

Charity registration number: 262704

**National Federation of Subpostmasters Benevolent Fund**

Annual Report and Financial Statements  
for the Year Ended 31 December 2020

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**National Federation of Subpostmasters Benevolent Fund****Contents**

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**National Federation of Subpostmasters Benevolent Fund****Reference and Administrative Details**

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<b><u>Chairman</u></b>	Ms Sue Jude
<b><u>Trustees</u></b>	Mr Nileshchandra Joshi (resigned 18 January 2021) Mr Timothy Boothman Mr Samuel Houston Ms Sue Jude
<b><u>Principal Office</u></b>	Evelyn House 22 Windlesham Gardens Shoreham by Sea West Sussex BN43 5AZ
<b><u>Charity Registration Number</u></b>	262704
<b><u>Auditor</u></b>	Lucraft Hodgson & Dawes LLP Chartered Accountants 2/4 Ash Lane Rustington West Sussex BN16 3BZ

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## National Federation of Subpostmasters Benevolent Fund

### Trustees' Report

The trustees present the annual report together with the financial statements and auditors' report of the charity for the year ended 31 December 2020.

### Objectives and activities

#### *Objects and aims*

The Benevolent Fund was founded in 1944 to help serving or retired subpostmasters and their dependants who fall on hard times. The charity is constituted as an unincorporated association.

The object of the Fund is to grant temporary assistance in cases of need to:

- a) Serving or retired subpostmasters; and
- b) Serving or former employees of the National Federation of SubPostmasters; and
- c) Partners and children of the aforementioned persons resulting from:
  - i) Breakdown in health.
  - ii) Bereavement.
  - iii) Domestic distress.

During the current year we will continue to publicise the Fund and its work. We will continue our regular review programme for all ongoing beneficiaries.

The Board of Benevolence, notwithstanding anything contained within the rules, holds discretionary power to relieve any exceptional cases which may be brought to its notice.

The intention of the Benevolent Fund is to use its funds in order that those who have contributed shall in times of need be accorded priority of consideration.

#### *Public benefit*

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales

The trustees regularly advertise the activities and the objectives to ensure they are widely known to potential beneficiaries.

#### *Grant making policies*

The charity principally provides grants and other financial assistance to eligible beneficiaries which are in need.

#### *Use of volunteers*

The charity relies upon volunteers which are drawn from the National Federation of SubPostmasters to undertake its objectives.

### Financial review

#### *Policy on reserves*

The Trustees have considered the reserves of the charity and the need for it to hold sufficient funds to enable assistance to be given in cases of great hardship. The Trustees are actively seeking new sources of funds to enable the Fund to continue to provide assistance when required in the future.

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## National Federation of Subpostmasters Benevolent Fund

### Trustees' Report

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#### *Principal funding sources*

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The Benevolent Fund's sources of funding are regular donations from serving subpostmasters, income earned from investments and fundraising activities.

#### *Investment policy and objectives*

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There are no specific restrictions other than the investments be suitable for Charities.

The investment of the charity's fund is managed by professional fund managers under the management and scrutiny of the Trustees.

The investment objective is intended to achieve capital and income growth which over the long term will endeavour to maintain the real value of the assets. This is to be achieved by investment in a balanced portfolio comprising cash based investments, fixed interest and equities, with a medium risk profile.

In order to monitor progress the investment managers provide four quarterly capital performance reports. The reports include the movement on the FT All Share Index over the same periods.

The Trustees periodically consider whether there is a need to revise the Investment Policy Statement and if so will advise the investment managers.

### Structure, governance and management

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#### *Nature of governing document*

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The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

The administration and control of the fund is vested in the Board of Benevolence which consists of one Executive Officer elected from and by each Regional Council of the National Federation of SubPostmasters and the Executive Officer for Northern Ireland; the representatives are declared at the meeting of the Executive Council of the National Federation of SubPostmasters held immediately after its Annual Conference. All members of the Board of Benevolence retire annually, but are eligible for re-election. In the event of a vacancy occurring by death or otherwise, during the year, the Regional Council affected has the power to elect another representative.

