

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

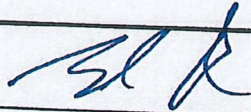
In our opinion the financial statements:

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

Auditor's report (continued)

See attached accounts

Signature(s) of auditor or auditors:



Name(s):

John Leyden FCA

Profession(s) or Calling(s):

Chartered Accountant

Address(es)

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

Date:

23/11/23

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 2022

National Federation of Retail Newsagents

Legal and Administrative Information

Trustees

S Patel
N Patel
S Khunkhun

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 2022

The Trustees present their report and financial statements of the National Federation of Retail Newsagents for the year ended 31 December 2022.

Results

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

		Before exceptional items	Exceptional items (net of tax)	2022	2021
		£	£	£	£
General Fund	(Page 9)	148,787	(1,077,600)	(928,813)	2,156,260
Benefits Fund	(Page 11)	565,260	-	565,260	140,808
Ratcliffe Benevolent Fund	(Page 13)	6,372	-	6,372	634
Carl Bridgewater Fund	(Page 15)	2,572	-	2,572	(2,100)
		722,991	(1,077,600)	(354,609)	2,295,602

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:

	2022 No.	2021 No.
Full members	7,266	7,962
Full partner members	129	152
Multiple secondary members	1,466	1,217
Partner members	396	355
Life members	289	302
Affiliate member	57	99
	9,603	10,087

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 2022

Trustees

The Trustees of the Federation during the year were:

S Patel

M Ward (resigned 21 June 2022)

N Patel

S Khunkhun (appointed 21 June 2022)

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

There have been no other significant events affecting the National Federation of Retail Newsagents since the year end.

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 13 June 2023 and signed on its behalf by:



S Patel
Trustee



N Patel
Trustee



S Khunkhun
Trustee

Trustees' Responsibilities Statement

For the Year ended 31 December 2022

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:

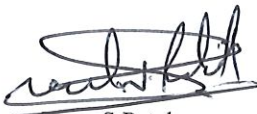
- so far as each Trustee is aware, there is no audit information of which the Federation's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the auditors are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



N Patel
Trustee



S Khunkhun
Trustee

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

For the Year ended 31 December 2022

Opinion

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

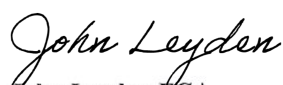
In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- 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: 13th June 2023

Combined Income and Expenditure Account

For the Year ended 31 December 2022

Income	Note	2022 £	2021 £
Capitation fees		2,769,342	2,879,441
Less: Cost of collection		<u>(82,363)</u>	<u>(87,494)</u>
		2,686,979	2,791,947
Rental income		491,709	211,147
Business development and sponsorship		939,586	707,774
Interest received		24,526	63
Management fees		35,000	35,000
Dividends received		670,000	70,000
Income from investments		3,266	27,494
Donations		<u>6,514</u>	<u>2,571</u>
Total income		<u>4,857,580</u>	<u>3,845,996</u>
Expenditure			
Meetings		235,094	291,851
Members' services		865,728	707,388
District & branch expenditure		372,518	281,057
President, field operations and communications		1,122,777	1,192,190
Finance & head office overheads		1,305,855	1,089,011
Claims paid: Death of member and serious illness		58,200	83,100
Gifts and donations		100	4,100
Interest payable		18,663	16,698
(Profit) on disposal of investments		(358,927)	(32,169)
Fair value deficit (surplus) on revaluation of investments		427,480	(97,726)
Loss/(profit) on disposal of fixed assets		<u>(6,324)</u>	<u>2,831</u>
Total expenditure		<u>4,041,164</u>	<u>3,538,331</u>
Surplus before exceptional items		816,416	307,665
Exceptional items:			
Fair value (deficit)/surplus on revaluation of properties		<u>(1,436,800)</u>	<u>2,488,539</u>
(Deficit)/surplus before tax and reserve transfers	4	(620,384)	2,796,204
Taxation	5	<u>265,775</u>	<u>(500,602)</u>
(Deficit)/surplus after taxation and before transfers		(354,609)	2,295,602
Net transfers from other reserves	13(c)	<u>-</u>	<u>-</u>
(Deficit)/surplus after taxation and reserve transfers		<u>(354,609)</u>	<u>2,295,602</u>

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

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

The notes on pages 19 to 33 form part of these financial statements.

