

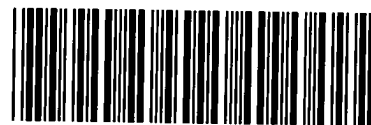
Company Registration No. 02044222 (England and Wales)

**The National Newspapers' Safe Home Ordering Protection Scheme Limited**

**Financial statements  
for the year ended 31 March 2017**

**Pages for filing with the Registrar**

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COMPANIES HOUSE

**Saffery Champness**  
CHARTERED ACCOUNTANTS

## **The National Newspapers' Safe Home Ordering Protection Scheme Limited**

### **Company information**

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<b>Directors</b>	Stephen Oram Margaret Brookes Michael Lordan John Mitchison Seamus Mulvihill Ian Cox
<b>Secretary</b>	Stephen Oram
<b>Company number</b>	02044222
<b>Registered office</b>	St John's Court Easton Street High Wycombe HP11 1JX
<b>Independent auditors</b>	Saffery Champness LLP St John's Court Easton Street High Wycombe HP11 1JX

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# **The National Newspapers' Safe Home Ordering Protection Scheme Limited**

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**The National Newspapers' Safe Home Ordering Protection Scheme Limited**

**Statement of financial position**

**As at 31 March 2017**

	Notes	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Tangible assets	3		541		1,644
<b>Current assets</b>					
Debtors	5	5,412		126,619	
Investments	6	3,675,006		3,709,817	
Cash at bank and in hand		62,511		110,767	
		3,742,929		3,947,203	
<b>Creditors: amounts falling due within one year</b>	7	(45,094)		(131,204)	
<b>Net current assets</b>			3,697,835		3,815,999
<b>Total assets less current liabilities</b>			3,698,376		3,817,643
<b>Provisions for liabilities</b>			(106,974)		(62,294)
<b>Net assets</b>			3,591,402		3,755,349
<b>Reserves</b>					
Revaluation reserve			610,597		386,691
Income and expenditure account			2,980,805		3,368,658
<b>Members' funds</b>			3,591,402		3,755,349

The notes on pages 8 to 15 form part of these financial statements.

The directors of the company have elected not to include a copy of the income and expenditure account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

**The National Newspapers' Safe Home Ordering Protection Scheme Limited**

**Statement of financial position (continued)**

**As at 31 March 2017**

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The financial statements were approved by the board of directors and authorised for issue on **6 SEPT 2017** and are signed on its behalf by:

  
.....  
Stephen Oram  
Director

**Company Registration No. 02044222**

**The National Newspapers' Safe Home Ordering Protection Scheme Limited**

**Statement of changes in equity  
For the year ended 31 March 2017**

	<b>Revaluation £</b>	<b>Income and reserve expenditure account £</b>	<b>Total £</b>
<b>Balance at 1 April 2015</b>	639,231	3,562,490	4,201,721
<b>Year ended 31 March 2016:</b>			
Loss and total comprehensive income for the year	-	(446,372)	(446,372)
Transfers	(252,540)	252,540	-
<b>Balance at 31 March 2016</b>	386,691	3,368,658	3,755,349
<b>Year ended 31 March 2017:</b>			
Loss and total comprehensive income for the year	-	(163,947)	(163,947)
Transfers	223,906	(223,906)	-
<b>Balance at 31 March 2017</b>	<u>610,597</u>	<u>2,980,805</u>	<u>3,591,402</u>

# **The National Newspapers' Safe Home Ordering Protection Scheme Limited**

## **Notes to the financial statements**

**For the year ended 31 March 2017**

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### **1 Accounting policies**

#### **Company information**

The National Newspapers' Safe Home Ordering Protection Scheme Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is St John's Court, Easton Street, High Wycombe, HP11 1JX.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of The National Newspapers' Safe Home Ordering Protection Scheme Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 12.

#### **1.2 Going concern**

The nature of the company's business is the protection of consumers who make purchases through advertisements in the newspapers. Given the decline in newspaper readership and subsequent reduction in advertising, one of the members has decided that there is no longer any purpose for the SHOPS scheme, which has been wound down pending a decision on the future of the SHOPS scheme and the company. The final advertiser's membership expired on 16 January 2017 and the period in which a claim can be made of the company expires mid May 2017. This effectively represents cessation of trade.

Despite the company being financially viable, as a result of the above, the directors have concluded that the going concern basis is not appropriate and have therefore prepared the accounts under the break up basis.

Fixed and current assets are held at their recoverable amount. All liabilities, other than provisions, are considered to fall due within one year. The provision for liabilities, comprising a provision for deferred taxation will crystallise at the point at which the investment portfolio is sold.

## **The National Newspapers' Safe Home Ordering Protection Scheme Limited**

### **Notes to the financial statements (continued)**

**For the year ended 31 March 2017**

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#### **1 Accounting policies (continued)**

##### **1.3 Income**

*Income represents the contributions received from advertisers in national newspapers who operate under the rules of the scheme. All income arises on advertising in the United Kingdom.*

Contributions to the scheme by advertisers are based upon fee scales, determined from time to time by the directors, which are payable based on the advertising spend of the advertiser, assessed at the advertising card rate of the individual newspaper titles, during the scheme year.

##### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20% on a reducing balance basis
Computer equipment	25% on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

##### **1.5 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

##### **1.6 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### **1.7 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.



