

**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:	<input type="text" value="National Federation of Retail Newsagents"/>
Year ended:	<input type="text" value="31 December 2013"/>
List No:	<input type="text" value="67E"/>
Head or Main Office:	<input type="text" value="Yeoman House
Sekforde Street
London
EC1R 0HF"/>
Website address (if available):	<input type="text" value="http://www.nfrnonline.com/"/>
Has the address changed during the year to which the return relates?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Tick as appropriate)
General Secretary:	<input type="text" value="P Baxter (CEO)"/>
Contact name for queries regarding the completion of this return:	<input type="text" value="M Jenkins"/>
Telephone Number:	<input type="text" value="020 7253 4225"/>
e-mail:	<input type="text" value="Michael@nfrn.org.uk"/>

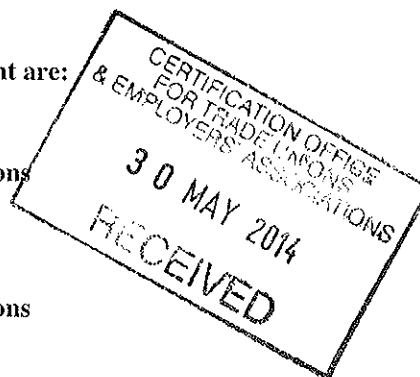
PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.

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



(Revised February 2011)

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
	14,541	648	346	24	15,559

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.

see page 27

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 A Smith	Mr C Fletcher	June 2013
National Vice President	Mr C Fletcher	Mr M Brown	June 2013
Immediate Past President	Mr K McDonnell	Mr A Smith	June 2013
National Deputy Vice President	Mr M Brown	Mr R Patel	June 2013

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year (restated)			£
	INCOME		
	From Members:		
4,495,677	Subscriptions, levies etc.	4,378,626	
	Investment Income		
37,900	Bank Interest (gross)	-	
	Other Income		
74,062	Rents received	76,386	
165,587	Publications/Seminars	125,000	
1,377	Miscellaneous receipts (specify)		
	Profit on sale of fixed assets	89,886	
-	Other	6,123	
4,774,603		TOTAL INCOME	4,676,021
	EXPENDITURE		
	Administrative Expenses		
2,211,935	Remuneration and expenses of staff	2,073,050	
386,769	Travel and subsistence	522,903	
137,378	Occupancy costs	201,885	
96,303	Printing, Stationery, Post & Telephones	58,251	
	Miscellaneous (specify)		
120,551	Computer costs	50,470	
142,669	Collection costs	136,119	
73,012	Sundries	11,241	
	Members services		
683,850	Conference and meeting fees	819,331	
239,489	Members insurance	238,937	
273,040	Publications and promotional services	358,671	
187,963	Call centre	110,872	
187,635	Legal and Professional fees	161,832	
	Other charges		
7,832	Bank charges	16,130	
39,753	Depreciation	34,826	
5,450	Donations	3,600	
	Sums written off (specify)		
(18,000)	Release of provision against NFRN Commercial	(127,000)	
2,836	Other bad debts	-	
25,000	Provision for legal fees	-	
4,803,465			4,671,118
24,000	Taxation		4,995
4,827,465		TOTAL EXPENDITURE	4,676,113
(52,862)		Surplus / (Deficit) for year	(92)
2,919,559		Amount of fund at beginning of year	2,866,697
2,866,697		Amount of fund at end of year	2,866,605

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 2		Fund Account	
Name:	Benefits fund	£	£
Income			
	From members	(255)	
	Investment income	52,882	
	Other income (specify)		
	Dividend	350,000	
	Profit on sale of investments	83,560	
	Total Income		486,187
Expenditure			
	Administrative expenses	9,331	
	Other expenditure (specify)		
	ROI office costs	11,347	
	Benefits paid	88,439	
	Total Expenditure		109,117
	Surplus / (Deficit) for year		377,070
	Add amount of fund at beginning of year		2,132,150
	Amount of fund at end of year (as Balance Sheet)		2,509,220

