

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

**A Company Limited by Guarantee
Registered Charity**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st MARCH 2018

**Registered Charity Number 1095897 (England & Wales) SC039255 (Scotland)
Company Registered in England and Wales Number 04620683**

Registered Office and Principal Address:

**2 Lakeside Business Park,
Swan Lane,
Sandhurst, Berkshire
GU47 9DN**

MONDAY WEDNESDAY



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NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2018

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NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Legal and administrative information for the year ended 31st March 2018

Directors and Trustees

The directors of the charitable company ("the Charity") are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. An explanation of the method of appointment of Trustees is provided in the Trustees' Report.

The Trustees serving during the period unless otherwise indicated, were as follows:

J H Black	
Z M Choudrey CBE	
B W Dalla Mura	
J M Gordon	
L D Hendle	
D C Hudson	
N F Matthews OBE	
M P Smith	
R A M Smith	Chairman
M D Taylor	(resigned 13.02.18)
H M Tucker	
S J Twigger	
J C Uttley	
D C Wheeler	
M R Williamson	

Life Patrons	Lord Price CVO; Sir David Reid; Mike Coupe; Paul Monk
President	Andrew Higginson
Vice President	Charles Wilson
Chief Executive	Steve Barnes
Company Secretary	Tim Straker ACIB
Registered Office	2 Lakeside Business Park, Swan Lane, Sandhurst, Berkshire GU47 9DN
Website	www.groceryaid.org.uk
Email	info@groceryaid.org.uk
Independent Auditors	Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC1M 7AD
Bankers	Lloyds Bank, 24 Broad Street, Reading, Berkshire, RG1 2BT
Investment providers	CCLA Investment Management Limited, London Newton Investment Management Limited, London Rathbone Brothers Plc, London

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Trustees' Report (including the Strategic Report) for the year ended 31st March 2018

The Trustees present their report (including the Strategic Report) together with the financial statements of the fund for the year ended 31st March 2018.

Chairman's Personal Statement

It has been a time of change and development at GroceryAid this year with more people helped than ever before by the industry charity: in the 12 months ending 31st March we assisted 14,583 grocery colleagues.

I am incredibly proud of the GroceryAid team along with our wonderful group of volunteers who stretch themselves to do incredible things for grocery people in need. I am also humbled by the feedback we receive from beneficiaries which inspires us to work even harder on their behalf.

Our President, Andrew Higginson and Vice President, Charles Willson provide such important support for GroceryAid. I am very grateful to both Andrew and Charles who, alongside the President's Fundraising Committee members, have helped us to achieve an excellent level of income generation. We exceeded our target for the year despite the industry continuing to manage significant structural change. Many thanks to our Branches and Networks for their contribution in such a trying year for the trade.

Whilst our fundraising performance exceeded expectations, we still made a planned deficit as the amount we spent on welfare increased over the year. Our additional welfare spend came from our reserves, which we manage carefully and remain in a healthy position.

We continue to look to increase support from trusts and foundations that have their roots in the grocery industry to help those in need. I am delighted at the support and help we have had from those we recognise in the following pages.

Our refreshed advertising campaign "#notbuyingit" helped to increase awareness of the charity and the work that we do. Our annual video, this year "Anne's Story", was very well received and clearly illustrated the life-changing impact the charity can have on its beneficiaries. It is a powerful and moving film that achieved great cut-through in our industry. We really appreciate the contribution that Professor Anne McArdle has made in allowing us to share her story and the positive impact that has had on our fundraising.

Whilst we are very pleased with the progress made last year, we were disappointed to discover irregularities in the financial accounting of one of our volunteer fundraising branches. We have taken appropriate and corrective action and further details of the accounting implications are set out in note 25.

In January this year, after a tender process, we appointed Kingston Smith as new auditors for GroceryAid and we have worked closely with them throughout the year on the 2017/18 figures.

A highlight of the year was the GroceryAid Reception held at the Houses of Parliament in January. The event, kindly organised by James Bielby and the Federation of Wholesale Distributors, raised awareness amongst MPs of the services available to their constituents who work or have worked in the grocery industry. With 100 people in attendance, including 18 MPs as well as supporters from the industry, the event was a great success.

Another highlight that gave great pleasure was to welcome Paul Monk as a Life Patron of the charity. This appointment acknowledged his outstanding support for GroceryAid for almost two decades.

I would also like to recognise and thank Mike Taylor, who stepped down as a Trustee in February, for his excellent contribution over the last couple of years.

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Trustees' Report (including the Strategic Report) for the year ended 31st March 2018

As we look to the next 12 months, our aim is to do our best to support each and every colleague in need who turns to us. We will therefore build on this year, by continuing to grow our supporter base and raise more funds across our industry, to enable us to achieve this ambition. Thank you very much both for the support you have given to the charity and also for the contributions you choose to make in the future.

Ruston Smith
Chair of GroceryAid Trustees



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Trustees' Report (including the Strategic Report) for the year ended 31st March 2018

Structure, Governance and Management

The National Grocers Benevolent Fund, trading as GroceryAid, is a registered charity in England and Wales (registration number 1095897) and Scotland (registration number SC039255) and is constituted as a company limited by guarantee (registration number 04620683). Our objects and powers are set out in our Memorandum and Articles of Association.

We are a national charity that looks after anyone who is, or has been, engaged in the grocery or provisions trade, greengrocers and off-licence trade. We also look after widows, widowers, surviving partners and dependent children.

The charity is run by 14 serving Trustees who are also directors and members of the limited company. In that capacity they select new members of the Board of Trustees.

Trustees are responsible for compliance with our legal and statutory requirements and also the safe and effective running of the charity. They meet every quarter to discuss and review both the day-to-day operations and the strategic direction of the charity. In addition, the Trustees also meet on an ad hoc basis when required. Steve Barnes, appointed by the Trustees as Chief Executive, manages the day-to-day operations of the charity. He reports to the quarterly Trustee meetings and contributes to the discussions in an advisory capacity. His senior direct reports are Mandi Leonard, Welfare Director, Jane Hill, Fundraising Director, Tim Straker, Corporate Services Director and Company Secretary, and a Finance Director (*planned appointment in the following financial year*).

Remuneration for key management personnel is determined by a sub-committee of the Trustee Board - the Remuneration Committee. This committee has specific delegated responsibilities to:

- Review the GroceryAid salary banding for key management personnel against an agreed independent market benchmarking tool (currently Harris-Hill) and similar organisations.
- Ensure that GroceryAid salaries remain competitive in the marketplace and allow the organisation to retain talented staff.
- Recommend to the Trustee Board the remuneration package of the Chief Executive.
- Agree the remuneration package for the GroceryAid leadership team based on the recommendation of the Chief Executive within benchmarked parameters.

