

National Federation of Subpostmasters

Annual Report and Financial Statements
for the Year Ended 30 September 2021

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	Mrs Susan Edgar
Chief executive	Mr Calum Brian Greenhow
Directors	Ms Sue Jude Mr Bharat Pranjivan Visani Mr Samuel Houston Mr David Sanghera Mr Sajjad Hussain Mr Joseph David Timothy Boothman Ms Christine Donnelly Mr Stewert Ambrose Waldron Mr Sanjay Joshi Miss Donna May Louise Underhill
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

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(Registration number: 9771284)

Balance Sheet as at 30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	<u>4</u>	427	4,511
Tangible assets	<u>5</u>	744,949	748,605
Investments	<u>6</u>	119,000	119,000
Other financial assets	<u>7</u>	1,211,764	1,013,695
		2,076,140	1,885,811
Current assets			
Debtors	<u>8</u>	989,024	957,889
Cash at bank and in hand		1,518,166	1,364,221
		2,507,190	2,322,110
Creditors: Amounts falling due within one year	<u>9</u>	(908,034)	(851,058)
Net current assets		1,599,156	1,471,052
Total assets less current liabilities		3,675,296	3,356,863
Provisions for liabilities		(47,596)	(29,268)
Net assets		3,627,700	3,327,595
Capital and reserves			
Revaluation reserve		142,381	-
Other reserves		2,984,851	3,006,370
Profit and loss account		500,468	321,225
Shareholders' funds		3,627,700	3,327,595

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 15 March 2022 and signed on its behalf by:

.....
Mrs Susan Edgar
Chairman

.....
Mr Calum Brian Greenhow
Chief executive

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Statement of Changes in Equity for the Year Ended 30 September 2021

	Other reserves £	Merger reserve £	Profit and loss account £	Total £
At 1 October 2020	-	3,006,370	321,225	3,327,595
Surplus for the year	-	-	300,105	300,105
Total comprehensive income	-	-	300,105	300,105
Transfers	142,381	(21,519)	(120,862)	-
At 30 September 2021	142,381	2,984,851	500,468	3,627,700
	Other reserves £	Merger reserve £	Profit and loss account £	Total £
At 1 October 2019	122,182	3,067,601	235,614	3,425,397
Deficit for the year	-	-	(97,801)	(97,801)
Other comprehensive income	-	(47,909)	-	(47,909)
Total comprehensive income	-	(47,909)	(97,801)	(145,710)
Transfers	(122,182)	(13,322)	183,412	47,908
At 30 September 2020	-	3,006,370	321,225	3,327,595

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Notes to the Financial Statements for the Year Ended 30 September 2021

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 15 March 2022.

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 28 March 2022 was Guy Michael Butterworth, who signed for and on behalf of Lucraft Hodgson & Dawes LLP.

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Notes to the Financial Statements for the Year Ended 30 September 2021

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 balance sheet 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

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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 2021

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 25 (2020 - 26).

4 Intangible assets

	Internally generated software development costs £	Total £
Cost or valuation		
At 1 October 2020	52,674	52,674
At 30 September 2021	52,674	52,674
Amortisation		
At 1 October 2020	48,162	48,162
Amortisation charge	4,085	4,085
At 30 September 2021	52,247	52,247
Carrying amount		
At 30 September 2021	427	427
At 30 September 2020	4,511	4,511

5 Tangible assets

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

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Notes to the Financial Statements for the Year Ended 30 September 2021

	Land and buildings £	Furniture, fittings and equipment £	Total £
At 1 October 2020	820,000	12,863	832,863
Additions	-	21,251	21,251
At 30 September 2021	820,000	34,114	854,114
Depreciation			
At 1 October 2020	73,800	10,458	84,258
Charge for the year	16,400	8,507	24,907
At 30 September 2021	90,200	18,965	109,165
Carrying amount			
At 30 September 2021	729,800	15,149	744,949
At 30 September 2020	746,200	2,405	748,605

Included within the net book value of land and buildings above is £729,800 (2020 - £746,200) in respect of freehold land and buildings.

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Notes to the Financial Statements for the Year Ended 30 September 2021

6 Investments

	2021 £	2020 £
Investments in subsidiaries	119,000	119,000
Subsidiaries		£
Cost or valuation		
At 1 October 2020		119,000
Provision		
Carrying amount		
At 30 September 2021		119,000
At 30 September 2020		119,000
Subsidiaries		£
Fair value		
At 1 October 2020		119,000
At 30 September 2021		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	
			2021	2020
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%

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Notes to the Financial Statements for the Year Ended 30 September 2021

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 £21,858 and the aggregate amount of capital and reserves at the end of the period was £131,269.

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Notes to the Financial Statements for the Year Ended 30 September 2021

Other investments

The market value of the listed investments at 30 September 2021 was £1,211,764 (2020 - £1,013,695).

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 2020	1,013,695	1,013,695
Fair value adjustments	155,155	155,155
Additions	361,759	361,759
Disposals	(318,845)	(318,845)
At 30 September 2021	1,211,764	1,211,764
Carrying amount		
At 30 September 2021	1,211,764	1,211,764

8 Debtors

	Note	2021 £	2020 £
Trade debtors		518,033	528,219
Amounts owed by group undertakings and undertakings in which the company has a participating interest	<u>12</u>	-	73,963
Prepayments		57,562	46,151
Other debtors		413,429	309,556
		989,024	957,889

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Notes to the Financial Statements for the Year Ended 30 September 2021

9 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £
Due within one year			
Trade creditors		33,182	30,059
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>12</u>	16,584	-
Taxation and social security		129,912	119,840
Accruals and deferred income		709,333	691,201
Other creditors		19,023	9,958
		908,034	851,058

10 Reserves

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	(47,909)	(47,909)

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 £7,920 (2020 - £14,309).

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Notes to the Financial Statements for the Year Ended 30 September 2021

12 Related party transactions

Transactions with directors

Directors' remuneration

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

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	1	1

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Notes to the Financial Statements for the Year Ended 30 September 2021

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

	Subsidiary £
2021	
Receipt of services	30,000
	30,000
2020	
Receipt of services	30,000
	30,000

Loans to related parties

	Subsidiary £	Total £
2021		
At start of period	73,964	73,964
Repaid	(73,964)	(73,964)
At end of period	-	-
2020		
At start of period	177,081	177,081
Repaid	(103,117)	(103,117)
At end of period	73,964	73,964

Terms of loans to related parties

The loan is interest free and repayable on demand.

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Notes to the Financial Statements for the Year Ended 30 September 2021

Loans from related parties

	Subsidiary £	Total £
2021		
Advanced	16,584	16,584
At end of period	16,584	16,584

Terms of loans from related parties

The loans are interest free and repayable on demand.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.