ACCOUNT 3		Fund Account	
Name:	Ratcliffe Fund	£	£
Income			
	From members	-	
	Investment income	-	
	Other income (specify)		
	Donations	12,821	
	Total Income		12,821
Expenditure			
	Administrative expenses	204	
	Other expenditure (specify)		
	Grants paid	875	
	Bad debts	8,650	
	Total Expenditure		9,729
	Surplus / (Deficit) for year		3,092
	Add amount of fund at beginning of year		179,982
	Amount of fund at end of year (as Balance Sheet)		183,074

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		450	
	Total Income		451
Expenditure			
Administrative expenses		62	
Other expenditure (specify)			
Grants paid		1,220	
	Total Expenditure		1,282
	Surplus / (Deficit) for year		(831)
	Add amount of fund at beginning of year		177,897
	Amount of fund at end of year (as Balance Sheet)		177,066

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 2013

(see notes 19 to 20)

Previous Year		£	£
1,937,242	Fixed Assets (as at page 7)		2,020,633
	Investments (as per analysis on page 8)		
1,828,180	Quoted (Market value £2,563,902)	2,002,611	
150,006	Unquoted	175,006	
	Total Investments		2,177,617
	Other Assets		
1,151,581	Sundry debtors (excl £12,186 inter-fund)	1,178,447	
1,119,382	Cash at bank and in hand	1,032,668	
	Others (specify)		
2,188	Tax repayable	2,711	
	Total of Other Assets		2,213,826
6,188,579		TOTAL ASSETS	6,412,076
2,866,697	General fund (Revenue)		2,866,605
2,132,150	Benefits fund (Account 2)		2,509,220
179,982	Ratchiffe fund (Account 3)		183,074
177,897	Carl Bridgewater fund (Account 4)		177,066
5,356,726			5,735,965
	Liabilities		
26,602	Tax payable	13,602	
623,447	Sundry creditors (excl £12,186 inter-fund)	483,458	
156,804	Accrued expenses	179,051	
25,000	Provisions	-	
	Total of Liabilities		676,111
831,853		TOTAL LIABILITIES	6,412,076
6,188,579		TOTAL ASSETS	6,412,076
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	1,134,388	66,729	3,040,069
Additions during year	90,000	33,152	-	123,152
Less: Disposals during year	(29,605)	-	(25,292)	(54,897)
At end of year	1,899,347	1,167,540	41,437	3,108,324
Accumulated Depreciation				
At start of year	23,845	1,012,253	66,729	1,102,827
Charges for year	825	34,001		34,826
Disposals	(24,670)	-	(25,292)	(49,962)
At end of year	-	1,046,254	41,437	1,087,691
Net book value at end of year	1,899,347	121,286	-	2,020,633
Freehold	1,849,608			1,849,608
Leasehold (50 or more years unexpired)	49,739			49,739
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET	1,899,347			1,899,347

ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds
QUOTED		£
	British Government & British Government Guaranteed Securities	375,621
	Managed property funds	66,783
	Other quoted securities (to be specified)	
	Equities	1,253,207
	Emerging Economies	89,598
	Other Alternative assets	200,597
	Cash held for investment	16,805
	TOTAL QUOTED (as Balance Sheet)	2,002,611
	*Market Value of Quoted Investments	2,563,902
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
	NFRN Credit Union Ltd	25,000
	TOTAL UNQUOTED (as Balance Sheet)	175,006
	*Market Value of Unquoted Investments	175,006

*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	4,378,371	-	4,378,371
From Investments	52,883	-	52,883
Other Income (including increases by revaluation of assets)	744,226	-	744,226
Total Income	5,175,480	-	5,175,480
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	4,796,241	-	4,796,241
Surplus (Deficit) for the year	379,239	-	379,239
Funds at beginning of year (including reserves)	5,356,726	-	5,356,726
Funds at end of year (including reserves)	5,735,965	-	5,735,965
ASSETS			
	Fixed Assets		2,020,633
	Investment Assets		2,177,617
	Other Assets (Excludes £12,186 Inter-Fund Balance)		2,213,826
	Total Assets		6,412,076
LIABILITIES		Total Liabilities (Excludes £12,186 Inter-Fund Balance)	676,111
NET ASSETS (Total Assets less Total Liabilities)			5,735,965

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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 Property	- 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. 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 2013

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.
- viii) Development reserve -
represents funds set aside for member-store development.