Combined Balance Sheet As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6 (a)	693,788	644,236
Investment property	6 (d)	10,313,200	11,750,000
Listed investments	7	90,235	1,551,080
Trade investments	8 (a)	<u>150,003</u>	<u>150,003</u>
		11,247,226	14,095,319
Current assets			
Debtors: amounts falling due within one year	9	3,652,713	667,180
Cash at bank		<u>439,531</u>	<u>862,743</u>
		4,092,244	1,529,923
Current liabilities			
Creditors: amounts falling due within one year	10	<u>(1,560,318)</u>	<u>(1,199,972)</u>
Net current assets		2,531,926	329,951
Creditors: amounts falling due after more than one year	11	(63,785)	-
Deferred taxation	12	<u>(2,159,560)</u>	<u>(637,395)</u>
Total assets less current liabilities		<u>11,555,807</u>	<u>13,787,875</u>
Represented by:			
Investment property reserve	13(a)	5,675,774	7,553,233
Capital account	13(b)	5,780,033	6,134,642
Strategic reserve	13(c)	<u>100,000</u>	<u>100,000</u>
		<u>11,555,807</u>	<u>13,787,875</u>

Included in debtors is £2,349,000 (2021 - £nil) which represents an amount falling due after one year.

These accounts were approved and authorised for issue by the Trustees on and signed on 13 June 2023 and signed their behalf by:



S Patel
Trustee



N Patel
Trustee



S Khunkhun
Trustee

The notes on pages 19 to 33 form part of these financial statements.

General Fund

Income and Expenditure Account

For the Year ended 31 December 2022

	Note	2022 £	2021 £
Income			
Capitation fees		2,769,342	2,879,442
Less: Cost of collection		<u>(82,363)</u>	<u>(87,494)</u>
		2,686,979	2,791,947
Rental income		491,709	211,147
Business development and sponsorship		939,586	707,774
Management fees		<u>35,000</u>	<u>35,000</u>
Total income		<u>4,153,274</u>	<u>3,745,868</u>
Expenditure			
Meetings		235,094	291,851
Members' services		865,728	707,388
District & branch expenditure		372,518	281,057
President, field operations and communications		1,122,777	1,192,190
Finance & head office overheads		1,302,606	1,085,528
Interest payable		18,663	16,698
Profit) /loss on sale of assets		<u>(6,324)</u>	<u>2,831</u>
Total expenditure		<u>3,911,062</u>	<u>3,577,545</u>
Surplus/(deficit) before fair value adjustments and taxation		242,212	168,323
Fair value adjustment on investment property	6(d)	<u>(1,436,800)</u>	<u>2,488,539</u>
(Deficit)/surplus before taxation, reserve transfers		(1,194,588)	2,656,862
Taxation	5	<u>265,775</u>	<u>(500,602)</u>
(Deficit)/surplus after taxation and before reserve transfers	13(b)	(928,813)	2,156,260
Net transfers (to)/from Reserves		<u>-</u>	<u>-</u>
(Deficit)/surplus after taxation and reserve transfers		<u>(928,813)</u>	<u>2,156,260</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 £18 (2021 - £15) 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 33 form part of these financial statements.

General Fund Balance sheet As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6 (b)	274,359	225,524
Investment property	6 (d)	<u>10,313,200</u>	<u>11,750,000</u>
		<u>10,587,559</u>	<u>11,975,524</u>
Current assets			
Debtors: amounts falling due within one year	9	1,271,090	656,278
Cash at bank		<u>194,240</u>	<u>440,437</u>
		1,465,330	1,096,715
Current liabilities			
Creditors: amounts falling due within one year	10	<u>(2,583,136)</u>	<u>(2,378,258)</u>
Net current (liabilities)/assets		<u>(1,117,806)</u>	<u>(1,281,543)</u>
Creditors: amounts falling due after more than one year	11	(63,785)	-
Deferred taxation	12	<u>(2,159,560)</u>	<u>(637,395)</u>
Net assets		<u>7,246,408</u>	<u>10,056,586</u>
Represented by:			
Investment reserve	13(a)	5,644,096	7,525,461
Capital account	13(b)	1,502,312	2,431,125
Strategic reserve	13(c)	<u>100,000</u>	<u>100,000</u>
		<u>7,246,408</u>	<u>10,056,586</u>

