

**NATIONAL FEDERATION OF RETAIL NEWSAGENTS
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:

Website address (if available):

Has the address changed during the year to which the return relates?
Yes No (Tick as appropriate)

General Secretary:

Contact name for queries regarding the completion of this return:

Telephone Number:

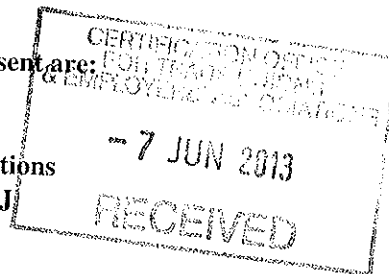
e-mail:

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: 020 7210 3734

The address to which returns and other documents should be sent are:

For Employers' Associations based in England and Wales:
Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Employers' Associations based in Scotland:
Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG



**NATIONAL FEDERATION OF RETAIL NEWSAGENTS
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
	14,896	623	369	0	15,888

OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

CHANGE OF OFFICERS

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

Title of Office	Name of Officer Appointed ceasing to hold office	Name of Officer Appointed	Date of Change
National President	Mr K McDonnell	Mr A Smith	June 2012
National Vice President	Mr A Smith	Mr C Fletcher	June 2012
Immediate Past President	Mr P Singh	Mr K McDonnell	June 2012
National Deputy Vice President	Mr C Fletcher	Mr M Brown	June 2012

**National Federation of Retail Newsagents
Officers in post at 31 December 2012**

Title of Office	Name of Officer
National President	Alan Smith
National Vice President	Colin Fletcher
National Deputy Vice President	Martyn Brown
Immediate Past President	Kieran McDonnell
Trustee	Barrie Taylor
Trustee	Vyas Sharma
Trustee	Tom Searle
Chairman of the National Finance Committee	Barrie Taylor
National Finance Committee	Jon McDowell
National Finance Committee	Owen Church
National Executive	John Green
National Executive	Mike Mitchelson
National Executive	Ralph Patel
National Executive	Peter Robinson
National Executive	Christine Southern
National Executive	David Woodrow
National Councillor	Robert Baillie
National Councillor	David Woodrow
National Councillor	Abdul Qadar
National Councillor	Mike Mitchelson
National Councillor	Glyn Taylor
National Councillor	Ian Simpson
National Councillor	James Wilkinson
National Councillor	Jamal Kazi
National Councillor	Suleman Khonat
National Councillor	Kevin Jones
National Councillor	Sam Whiteside
National Councillor	Deepak Tanna
National Councillor	John Green
National Councillor	Parminder Singh
National Councillor	Julia Bywater
National Councillor	Owen Church
National Councillor	Josie Dixon
National Councillor	Dev Aswani
National Councillor	Peter Robinson
National Councillor	Ray Monelle
National Councillor	Steve Berry
National Councillor	Ralph Patel
National Councillor	Omkar Patel
National Councillor	Kamal Thaker
National Councillor	Peter Wagg
National Councillor	Christine Southern
National Councillor	Naresh Purohit
National Councillor	Balwinder (Linda) Sood
National Councillor	Nigel Swan
National Councillor	Mike Eddowes
National Councillor	JohnCotsell
National Councillor	John McDowell

National Councillor	Mark Mullan
National Councillor	Martin Mulligan
National Councillor	Peter Steemers

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year (restated)			£
	INCOME		
4,432,524	From Members: Subscriptions, levies etc.	4,495,677	
-	Investment Income Bank Interest (gross)	37,900	
61,532	Other Income Rents received	74,062	
151,251	Publications/Seminars	165,587	
5,648	Miscellaneous receipts (specify) Profit on sale of fixed assets	1,377	
4,650,955		TOTAL INCOME	4,774,603
	EXPENDITURE		
2,186,604	Administrative Expenses Remuneration and expenses of staff	2,211,935	
377,543	Travel and subsistence	386,769	
198,128	Occupancy costs	137,378	
109,427	Printing, Stationery, Post & Telephones	96,303	
	Miscellaneous (specify)		
150,181	Computer costs	120,551	
148,592	Collection costs	142,669	
14,228	Sundries	73,012	
	Members services		
821,198	Conference and meeting fees	683,850	
225,011	Members insurance	239,489	
229,658	Publications and promotional services	273,040	
226,035	Call centre	187,963	
168,968	Legal and Professional fees	187,635	
	Other charges		
8,302	Bank interest	7,832	
87,630	Depreciation	39,753	
54,605	Donations	5,450	
	Sums written off (specify)		
213,000	Release of provision against NFRN Commercial	(18,000)	
13,986	Other bad debts	2,836	
106,618	Provision for reorganisational costs	-	
-	Provision for legal fees	25,000	
5,339,714			4,803,465
-	Taxation		24,000
5,339,714		TOTAL EXPENDITURE	4,827,465
(688,759)		Surplus / (Deficit) for year	(52,862)
3,608,318		Amount of fund at beginning of year	2,919,559
2,919,559		Amount of fund at end of year	2,866,697