In determining GroceryAid's remuneration policy, the Remuneration Committee takes into account all factors deemed necessary. The objective of the policy is to ensure that the Chief Executive and leadership team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Charity. The Remuneration Committee meets twice annually and is chaired by Helen Tucker.

Various Trustees and industry colleagues sit on six main sub-committees covering welfare, welfare strategy, communications, finance, fundraising and remuneration. These committees keep the Trustee Board updated on plans and initiatives. Formal terms of reference exist for these committees and these are set out in the GroceryAid Policy Document, which is reviewed and updated annually. This document also contains various processes and procedures to ensure that we have appropriate controls in place for the effective and efficient operation of the charity.

Trustees serve for a three year period and may be re-elected to serve for two further three year periods. All GroceryAid Trustees have signed an 'Eligibility to Serve' declaration form, and a Declaration of Interest and Connected Persons form. The possible existence of conflicts of interest is considered prior to the start of every meeting of the Board of Trustees. The Declaration of Interest and Connected Persons forms are completed annually and are held on file at the GroceryAid offices.

New Trustees have worked or currently work in any area within the grocery industry. All nominations are approved by the Board of Trustees and full details of these procedures are set out in the GroceryAid Policy Document. All new Trustees have a formal induction that covers the role of the charity and what is expected of them in their role as GroceryAid Trustees. No Trustees are paid by the charity for their services.

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Trustees' Report (including the Strategic Report) for the year ended 31st March 2018

Charity law requires organisations to demonstrate explicitly that their aims are for public benefit. The charitable activities of GroceryAid are available to people in need who are, or have been, engaged in the grocery or provisions trade, greengrocers and the off-licence trade, in any capacity and for their surviving spouses, civil partners and dependent children. The Trustee Board have discussed the issue of public benefit and are confident that the breadth and scope of the work of the Charity, as disclosed in this Report, clearly falls within the guidelines set in Section 17 of the 2011 Charities Act.

Objectives and Activities, Strategic Plan

The GroceryAid strategic plan comprises the GroceryAid Vision and Mission statements, the Objects and the long-term Objectives for the Charity.

Our Vision

Everyone in need can turn to us.

Our Mission

Making life better for grocery people in need. From factory to store, we help everyone.

The objects of the Charity as set out in the Memorandum and Articles of Association

- The relief of necessitous persons who are or have been engaged in the grocery or provisions trade, greengrocers and the off-licence trade, in any capacity; and for the relief of necessitous widows, widowers and their dependent children.
- To undertake any other charitable purpose

Our long-term objectives

- to work with the industry to identify and support those in need
- to address social isolation through our Helpline, visiting and Carer's initiative
- to find new income streams

The GroceryAid Strategic Plan is regularly reviewed at the Trustee Board meetings.

How We Fundraise

The vast majority of the charity's income comes from the industry we work to support. This can be in the form of a cash donation and by supporting regional and national fundraising events. The remainder is derived from the charity's investments.

GroceryAid fundraises through industry events organised by its branches and its central fundraising team who on occasion use the services of event management companies to assist in organising events. It also received donations during the year from another charity which organised events for the industry.

No monies are raised by public collections. GroceryAid does not receive any support from either local or central government.

GroceryAid is registered with the Fundraising Regulator and follows the fundraising code. GroceryAid has not received any complaints about its fundraising activities.

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Trustees' Report (including the Strategic Report) for the year ended 31st March 2018

Achievements and Performance

The industry we support experienced tremendous upheaval in the period with restructures, mergers and insolvencies grabbing the headlines. What can be less visible is the impact these changes have on grocery people. We are the only charity that assists both working and retired colleagues from our industry and as such we have a unique insight into the challenges they face. The Trustees are pleased with how the Charity has responded to this challenge by increasing its impact in the following areas:

- GroceryAid provided over £4.7M of support to 14,583 colleagues coping with financial, emotional and physical hardship during the year ended March 2018.
- Applications to the charity increased by 22%.
- Our crisis support services are available to all colleagues via our crisis grant programme, which aims to help alleviate emotional or financial hardship when a crisis has knocked somebody's life off track. In FY18, 733 crisis grants were awarded, an increase of 60% with 89% of those going to people of working age while our spending on crisis grants was up 86% to a total of £414K. Of the colleagues we support, 62% are of working age.
- Alongside the rapid increase in our support for those working, we continue to ensure we look after our retired colleagues. Over £3.1M was provided in longer term assistance to colleagues with at least 10 years' service within the grocery industry who are no longer able to work. Our Welfare Volunteers completed 2,266 home visits over the year. Our Trustees also granted two winter fuel payments to every beneficiary taking a lot of worry away from those concerned about the cost of home heating, representing a total payment of £424K by the charity.
- With the majority of long-term beneficiaries being of retirement age, we are very aware of the impact that social isolation can have on their wellbeing. We provided 1,904 befriending calls and arranged 19 outings and Christmas parties, attended by a total of 1,144 beneficiaries.
- Calls to GroceryAid's Helpline were up by 26%. Our Helpline provides problem-solving information and emotional support to anybody working in the industry. Last year we were proud to have supported almost 11,000 people with this vital service. Demand for our Relate counselling service increased threefold while we saw a 75% increase in use of our "back to work" support service Renovo. Legal advice requests were up a more modest 5%.
- For the first time, our largest percentage of referrals came from companies in our industry rather than other charities – awareness of GroceryAid is growing where we need it.

Financial Review

The Trustees are pleased to report another successful year with spending on welfare increasing by 5% to £4,702K. Our net fundraising also rose by 5% to £3,473K mainly due to increased donations (up £218K) and increased Central fundraising activities (up £56K net) offsetting a decline in Branch fundraising.

The Sporting Lunch and the GroceryAid Ball are two key annual events for the charity, the former contributed £329K (2017: £321K) and the latter £538K (2017: £235K) – this 128% increase was a result of the new positioning of the Ball in the calendar as our one "Black Tie" industry leaders event.

Branch fundraising raised £818K net (2017 £953K net).

Total gross funds raised were £7,677K (2017: £6,850K).

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Trustees' Report (including the Strategic Report) for the year ended 31st March 2018

Our Reserves Policy

The aim of our Reserves Policy is to ensure the sustainability of the Charity.

The Trustees have reviewed the Reserves Policy of the Charity. The policy is set out in the GroceryAid Policy Document. Sustainability (of the fund) is paramount to our beneficiaries and the Trustees believe that sufficient reserves equal to three years at current payment rates should be in place to cover the most extreme case that fundraising may cease or be dramatically reduced. This equates to a requirement of £6.9M as at March 2018.