## **The National Newspapers' Safe Home Ordering Protection Scheme Limited**

### **Notes to the financial statements (continued)**

**For the year ended 31 March 2017**

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#### **1 Accounting policies (continued)**

##### ***Fair value measurement of financial instruments***

The fair value of financial assets measured at fair value through profit or loss has been determined using quoted market prices at the balance sheet date.

##### ***Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.8 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

## **The National Newspapers' Safe Home Ordering Protection Scheme Limited**

### **Notes to the financial statements (continued)**

**For the year ended 31 March 2017**

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#### **1 Accounting policies (continued)**

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.9 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.10 Retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income and expenditure account in the period to which they relate.

#### **1.11 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

## The National Newspapers' Safe Home Ordering Protection Scheme Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2017

#### 1 Accounting policies (continued)

##### 1.12 Claims

In the event of the failure of a mail order advertiser, in membership of the scheme at the time an advertisement was published, claims may be made by readers who have lost money. Such claims are made to the National Newspaper that published the advertisement to which they responded, who in turn claim reimbursement from the scheme in accordance with the conditions stipulated in the rules.

Readers must claim from the newspaper up to four months from the date on which the advertisement appeared in the newspaper. Based on the date of expiry of the final membership, the latest point at which a claim can be made by a reader is during May 2017. The financial statements include all claims, whether paid or payable, in respect of failed member advertisers.

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2016 - 5).

#### 3 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 April 2016	31,417
Disposals	(24,321)
	<hr/>
At 31 March 2017	7,096
	<hr/>
<b>Depreciation and impairment</b>	
At 1 April 2016	29,773
Depreciation charged in the year	1,087
Eliminated in respect of disposals	(24,305)
	<hr/>
At 31 March 2017	6,555
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<b>Carrying amount</b>	
At 31 March 2017	541
	<hr/>
At 31 March 2016	1,644
	<hr/>

**The National Newspapers' Safe Home Ordering Protection Scheme Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 March 2017**

**4 Financial instruments**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through surplus or deficit	3,675,006	3,709,817

The fair value of financial assets measured at fair value through profit or loss has been determined on the basis of quoted market prices in an active market.

**5 Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Service charges due	610	58,748
Other debtors	4,802	67,871
	<u>5,412</u>	<u>126,619</u>

**6 Current asset investments**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other investments	3,675,006	3,709,817

**7 Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,815	20,156
Corporation tax	27,998	27,536
Other taxation and social security	2,077	8,695
Other creditors	13,204	74,817
	<u>45,094</u>	<u>131,204</u>

**8 Members' liability**

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

## **The National Newspapers' Safe Home Ordering Protection Scheme Limited**

### **Notes to the financial statements (continued)**

**For the year ended 31 March 2017**

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#### **9 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditors' report was unqualified.

##### **Emphasis of matter**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. Despite the company being financially viable at 31 March 2017 with net assets of £3,591,402, the members of the company are currently considering the future of the company. In addition, the scheme operated by the company has been wound down and closed during the year. Therefore, at the date of signature, significant uncertainty exists regarding the viability of the company for the next 12 months. As a result, these financial statements have been prepared on a basis other than going concern.

The senior statutory auditor was Karen Bartlett.

The auditor was Saffery Champness LLP.

#### **10 Directors' transactions**

During the year, fees of £19,340 (2016 - £15,688) were paid to directors in respect of their duties.

#### **11 Controlling party**

The ultimate controlling parties are considered to be The Newspaper Organisation Limited and the Direct Marketing Association, the members of the company.

**The National Newspapers' Safe Home Ordering Protection Scheme Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 March 2017**

**12 Reconciliations on adoption of FRS 102**

**Reconciliation of equity**

		<b>1 April 2015</b>	<b>31 March 2016</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Equity as reported under previous UK GAAP		4,324,469	3,817,643
Adjustments arising from transition to FRS 102:			
Recognition of deferred tax on fair value adjustments	<b>(b)</b>	(122,748)	(62,294)
Equity reported under FRS 102		<u>4,201,721</u>	<u>3,755,349</u>

**Reconciliation of deficit for the financial period**

	<b>Notes</b>	<b>2016 £</b>
Deficit as reported under previous UK GAAP		(193,832)
Adjustments arising from transition to FRS 102:		
Losses on investments held as FVTPL	<b>(a)</b>	(312,994)
Recognition of deferred tax on fair value adjustments	<b>(b)</b>	60,454
Deficit reported under FRS 102		<u>(446,372)</u>

**Notes to reconciliations on adoption of FRS 102**

**(a) Losses on investments held as FVTPL**

Unrealised fair value movement on investments has been recognised in the loss for the financial year in accordance with FRS 102. Previously, unrealised fair value changes were presented in the Statement of Total Recognised Gains and Losses and allocated directly to the revaluation reserve. To distinguish these fair value movements as being non-distributable, they have been transferred to a separate reserve, headed "Revaluation reserve" within the Statement of Changes in Equity (page 7).

**(b) Recognition of deferred tax on fair value adjustments**

In accordance with paragraph 29.6 of FRS 102, deferred tax shall be recognised in respect of all timing differences at the reporting date. Any resultant gain on the disposal of a fixed asset investment is subject to corporation tax at the point of disposal; however, the unrealised gain is recorded in the financial statements in line with the changes in fair value. Unrealised gains on investment are therefore one such example of a temporary timing difference. A deferred tax liability has been recognised on transition to FRS 102, and has been adjusted in accordance with changes in the fair value of the investment at the end of each subsequent accounting period.