#### *Recruitment and appointment of trustees*

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The Trustees are elected from and by the Board of Benevolence. The Trustees continue in office during their lives, or until they resign or cease to be a member of the Board of Benevolence, or are removed by resolution of a meeting of the Board of Benevolence. The Board of Benevolence has the power to appoint a Trustee where a vacancy occurs.

#### *Induction and training of trustees*

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All serving trustees are long standing members of the Board of Benevolence and are familiar with the practical work of the charity prior to being appointed trustees.

The Benevolent Fund subscribes to both relevant publications and a charity association which assists the Trustees in ensuring that their duties are carried out in accordance with best current practice.

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## **National Federation of Subpostmasters Benevolent Fund**

### **Trustees' Report**

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#### ***Organisational structure***

The Benevolent Fund is a charity which is separate from the National Federation of SubPostmasters, but the two organisations enjoy a close working relationship.

The Fund is a member of the Association of Charitable Organisations (ACO) which provides information on important issues in the sector.

#### **Relationships with related parties**

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##### **National Federation of SubPostmasters**

The Benevolent Fund is a charity which is separate from the National Federation of SubPostmasters, but the two organisations enjoy a close working relationship.

#### **Financial Instruments**

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##### ***Objectives and policies***

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

##### ***Cash flow risk***

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

##### ***Credit risk***

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

##### ***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

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**National Federation of Subpostmasters Benevolent Fund****Trustees' Report**

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**Disclosure of information to auditor**

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Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on ..... and signed on its behalf by:



.....  
Ms Sue Jude  
Chairman and Trustee

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## National Federation of Subpostmasters Benevolent Fund

### Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities 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 charity and of the incoming resources and application of resources of the charity 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 SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 12/04/22 and signed on its behalf by:



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Ms Sue Jude  
Chairman and Trustee

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## **National Federation of Subpostmasters Benevolent Fund**

### **Independent Auditor's Report to the Members of National Federation of Subpostmasters Benevolent Fund**

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#### **Opinion**

We have audited the financial statements of National Federation of Subpostmasters Benevolent Fund (the 'charity') for the year ended 31 December 2020, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its 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 requirements of 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 charity 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**

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

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**National Federation of Subpostmasters Benevolent Fund****Independent Auditor's Report to the Members of National Federation of Subpostmasters Benevolent Fund**

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We have nothing to report in this regard.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 6), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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## **National Federation of Subpostmasters Benevolent Fund**

### **Independent Auditor's Report to the Members of National Federation of Subpostmasters Benevolent Fund**

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We have considered the nature of the sector, control environment and financial performance;

we have considered the results of enquiries with management and members in relation to their own identification and assessment of a risk of irregularities within the entry; and

we have reviewed the key processes and controls and performed tests of transactions to confirm that the systems are operating in line with the documentation.

we have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest risk area to be in relation to revenue recognition. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regularity framework that the Fund operates in, focussing on provisions of those laws and regulations that have a direct effect on the termination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included Charities Acts 2011, Charity SORP 2019 and the terms and conditions attaching to any material grants received by the charity.

In addition we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Fund's ability to operate or avoid material penalty.

Our procedures to respond to risks identified to include the following:-

Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

Performing analytical procedures to identify unusual or unexpected relationships that may indicate a risk of material misstatement due to fraud;

Reviewing Board Meeting minutes;

Enquiring of management in relation to actual potential claims or litigations and;

Performing detailed transaction testing in relation to recognition of revenue.

The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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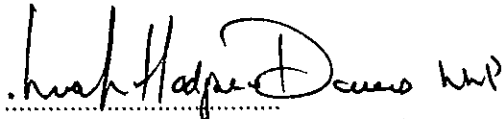
**National Federation of Subpostmasters Benevolent Fund**

**Independent Auditor's Report to the Members of National Federation of Subpostmasters Benevolent Fund**

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**Use of our report**

This report is made solely to the charity trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Michael Butterworth (Senior Statutory Auditor)  
For and on behalf of Lucraft Hodgson & Dawes LLP, Statutory Auditor