As at 31 March 2018, GroceryAid's free reserves of £8,701K (total reserves of £9,921K less Fixed-Asset related £1,185K and less £35K restricted funds) equates to 3.8 years. This is above our target and will be kept under review by the Trustees.

Plans for Future Periods

Our priorities for 2018/19 to further our charitable objects and deliver public benefit are to:

- Raise over £4M (net) this year through fundraising
- Support all eligible grocery colleagues who turn to us for help
- Ensure the maximum proportion of every pound spent by companies supporting GroceryAid flows through to our beneficiaries
- Drive greater awareness of GroceryAid's services on shop and factory floors throughout our industry

How We Manage Risk

Our Risk Management Policy seeks to identify any major risks to which the Charity may be exposed and that may affect the realisation of our goals.

Our short-term targets and long-term objectives are reviewed by the Trustee Board at our quarterly Trustee meetings. The Risk Assessment procedure is also regularly reviewed and we can confirm systems are in place to mitigate those risks. This assessment forms part of our Policy Document which is updated and issued annually.

As our industry restructures, income generation continues to be our main concern. This is discussed at every Trustee meeting. Our Fundraising Committee now has over 50 senior members from the industry and they meet three times per year to review and discuss our fundraising efforts. This committee is led by the President of GroceryAid.

Our financial position is continually reviewed by our Finance Committee and the Trustee Board ensuring that the financial welfare of our beneficiaries is safeguarded.

How We Manage Our Investments

As at 31 March 2018, GroceryAid's investment fund, excluding property, was valued at £9.02M.

This is held by the Charity to underpin the value of Reserves retained to ensure the Charity's sustainability. The Trustees objective is that the Reserves do not decrease in real value by aiming to achieve long-term capital growth ahead of inflation.

The Reserves are also key in the provision of income to help fund current expenditure. To meet these objectives the Trustee Board has set a target return of RPI +3% per year over a rolling five-year period. This is a target and the Trustees acknowledge that due to fluctuations in markets this may not always be possible.

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Trustees' Report (including the Strategic Report) for the year ended 31st March 2018

The GroceryAid Finance Committee is a sub-committee of the Trustee board and meets quarterly to review financial controls within the charity, oversee investment performance and recommend changes to the investments as necessary. Our Investment Policy allows us to manage the money we raise and the money we need to have in reserve for unforeseen eventualities.

At 31 March 2018, 96% of the reserves were invested in four Common Investment Funds. These are: the Newton Growth and Income Fund for Charities, Newton Global Higher Income Fund; Rathbone's Core Investment Fund for Charities and CCLA Charities Property Fund. The remaining 4% is held in cash deposits.

With regard to ethical investing, the Trustees continue to be satisfied that our investments do not conflict with the aims of the Charity. Any investments that may hamper the work of the Charity will be avoided as will those deemed inappropriate on moral grounds. Investments that would pose a risk of significant financial detriment will also be avoided.

Subsidiary Company

The Charity has a wholly owned trading subsidiary which is incorporated in the U.K., N.G.B.F. Trading Limited, company registration No. 2952403. The Trading Company has not been active in the financial year as the advertising revenue arising from the publication of the Charity's annual Year Book has been at a level for the past few years which allows it to be routed via the Charity itself. The Charity will continue to use the Trading Company in future years and will review in the next financial year whether certain fundraising activities are more appropriate to the Trading Company.

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Trustees' Report (including the Strategic Report) for the year ended 31st March 2018

GroceryAid Auditors

A resolution will be proposed at the Annual General Meeting that Kingston Smith be re-appointed as auditors to the Charity for the ensuing year.

By order of the Trustees:



Ruston Smith (Chairman)
20 December 2018

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Auditor's Report for the year ended 31st March 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF NATIONAL GROCERS BENEVOLENT FUND, TRADING AS GROCERYAID

Opinion

We have audited the financial statements of National Grocers Benevolent Fund, trading as GroceryAid for the year ended 31 March 2018 which comprise the consolidated statement of financial activities (including the income and expenditure account), consolidated and charity balance sheets, group cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other

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Auditor's Report for the year ended 31st March 2018

information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Emphasis of matter

We draw attention to note 25 of the financial statements, which describes an accounting irregularity that has been identified at one of the branches during the year. It has only been possible to go back six years to identify the quantum of the irregularity and therefore there is an uncertainty as to the quantified amount. Due to the significance of the amount involved we draw readers' attention to it. Our opinion is not modified in this respect.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report (including the Strategic Report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in trustees' annual report (including the Strategic Report).

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

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Auditor's Report for the year ended 31st March 2018

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and Section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Auditor's Report for the year ended 31st March 2018

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006; and to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and in respect of the consolidated financial statements, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

Kingston Smith LLP

Andrew Stickland (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

21 December 2018

Devonshire House
60 Goswell Road
London
EC1M 7AD

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

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Trustees' Responsibilities for the year ended 31st March 2018

The Trustees (who are also the directors of National Grocers Benevolent Fund for the purposes of company law) are responsible for preparing the Report of the Trustees, incorporating the Strategic Report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Consolidated Statement of Financial Activities (including Income and Expenditure account) for the year ended 31st March 2018

		Unrestricted Funds	Restricted Funds	Total Funds 2018	Restated Total Funds 2017 £
	Note	£	£	£	£
Income From					
Donations and legacies	4	1,614,342	200,000	1,814,342	1,596,449
Central fundraising	5	3,448,073	-	3,448,073	2,694,830
Branch fundraising	6	2,414,590	-	2,414,590	2,558,540
Investment Income	7	325,793	-	325,793	303,484
Total		7,802,798	200,000	8,002,798	7,153,303
Expenditure on					
Raising funds					
Central fundraising	5	2,607,436	-	2,607,436	1,910,569
Branch fundraising	6	1,596,443	-	1,596,443	1,644,753
Investment		-	-	-	49,313
Charitable activities					
Grants	8,9	3,096,868	61,925	3,158,793	3,188,046
Goods and services	8,9	1,389,570	153,650	1,543,219	1,285,018
Other Expenses	25	312,165	-	312,165	227,894
Total		9,002,482	215,575	9,218,056	8,305,513
Net gains/(losses) on investments	14	(176,302)	-	(176,302)	1,086,366
Net income/(expenditure) and net movement in funds		(1,375,986)	(15,575)	(1,391,560)	(65,924)
Reconciliation of funds:					
Total funds brought forward from previous year		11,262,023	50,349	11,312,292	11,378,216
Total funds carried forward		9,886,037	34,774	9,920,732	11,312,292

The statement of financial activities includes all gains and losses recognised in the period. All of the above amounts relate to continuing activities.

The notes on pages 19-39 form part of these financial statements.