These accounts were approved and authorised for issue by the Trustees on 13 June 2023 and signed on their behalf by:



S Patel
Trustee



N Patel
Trustee



S Khunkhun
Trustee

The notes on pages 19 to 33 form part of these financial statements.

Benefits Fund

Income and Expenditure Account

For the Year ended 31 December 2022

	Notes	2022 £	2021 £
Income			
Dividends received – NFRN Holdings Limited		670,000	70,000
Income from listed investments		3,266	27,494
Interest received		<u>21,936</u>	-
		<u>695,202</u>	<u>122,525</u>
Expenditure			
Claims paid: Death of member		57,000	78,000
Serious illness		1,200	5,100
Depreciation of fixed assets	6(c)	<u>3,189</u>	<u>3,481</u>
		<u>61,389</u>	<u>86,581</u>
Surplus/(deficit) on disposal of listed investments		358,927	32,169
Fair value movement on revaluation of investments		<u>(427,480)</u>	<u>97,726</u>
		<u>(68,553)</u>	<u>129,895</u>
Surplus/(deficit) for the year		565,260	140,808
Net transfers (to)/from Reserves		<u>-</u>	<u>-</u>
Surplus/(Deficit) transferred to Reserves	13(b)	<u>565,260</u>	<u>140,808</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.

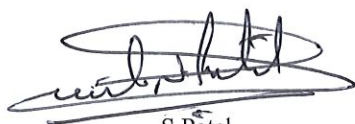
The notes on pages 19 to 33 form part of these financial statements.

Benefits Fund
Balance Sheet
As at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	6 (c)	419,429	418,712
Listed investments	7 (a)	90,235	1,551,080
Trade investments	8 (b)	<u>150,003</u>	<u>150,003</u>
		<u>659,667</u>	<u>2,119,795</u>
Current assets			
Debtors: amounts falling due within one year	9	3,172,390	1,184,498
Cash at bank		<u>47,110</u>	<u>5,708</u>
		<u>3,219,500</u>	<u>1,190,206</u>
Current liabilities			
Creditors: amounts falling due within one year	10	-	-
Net current assets/(liabilities)		<u>3,219,500</u>	<u>1,190,206</u>
Net assets		<u>3,879,167</u>	<u>3,310,001</u>
Represented by:			
Investment property reserve	13(a)	31,678	27,772
Capital account	13(b)	<u>3,847,489</u>	<u>3,282,229</u>
		<u>3,879,167</u>	<u>3,310,001</u>

Included in debtors is £2,142,368 (2021 - £nil) which represents an amount falling due after one year.

These accounts were approved and authorised for issue by the Trustees on 13 June 2023 and signed on their behalf by:



S Patel
Trustee



N Patel
Trustee



S Khunkhun
Trustee

The notes on pages 19 to 33 form part of these financial statements.

**Ratcliffe Benevolent Fund Income
and Expenditure Account
For the Year ended 31 December 2022**

	Notes	2022 £	2021 £
Income			
Donations		5,514	2,571
Bank and other interest		<u>918</u>	<u>63</u>
		<u>6,432</u>	<u>2,634</u>
Expenditure			
Grants		-	2,000
Bank charges		<u>60</u>	<u>-</u>
		<u>60</u>	<u>2,000</u>
Surplus/(deficit) before taxation		6,372	634
Taxation		-	-
Surplus/(deficit) for year		6,372	634
Capital account balance brought forward	13(b)	<u>253,032</u>	<u>252,398</u>
Capital account balance carried forward	13(b)	<u>259,404</u>	<u>253,032</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 33 form part of these financial statements.

