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Registration number: 9771284

National Federation of Subpostmasters

Annual Report and Financial Statements
for the Year Ended 30 September 2019



Lucraft Hodgson & Dawes LLP
2/4 Ash Lane
Rustington
West Sussex
BN16 3BZ

National Federation of Subpostmasters

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National Federation of Subpostmasters

Company Information

Chairman Mr Joseph David Timothy Boothman

Chief executive Mr Calum Brian Greenhow

Directors Ms Sue Jude
Mr Bharat Pranjivan Visani
Mr Samuel Houston
Mr David Sanghera
Mr Nileshchandra Joshi
Mr Sajjad Hussain
Mrs Susan Edgar
Mr Paul S H McBain
Ms Christine Donnelly
Ms Catriona Chick
Mr Stuart Rogers

Registered office Evelyn House
22 Windlesham Gardens
Shoreham-By-Sea
West Sussex
BN43 5AZ

Auditors Lucraft Hodgson & Dawes LLP
2/4 Ash Lane
Rustington
West Sussex
BN16 3BZ

National Federation of Subpostmasters**(Registration number: 9771284)****Balance Sheet as at 30 September 2019**

| | Note | 2019 £ | 2018 £ |
|---|------|--------------------|--------------------|
| Fixed assets | | | |
| Intangible assets | 4 | 23,825 | 33,495 |
| Tangible assets | 5 | 766,804 | 780,989 |
| Investments | | 119,000 | 119,000 |
| Other financial assets | 7 | 1,201,404 | 1,211,069 |
| | | 2,111,033 | 2,144,553 |
| Current assets | | | |
| Debtors | 8 | 1,265,901 | 1,430,415 |
| Cash at bank and in hand | | 1,181,488 | 1,149,475 |
| | | 2,447,389 | 2,579,890 |
| Creditors: Amounts falling due within one year | 9 | (1,080,484) | (1,256,585) |
| Net current assets | | 1,366,905 | 1,323,305 |
| Total assets less current liabilities | | 3,477,938 | 3,467,858 |
| Provisions for liabilities | | (52,541) | (68,534) |
| Net assets | | 3,425,397 | 3,399,324 |
| Capital and reserves | | | |
| Revaluation reserve | | 122,182 | 131,937 |
| Other reserves | | 3,067,601 | 3,068,884 |
| Profit and loss account | | 235,614 | 198,503 |
| Total equity | | 3,425,397 | 3,399,324 |

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 23 March 2020 and signed on its behalf by:



.....

Mr Joseph David Timothy Boothman
Chairman

The notes on pages 5 to 15 form an integral part of these financial statements.

National Federation of Subpostmasters

(Registration number: 9771284)

Balance Sheet as at 30 September 2019

Calum 3 Greenhow

Mr Calum Brian Greenhow
Chief executive

National Federation of Subpostmasters**Statement of Changes in Equity for the Year Ended 30 September 2019**

| | Revaluation reserve £ | Merger reserve £ | Profit and loss account £ | Total £ |
|-----------------------------------|-----------------------------|------------------------|---------------------------------|------------------|
| At 1 October 2018 | 131,937 | 3,068,884 | 198,503 | 3,399,324 |
| Surplus for the year | - | - | 10,956 | 10,956 |
| Other comprehensive income | - | 15,117 | - | 15,117 |
| Total comprehensive income | - | 15,117 | 10,956 | 26,073 |
| Transfers | (9,755) | (16,400) | 26,155 | - |
| At 30 September 2019 | 122,182 | 3,067,601 | 235,614 | 3,425,397 |

| | Revaluation reserve £ | Merger reserve £ | Profit and loss account £ | Total £ |
|-----------------------------------|-----------------------------|------------------------|---------------------------------|------------------|
| At 1 October 2017 | 142,702 | 3,079,167 | 6,175 | 3,228,044 |
| Surplus for the year | - | - | 162,455 | 162,455 |
| Other comprehensive income | - | 8,825 | - | 8,825 |
| Total comprehensive income | - | 8,825 | 162,455 | 171,280 |
| Transfers | (10,765) | (19,108) | 29,873 | - |
| At 30 September 2018 | 131,937 | 3,068,884 | 198,503 | 3,399,324 |

The notes on pages 5 to 15 form an integral part of these financial statements.

National Federation of Subpostmasters

Notes to the Financial Statements for the Year Ended 30 September 2019

1 General information

The company is a company limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

The address of its registered office is:

Evelyn House
22 Windlesham Gardens
Shoreham-By-Sea
West Sussex
BN43 5AZ
United Kingdom

These financial statements were authorised for issue by the Board on 23 March 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are presented in Sterling, which is also the company's functional currency. The financial statements are rounded to the nearest £1.