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 2		Fund Account	
Name:	Benefits fund	£	£
Income			
	From members	(170)	
	Investment income	47,637	
	Other income (specify)		
	Rent	(60,000)	
	Dividend	65,000	
	Profit on sale of investments	20,497	
	Total Income		72,964
Expenditure			
	Administrative expenses	5,139	
	Other expenditure (specify)		
	Interest payable	37,900	
	Benefits paid	93,070	
	Legal and other assistance	7,778	
	Total Expenditure		143,887
	Surplus / (Deficit) for year		(70,923)
	Add amount of fund at beginning of year		2,203,073
	Amount of fund at end of year (as Balance Sheet)		2,132,150

ACCOUNT 3		Fund Account	
Name:	Ratcliffe Fund	£	£
Income			
	From members	-	
	Investment income	-	
	Other income (specify)		
	Donations	19,532	
	Total Income		19,532
Expenditure			
	Administrative expenses	262	
	Other expenditure (specify)		
	Grants paid	3,950	
	Bad debts	600	
	Total Expenditure		4,812
	Surplus / (Deficit) for year		14,720
	Add amount of fund at beginning of year		165,262
	Amount of fund at end of year (as Balance Sheet)		179,982

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 4		Fund Account	
Name:	Carl Bridgewater	£	£
Income			
From members		-	
Investment income		1	
Other income (specify)			
Donations		480	
Total Income			481
Expenditure			
Administrative expenses		73	
Other expenditure (specify)			
Grants paid		2,314	
Total Expenditure			2,387
Surplus / (Deficit) for year			(1,906)
Add amount of fund at beginning of year			179,803
Amount of fund at end of year (as Balance Sheet)			177,897

ACCOUNT 5		Fund Account	
Name:		£	£
Income			
From members		-	
Investment income		-	
Other income (specify)			
Total Income			-
Expenditure			
Administrative expenses		-	
Other expenditure (specify)			
Total Expenditure			-
Surplus / (Deficit) for year			-
Add amount of fund at beginning of year			
Amount of fund at end of year (as Balance Sheet)			-

BALANCE SHEET AS AT 31 December 2012

(see notes 19 to 20)

Previous Year		£	£
1,960,753	Fixed Assets (as at page 7)		1,937,242
	Investments (as per analysis on page 8)		
2,348,465	Quoted (Market value £2,147,460)	1,828,180	
150,007	Unquoted	150,006	
	Total Investments		1,978,186
	Other Assets		
1,022,435	Sundry debtors (excl £66,997 inter-fund)	1,151,581	
878,084	Cash at bank and in hand	1,119,382	
	Others (specify)		
1,696	Tax repayable	2,188	
	Total of Other Assets		2,273,151
6,361,440		TOTAL ASSETS	6,188,579
2,919,559	General fund (Revenue)		2,866,697
2,203,073	Benefits fund (Account 2)		2,132,150
165,262	Ratcliffe fund (Account 3)		179,982
179,803	Carl Bridgewater fund (Account 4)		177,897
5,467,697			5,356,726
	Liabilities		
2,840	Tax payable	26,602	
603,020	Sundry creditors (excl £66,997 inter-fund)	623,447	
181,265	Accrued expenses	156,804	
106,618	Provisions	25,000	
893,743	Total of liabilities		831,853
6,361,440		TOTAL LIABILITIES	6,188,579
6,361,440		TOTAL ASSETS	6,188,579

FIXED ASSETS ACCOUNT

(see notes 19 to 20)