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 2013

2 SURPLUS/(DEFICIT) FOR THE YEAR BEFORE TAXATION AND RESERVE TRANSFERS - GENERAL FUND

	2013	2012
	£	£
Surplus for the year is after charging/(crediting):		
Auditors Remuneration	26,000	33,245
Depreciation and amounts written off tangible fixed assets:		
Charge for the year	34,826	39,753
Loss on disposal	-	-
Profit on disposal	(89,886)	(1,377)
Provisions and Fund Transfers:		
Provision for pension fund deficit	-	29,663
Provision for legal costs	-	25,000
Provision for re-organisational costs	-	(106,618)
Provision against loan to NFRN Commercial Ltd	(127,000)	(18,000)
	(127,000)	(69,955)
Hire of other assets - operating leases	164,081	153,146
	<u>164,081</u>	<u>153,146</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.

	2013	2012
	£	£
Domestic current year tax		
U.K. corporation tax	11,000	24,000
Prior year adjustment	(6,005)	-
	<u>4,995</u>	<u>24,000</u>
Total current tax	<u>4,995</u>	<u>24,000</u>

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

4 TANGIBLE FIXED ASSETS - GENERAL FUND

	Freehold properties £	Fixtures, fittings and equipment £	Computer £	Motor vehicles £	Total £
Cost					
At 1 January 2013	1,789,213	607,741	526,647	66,729	2,990,330
Additions	-	23,239	9,913	-	33,152
Disposals	(29,605)	-	-	(25,292)	(54,897)
At 31 December 2013	<u>1,759,608</u>	<u>630,980</u>	<u>536,560</u>	<u>41,437</u>	<u>2,968,585</u>
Depreciation					
At 1 January 2013	23,845	511,870	500,383	66,729	1,102,827
Charge for the year	825	16,890	17,111	-	34,826
Disposals	(24,670)	-	-	(25,292)	(49,962)
At 31 December 2013	<u>-</u>	<u>528,760</u>	<u>517,494</u>	<u>41,437</u>	<u>1,087,691</u>
Net book value					
At 31 December 2013	<u>1,759,608</u>	<u>102,220</u>	<u>19,066</u>	<u>-</u>	<u>1,880,894</u>
At 31 December 2012	<u>1,765,368</u>	<u>95,871</u>	<u>26,264</u>	<u>-</u>	<u>1,887,503</u>

Freehold property comprises:

	Yeoman House* £	District Office** £	Total £
Cost			
At 1 January 2013	1,759,608	29,605	1,789,213
Disposals	-	(29,605)	(29,605)
At 31 December 2013	<u>1,759,608</u>	<u>-</u>	<u>1,759,608</u>
Depreciation			
At 1 January 2013	-	23,845	23,845
Charge for the year	-	825	825
Depreciation on disposal	-	(24,670)	(24,670)
At 31 December 2013	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 December 2013	<u>1,759,608</u>	<u>-</u>	<u>1,759,608</u>
At 31 December 2012	<u>1,759,608</u>	<u>5,760</u>	<u>1,765,368</u>

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

** The District Office was sold to the Benefits Fund during the period.

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

5 INVESTMENTS

	BENEFITS FUND £
At lower of cost or valuation:	
Fixed interest	375,621
Equities	1,253,207
Managed property funds	66,783
Emerging Economies	89,598
Other Alternative Assets	200,597
Cash	16,805
At 31 December 2013	<u>2,002,611</u>
At 31 December 2012	<u>1,828,180</u>
Market Value	
At 31 December 2013	<u>2,563,902</u>
At 31 December 2012	<u>2,147,460</u>

The above investments include a provision for diminution in value of £40,009 (2012: £40,009).