Ratcliffe Benevolent Fund

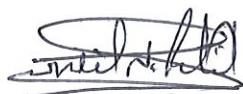
Balance Sheet

As at 31 December 2022

	Notes	2022 £	2021 £
Current assets			
Debtors: amounts falling due within one year ¹	9	71,305	5,616
Cash at bank		<u>188,837</u>	<u>248,154</u>
		260,142	253,770
Current liabilities			
Creditors: amounts falling due within one year	10	<u>(738)</u>	<u>(738)</u>
Net assets		<u>259,404</u>	<u>253,032</u>
Represented by:			
Capital account	13(b)	<u>259,404</u>	<u>253,032</u>

1. Included in debtors is £65,689 (2021 - £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 13 June 2023 and signed on their behalf by:



S Patel
Trustee



N Patel
Trustee



S Khunkhun
Trustee

The notes on pages 19 to 33 form part of these financial statements.

Carl Bridgewater Fund
Income and Expenditure Account
For the Year ended 31 December 2022

	Notes	2022 £	2021 £
Income			
Donations		1,000	-
Intercompany/bank interest		<u>1,672</u>	<u>-</u>
		<u>2,672</u>	<u>-</u>
Expenditure			
Gifts and donations		100	2,100
Sundry expenses		<u>-</u>	<u>-</u>
		<u>100</u>	<u>2,100</u>
Surplus/(deficit) before taxation		2,572	(2,100)
Taxation		-	-
Surplus/(deficit) for the year		2,572	(2,100)
Capital account balance brought forward	13(b)	<u>168,256</u>	<u>170,356</u>
Capital account balance carried forward	13 (b)	<u>170,828</u>	<u>168,256</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 33 form part of these financial statements.

Carl Bridgewater Fund
Balance Sheet
As at 31 December 2022

	Note	2022 £	2021 £
Current assets			
Debtors: amounts falling due within one year	9	161,672	-
Cash at bank		<u>9,344</u>	<u>168,444</u>
		171,016	168,444
Current liabilities			
Creditors: amounts falling due within one year	10	<u>(188)</u>	<u>(188)</u>
Net assets		<u>170,828</u>	<u>168,256</u>
Represented by:			
Capital account	13(b)	<u>170,828</u>	<u>168,256</u>

Included in debtors is £161,672 (2021 - £nil) which represents an amount falling due after one year.

These accounts were approved and authorised for issue by the Trustees on 13 June 2023 and signed on their behalf by:



S Patel
Trustee



N Patel
Trustee



S Khunkhun
Trustee

The notes on pages 19 to 33 form part of these financial statements.

Combined Statement of Cash Flows For the Year ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
(Deficit)/ surplus for the financial year		(354,609)	2,295,602
Adjustments for:			
Depreciation of tangible assets	6(a)	94,871	75,041
Loss / (Profit) on disposal of investments and other assets		(365,251)	(29,338)
Fair value movements		1,505,080	(1,605,722)
Decrease/(increase) in debtors		(2,985,533)	(149,646)
(Decrease)/increase in creditors		228,732	(167,688)
Interest received		(24,526)	(63)
Taxation paid		-	(3,089)
Dividends received		(670,000)	(70,000)
Corporation tax	5	93,425	27,780
Net cash generated from operating activities		<u>(2,477,811)</u>	<u>370,046</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	6(a)(d)	(196,101)	(584,056)
Sale of tangible fixed assets		61,908	3,006
Purchase of listed investments	7	(360,635)	(87,989)
Sale of listed investments		1,913,840	175,392
Interest received		24,526	63
Dividends received		670,000	70,000
Net cash from investing activities		<u>2,113,538</u>	<u>(423,504)</u>
Cashflows from financing activities			
Interest paid		(18,663)	(16,698)
Repayment of finance lease obligations		(40,276)	(15,880)
Net cash used in financing activities		<u>(58,939)</u>	<u>(32,578)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(423,212)</u>	<u>(86,036)</u>
Cash and cash equivalents at beginning of year		862,743	948,779
Cash and cash equivalents at the end of the year		<u>439,531</u>	<u>862,743</u>

The notes on pages 19 to 33 form part of these financial statements.