2/4 Ash Lane  
Rustington  
West Sussex  
BN16 3BZ

Date: 12/04/2022

# National Federation of Subpostmasters Benevolent Fund

## Statement of Financial Activities for the Year Ended 31 December 2020

	Note	Unrestricted £	Total 2020 £
<b>Income and Endowments from:</b>			
Donations and legacies		3,884	3,884
Investment income	3	25,466	25,466
<b>Total Income</b>		<b>29,350</b>	<b>29,350</b>
<b>Expenditure on:</b>			
Raising funds		(11,166)	(11,166)
Charitable activities		(44,728)	(44,728)
<b>Total Expenditure</b>		<b>(55,894)</b>	<b>(55,894)</b>
Gains/losses on investment assets		(105,233)	(105,233)
<b>Net movement in funds</b>		<b>(131,777)</b>	<b>(131,777)</b>
<b>Reconciliation of funds</b>			
Total funds brought forward		1,031,127	1,031,127
<b>Total funds carried forward</b>	14	<b>899,350</b>	<b>899,350</b>
	Note	Unrestricted £	Total 2019 £
<b>Income and Endowments from:</b>			
Donations and legacies		5,669	5,669
Investment income	3	40,479	40,479
<b>Total Income</b>		<b>46,148</b>	<b>46,148</b>
<b>Expenditure on:</b>			
Raising funds		(6,449)	(6,449)
Charitable activities		(70,171)	(70,171)
<b>Total Expenditure</b>		<b>(76,620)</b>	<b>(76,620)</b>
Gains/losses on investment assets		88,094	88,094
<b>Net movement in funds</b>		<b>57,622</b>	<b>57,622</b>
<b>Reconciliation of funds</b>			
Total funds brought forward		973,508	973,508
<b>Total funds carried forward</b>	14	<b>1,031,130</b>	<b>1,031,130</b>

All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2019 is shown in note 14.

The notes on pages 13 to 21 form an integral part of these financial statements.


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**National Federation of Subpostmasters Benevolent Fund****(Registration number: 262704)****Balance Sheet as at 31 December 2020**

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	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	137	137
Investments	11	949,887	1,023,574
		<b>950,024</b>	<b>1,023,711</b>
<b>Current assets</b>			
Debtors	12	3,006	1,897
Cash at bank and in hand		67,202	132,052
		<b>70,208</b>	<b>133,949</b>
<b>Creditors: Amounts falling due within one year</b>	13	<b>(120,940)</b>	<b>(126,530)</b>
<b>Net current (liabilities)/assets</b>		<b>(50,732)</b>	<b>7,419</b>
<b>Net assets</b>		<b>899,292</b>	<b>1,031,130</b>
<b>Funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted		899,350	1,031,130
<b>Total funds</b>	14	<b>899,350</b>	<b>1,031,130</b>

The financial statements on pages 11 to 21 were approved by the trustees, and authorised for issue on ~~12/04/2022~~ and signed on their behalf by:

  
.....  
Mr Timothy Boothman  
Trustee

  
.....  
Ms Sue Jude  
Chairman and Trustee

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The notes on pages 13 to 21 form an integral part of these financial statements.

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## National Federation of Subpostmasters Benevolent Fund

### Notes to the Financial Statements for the Year Ended 31 December 2020

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#### 1 Accounting policies

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##### *Statement of compliance*

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### *Basis of preparation*

National Federation of Subpostmasters Benevolent Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### *Exemption from preparing a cash flow statement*

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### *Going concern*

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

##### *Income and endowments*

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### *Donations and legacies*

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

##### *Gift aid*

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

##### *Investment income*

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

##### *Expenditure*

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### *Raising funds*

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

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## National Federation of Subpostmasters Benevolent Fund

### Notes to the Financial Statements for the Year Ended 31 December 2020

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#### Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

#### Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### Tangible fixed assets

Individual fixed assets costing £500.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Furniture and equipment	25% - reducing balance

#### Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

#### 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.

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## National Federation of Subpostmasters Benevolent Fund

### Notes to the Financial Statements for the Year Ended 31 December 2020

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#### *Fund structure*

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

#### *Financial instruments*

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##### *Classification*

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

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

##### *Recognition and measurement*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

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## National Federation of Subpostmasters Benevolent Fund