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Consolidated and Charity Balance Sheets as at 31st March 2018

		Group		Charity	
		2018	Restated 2017	2018	Restated 2017
	Notes	£		£	
Fixed Assets					
Tangible assets	12	1,122,490	1,139,983	1,122,490	1,139,983
Intangible assets	13	62,708	63,329	62,708	63,329
Investments	14	9,020,543	10,013,368	9,030,543	10,023,368
Total fixed assets		10,205,741	11,216,680	10,215,741	11,226,680
Current Assets					
Debtors	15	2,003,083	1,199,762	2,006,828	1,203,508
Cash at bank and in hand	16	376,238	770,247	362,493	756,501
Total current assets		2,379,321	1,970,009	2,369,321	1,960,009
CREDITORS: Amounts falling due within one year	17	(2,664,330)	(1,874,397)	(2,664,330)	(1,874,397)
NET CURRENT ASSETS		(285,010)	95,612	(295,010)	85,612
NET ASSETS		9,920,732	11,312,292	9,920,732	11,312,292
FUNDS					
Unrestricted income fund	20	8,304,066	9,680,051	8,304,066	9,680,051
Revaluation reserve		1,581,892	1,581,892	1,581,892	1,581,892
Restricted income fund	20	34,774	50,349	34,774	50,349
TOTAL FUNDS		9,920,732	11,312,292	9,920,732	11,312,292

These accounts have been prepared in accordance with provisions applicable to companies subject to the small companies regime within part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees and authorised for issue on the 20th December 2018 and signed on their behalf by:



Ruston Smith, Chair, GroceryAid Trustees



David Wheeler, Treasurer GroceryAid

Charity Number 1095897
Company Number: 04620683

The notes on pages 19 - 39 form part of these financial statements.

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Group Cash Flow Statement for the year ended 31st March 2018

		2018		Restated 2017	
	Notes	£	£	£	£
NET CASH USED IN OPERATING ACTIVITIES	22		(1,505,800)		(1,260,154)
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends, Interest and Rents for Investment		325,793		303,484	
Purchase of property, plant and equipment		(30,525)		(5,571)	
Proceeds from the sale of investments		1,152,000		4,594,016	
Purchase of investment		(335,477)		(3,729,767)	
Net cash provided by Investing activities			1,111,791		1,162,162
Change in cash and cash equivalents in the reporting period			(394,009)		(97,992)
Cash and cash equivalents at the beginning of the reporting period			770,247		868,239
Change in cash and cash equivalents due to exchange rate movements					
Cash and cash equivalents at the end of the reporting period	23		376,238		770,247

The notes on pages 19-39 form part of these financial statements.

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

1 Accounting policies

The principal accounting policies of the charity are as follows:-

a) General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 2 Lakeside Business Park, Swan Lane, Sandhurst, Berkshire, GU47 9DN.

b) Statement of compliance and basis of preparation

The financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), and the Companies Act 2006.

These financial statements have been prepared under the historical cost convention, except for investments which are included at fair value.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity, and are rounded to the nearest £.

c) Method of consolidation

The financial statements consolidate the results and position of the subsidiary undertaking (see note 3) and all of the Charity's branches on a line by line basis in both the Statement of Financial Activities (including income and expenditure account) and the Balance Sheet. A separate Statement of Financial Activities, or income and expenditure account is not presented because the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and the SORP.

d) Incoming resources

Income is recognised when the charity has entitlement, it is probable that the amount will be received and it can be measured reliably as follows:

Voluntary income

Income from donations is accounted for on a receivable basis being included at the earliest of the date of receipt or at the point at which a pledge is received or, where a pledge is associated with a particular event, upon the occurrence of that event.

Legacies

Income from legacies is accounted for on a receivable basis being included at the earliest of the date of receipt or at the point which notification is received, provided that there is sufficient evidence to provide the necessary probability that the legacy will be received.

Central and branch fundraising

Income from fundraising is accounted for on a receivable basis. Income associated with a particular event is reported only upon that event having taken place, with income received in advance of events being treated as deferred income.

Investment income

Income from investments is accounted for on a receivable basis.

Gifts in Kind and Donated Services

Items donated to the charity to assist with particular fundraising events are recognised in the financial statements at market value as income to and resources expended against the respective activities. The donation of services to the charity is similarly recognised within the financial

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

statements by the inclusion of a charge to expenditure and a corresponding credit to income, based on the estimated market value.

e) **Resources expended**

Resources expended are accounted for on an accruals basis. The inclusion of costs within the various categories of expenditure was made on the following bases:-

Costs of raising funds

This category is used to record any costs which are associated with the cost of raising funds from whatever source and will include costs incurred in attracting donations and sponsorship.

Investment management fees

The cost of managing the Charity's investment funds is not charged separately by the investment managers but is instead effectively recovered by way of a deduction from the funds.

Charitable activities

This category is used to record expenditure incurred in fulfilling the Charity's objectives: it includes the payment of monetary grants to beneficiaries, expenditure made in providing beneficiaries with goods and services, and the costs of distributing and administering such direct charitable provision. The cost of such provision, and that in respect of monetary grants in particular, is recognised when award of the grant has been communicated to the beneficiary. Grants are awarded on an annual basis and are subject to annual review.

Governance

This category comprises costs incurred in the general management of the Charity, as distinct from that concerned directly with the conduct of the Charity's operational activities, and includes those costs associated with ensuring that the Charity complies with applicable laws and regulations, to include the preparation of information required for public accountability.

Allocation and apportionment of costs

Expenditure is classified according to the above headings that aggregate all costs related to those categories, whether they be directly attributable or apportioned as such. The bases of the apportionment of costs are consistent with the use of the resources arising from the expenditure.

f) **Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

g) **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

h) Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the asset and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

All assets costing over £250 are capitalised subject to considerations as to the likely useful life of each item. Tangible fixed assets are stated at cost. Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives by equal annual instalments at the following rates:-

Freehold interest in office premises	2% per annum
Freehold interest in buildings	1% per annum
Office equipment	20% per annum
Furniture fixtures and fittings	10% per annum

No depreciation is provided on freehold land.

i) Intangible assets

All assets costing over £250 are capitalised subject to considerations as to the likely useful life of each item. Intangible fixed assets are stated at cost. Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives by equal annual instalments at the following rates:-

Software	20% per annum
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j) Rules of the Charity

The financial statements are prepared in accordance with the Memorandum of Association of the Charity.

k) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are measured at the cash or consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

l) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Gains and losses on the disposal and revaluation of investments are charged or credited to the Statement of Financial Activities. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

m) **Fund accounting**

Funds held by the charity as unrestricted funds are free for the Trustees to use for any purpose in furtherance of the charitable objects as set out in the Charity's Reserves policy. Restricted funds are subject to specific conditions imposed by the donors. At the year end, any restricted fund deficits can be eliminated by a transfer from unrestricted funds unless the Trustees are of the opinion that such deficits will be eliminated by future giving. There are no transfers out of restricted fund unless approval is given by the donors.

n) **Pension costs**

Pension contributions are charged in the financial statements as they become payable.

o) **Publicity**

Costs associated with the objective of raising awareness of the Charity and its profile, particularly within the grocery trade, are included under this sub-heading within Central Fundraising. This policy was adopted on the basis that increasing awareness of the Charity, particularly within the grocery industry, should enhance its relevance and influence and so, in turn, better enable it to raise funds through its various activities.

p) **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

q) **Going concern assessment**

The Trustees regularly review the level of the Charity reserves and they do not foresee any issues with going concern.