Notes to the financial statements For the Year ended 31 December 2022

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 2022

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	20% per annum – straight line
Regalia	No depreciation is provided
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 2022

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

	2022	2021
	£	£
Surplus for the year is after charging/(crediting):		
Auditors' remuneration	12,000	10,500
Depreciation of tangible fixed assets:		
Charge for the year	94,871	75,041
Fair value adjustment – investment property	1,436,800	(2,488,539)

Notes to the financial statements

For the Year ended 31 December 2022

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.

	2022 £	2021 £
Current year tax		
U.K. corporation tax	93,425	27,780
Deferred tax		
Arising on investment property fair value adjustment	<u>(359,200)</u>	<u>472,822</u>
Total Current and Deferred tax	<u>(265,775)</u>	<u>500,602</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% (2021 – 19%). The differences are explained below:

	2022 £	2021 £
(Deficit)/surplus before taxation, reserve transfers	(620,384)	2,976,204
(Deficit)/surplus before taxation and reserve transfers multiplied by standard rate of corporation tax in the UK of 19% (2021 – 19%)	(117,893)	565,479
Effects of:		
Taxable/(non-taxable) items	211,318	(537,699)
Adjustment in respect of prior period	<u>-</u>	<u>-</u>
Total tax charge for the year	<u>93,425</u>	<u>27,780</u>

Factors affecting future rates of tax

The Finance Act 2021 confirmed an increase of main rate of UK corporation tax from 19% to 25% with effect from 1 April 2023 and as this was substantively enacted by the balance sheet date, temporary differences have been remeasured using the enacted tax rates that are expected to apply when the liability is settled, or asset realised.

Notes to the financial statements

For the Year ended 31 December 2022

6. Tangible fixed assets

(a) Combined

	Freehold property £	Leasehold property £	Fixtures and fittings £	Computer £	Motor vehicles £	Total £
Cost						
At 1 January 2022	220,000	247,788	185,425	72,419	175,624	901,256
Add/Disp/Reclass.	-	(36,173)	(44,743)	-	81,422	506
Revaluation	-	3,906	-	-	-	3,906
At 31 December 2022	<u>220,000</u>	<u>215,521</u>	<u>140,682</u>	<u>72,419</u>	<u>257,046</u>	<u>905,668</u>
Depreciation						
At 1 January 2022	-	-	61,400	45,431	150,189	257,020
Charge for the Year	-	-	11,201	23,029	60,641	94,871
On disposals	-	-	(34,011)	-	(106,000)	(140,011)
At 31 December 2022	-	-	<u>38,590</u>	<u>68,460</u>	<u>104,830</u>	<u>211,880</u>
Net book value						
At 31 December 2022	<u>220,000</u>	<u>215,521</u>	<u>102,092</u>	<u>3,959</u>	<u>152,216</u>	<u>693,788</u>
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>

Freehold property represents 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.

Fixtures and fittings include regalia with historic cost of £55,384 (2021 - £55,384) which is not depreciated.

The net book value of assets held under HP is £147,076 (2021 - £25,435). The depreciation charge in respect of these assets is £39,220 (2021 - £30,980).

Notes to the financial statements

For the Year ended 31 December 2022

6. Tangible fixed assets (cont/d)

(b) General Fund

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2022	58,824	153,543	69,785	175,624	457,776
Additions	-	-	-	196,101	196,101
Revaluation	-	-	-	-	-
Disposals/reclassification	(36,173)	(44,743)	-	(114,679)	(195,595)
At 31 December 2022	<u>22,651</u>	<u>108,800</u>	<u>69,785</u>	<u>257,046</u>	<u>458,282</u>
Depreciation					
At 1 January 2022	-	39,265	42,798	150,189	232,252
Charge for the year	-	8,012	23,029	60,641	91,682
On disposals	-	(34,011)	-	(106,000)	(140,011)
At 31 December 2022	<u>-</u>	<u>13,266</u>	<u>65,827</u>	<u>104,830</u>	<u>183,923</u>
Net book value					
At 31 December 2022	<u>22,651</u>	<u>95,534</u>	<u>3,958</u>	<u>152,216</u>	<u>274,359</u>
At 31 December 2021	<u>58,824</u>	<u>114,278</u>	<u>26,987</u>	<u>25,435</u>	<u>225,524</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. Fixtures and fittings include regalia with historic cost of £55,384 (2021 - £55,384) which is not depreciated. The net book value of assets held under HP is £147,076 (2021 - £25,435). The depreciation charge in respect of these assets is £49,025 (2021 - £30,980).