	Land & Buildings	Furniture & Equipment	Motor Vehicles	Total
	£	£	£	£
Cost or Valuation				
At start of year	1,838,952	1,118,146	79,864	3,036,962
Additions during year	-	16,242	-	16,242
Less: Disposals during year	-	-	(13,135)	(13,135)
At end of year	1,838,952	1,134,388	66,729	3,040,069
Accumulated Depreciation				
At start of year	22,945	977,551	75,713	1,076,209
Charges for year	900	34,702	4,151	39,753
Disposals	-	-	(13,135)	(13,135)
At end of year	23,845	1,012,253	66,729	1,102,827
Net book value at end of year	1,815,107	122,135	-	1,937,242
Freehold	1,765,368			1,765,368
Leasehold (50 or more years unexpired)	49,739			49,739
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET	1,815,107			1,815,107

ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds
QUOTED		£
	British Government & British Government Guaranteed Securities	383,761
	British Municipal and County Securities	-
	Other quoted securities (to be specified)	
	Equities	1,176,347
	Emerging Economies	88,440
	Other Alternative assets	113,870
	Cash held for investment	65,762
	TOTAL QUOTED (as Balance Sheet)	1,828,180
	*Market Value of Quoted Investments	2,147,460
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified)	
	NFRN Holdings	3
	Newtrade Publishing Ltd	150,000
	NFRN Commercial Ltd	3
	TOTAL UNQUOTED (as Balance Sheet)	150,006
*Market Value of Unquoted Investments	150,006	

*Market value of investments to be stated where they are different from the figures quoted on the balance sheet.

**NATIONAL FEDERATION OF RETAIL NEWSAGENTS
ANALYSIS OF INVESTMENT INCOME
(CONTROLLING INTERESTS)**

(see notes 23 to 25)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		<input type="checkbox"/> YES	<input type="checkbox"/> NO
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
NFRN Holdings Ltd	4588787		
Newtrade Publishing Ltd	454555		
NFRN Commercial Ltd	2907750		
INCORPORATED EMPLOYERS' ASSOCIATION			
Are the shares which are controlled by the association registered in the association's name		<input type="checkbox"/> YES	<input type="checkbox"/> 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' ASSOCIATION			
Are the shares which are controlled by the association registered in the association's name		<input type="checkbox"/> YES	<input type="checkbox"/> 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		
NFRN Holdings Ltd	100% owned by Trustees of the Benefits Fund		
Newtrade Publishing Ltd	100% owned by NFRN Holdings Ltd		
NFRN Commercial Ltd	100% owned by Trustees of the General Fund		

**NATIONAL FEDERATION OF RETAIL NEWSAGENTS
SUMMARY SHEET**

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	4,495,507	-	4,495,507
From Investments	85,538	-	85,538
Other Income (including increases by revaluation of assets)	286,535	-	286,535
Total Income	4,867,580	-	4,867,580
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	4,978,551	-	4,978,551
Surplus (Deficit) for the year	(110,971)	-	(110,971)
Funds at beginning of year (including reserves)	5,467,697	-	5,467,697
Funds at end of year (including reserves)	5,356,726	-	5,356,726
ASSETS			
	Fixed Assets		1,937,242
	Investment Assets		1,978,186
	Other Assets (Excludes £66,997 Inter-Fund Balance)		2,273,151
	Total Assets		6,188,579
LIABILITIES			
	Total Liabilities (Excludes £66,997 Inter-Fund Balance)		831,853
NET ASSETS (Total Assets less Total Liabilities)			5,356,726

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and are in accordance with applicable accounting standards.

Expenditure has been classified to reflect the activities of the National Federation of Retail Newsagents, and where necessary, comparative figures have been restated for consistency; there have been no changes to the accounting policies adopted.

b) FOREIGN EXCHANGE CONVERSIONS

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.

c) 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 Proper - Yeoman House	No depreciation is provided
- ROI district office	No depreciation is provided
- Durham district office	2% per annum - straight line
Fixtures, fittings and equipment	0% - 20% per annum - straight line
Computers	33.33% per annum - straight line
Motor vehicles	25% per annum - straight line

- * Yeoman House and the District Office in Republic of Ireland which is held as an investment property of the Benefits Fund will only be depreciated if, in the opinion of the Trustees, it is considered that the residual value is materially lower than historic cost.

d) 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 company'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 profit and loss account.

e) CAPITATION FEES

Capitation fees represent contributions receivable from members for the year. From 1 January 2012, General Fund capitation fees include benefit member fees.

f) VALUATION OF INVESTMENTS

Investments held as fixed assets are stated at cost less any provision for permanent impairment in valuation. Investments held as current assets are stated at the lower of cost and net realisable value.