### Notes to the Financial Statements for the Year Ended 31 December 2020

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#### *Debt instruments*

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

#### *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

# **National Federation of Subpostmasters Benevolent Fund**

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

### **2 Income from donations and legacies**

	Unrestricted funds	Total
	General £	funds £
Donations and legacies;		
Donations from individuals	3,559	3,559
Other income from donations and legacies	325	325
<b>Total for 2020</b>	<b>3,884</b>	<b>3,884</b>
<b>Total for 2019</b>	<b>5,669</b>	<b>5,669</b>

### **3 Investment income**

	Unrestricted funds	Total
	General £	funds £
Interest receivable and similar income;		
Interest receivable on bank deposits	21	21
Other income from fixed asset investments	25,445	25,445
<b>Total for 2020</b>	<b>25,466</b>	<b>25,466</b>
<b>Total for 2019</b>	<b>40,479</b>	<b>40,479</b>

### **4 Expenditure on raising funds**

#### **a) Investment management costs**

	Unrestricted funds	Total
Note	General £	funds £
Other investment management costs;		
Other portfolio management costs	11,166	11,166
<b>Total for 2020</b>	<b>11,166</b>	<b>11,166</b>
<b>Total for 2019</b>	<b>6,449</b>	<b>6,449</b>

# **National Federation of Subpostmasters Benevolent Fund**

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

### **5 Expenditure on charitable activities**

	Unrestricted funds	Total
Note	General £	funds £
Grant funding of activities	29,304	29,304
Allocated support costs	222	222
Governance costs	15,202	15,202
<b>Total for 2020</b>	<b>44,728</b>	<b>44,728</b>
<b>Total for 2019</b>	<b>70,171</b>	<b>70,171</b>

### **6 Analysis of governance and support costs**

#### **Governance costs**

	Unrestricted funds	Total
	General £	funds £
Audit fees		
Audit of the financial statements	3,480	3,480
Other governance costs	11,722	11,722
<b>Total for 2020</b>	<b>15,202</b>	<b>15,202</b>
<b>Total for 2019</b>	<b>15,943</b>	<b>15,943</b>

### **7 Trustees remuneration and expenses**

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

### **8 Auditors' remuneration**

	2020 £	2019 £
Audit of the financial statements	3,480	3,480

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**National Federation of Subpostmasters Benevolent Fund****Notes to the Financial Statements for the Year Ended 31 December 2020**

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**9 Taxation**

The charity is a registered charity and is therefore exempt from taxation.

**10 Tangible fixed assets**

	<b>Furniture and equipment £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2020	<b>13,618</b>	<b>13,618</b>
<b>At 31 December 2020</b>	<b>13,618</b>	<b>13,618</b>
<b>Depreciation</b>		
At 1 January 2020	<b>13,481</b>	<b>13,481</b>
<b>At 31 December 2020</b>	<b>13,481</b>	<b>13,481</b>
<b>Net book value</b>		
<b>At 31 December 2020</b>	<b>137</b>	<b>137</b>
<b>At 31 December 2019</b>	<b>137</b>	<b>137</b>

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**National Federation of Subpostmasters Benevolent Fund****Notes to the Financial Statements for the Year Ended 31 December 2020**

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**11 Fixed asset investments**

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**Other investments**

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	Listed investments £	Total £
<b>Cost or Valuation</b>		
At 1 January 2020	1,023,574	1,023,574
Revaluation	(47,937)	(47,937)
Additions	577,802	577,802
Disposals	(603,552)	(603,552)
<b>At 31 December 2020</b>	<b>949,887</b>	<b>949,887</b>
<b>Net book value</b>		
<b>At 31 December 2020</b>	<b>949,887</b>	<b>949,887</b>
<b>At 31 December 2019</b>	<b>1,023,574</b>	<b>1,023,574</b>

**12 Debtors**

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	2020 £	2019 £
Prepayments	1,125	-
Other debtors	1,881	1,897
	<b>3,006</b>	<b>1,897</b>

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

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	2020 £	2019 £
Other creditors	96,855	116,632
Accruals	24,085	9,898
	<b>120,940</b>	<b>126,530</b>