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

6 TRADE INVESTMENTS

(a) GENERAL FUND

	2013	2012
	£	£
NFRN Commercial Ltd		
- 3 Ordinary shares of £1 each	3	3
	<u>3</u>	<u>3</u>

The above company is registered in England and Wales and is wholly owned by the General Fund.

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 2013:

	2013	2012
	£	£
Profit and loss account		
Turnover	1,649,831	1,180,955
Profit / (loss) before taxation	53,696	(36,717)
Taxation	(3,335)	55,007
Profit / (loss) after taxation	50,361	18,290
Retained loss brought forward	(371,306)	(389,596)
Retained loss carried forward	<u>(320,945)</u>	<u>(371,306)</u>
Balance sheet		
Share capital	3	3
Profit and loss account	(320,945)	(371,306)
Shareholders' funds	<u>(320,942)</u>	<u>(371,303)</u>

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

6 TRADE INVESTMENTS cont.

(b) BENEFITS FUND	2013 £	2012 £
Newtrade Publishing Ltd *		
-150,000 Ordinary shares of £1 each	150,000	150,000
NFRN Holdings Ltd		
-3 Ordinary shares of £1 each	3	3
NFRN Credit Union Limited		
-25,000 Deferred shares £1 each	25,000	-
	<u>175,003</u>	<u>150,003</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 2013:	2013 £	2012 £
Profit and loss account		
Turnover	3,411,032	3,370,575
Trading profit	387,950	347,034
Other income	6,161	1,672
Profit before taxation	394,111	348,706
Taxation	(87,889)	(88,356)
Profit after taxation	<u>306,222</u>	<u>260,350</u>
Profit and loss reserve		
Balance at 1 January 2013	1,529,124	1,333,774
Retained profit for the year	306,222	260,350
Dividends paid	(350,000)	(65,000)
Balance at 31 December 2013	<u>1,485,346</u>	<u>1,529,124</u>
Balance sheet		
Share capital	150,000	150,000
Share premium account	6,000	6,000
Profit and loss account	1,485,346	1,529,124
Shareholders' funds	<u>1,641,346</u>	<u>1,685,124</u>

2) NFRN Holdings Limited acted as a holding company throughout the year to 31 December 2013, but did not trade.

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

7 DEBTORS AND PREPAYMENTS - GENERAL FUND

	2013	2012
	£	£
Amounts due in less than one year:		
Newtrade Publishing Limited	95,063	133,632
NFRN Commercial Limited	480,024	368,746
Carl Bridgewater Fund	-	1,798
Benefits Fund	-	39,612
NFRN Staff Benefits Pension Fund	14,942	54,460
Other debtors	38,566	33,904
Prepayments	109,803	94,668
	<u>738,398</u>	<u>726,820</u>

The amount due from NFRN Commercial Limited is net of a provision of £245,000 (2012: £372,000). Of the net debt of £480,024, £127,000 is deemed to be due in more than one year.

The total indebtedness (before provisions) of NFRN Commercial Limited to the General Fund decreased by £15,722 (2012: increased by £130,892) during the year, from £740,746 to £725,024.

8 CREDITORS AND ACCRUED EXPENSES - GENERAL FUND

	2013	2012
	£	£
Amounts due in less than one year:		
Convalescence Fund	-	85,622
Superannuation Fund	23,538	27,418
Ratcliffe Fund	5,464	21,620
Benefits Fund	6,722	-
Taxation	13,414	26,414
Other taxes and social security costs	53,419	73,564
VAT	126,989	118,511
Other creditors	267,558	311,662
Accrued expenses	178,810	156,563
	<u>675,914</u>	<u>821,374</u>

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

9 PROPERTY & EQUIPMENT RESERVE - GENERAL FUND

	2013 £	2012 £
At 1 January 2013	1,887,503	1,911,014
Transfer to income and expenditure account	(6,609)	(23,511)
	<u>1,880,894</u>	<u>1,887,503</u>