Trade investments are stated at historic cost.

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES cont.

g) INCOME FUNDS

- i) Property and equipment reserve -
represents the total amount (at cost less depreciation) invested in freehold property, furniture, fittings and equipment, computers and motor vehicles used for the functional purpose of the Federation.
- ii) Investment reserve -
represents surpluses and deficits arising on sales of investments along with adjustments to provision against diminution in value.
- iii) Revenue account -
represents un-restricted funds retained to provide the working capital to enable the Federation to carry out its activities.
- iv) Strategic reserve -
represents funds set aside to meet the Federation's strategic and contingency needs.
- v) Yeoman House Refurbishment reserve -
represents a refurbishment reserve for Yeoman House.
- vi) ROI Refurbishment reserve -
represents a refurbishment reserve for property in the Republic of Ireland.
- vii) Durham Refurbishment reserve -
represents a refurbishment reserve for property in Durham.

h) CONSOLIDATION

The Trustees do not consider it appropriate to consolidate the results of the wholly owned trade investments of the General and Benefits Fund since the activities of the companies concerned is so dissimilar from those of the two funds. Details regarding the financial position of the trade investments are given in note 6.

i) PENSIONS

The Federation participates in a pension scheme providing benefits on a 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 profit and loss as they are incurred.

The Federation also operates a stakeholder pension scheme for members of staff. The contributions to this scheme are charged to the profit and loss account as they are incurred.

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

2 SURPLUS FOR THE YEAR - GENERAL FUND

	£	2012 £	£	2011 £
Surplus for the year is after charging/(crediting):				
Auditors Remuneration		33,245		28,500
Depreciation and amounts written off tangible fixed assets:				
Charge for the year		39,753		87,630
Loss on disposal		-		3
Profit on disposal		(1,377)		(5,648)
Provisions and Fund Transfers:				
Provision for pension fund deficit	29,663		124,688	
Provision for legal costs	25,000		-	
Provision for re-organisational costs	- 106,618		106,618	
Provision against loan to NFRN Commercial Ltd	(18,000)		213,000	
		(69,955)		444,306
Hire of other assets - operating leases		153,146		163,355
		<u>153,146</u>		<u>163,355</u>

3 TAXATION

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.

	2012 £	2011 £
Domestic current year tax		
U.K. corporation tax	24,000	-
Total current tax	<u>24,000</u>	<u>-</u>

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

4 TANGIBLE FIXED ASSETS - GENERAL FUND

	Freehold properties £	Fixtures, fittings and equipment £	Computer £	Motor vehicles £	Total £
Cost					
At 1 January 2012	1,789,213	597,451	520,695	79,864	2,987,223
Additions	-	10,290	5,952	-	16,242
Disposals	-	-	-	(13,135)	(13,135)
At 31 December 2012	<u>1,789,213</u>	<u>607,741</u>	<u>526,647</u>	<u>66,729</u>	<u>2,990,330</u>
Depreciation					
At 1 January 2012	22,945	496,260	481,291	75,713	1,076,209
Charge for the year	900	15,610	19,092	4,151	39,753
Disposals	-	-	-	(13,135)	(13,135)
At 31 December 2012	<u>23,845</u>	<u>511,870</u>	<u>500,383</u>	<u>66,729</u>	<u>1,102,827</u>
Net book value					
At 31 December 2012	<u>1,765,368</u>	<u>95,871</u>	<u>26,264</u>	<u>-</u>	<u>1,887,503</u>
At 31 December 2011	<u>1,766,268</u>	<u>101,191</u>	<u>39,404</u>	<u>4,151</u>	<u>1,911,014</u>

Freehold property comprises:

	Yeoman House* £	District Office £	Total £
Cost			
At 1 January 2012 and 31 December 2012	<u>1,759,608</u>	<u>29,605</u>	<u>1,789,213</u>
Depreciation			
At 1 January 2012	-	22,945	22,945
Charge for the year	-	900	900
At 31 December 2012	<u>-</u>	<u>23,845</u>	<u>23,845</u>
Net book value			
At 31 December 2012	<u>1,759,608</u>	<u>5,760</u>	<u>1,765,368</u>
At 31 December 2011	<u>1,759,608</u>	<u>6,660</u>	<u>1,766,268</u>

* No depreciation has been charged on Yeoman House in accordance with the Statement of Accounting Policies.