Group accounts not prepared

The financial statements present information about National Federation of Subpostmasters as an individual company and do not contain consolidated information about the group. Group accounts have not been prepared by the parent company as the group qualifies as small and as such it is not legally required to file group accounts.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 26 June 2020 was Guy Michael Butterworth, who signed for and on behalf of Lucraft Hodgson & Dawes LLP.

National Federation of Subpostmasters

Notes to the Financial Statements for the Year Ended 30 September 2019

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Other grants

Grants of a revenue nature are recognised in income statement over the period to which they relate.

Grants relating to specific projects are recognised in the income statement as the related costs are incurred.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

| Asset class | Depreciation method and rate |
|--------------------|------------------------------|
| Land and buildings | 2% - Straight line |

National Federation of Subpostmasters

Notes to the Financial Statements for the Year Ended 30 September 2019

| | |
|---------------------------------|------------------------|
| Computer equipment and software | 33% - Straight line |
| Office equipment | 25% - Reducing balance |

Business combinations

The acquisition of the undertaking of the National Federation of Subpostmasters has been accounted for under the purchase method. The fair value of the assets acquired, less the actual consideration provided, has been treated as a capital contribution from the members.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

| Asset class | Amortisation method and rate |
|-------------------|------------------------------|
| Computer software | 33% - Straight line |

Investments

Investments are included at fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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Notes to the Financial Statements for the Year Ended 30 September 2019

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 34 (2018 - 35).

4 Intangible assets

| | Internally generated software development costs £ | Total £ |
|-------------------------------|--|---------------|
| Cost or valuation | | |
| At 1 October 2018 | 72,643 | 72,643 |
| Additions acquired separately | 7,674 | 7,674 |
| At 30 September 2019 | 80,317 | 80,317 |
| Amortisation | | |
| At 1 October 2018 | 39,148 | 39,148 |
| Amortisation charge | 17,344 | 17,344 |
| At 30 September 2019 | 56,492 | 56,492 |
| Carrying amount | | |
| At 30 September 2019 | 23,825 | 23,825 |
| At 30 September 2018 | 33,495 | 33,495 |

5 Tangible assets

| | Land and buildings £ | Furniture, fittings and equipment £ | Total £ |
|--------------------------|----------------------------|--|------------|
| Cost or valuation | | | |

National Federation of Subpostmasters**Notes to the Financial Statements for the Year Ended 30 September 2019**

| | Land and buildings £ | Furniture, fittings and equipment £ | Total £ |
|-----------------------------|----------------------------|--|----------------|
| At 1 October 2018 | 820,000 | 9,136 | 829,136 |
| Additions | - | 3,727 | 3,727 |
| At 30 September 2019 | 820,000 | 12,863 | 832,863 |
| Depreciation | | | |
| At 1 October 2018 | 41,000 | 7,147 | 48,147 |
| Charge for the year | 16,400 | 1,512 | 17,912 |
| At 30 September 2019 | 57,400 | 8,659 | 66,059 |
| Carrying amount | | | |
| At 30 September 2019 | 762,600 | 4,204 | 766,804 |
| At 30 September 2018 | 779,000 | 1,989 | 780,989 |

Included within the net book value of land and buildings above is £762,600 (2018 - £779,000) in respect of freehold land and buildings.

National Federation of Subpostmasters

Notes to the Financial Statements for the Year Ended 30 September 2019

6 Investments

| | 2019 £ | 2018 £ |
|-----------------------------|-----------|-----------|
| Investments in subsidiaries | 119,000 | 119,000 |
| | 119,000 | 119,000 |

| | |
|-----------------------------|----------------|
| Subsidiaries | £ |
| Cost or valuation | |
| At 1 October 2018 | 119,000 |
| Provision | |
| Carrying amount | |
| At 30 September 2019 | 119,000 |
| At 30 September 2018 | 119,000 |

| | |
|-----------------------------|----------------|
| Subsidiaries | £ |
| Fair value | |
| At 1 October 2018 | 119,000 |
| At 30 September 2019 | 119,000 |

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company controls 20% or more of the voting rights or rights to capital on dissolution, are as follows:

| Undertaking | Registered office | Holding | Proportion of voting rights held | |
|-------------------------|--|-------------|----------------------------------|------|
| | | | 2019 | 2018 |
| Subsidiary undertakings | | | | |
| N.F.S.P Trading Limited | Evelyn House 22 Windlesham Gardens Shoreham-by-Sea West Sussex BN43 5AZ England | Sole member | 100% | 100% |

National Federation of Subpostmasters

Notes to the Financial Statements for the Year Ended 30 September 2019

Subsidiary undertakings

N.F.S.P Trading Limited

The principal activity of N.F.S.P Trading Limited is the provision of commercial trading services to the National Federation of Subpostmasters and its members.. The profit for the financial period of N.F.S.P Trading Limited was £13,540 and the aggregate amount of capital and reserves at the end of the period was £119,198.