10 INVESTMENT RESERVE - GENERAL FUND

	2013 £	2012 £
At 1 January 2013	3	1
Addition	-	3
Disposal	-	(1)
At 31 December 2013	<u>3</u>	<u>3</u>

11 REVENUE ACCOUNT - GENERAL FUND

	2013 £	2012 £
Deficit for the year after taxation	(92)	(52,862)
Less Reserve transfers:		
Transfer from/(to) Property & Equipment reserve	6,609	23,511
Transfer from/(to) Strategic reserve	(10,000)	10,000
Transfer from/(to) Yeoman House Refurbishment reserve	26,218	22,083
Transfer from/(to) Investment reserve	-	(2)
Transfer from/(to) Durham Refurbishment reserve	22,735	-
Transfer from/(to) Development reserve	<u>(45,000)</u>	<u>20,000</u>
	<u>562</u>	<u>75,592</u>
Surplus for the year after reserve transfers	470	22,730
Balance at 1 January 2013	760,238	737,508
Balance at 31 December 2013	<u>760,708</u>	<u>760,238</u>

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

12 RESERVES - GENERAL FUND

	2013	2012
	£	£
a) STRATEGIC RESERVE		
At 1 January 2013	140,000	150,000
Transfer (to)/from income and expenditure account	10,000	(10,000)
At 31 December 2013	<u>150,000</u>	<u>140,000</u>
b) YEOMAN HOUSE REFURBISHMENT RESERVE		
At 1 January 2013	56,218	78,301
Transfer (to)/from income and expenditure account	(26,218)	(22,083)
At 31 December 2013	<u>30,000</u>	<u>56,218</u>
c) ROI REFURBISHMENT RESERVE		
At 1 January 2013	-	20,000
Transfer (to)/from income and expenditure account	-	(20,000)
At 31 December 2013	<u>-</u>	<u>-</u>
d) DURHAM REFURBISHMENT RESERVE		
At 1 January 2013	22,735	22,735
Transfer (to)/from income and expenditure account	(22,735)	-
At 31 December 2013	<u>-</u>	<u>22,735</u>
e) DEVELOPMENT RESERVE		
At 1 January 2013	-	-
Transfer (to)/from income and expenditure account	45,000	-
At 31 December 2013	<u>45,000</u>	<u>-</u>

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

13 STAFF COSTS - General Fund

	2013 £	2012 £
a) Wages and salaries	1,853,013	1,640,435
Employers' National Insurance contributions	212,485	199,285
Pension contributions	133,650	174,622
	<u>2,199,148</u>	<u>2,014,342</u>
b) The average monthly number of full and part time employees during the year was made up as follows:	2013 No.	2012 No.
Head Office	33	37
Districts	34	35
	<u>67</u>	<u>72</u>

14 PENSION COSTS

Defined Benefits

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 profit and loss account. The contributions of the Federation and employees are 20.8% 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 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.

Pension contributions to the Federation pension scheme for the year amounted to £122,702 (2012: £164,986).

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 £10,948 (2012: £9,636).

NATIONAL FEDERATION OF RETAIL NEWSAGENTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

15 PROVISIONS

	Re-organisational costs	Legal costs	Total
	£	£	£
Balance at 1 January 2013	-	25,000	25,000
Income and expenditure account	-	(25,000)	(25,000)
Balance at 31 December 2013	<u>-</u>	<u>-</u>	<u>-</u>

16 LEASING COMMITMENTS

At 31 December 2013 the Federation had annual commitments under non-cancellable operating leases as follows:

	Land and Building 2013	Other 2013	Land and Building 2012	Other 2012
	£	£	£	£
Within 1 year	5,000	9,547	-	4,104
In 2 to 5 years inclusive	-	96,124	-	142,508
Greater than 5 years	-	2,606	-	-
	<u>5,000</u>	<u>108,277</u>	<u>-</u>	<u>146,612</u>

17 CONTROL

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

18 RELATED PARTY TRANSACTIONS

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

	2013	2012
	£	£
Net recharge to/(from):		
NFRN Commercial Limited	225,630	521,298
Newtrade Publishing Limited	109,721	22,391
	<u>335,351</u>	<u>543,689</u>

NFRN Commercial Limited transactions related to management fees, publishing services, sponsorship and other costs charged to NFRN Commercial Limited.