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

5 INVESTMENTS

	BENEFITS FUND £
At lower of cost or valuation:	
Fixed interest	383,761
Equities	1,176,347
Emerging Economies	88,440
Other Alternative Assets	113,870
Cash	65,762
31 December 2012	<u>1,828,180</u>
31 December 2011	<u>2,348,465</u>
Market Value	
31 December 2012	<u>2,147,460</u>
31 December 2011	<u>2,527,104</u>

The above investments include a provision for diminution in value of £40,009 (2011: £40,009).

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

6 TRADE INVESTMENTS

(a) GENERAL FUND

	2012	2011
	£	£
The Retail Academy Ltd		
- 1 Ordinary share of £1 each	-	1
NFRN Commercial Ltd		
- 3 Ordinary shares of £1 each	3	-
	<u>3</u>	<u>1</u>

The above companies are registered in England and Wales and are wholly owned by the Benefits Fund.

The Retail Academy Ltd was dissolved on 30 October 2012.

Shares in NFRN Commercial were transferred from the Benefit Fund to the General Fund in the year.

The summary financial statements of the companies at the end of their latest accounting period are shown below:

1) NFRN Commercial Limited for the year ended 31 December 2012:

	2012	2011
	£	£
Profit and loss account		
Turnover	1,180,955	456,498
Loss before taxation	(36,717)	(240,722)
Taxation	55,007	27,244
Profit / (loss) after taxation	18,290	(213,478)
Retained loss brought forward	(389,596)	(176,118)
Retained loss carried forward	<u>(371,306)</u>	<u>(389,596)</u>
Balance sheet		
Share capital	3	3
Profit and loss account	(371,306)	(389,596)
Shareholders' funds	<u>(371,303)</u>	<u>(389,593)</u>

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

6 TRADE INVESTMENTS cont.

(b) BENEFITS FUND

	2012	2011
	£	£
Newtrade Publishing Ltd *		
-150,000 Ordinary shares of £1 each	150,000	150,000
NFRN Commercial Ltd *		
-3 Ordinary shares of £1 each	-	3
NFRN Holdings Ltd		
-3 Ordinary shares of £1 each	3	3
	<u>150,003</u>	<u>150,006</u>

* Shares held via NFRN Holdings Limited

The above companies are registered in England and Wales and are wholly owned by the Benefits Fund.

The summary financial statements of the companies at the end of their latest accounting period are shown below:

1) Newtrade Publishing Limited for the year ended 31 December 2012:

	2012	2011
	£	£
Profit and loss account		
Turnover	3,370,575	3,058,252
Trading profit	347,034	229,413
Other income	1,672	2,773
Profit before taxation	348,706	232,186
Taxation	(88,356)	(67,302)
Profit after taxation	<u>260,350</u>	<u>164,884</u>
Profit and loss reserve		
Balance at 1 January 2012	1,333,774	1,233,890
Retained profit for the year	260,350	164,884
Dividends paid	(65,000)	(65,000)
Balance at 31 December 2012	<u>1,529,124</u>	<u>1,333,774</u>
Balance sheet		
Share capital	150,000	150,000
Share premium account	6,000	6,000
Profit and loss account	1,529,124	1,333,774
Shareholders' funds	<u>1,685,124</u>	<u>1,489,774</u>

2) NFRN Holdings Limited acted as a holding company throughout the year to 31 December 2012, but did not trade.

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

7 DEBTORS AND PREPAYMENTS - GENERAL FUND

	2012	2011
	£	£
Amounts due in less than one year:		
Newtrade Publishing Limited	133,632	86,572
NFRN Commercial Limited	368,746	219,854
Convalescence Fund	-	15,311
Carl Bridgewater Fund	1,798	1,796
Benefits Fund	39,612	515,863
NFRN Staff Benefits Pension Fund	54,460	-
Other debtors	33,904	38,848
Prepayments	94,668	246,883
	<u>726,820</u>	<u>1,125,127</u>

The amount due from NFRN Commercial Limited is net of a provision of £372,000 (2011: £390,000) being equivalent to the balance due in more than one year.

The total indebtedness of NFRN Commercial Limited to the General Fund increased by £130,892 (2011: £21,971) during the year.