National Federation of Subpostmasters

Notes to the Financial Statements for the Year Ended 30 September 2019

Other investments

The market value of the listed investments at 30 September 2019 was £1,201,404 (2018 - £1,211,068).

7 Other financial assets (current and non-current)

| | Financial assets at fair value through profit and loss £ | Total £ |
|-------------------------------------|---|------------|
| Non-current financial assets | | |
| Cost or valuation | | |
| At 1 October 2018 | 1,211,069 | 1,211,069 |
| Fair value adjustments | (9,755) | (9,755) |
| Additions | 507,232 | 507,232 |
| Disposals | (507,142) | (507,142) |
| At 30 September 2019 | 1,201,404 | 1,201,404 |
| Carrying amount | | |
| At 30 September 2019 | 1,201,404 | 1,201,404 |

8 Debtors

| | Note | 2019 £ | 2018 £ |
|---|------|-----------|-----------|
| Trade debtors | | 733,042 | 789,361 |
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 12 | 174,996 | 120,069 |
| Prepayments | | 64,185 | 56,312 |
| Other debtors | | 293,678 | 464,673 |
| | | 1,265,901 | 1,430,415 |

National Federation of Subpostmasters

Notes to the Financial Statements for the Year Ended 30 September 2019

9 Creditors

Creditors: amounts falling due within one year

| | Note | 2019 £ | 2018 £ |
|--|------|------------------|------------------|
| Due within one year | | | |
| Trade creditors | | 24,643 | 48,831 |
| Social security and other taxes | | 134,689 | 104,073 |
| Outstanding defined contribution pension costs | | 14,353 | 19,798 |
| Other payables | | 885 | 685 |
| Accrued expenses | | 128,101 | 184,103 |
| Income tax liability | | 313 | 46,595 |
| Deferred income | | 777,500 | 852,500 |
| | | 1,080,484 | 1,256,585 |

10 Reserves

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

| | Merger reserve £ | Total £ |
|--|------------------------|---------------|
| Surplus/(deficit) on revaluation of other assets | 15,117 | 15,117 |
| | 15,117 | 15,117 |

The changes to each component of equity resulting from items of other comprehensive income for the prior year were as follows:

| | Merger reserve £ | Total £ |
|--|------------------------|------------|
| Surplus/(deficit) on revaluation of other assets | 8,825 | 8,825 |

11 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £25,031 (2018 - £18,858).

National Federation of Subpostmasters

Notes to the Financial Statements for the Year Ended 30 September 2019

12 Related party transactions

Transactions with directors

Directors' remuneration

The directors' remuneration for the year was as follows:

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Remuneration | 137,359 | 226,624 |
| Contributions paid to money purchase schemes | 22,524 | 37,003 |
| | 159,883 | 263,627 |

During the year the number of directors who were receiving benefits was as follows:

| | 2019 No. | 2018 No. |
|---|-------------|-------------|
| Accruing benefits under money purchase pension scheme | 2 | 2 |

National Federation of Subpostmasters

Notes to the Financial Statements for the Year Ended 30 September 2019

Summary of transactions with subsidiaries

N.F.S.P. Trading Limited a wholly owned subsidiary.

This company provided the related party with managerial and publishing services.

Income and receivables from related parties

| 2019 | Subsidiary £ |
|---------------------|-----------------|
| Sale of goods | 10,800 |
| Receipt of services | 37,195 |
| | 47,995 |

| 2018 | Subsidiary £ |
|---------------------|-----------------|
| Sale of goods | 13,500 |
| Receipt of services | 36,821 |
| | 50,321 |

Loans to related parties

| 2019 | Subsidiary £ |
|-------------------------|-----------------|
| At start of period | 120,069 |
| Advanced | 57,012 |
| At end of period | 177,081 |

| 2018 | Subsidiary £ |
|-------------------------|-----------------|
| At start of period | 63,916 |
| Advanced | 56,153 |
| At end of period | 120,069 |

Terms of loans to related parties

The loan is interest free and repayable on demand.