2. Results of the parent undertaking

The gross income and result of the parent charity excluding those of its subsidiary were as follows:

	2018	2017
	£	£
Gross income	8,002,798	7,153,303
Net movement in funds	(1,391,560)	(64,844)

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

3. Subsidiary undertaking

The charity has a wholly owned trading subsidiary, N.G.B.F. Trading Limited, by virtue of the ownership of that company's entire share capital of 10,000 ordinary £1 shares, to which all voting rights are attached. The subsidiary is incorporated in the U.K., company registration number 02952403. N.G.B.F. Trading Limited may be used to operate certain activities that might be regarded as trading. The Trading Company's registered office is Knoll House, Knoll Road, Camberley, Surrey GU15 3SY. The subsidiary donates its taxable profit to the National Grocers Benevolent Fund under the Gift Aid scheme. A summary of its trading results for the year to 31st March 2018 is shown below and accounts will be filed with the Registrar of Companies.

	2018	2017
Summary of the Profit and Loss Account	£	£
Turnover	-	3,800
Net Profit	-	3,746
Gift Aid payment to the National Grocers Benevolent Fund	-	(3,746)
Retained reserves	-	-
The subsidiary's net assets were comprised as follow:		
Debtors	-	-
Cash at Bank	13,776	13,776
Creditors	(3,776)	(3,776)
	10,000	10,000

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

4. Voluntary Income – Donations and Legacies

	2018	2017 £
Donations - unrestricted:		
Monkey Business Foundation	297,068	355,584
The Cadbury Foundation	50,000	50,000
Tesco Pro-Am Golf Day	40,000	40,000
Palmer & Harvey Burns Supper	-	63,000
Tesco Does Strictly Gala	397,313	246,716
Coupons and goods donated for Christmas Hampers	155,625	175,675
Marks & Spencer Food Group Charity Ball	136,410	106,000
Hodnet Clay Pigeon Shoot	-	30,000
Charles Wilson and Rowena Olegario	-	5,000
J Sainsbury plc	25,000	25,000
J Sainsbury plc Swing Low	99,999	-
Mars Wrigley	50,000	50,000
Booker	29,000	21,000
Diageo	6,500	6,500
Bestway	10,000	10,000
HJ Heinz	5,000	5,000
Nestlé UK	40,000	40,000
Spar	10,000	10,000
Scottish Wholesale Association	-	2,736
Networks Awareness weeks	1,908	-
JTI	25,000	25,000
Palmer & Harvey Goodwood Golf	9,000	27,000
Pro-retail Raffle	9,275	11,350
Asda Foundation	100,000	-
Morrisons Foundation	32,050	50,000
200 Club	2,000	9,000
Kantar	2,500	-
Grace Foods	5,000	-
P & H Fund	2,489	-
Walt Disney	17,914	-
Other	55,291	26,888
	1,614,342	1,391,449
Voluntary income - restricted:		
Donation from James Albert King Foundation	-	5,000
Donation from Leverhulme Trade Charities Trust	200,000	200,000
	200,000	205,000
TOTAL	1,814,342	1,596,449

Donated gifts in kind of coupons and goods etc. for hampers included above are £117,425 (2017: £150,225). In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

We have a dedicated team of Volunteer Welfare Assessors. We offer full training and support to enable them to visit our beneficiaries at home. A visit is made by our Welfare Assessors both when someone initially applies for help and then on an ongoing annual basis to assess against the financial criteria. This vital volunteer contact gives our beneficiaries emotional and practical support.

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

5. Central fundraising – all Unrestricted

	Income	Expenses	2018 Surplus	2017 Surplus
Annual Ball	1,276,570	(738,888)	537,681	234,558
Annual (Sporting) Lunch	651,574	(322,551)	329,022	320,817
Year Book	45,650	(3,923)	41,727	34,411
Carol Concert	144,295	(81,959)	62,336	44,893
Windermere Row	101,636	(27,716)	73,920	69,720
Quiz Night	73,253	(40,898)	32,355	69,647
Summer Ball	451,574	(244,363)	207,211	194,036
Northern Network events	23,076	(17,101)	5,975	14,462
Southern Network events	36,190	(17,033)	19,157	32,997
Scottish Network events	1,843	(542)	1,300	2,509
National 5-a-Side Soccer	26,710	(6,035)	20,674	24,643
London to Paris Bike Ride	124,873	(82,822)	42,051	92,822
Coast to Coast Bike Ride	68,458	(42,332)	26,126	33,223
Marathons and Sponsored runs	27,825	(11,117)	16,708	32,949
Clay Pigeon Shoot	92,000	(22,380)	69,620	50,515
Raffles etc. at trade events:				
Retail Industry Awards raffle	5,965	(463)	5,502	6,912
Quality Food Awards raffle	-	-	-	7,274
Outsourcing welfare service to Henry Smith Kindred charity	3,000	-	3,000	3,000
Other fundraising income	13,879	(16,165)	(2,286)	-
	3,168,371	(1,676,290)	1,492,080	1,269,388
Donated services and Support costs:				
Publicity (Communications & PR)	279,702	(330,336)	(50,634)	(42,943)
Central office costs (note 10)		(600,809)	(600,809)	(442,184)
Net Indirect fundraising support costs	279,702	(931,145)	(651,443)	(485,127)
Totals current year	3,448,073	(2,607,436)	840,637	784,261
Totals prior year	2,694,830	(1,910,569)	784,261	

Gifts in Kind are included in the fundraising income and expenses above and amount to 543,548 (2017: £259,124). Gifts in kind for the Annual Ball were £351,494 and are added to the Income and expenses.

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

5. Central fundraising – all Unrestricted (*continued*)

Publicity income and expenses includes the estimated value of discounted advertisements placed in various trade publications of £297,702 (2017: £305,831) and related development work. This support is to help raise the awareness of the work of the charity and its fundraising efforts.