# National Federation of Subpostmasters Benevolent Fund

## Notes to the Financial Statements for the Year Ended 31 December 2020

### 14 Funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2020 £
<b>Unrestricted funds</b>					
General	1,031,127	29,025	(55,569)	(105,233)	899,350
	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2019 £
<b>Unrestricted funds</b>					
General	973,508	44,081	(74,553)	88,094	1,031,130

### 15 Analysis of net assets between funds

	Unrestricted	
	General £	Total funds £
Tangible fixed assets	137	137
Fixed asset investments	949,887	949,887
Current assets	70,208	70,208
Current liabilities	(120,940)	(120,940)
<b>Total net assets</b>	<b>899,292</b>	<b>899,292</b>

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**National Federation of Subpostmasters Benevolent Fund****Statement of Financial Activities by fund for the Year Ended 31 December 2020**

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	<b>Total Unrestricted Funds 2020 £</b>	<b>Total Unrestricted Funds 2019 £</b>
<b>Income and Endowments from:</b>		
Donations and legacies	3,884	5,669
Investment income	25,466	40,479
Total income	29,350	46,148
<b>Expenditure on:</b>		
Raising funds	(11,166)	(6,449)
Charitable activities	(44,728)	(70,171)
Total expenditure	(55,894)	(76,620)
Gains/losses on investment assets	(105,233)	88,094
<b>Net (expenditure)/income</b>	<b>(131,777)</b>	<b>57,622</b>
<b>Net movement in funds</b>	<b>(131,777)</b>	<b>57,622</b>
<b>Reconciliation of funds</b>		
Total funds brought forward	1,031,127	973,508
<b>Total funds carried forward</b>	<b>899,350</b>	<b>1,031,130</b>

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This page does not form part of the statutory financial statements.

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**National Federation of Subpostmasters Benevolent Fund****Detailed Statement of Financial Activities for the Year Ended 31 December 2020**

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	<b>Total 2020 £</b>	<b>Total 2019 £</b>
<b>Income and Endowments from:</b>		
Donations and legacies (analysed below)	3,884	5,669
Investment income (analysed below)	25,466	40,479
Total income	29,350	46,148
<b>Expenditure on:</b>		
Raising funds (analysed below)	(11,166)	(6,449)
Charitable activities (analysed below)	(44,728)	(70,171)
Total expenditure	(55,894)	(76,620)
Gains/losses on investment assets (analysed below)	(105,233)	88,094
<b>Net (expenditure)/income</b>	<b>(131,777)</b>	<b>57,622</b>
<b>Net movement in funds</b>	<b>(131,777)</b>	<b>57,622</b>
<b>Reconciliation of funds</b>		
Total funds brought forward	1,031,127	973,508
<b>Total funds carried forward</b>	<b>899,350</b>	<b>1,031,130</b>

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**National Federation of Subpostmasters Benevolent Fund****Detailed Statement of Financial Activities for the Year Ended 31 December 2020**

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	<b>Total 2020 £</b>	<b>Total 2019 £</b>
<b><i>Donations and legacies</i></b>		
Appeals and donations	3,559	3,602
Fundraising events	325	2,067
	<b>3,884</b>	<b>5,669</b>
<b><i>Investment income</i></b>		
Income from listed investments	25,445	40,295
Interest on cash deposits	21	184
	<b>25,466</b>	<b>40,479</b>
<b><i>Raising funds</i></b>		
Portfolio management costs	(11,166)	(6,449)
	<b>(11,166)</b>	<b>(6,449)</b>
<b><i>Charitable activities</i></b>		
Grants payable - individuals	(29,304)	(53,521)
Travelling	(222)	(78)
Trade subscriptions	-	(629)
Clerical assistance	(12,000)	(12,000)
The audit of the charity's annual accounts	(3,480)	(3,480)
Printing, postage and stationery	-	(269)
Bank charges	-	(30)
Foreign currency (gains)/losses	278	(164)
	<b>(44,728)</b>	<b>(70,171)</b>
<b><i>Gains/losses on investment assets</i></b>		
Revaluation reserve - investment assets	(47,937)	66,014
Realised investment gains	(57,296)	22,080

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