(c) Benefits Fund

	Freehold property £	Long leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 January 2022	220,000	188,964	31,882	2,634	443,480
Additions/Disposals	-	-	-	-	-
Revaluation	-	3,906	-	-	3,906
At 31 December 2022	<u>220,000</u>	<u>192,870</u>	<u>31,882</u>	<u>2,634</u>	<u>447,386</u>
Depreciation					
At 1 January 2022	-	-	22,135	2,633	24,768
Charge for the year	-	-	3,189	-	3,189
At 31 December 2022	<u>-</u>	<u>-</u>	<u>25,324</u>	<u>2,633</u>	<u>27,957</u>
Net book value					
At 31 December 2022	<u>220,000</u>	<u>192,870</u>	<u>6,558</u>	<u>1</u>	<u>419,429</u>
At 31 December 2021	<u>220,000</u>	<u>188,964</u>	<u>9,747</u>	<u>1</u>	<u>418,712</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 2022

6. Tangible fixed assets (cont/d)

(d) Investment Property – General Fund and Combined

	2022	2021
	£	£
Valuation		
At 1 January 2022 (1 January 2021)	11,750,000	8,684,000
Additions	-	577,461
Fair value adjustment	<u>(1,436,800)</u>	<u>2,488,539</u>
At 31 December 2022 (31 December 2021)	<u>10,313,200</u>	<u>11,750,000</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 2022	1,551,080
Additions	360,635
Disposals	(1,394,000)
Revaluation	<u>(427,480)</u>
At 31 December 2022	<u>90,235</u>

	2022	2021
	£	£
Market value broken down as follows:		
UK Fixed Interest	9,950	221,409
UK Equities	18,109	288,442
European Equities	-	27,710
North American Equities	23,529	416,772
Japanese Equities	5,194	53,924
Far East & Australian Equities	4,165	55,126
International Equities	8,918	47,992
Emerging Economies	5,492	61,759
UK Property	4,257	77,587
International Property	4,660	30,273
Alternative Assets	5,012	90,504
Cash	<u>949</u>	<u>180,182</u>
	<u>90,235</u>	<u>1,551,080</u>

	£
Historical cost	
At 1 January 2022	1,107,813
Additions	360,635
Disposals	(1,378,213)
At 31 December 2022	<u>90,235</u>

Notes to the financial statements

For the Year ended 31 December 2022

8. Trade Investments

(a) Combined

Cost	2022 £	2021 £
At 1 January 2022 (1 January 2021)	150,003	150,003
Amounts written off	-	-
At 31 December 2022 (31 December 2021)	<u>150,003</u>	<u>150,003</u>

(b) Benefits Fund

	2022 £	2021 £
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	1,602,407	100,726
Bede House Limited *	UK	Property investment	Ordinary	100	(10,225)	(10,226)
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:

	2022 £	2021 £
Profit and loss reserve		
At 1 January 2021 (1 January 2020)	2,015,681	1,626,414
Profit (loss) for the year	100,726	459,267
Dividends paid	<u>(670,000)</u>	<u>(70,000)</u>
At 31 December 2021 (31 December 2020)	<u>1,446,407</u>	<u>2,015,681</u>

Notes to the financial statements

For the Year ended 31 December 2022

8. Trade Investments (cont/d)

Balance sheet		
Called up share capital	150,000	150,000
Share premium account	6,000	6,000
Profit and loss account	<u>1,446,407</u>	<u>2,015,681</u>
Shareholders' funds	<u>1,602,407</u>	<u>2,171,681</u>

The summary financial statements of Bede House Limited at 31 December are shown below:

	2022 £	2021 £
Profit and loss reserve		
At 1 January 2022 (1 January 2021)	-	-
Profit (loss) for the year	(10,226)	-
Dividends paid	-	-
At 31 December 2022 (31 December 2021)	<u>(10,226)</u>	<u>-</u>
Balance sheet		
Called up share capital	1	-
Share premium account	-	-
Profit and loss account	<u>(10,226)</u>	<u>-</u>
Shareholders' funds	<u>(10,225)</u>	<u>-</u>

9. Debtors: Amounts falling due within one year

	General Fund	Benefits Fund	Ratcliffe Benevolent Fund	Carl Bridge- water Fund	Combined 2022	Combined 2021
	£	£	£	£	£	£
Customer receivables	617,516		5,191	-	622,707	167,317
Inter-fund balances	-	1,023,744	-	-	-	-
Other debtors	370,443	2,148,605	66,114	161,672	2,746,834	61,005
Prepayments and accrued inc.	283,131	41	-	-	283,172	438,858
	<u>1,271,090</u>	<u>3,172,390</u>	<u>71,305</u>	<u>161,672</u>	<u>3,652,713</u>	<u>667,180</u>

Other debtors include £2,369,729 (2021 - £Nil) which is due after more than one year.

Notes to the financial statements

For the Year ended 31 December 2022

10. Creditors: Amounts falling due within one year

	General Fund	Benefits Fund	Ratcliffe Benevolent Fund	Carl Bridge-water Fund	Combined 2022	Combined 2021
	£	£	£	£	£	£
Corporation tax	121,205	-	-	-	121,205	27,780
Other tax and social security	191,393	-	238	188	191,819	42,784
Inter-fund balances	1,023,744	-	-	-	-	-
Supplier and other creditors	898,517	-	500	-	899,017	855,435
Accruals and deferred income	301,624	-	-	-	301,624	265,509
Amounts due – hire purchase	46,653	-	-	-	46,653	8,464
	<u>2,583,136</u>	-	738	188	<u>1,560,318</u>	<u>1,199,972</u>

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

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2022	Combined 2021
	£	£	£	£	£	£
Amounts due under hire purchase	63,785	-	-	-	63,785	-
	<u>63,785</u>	-	-	-	<u>63,785</u>	-

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

	2022 £	2021 £
Amounts due under hire purchase (1 – 2 years)	46,653	-
Amounts due under hire purchase (2 – 5 years)	<u>17,132</u>	-
	<u>63,785</u>	<u>-</u>

12. Deferred taxation

Combined and General Fund

	2022 £	2021 £
At beginning of the year	637,395	164,573
(Credited)/charged to income and expenditure account	(359,200)	472,822
Charged to investment property reserve	<u>1,881,365</u>	-
At end of year	<u>2,159,560</u>	<u>637,395</u>

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

Notes to the financial statements

For the Year ended 31 December 2022

13. Reserves

(a) Investment property reserve

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2022	Combined 2021
	£	£	£	£	£	£
At 1 January 2022	7,525,461	27,772	-	-	7,553,233	7,559,808
Revaluation adjustments	(1,881,365)	3,906	-	-	(1,877,459)	(6,575)
Transfer between reserves	-	-	-	-	-	-
At 31 December 2022	5,644,096	31,678	-	-	5,675,774	7,553,233

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

(b) Capital

	General Fund	Benefits Fund	Ratcliffe Ben. Fund	Carl Bridge-water Fund	Combined 2022	Combined 2021
	£	£	£	£	£	£
At 1 January 2022	2,431,125	3,282,229	253,032	168,256	6,134,642	3,839,040
(Deficit)/surplus/for the year	(928,813)	565,260	6,372	2,572	(354,609)	2,295,602
At 31 December 2022	1,502,312	3,847,489	259,404	170,828	5,780,033	6,134,642

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

(c) Strategic reserve

	General Fund	Benefits Fund	Ratcliffe Benev't Fund	Carl Bridge-water Fund	Combined 2022	Combined 2021
	£	£	£	£	£	£
At 1 January 2022	100,000	-	-	-	100,000	100,000
Transfer (to)/from income and expenditure account	-	-	-	-	-	-
At 31 December 2022	100,000	-	-	-	100,000	100,000

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

Notes to the financial statements

For the Year ended 31 December 2022

14. Employee Costs – Combined and General Fund

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

	2022 £	2021 £
Wages and salaries	1,737,984	1,540,366
Social security costs	191,523	152,967
Benefits-in-kind	5,741	4,887
Cost of defined benefit and contribution schemes	<u>142,454</u>	<u>100,858</u>
	<u>2,077,702</u>	<u>1,798,078</u>

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

	2022 No	2021 No
Head office	14	12
Districts	<u>33</u>	<u>27</u>
	<u>47</u>	<u>39</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 2022

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 £75,810 (2021 - £56,573).