6. Branch fundraising – all Unrestricted

	2018			Restated 2017
	Income £	Expenses £	Surplus £	Surplus £
Midlands	65,314	(26,595)	38,719	42,572
North East & York	71,917	(30,196)	41,721	21,554
Northern	203,483	(79,039)	124,444	70,852
Northern Ireland	144,674	(67,608)	77,066	77,149
Scotland	15,428	(8,502)	6,926	4,183
South Coast	65,555	(33,549)	32,006	145,951
Thames Valley	1,827,576	(1,345,559)	482,017	525,650
South West	17,583	(2,895)	14,688	25,078
East Anglia	3,060	(2,500)	560	878
	2,414,590	(1,596,443)	818,147	913,867

Gifts in Kind are included in the individual branch fundraising income and expenses above amounting to £42,613 in total (2017 £94,598)

7. Investment income

	2018		2017
	Unrestricted Funds	Total Funds	Total Funds
Dividend and other investment income	323,682	323,682	291,455
Bank deposit interest receivable	1,117	1,117	11,035
Property Income	994	994	994
	325,793	325,793	303,484

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

8. Charitable expenditure

	2018			Restated 2017
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Monetary grants:				
Quarterly benefit payments	(2,500,825)	(61,925)	(2,562,750)	(2,643,206)
Support costs:				
Welfare Assessors	(57,442)	-	(57,442)	(38,531)
Central office costs (Note 10)	(538,602)	-	(538,602)	(431,503)
	(3,096,868)	(61,925)	(3,158,793)	(3,113,240)
Provision of goods and services in furtherance of the charity's objects:				
Basic Essentials	(173,077)	(25,482)	(198,559)	(194,608)
Emergency assistance	(153,664)	(14,771)	(168,435)	(281,063)
Telephone response systems	(15,183)	-	(15,183)	(19,535)
Mobility	(102,557)	(18,388)	(120,945)	(135,032)
Helpline running costs	(78,075)	(70,000)	(148,075)	(118,474)
One Off payments	(343,870)	(18,409)	(362,279)	(25,210)
Coupons, goods and sundry costs for Christmas Hampers	(161,797)	-	(161,797)	(199,965)
Respite (Carers)	(51,936)	(6,600)	(58,536)	(30,558)
Beneficiary outings	(18,594)	-	(18,594)	(18,749)
Birthday vouchers and TV licences	(35,369)	-	(35,369)	(24,267)
	(1,134,122)	(153,650)	(1,287,772)	(1,047,462)
Support costs:				
Welfare Assessors	(24,617)	-	(24,617)	(16,513)
Central office costs (Note 10)	(230,830)	-	(230,830)	(184,930)
Support	(1,389,569)	(153,650)	(1,543,219)	(1,248,905)
Total	(4,486,437)	(215,575)	(4,702,012)	(4,362,144)

The grants paid to beneficiaries are all made to individuals to relieve financial hardship and are in accordance with the objects of the Charity.

9. Governance costs

	2018		2017
	Unrestricted Funds £	Total Funds £	Total Funds £
Share of Support costs (note 10)	(91,524)	(91,524)	(91,497)
Meetings	(624)	(624)	(474)
Auditors	(37,633)	(37,633)	(16,680)
Legal advice	(4,165)	(4,165)	(10,082)
Trustees' meetings	(153)	(153)	(86)
Trustees' indemnity insurance	(1,565)	(1,565)	(1,558)
	(135,663)	(135,663)	(120,377)

10. Support Costs

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

	Central Fundraising	Charitable Activities	Governance	Total
	£	£	£	£
Executive staff	(181,724)	(123,594)	(54,229)	(359,547)
General office staff	(241,123)	(295,336)	(21,537)	(557,996)
Overheads and office facilities	(177,963)	(214,839)	(15,757)	(363,559)
Total allocation	(600,809)	(633,769)	(91,524)	(1,326,101)
Total allocation, prior year	(485,127)	(616,433)	(91,497)	(1,193,057)

The costs shown above are not specific to any one activity and have been allocated on the basis of a judgement as to the proportion of time spent on each of the activities.

Included within overheads are fees payable to the charity's auditors totalling £30,000 (2017 £1,845) for services other than the statutory audit, which are consultancy services. The cost of the annual audit is shown within Governance costs per note 9.

11. Staff costs and Trustees' remuneration

	2018	2017
		£
Salaries	760,864	692,945
Temp Staff	9,221	13,969
Employer's National Insurance	76,426	67,699
Pension contributions	60,170	42,424
Health insurance	3,804	5,936
	910,485	822,973

The average monthly head count was 22 staff (2017: 23 Staff) and the average monthly number of employees (including casual and part-time staff) during the year was as follows:

	Number	Number
The number of employees by function was:		
Charitable welfare	12.1	13.6
Fundraising	8.6	8.1
Governance	1.2	1.3
	21.9	23

6 out of the total of 23 employees at the year-end are part-time (2017: 6 out of 23 employees). There were 3 employees (2017: 3 employees) with emoluments above £60,000 per annum.

The number of senior post holders and other staff who receive emoluments, excluding pension contributions but including benefits in kind, in the following ranges were:

	2018	2017
£60,000 to £69,999	1	2
£70,000 to £79,999	1	-
£110,000 to £119,999	1	-
£120,000 to £129,999	-	1

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

- (i) The pension arrangements operated by the charity are for all members of staff and provide benefits on a defined contribution basis. Contributions paid in accordance with the rules of the scheme are charged to the statement of financial activities as they become payable. The cost for the year was £60,170 (2017: £42,424) and there were no outstanding or prepaid contributions at the balance sheet date.
- (ii) The charity holds an investment bond, valued in the accounts at £8,613 (2017: £9,944), which is used to supplement the pension of a former Director General.
- (iii) Trustees were not remunerated. Trustees received reimbursement for expenses incurred of £Nil. (2017: £Nil).
- (iv) Funds belonging to the Charity have been used for the purchase of insurance to indemnify the Trustees against the consequences of any neglect or default on their part. The cost recognised for the year in providing that insurance was £1,565 (2017: £1,558).
- (v) The key management personnel of the charity comprise the Trustees, Chief Executive, Fundraising Director, Welfare Director and Corporate Services Director & Company Secretary. The total employee benefits of the key management personnel of the charity were £359,547 (2017: £318,926)
- (vi) Two trustees gave donations of £125 during the year (2017: 0 Trustees gave £0) There were no other related party transactions in the year that require disclosure.