8 CREDITORS AND ACCRUED EXPENSES - GENERAL FUND

	2012	2011
	£	£
Amounts due in less than one year:		
Mr News Services Limited	-	4,194
Convalescence Fund	85,622	-
Superannuation Fund	27,418	33,838
Ratcliffe Fund	21,620	19,405
Taxation	26,414	2,414
Other taxes and social security costs	73,564	53,025
VAT	118,511	185,539
Other creditors	311,662	310,546
NFRN Staff Benefits Pension Fund	-	9,208
Accrued expenses	156,563	181,262
	<u>821,374</u>	<u>799,431</u>

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

9 PROPERTY & EQUIPMENT RESERVE - GENERAL FUND

	2012 £	2011 £
At 1 January 2012	1,911,014	1,972,302
Transfer to income and expenditure account	(23,511)	(61,288)
	<u>1,887,503</u>	<u>1,911,014</u>

10 INVESTMENT RESERVE - GENERAL FUND

	2012 £	2011 £
At 1 January 2012	1	4
Addition	3	
Disposal	(1)	(3)
At 31 December 2012	<u>3</u>	<u>1</u>

11 REVENUE ACCOUNT - GENERAL FUND

	£	2012 £	£	2011 £
Deficit for the year after taxation	-	52,862	-	688,759
Less Reserve transfers:				
Transfer from/(to) Property & Equipment reserve	23,511		61,288	
Transfer from/(to) Strategic reserve	10,000		-	
Transfer from/(to) Yeoman House Refurbishment reserve	22,083		15,461	
Transfer from/(to) Investment reserve	-	2	3	
Transfer from/(to) Durham Refurbishment reserve	-		2,265	
Transfer from/(to) ROI Refurbishment reserve	20,000		-	
Transfer from/(to) IMIS reserve	-		10,000	
		<u>75,592</u>		<u>89,017</u>
Surplus / (deficit) for the year after reserve transfers		22,730	-	599,742
Balance at 1 January 2012		737,508		1,337,250
Balance at 31 December 2012		<u>760,238</u>		<u>737,508</u>

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

12 RESERVES - GENERAL FUND

	2012 £	2011 £
a) STRATEGIC RESERVE		
At 1 January 2012	150,000	150,000
Transfer (to)/from income and expenditure account	(10,000)	-
At 31 December 2012	<u>140,000</u>	<u>150,000</u>
b) YEOMAN HOUSE REFURBISHMENT RESERVE		
At 1 January 2012	78,301	93,762
Transfer (to)/from income and expenditure account	(22,083)	(15,461)
At 31 December 2012	<u>56,218</u>	<u>78,301</u>
c) ROI REFURBISHMENT RESERVE		
At 1 January 2012	20,000	20,000
Transfer (to)/from income and expenditure account	(20,000)	-
At 31 December 2012	<u>-</u>	<u>20,000</u>
d) DURHAM REFURBISHMENT RESERVE		
At 1 January 2012	22,735	25,000
Transfer (to)/from income and expenditure account	-	(2,265)
At 31 December 2012	<u>22,735</u>	<u>22,735</u>

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

13 STAFF COSTS - General Fund

	2012 £	2011 £
a) Wages and salaries	1,640,435	1,932,075
Employers' National Insurance contributions	199,285	199,871
Pension contributions	174,622	295,894
	<u>2,014,342</u>	<u>2,427,840</u>
b) The average monthly number of full and part time employees during the year was made up as follows:	2012 No.	2011 No.
Head Office	37	30
Districts	35	42
	<u>72</u>	<u>72</u>

14 PENSION COSTS

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 assets of the scheme are held separately from those of the Federation. Contributions to the scheme are charged to the profit and loss account. The contributions of the Federation and employees are 20.8% and 8.0% thereafter of respective earnings.

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 1 April 2010. 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 6.1% per annum and that salary increases would average 4.5% per annum.

The last actuarial valuation showed assets of the scheme of £4,515,000 and liabilities on an on-going basis of £4,906,000. The deficit has been met by way of additional contributions by the Federation, Newtrade Publishing Limited and NFRN Commercial Limited.

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

Pension contributions to the Federation pension scheme for the year amounted to £164,986 (2011: £282,250).

Defined Contribution

The Federation also operates a money purchase stakeholder scheme for members of staff which was introduced on 1 April 2002.