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 £66,643 (2021 - £44,284).

Notes to the financial statements

For the Year ended 31 December 2022

16. Leasing commitments – Combined

	Land and Buildings	Other	Land and Buildings	Other
	2022	2022	2021	2021
	£	£	£	£
Within 1 year	42,927	-	42,927	3,872
In 2 to 5 years	171,708	-	171,708	-
Greater than 5 years	128,854	-	171,781	-
	<u>343,489</u>	-	<u>386,416</u>	<u>3,872</u>

Rents payable under operating leases during the period amounted to £40,964 (2021 - £41,762).

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.

	2022	2021
	£	£
Net recharge to/(from):		
Newtrade Media Limited	<u>235,000</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:

	2022	2021
	£	£
Newtrade Publishing Limited	(730)	(730)
Newtrade Media Limited	(490,000)	(560,000)
NFRN Pension Scheme	<u>(6,472)</u>	<u>(10,254)</u>

The amount due to Newtrade Media Limited includes an unsecured interest-bearing loan facility of £600,000 (2021 - £600,000). The interest rate is 2.25% per annum and interest charged in the period amounted to £13,854 (2021 - £15,604).

Total remuneration in respect of key management personnel of the Federation is £46,079 (2021 - £12,000).

Notes to the financial statements

For the Year ended 31 December 2022

18. Related Party Transactions (cont./d)

(b) Benefits Fund

The Benefits Fund received dividends of £670,000 (2021 - £70,000) from NFRN Holdings Limited.

The Benefits Fund made an interest-bearing loan of £2,124,000 (2021 - £Nil) to subsidiary Bede House Limited in order to finance the acquisition of its investment property. The applicable interest rate was 3% and the balance at the year-end was £2,142,368 (2021 - £Nil) including accrued interest of £18,368 (2021 - £Nil).

(c) Ratcliffe Benevolent Fund

The Ratcliffe Benevolent Fund made an interest-bearing loan of £65,000 (2021 - £Nil) to associated undertaking Bede House Limited in order to finance the acquisition of its investment property. The applicable interest rate was 3% and the balance at the year-end was £65,689 (2021 - £Nil) including accrued interest of £689 (2021 - £Nil).

(d) Carl Bridgewater Fund

The Carl Bridgewater Fund made an interest-bearing loan of £160,000 (2021 - £Nil) to associated undertaking Bede House Limited in order to finance the acquisition of its investment property. The applicable interest rate was 3% and the balance at the year-end was £161,672 (2021 - £Nil) including accrued interest of £1,672 (2021 - £Nil).

19. Commitments and contingent liabilities

During the period, the Federation entered into a contractual commitment with a CRM supplier for the initial design and delivery of a new membership management system representing fixed set-up and implementation costs of £162,280 and subsequent 5-year licencing period for hosted services at a total additional cost of £259,625.

At the balance sheet date, the federation was in dispute with the above supplier over the fixed set-up element of its commitment and the likely outcome of this dispute including possible litigation cannot be predicted and therefore any assessment cannot be made at the date of this disclosure.

Notes to the financial statements

For the Year ended 31 December 2022

20. Financial instruments

	Combined 2022 £	Combined 2021 £
Financial assets		
Financial assets measured at fair value through profit and loss	<u>90,235</u>	<u>1,551,080</u>
Financial assets measured at amortised cost	<u>4,242,247</u>	<u>1,679,926</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>1,200,641</u>	<u>1,120,944</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, debtors and cash. Financial liabilities measured at amortised cost comprises trade creditors, other creditors and accruals.

21. Events After the Balance Sheet Date

There were no events to report after the balance sheet date.