12. Tangible assets

	Freehold interest in land and buildings £	Office Equipment £	Furniture, fixtures and fittings £	Restated Total £
Cost:				
Brought forward	1,197,855	69,115	10,824	1,277,794
Additions	-	4,722	1,492	6,214
Carried forward	1,197,855	73,837	12,316	1,284,008
Depreciation				
Brought forward	92,565	36,912	8,334	137,811
Charge for year	12,212	11,184	311	23,707
Carried forward	104,777	48,096	8,645	161,518
Net book value				
carried forward	1,093,078	25,741	3,671	1,122,490
Net book value brought forward	1,105,290	32,203	2,490	1,139,983

All of the Charity group's fixed assets were held for functional charity use and other than one freehold property which is retained for direct charitable purposes; all assets are used in the running and administration of the Charity.

The Trustees consider that the market value of the interest in freehold property approximately equates to its book value.

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

13. Intangible assets

	Software £	Total £
<u>Cost:</u>		
Brought forward	104,560	104,560
Additions	24,311	24,311
Disposals	(10,112)	(10,112)
Carried forward	118,759	118,759
<u>Depreciation</u>		
Brought forward	41,231	41,231
Charge for year	20,887	20,887
Disposals	(6,067)	(6,067)
Carried forward	56,051	56,051
 Net book value carried forward	 62,708	 62,708
Net book value brought forward	63,329	63,329

14. Investments

	Group		Charity	
	2018	2017	2018	2017
<u>Analysis of Movement of Investments</u>				
Market value at beginning of year	10,013,368	9,791,251	10,023,368	9,801,251
Additions to investments at cost	335,477	3,729,767	335,477	3,729,767
Disposals at market value	(1,152,000)	(4,594,016)	(1,152,000)	(4,594,016)
Net gain/(loss) on revaluation	(176,302)	1,086,366	(176,302)	1,086,366
Market value at end of year	9,020,543	10,013,368	9,030,543	10,023,368
<u>Investments held</u>				
Listed investments	9,020,543	10,013,368	9,020,543	10,013,368
Investments in subsidiary undertakings			10,000	10,000
Total investments held	9,020,543	10,013,368	9,030,543	10,023,368

15. Debtors

	Group		Charity	
	2018	Restated 2017	2018	Restated 2017
<u>Current:</u>				
Trade debtors	1,178,819	734,702	1,178,819	734,702
Amounts due from subsidiary undertaking			3,745	3,745
Other debtors	1,500	1,500	1,500	1,500
Prepayments	447,343	91,077	447,343	91,077
Accrued income	364,288	361,350	364,288	361,350
	1,991,950	1,188,629	1,995,696	1,192,375
 Loans receivable secured on property	 11,133	 11,133	 11,133	 11,133
	2,003,083	1,199,762	2,006,828	1,203,508

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

16. Cash at bank and in hand

	Group		Charity	
	2018	2017	2018	2017
	£		£	
Head office bank current account	237,364	607,055	237,364	607,055
Head office deposit accounts	507	50,435	507	50,435
Trading Co bank account	13,746	13,776		
Branch bank accounts	124,621	98,981	124,621	98,981
	376,238	770,247	362,493	756,471

17. Creditors: amounts falling due within one year

	2018	Restated 2017	2018	Restated 2017
Trade creditors	(291,195)	(137,049)	(291,195)	(137,049)
Other creditors	(1,325,828)	(1,173,930)	(1,325,828)	(1,173,930)
Accruals	(98,335)	(40,704)	(98,335)	(40,704)
Deferred income	(948,972)	(522,714)	(948,972)	(522,714)
	(2,664,330)	(1,874,397)	(2,664,330)	(1,874,397)

Movement on deferred income balances was as follows:

Balance brought forward	(522,714)	(292,638)	(252,354)	(290,788)
Released to statement of financial activities	522,714	292,638	252,354	290,788
Fund raising proceeds received	(948,972)	(522,714)	(948,981)	(252,354)
Balance carried forward	(948,972)	(522,714)	(948,981)	(252,354)

The current year balance for deferred income has been caused by advanced ticket sales for fund raising events to be held during the next accounting period.

18. Commitments under operating lease

	2018 £	2017 £
Office equipment		
Amounts to be paid		
Within 1 year	5,076	8,454
Between 2 - 5 Years	11,446	13,047
Over 5 Years	-	-
	16,522	21,501

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

19. Financial Instruments

The carrying amount of each category of financial instrument is as follows:

	2018	Restated 2017
Financial Assets		
Financial assets not discounted	1,635,689	2,075,726
Financial assets measured at fair value	9,020,543	10,013,368
Financial Liabilities		
Financial liabilities not discounted	(755,746)	(136,260)

The cumulative amortisation on the recognised financial assets and liabilities is £Nil (2017: £Nil).

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

20. Funds

The movement on the unrestricted income fund and the Revaluation reserve is detailed in the Statement of Financial Activities. At the balance sheet date all the Charity's assets and liabilities, other than cash £34,774 were represented by the unrestricted funds.

The Restricted Funds are the unspent balance of the Leverhulme Trade Charities Trust grant received during the year, which can only be used for certain categories of our beneficiaries. The balance of £34,774 is held in Cash.

Unrestricted funds

	Restated Brought forward	Income	Expenditure	Gains/ (losses)	Transfers	Carried forward
Year to 31 March 2018						
General funds						
Unrestricted income fund	9,680,051	7,802,798	(9,002,482)	(176,302)		8,304,066
Revaluation reserve	1,581,892					1,581,892
Total general funds	11,261,943	7,802,798	(9,002,482)	(176,302)	-	9,885,958
Restricted funds						
Leverhulme Trade Charities Trust	30,349	200,000	(195,575)			34,774
Other Trusts	20,000		(20,000)			-
Total restricted funds	50,349	200,000	(215,575)	-	-	34,774
Total funds	11,312,292	8,002,798	(9,218,056)	(176,302)	-	9,920,732

	Restated Brought forward	Income	Expenditure	Gains/ (losses)	Transfers	Restated Carried forward
Year to 31 March 2017						
General funds						
Unrestricted income fund	10,080,255	6,948,303	(7,914,644)	1,086,366	(520,229)	9,680,051
Revaluation reserve	1,061,663				520,229	1,581,892
Total general funds	11,141,918	6,948,303	(7,914,564)	1,086,366	-	11,261,943
Restricted funds						
Leverhulme Trade Charities Trust	45,500	200,000	(215,151)			30,349
Other Trusts	190,798	5,000	(175,798)			20,000
Total restricted funds	236,298	205,000	(390,949)	-	-	50,349
Total funds	11,378,216	7,153,303	(8,305,513)	1,086,366	-	11,312,292

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

21. Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1.