Contributions payable by the Federation for the year amounted to £9,636 (2011: £13,644).

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

15 PROVISIONS

	Re-organisational costs £	Legal costs £	Total £
Balance at 1 January 2012	106,618	-	106,618
Income and expenditure account	(106,618)	25,000	(81,618)
Balance at 31 December 2012	<u>-</u>	<u>25,000</u>	<u>25,000</u>

16 LEASING COMMITMENTS

At 31 December 2012 the Federation had annual commitments under non-cancellable operating leases as follows:

	Land and Building 2012 £	Other 2012 £	Land and Building 2011 £	Other 2011 £
Within one year	-	4,104	4,054	-
In second to fifth years inclusive	-	142,508	-	99,391
	<u>-</u>	<u>146,612</u>	<u>4,054</u>	<u>99,391</u>

17 CAPITAL COMMITMENTS

Capital expenditure authorised and contracted for but not provided in these financial statements amounted to £nil

18 CONTROL

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

19 RELATED PARTY TRANSACTIONS

During the year the National Federation of Retail Newsagents undertook the following transactions with related undertakings:

	2012 £	2011 £
Net recharge to/(from):		
NFRN Commercial Limited	521,298	305,592
Newtrade Publishing Limited	22,391	(22,418)

NFRN Commercial Limited transactions related to management fees, advertising sales and other costs charged to NFRN Commercial Limited.

Newtrade Publishing Limited transactions related to management fees, publishing services, sponsorship and other costs charged both to and from Newtrade Publishing Limited

The Benefits fund received dividends of £65,000 (2011: £65,000) from NFRN Holdings Limited

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

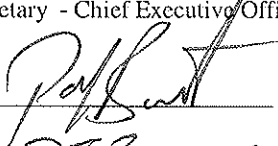

	2012 £	2011 £
NFRN Commercial Limited *	368,746	219,854
Newtrade Publishing Limited	133,632	86,572

* NFRN Commercial Limited balance is stated net of a provision of £372,000 (2011: £390,000) against the total debt.

**NATIONAL FEDERATION OF RETAIL NEWSAGENTS
SIGNATURES TO THE ANNUAL RETURN**

(see notes 39 to 40)

including the accounts and balance sheet contained in the return.

<p>General Secretary - Chief Executive/Officer</p> <p>Signature: <u></u></p> <p>Name: <u>P J BATEMAN</u></p> <p>Date: <u>3/6/13</u></p>	<p>Trustee</p> <p>Signature: <u></u></p> <p>(or other official whose position should be stated)</p> <p>Name: <u>B TAYLOR</u></p> <p>Date: <u>4.6.13</u></p>
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CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2)	YES	X	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2)	YES	X	NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES	X	NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES		NO	
IS A RULE BOOK ENCLOSED?	YES	X	NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	X	NO	

AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

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)

YES

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:

- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
- (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
- (c) whether the accounts to which the report relates agree with the accounting records?

(See section 36(3) of the 1992 Act, set out in note 43)

YES

If "No" please explain below.

3. 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)

YES

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.

(See note 45)

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

AUDITOR'S REPORT

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL FEDERATION OF RETAIL NEWSAGENTS

We have audited the financial statements of National Federation of Retail Newsagents for the year ended 31 December 2012 which comprise: the General Fund Income and Expenditure Account, Balance Sheet and Cash Flow; 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 the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the members of the Federation, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the members of the National Federation of Retail Newsagents 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 members of the National Federation of Retail Newsagents, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES

As explained more fully in the Statement of Trustee's Responsibilities, National Council and the Trustees are responsible for the preparation of the financial statements which give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the federation's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the board; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION OF THE FINANCIAL STATEMENTS

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of Federation's affairs at 31 December 2012 and of its results for the year then ended.

In our opinion the financial statements have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992.

In our opinion the information given in the Trustees' Report is consistent with the financial statements.

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

AUDITOR'S REPORT (Continued)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

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:

- a satisfactory system of control over transactions has not been maintained; or
- the federation has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Signature(s):

Maurice Austin

Name(s):

GOODMAN JONES LLP

Qualifications:

Registered Auditors

Address(es):

29/30 Fitzroy Square
London
W1T 6LQ

Date:

05/06/2013

Contact name and telephone number:

Maurice Austin 020 7388 2444

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