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

The balances outstanding from those undertakings at the year end are as follows:

	2013	2012
	£	£
NFRN Commercial Limited *	480,024	368,746
Newtrade Publishing Limited	95,063	133,632
	<u>575,087</u>	<u>502,378</u>

* NFRN Commercial Limited balance is stated net of a provision of £245,000 (2012: £372,000) against the total debt.

The Benefits fund received dividends of £350,000 (2012: £65,000) from NFRN Holdings Limited.

During the year the Benefits Fund paid £25,000 for deferred shares in the NFRN Credit Union. T Searle, a Trustee of the Benefits Fund, is a Director of NFRN Credit Union.

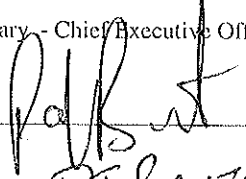
19 POST BALANCE SHEET EVENTS

Since the year end the Trustees and the Directors of NFRN Commercial Ltd have agreed in principle to the formalisation of a 5 year term loan agreement on normal commercial terms with annual repayments of loan capital in place of the present arrangement.

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.

General Secretary - Chief Executive Officer Signature: <u></u> Name: <u>P. Baxton</u> Date: <u>27/5/14</u>	Trustee Signature: <u>Thomas P. Searle</u> (or other official whose position should be stated) Name: <u>THOMAS P. SEARLE</u> Date: <u>28-5-2014</u>
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CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2)	YES	Pg 27.	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2)	YES	✓	NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES	✓	NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES		NO	
IS A RULE BOOK ENCLOSED?	YES	Pg 28-5	NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	✓	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 2013 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 2013 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:

29.5.2014

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.

**National Federation of Retail Newsagents
Officers in post at 31 December 2013**

Title of Office	Name of Officer
National President	Colin Fletcher
National Vice President	Martyn Brown
National Deputy Vice President	Ralph Patel
Immediate Past President	Alan Smith
Trustee, Chairman of Finance Committee	Vyas Sharma
Trustee, Finance Committee	Jim Maitland
Trustee, Finance Committee	Tom Searle
National Councillor, Finance Committee	John McDowell
National Councillor, Finance Committee	Owen Church
National Councillor, Executive Committee	John Green
National Councillor, Executive Committee	Mike Mitchelson
National Councillor, Executive Committee	Kieran McDonnell
National Councillor, Executive Committee	Ray Monelle
National Councillor, Executive Committee	Peter Wagg
National Councillor, Executive Committee	David Woodrow
National Councillor	Robert Baillie
National Councillor	Sharon Sisman
National Councillor	Abdul Qadar
National Councillor	Jason Birks
National Councillor	Ian Simpson
National Councillor	Stuart Reddish
National Councillor	James Wilkinson
National Councillor	Suleman Khonat
National Councillor	Salma Patel
National Councillor	Adrian Watts
National Councillor	Kevin Jones
National Councillor	Sam Whiteside
National Councillor	Deepak Tanna
National Councillor	John Green
National Councillor	Julia Bywater
National Councillor	Narinder Randhawa
National Councillor	Ramesh Sahota
National Councillor	Josie Dixon
National Councillor	Dev Aswani
National Councillor	Peter Robinson
National Councillor	Steve Berry
National Councillor	Valerie Chung
National Councillor	Devendra Patel
National Councillor	Omkar Patel
National Councillor	Pravin Shah
National Councillor	Kamal Thaker
National Councillor	Christine Southern
National Councillor	Naresh Purohit
National Councillor	Balwinder (Linda) Sood
National Councillor	Michael Garner
National Councillor	JohnCotsell
National Councillor	Mike Eddowes
National Councillor	Mark Mullan
National Councillor	Martin Mulligan
National Councillor	Peter Steemers