22. Reconciliation of Net Incoming Resources to Net Cash (Outflow)/Inflow from Operating Activities

	2018	2017
Net income/(expenditure) for the reporting period	(1,391,560)	(65,924)
Income from investments	(324,676)	(292,449)
Interest receivable	(1,117)	(11,035)
(Gains)/losses on investments	176,271	(1,086,366)
Depreciation	44,595	45,330
Loss (Profit) on sale of fixed assets	4,045	-
(Increase)/Decrease in debtors	(803,681)	138,742
Increase/(Decrease) in creditors	790,323	11,548
Net cash (outflow)/inflow from operating activities	<u>(1,505,800)</u>	<u>(1,260,154)</u>

23. Reconciliation of Net cash Flow Movement in Net Funds

	2018	2017
Increase/(decrease) in cash in the period	(394,010)	(97,992)
Change in net funds	(394,010)	(97,992)
Net funds at 1 April	<u>770,247</u>	<u>868,239</u>
Net funds at 31 Mar	<u>376,237</u>	<u>770,247</u>

24. Analysis of changes in Net Funds

	01-Apr-17 £	Cash flows £	31-Mar-18 £
Cash at bank	<u>770,247</u>	<u>(394,010)</u>	<u>376,237</u>

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

25. Prior year adjustment, Expenditure on Other Expenses

		Year ended 31 March 2017		
		As previously stated	Effect of prior year adjustment	As restated
<u>Reconciliation of Statement of Financial Activities</u>				
	Notes			
Income from:				
Donations and legacies		1,596,449	-	1,596,449
Central fundraising		2,694,830	-	2,694,830
Branch fundraising	d.5	1,507,184	1,051,356	2,558,540
Investment income		303,484	-	303,484
Total		6,101,947	1,051,356	7,153,303
Expenditure on:				
Central fundraising		1,910,569	-	1,910,569
Branch fundraising	d.5	494,717	1,150,036	1,644,753
Investments		49,313	-	49,313
Grants		3,197,504	(9,458)	3,188,046
Goods and services		1,285,018	-	1,285,018
Other expenditure	b	-	227,894	227,894
Total		6,937,121	1,368,472	8,305,593
Net gains on investments		1,086,366	-	1,086,366
Net income		251,192	(317,116)	(65,924)

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

Reconciliation of Balance Sheet

		<u>Year ended 31 March 2016</u>		
		As previously stated	Effect of prior year adjustment	As restated
	Notes			
Fixed assets				
Tangible assets		1,243,071		1,243,071
Intangible assets		-		-
Investments		9,791,251		9,791,251
Total		11,034,322	-	11,034,322
Current assets				
Debtors	a.1	1,685,894	(347,390)	1,338,504
Cash at bank		868,239		868,239
Total		2,554,133	(347,390)	2,206,743
Creditors	a.2, d.1/2/3	(524,161)	(1,338,688)	(1,862,849)
Net Assets		13,064,294	(1,686,078)	11,378,216
Funds				
Unrestricted funds		11,766,333	(1,686,078)	10,080,255
Revaluation reserve		1,061,663		1,061,663
Restricted funds		236,298		236,298
Total		13,064,294	(1,686,078)	11,378,216

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

Reconciliation of Balance Sheet

		<u>Year ended 31 March 2017</u>		
		As previously stated	Effect of prior year adjustment	As restated
	Notes			
Fixed assets				
Tangible assets	d.4	1,203,312	(63,329)	1,139,983
Intangible assets	d.4	-	63,329	63,329
Investments		10,013,368		10,013,368
Total		11,216,680	-	11,216,680
Current assets				
Debtors	a.1	1,757,906	(558,144)	1,199,762
Cash at bank		770,247		770,247
Total		2,528,153	(558,144)	1,970,009
Creditors	a.2, d.1/2/3	(429,347)	(1,445,051)	(1,874,397)
Net Assets		13,315,486	(2,003,195)	11,312,292
Funds				
Unrestricted funds		11,683,245	(2,003,195)	9,680,050
Revaluation reserve		1,581,892		1,581,892
Restricted funds		50,349		50,349
Total		13,315,486	(2,003,195)	11,312,292

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

a) Prior Years relating to Branch Accounts

The Charity has restated its accounts for 15/16 and 16/17 as a result of discovering irregularities in the financial accounting of one of its volunteer fundraising branches. The Charity completed a comprehensive investigation into these inconsistencies which has resulted in the following revisions to its balance sheet for 16/17 and 15/16:

(1) For 16/17, Debtors was reduced by £558,064 principally due to the correction of accrued income by £497,031 and the correction of incorrect expense deferrals of £61,033. The correction for financial year 15/16 was a reduction of £347,390 principally due to correction of accrued income.

(2) For 16/17, Creditors increased by £299,360 principally due to the reclassification of payments in advance relating to events in the following financial year from Debtors and from 16/17 Income. The correction for financial year 15/16 of £269,360 was principally due to a similar reclassification of payments in advance.

(3) Effect on Funds: The effect on the Charity's Funds of the above was a decrease of £616,750 in 15/16 which increased to a cumulative £857,064 in 16/17

(b) Expenditure on Other Expenses

"Other Expenses" of £312,165 in 2017/18 includes £125,031 of unauthorised disbursements at one of the Charity's fundraising branches; the equivalent figure for 2016/17 was £142,074. The balance of the £312,165 (£227,894 in 2016/17) also consists of provisions relating to VAT and Corporation Tax as explained below. As already noted, the Charity has completed a comprehensive investigation and implemented corrective actions.

(c) Cumulative Effect on Funds

Including the £125,031 incurred in 17/18 (see "Other Expenses" in the Statement of Financial Activities), the cumulative effect as at 31st March 2018 was £982,095.

(d) Other Prior Year adjustments relate to:

(1) A provision of VAT liability due in relation to fundraising events. This has resulted in an increase in the overall creditors balance and a corresponding decrease in Funds of £193,068 as at 31st March 2017 (£127,653 as at 31st March 2016).

(2) A provision of Corporation Tax due on fundraising events. This has resulted in an increase in the overall creditors balance, and a corresponding decrease in Funds of £81,798 as at 31st March 2017 (£61,394 as at 31st March 2016).

(3) Commitments due to recipients of welfare grants. This has resulted in an increase in grant commitments shown in creditors, and a corresponding decrease in Funds of £870,825 as at 31st March 2017 (£880,282 as at 31st March 2016).

NATIONAL GROCERS BENEVOLENT FUND, trading as GROCERYAID

Notes to the Financial Statements for the year ended 31st March 2018

(4) A reclassification of software assets from tangible fixed assets to intangible fixed assets of £63,329

(5) Principally due to grossing up of the branch income and expenditure in 16/17 of £1,230,997 in relation to restating the results of the Fundraising events which were previously reported on a "net" basis. Balance due to net change in Debtors, Creditors explained under a) above.