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# FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

Year ended:

List No:

Head or Main Office:

Website address (if available)

Has the address changed during the year to which the return relates?  Yes  No (Tick as appropriate)

General Secretary:

Contact name for queries regarding the completion of this return:

Telephone Number:

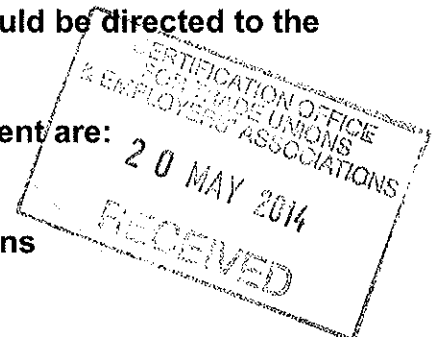
e-mail:

**PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.**  
Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Employers' Associations based in England and Wales:  
Certification Office for Trade Unions and Employers' Associations  
22<sup>nd</sup> Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Employers' Associations based in Scotland:  
Certification Office for Trade Unions and Employers' Associations  
Melrose House, 69a George Street, Edinburgh EH2 2JG



# RETURN OF MEMBERS

(see note 9)

NUMBER OF MEMBERS AT THE END OF THE YEAR				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
<b>13953</b>	<b>271</b>	<b>18</b>	<b>3</b>	<b>14245</b>

## OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

## CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
Board Member		<b><i>C M Woodhead</i></b>	15/01/2013
Board Member	A J Parker		17/01/2014

# REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£	£
	<b>INCOME</b>		
23478	From Members                      Subscriptions, levies, etc		23845
7	Investment income    Interest and dividends (gross) Bank interest (gross) Other (specify)		3
	Other income            Rents received Insurance commission Consultancy fees Publications/Seminars Miscellaneous receipts (specify)		
			23848
23485	<b>TOTAL INCOME</b>		
	<b>EXPENDITURE</b>		
	Administrative expenses		
	Remuneration and expenses of staff		
	Occupancy costs		
	Printing, Stationery, Post		
	Telephones		
	Legal and Professional fees		
	Miscellaneous (specify)		
12459	Direct Costs	13381	
	Other charges		
	Bank charges		
	Depreciation		
	Sums written off		
	Affiliation fees		
	Donations		
	Conference and meeting fees		
	Expenses		
	Miscellaneous (specify)	10037	
9840	National Operating costs & Interest Payable	(28)	
(66)	Recovery of provision for loss cash deposit	(853)	
2120	Pension costs	7	
7	Taxation		
24360	<b>TOTAL EXPENDITURE</b>		22544
(875)	Surplus/Deficit for year		1304
460	Amount of fund at beginning of year		(415)
(415)	Amount of fund at end of year		889

# ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

<b>ACCOUNT 2</b>		<b>Fund Account</b>	
Name of account:		£	£
<b>Income</b>	From members Investment income Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
	<b>Total Expenditure</b>		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

<b>ACCOUNT 3</b>		<b>Fund Account</b>	
Name of account:		£	£
<b>Income</b>	From members Investment income Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
	<b>Total Expenditure</b>		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

# ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 4		Fund Account	
Name of account:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
		<b>Total Income</b>	
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
			<b>Total Expenditure</b>
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 5		Fund Account	
Name of account:		£	£
<b>Income</b>	From members		
	Investment income		
	Other income (specify)		
		<b>Total Income</b>	
<b>Expenditure</b>	Administrative expenses		
	Other expenditure (specify)		
			<b>Total Expenditure</b>
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

# ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

<b>ACCOUNT 6</b>		<b>Fund Account</b>	
<b>Name of account:</b>		£	£
<b>Income</b>	From members Investment income Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
	<b>Total Expenditure</b>		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

<b>ACCOUNT 7</b>		<b>Fund Account</b>	
<b>Name of account:</b>		£	£
<b>Income</b>	From members Investment income Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
	<b>Total Expenditure</b>		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

**BALANCE SHEET AS AT [ ]**  
(see notes 19 and 20)

Previous Year		£	£
3506	<b>Fixed Assets</b> (as at page 11)		3209
	<b>Investments</b> (as per analysis on page 13)		
	Quoted (Market value £ )		
	Unquoted		
	<b>Total Investments</b>		
	<b>Other Assets</b>		
5758	Sundry debtors	5648	
3000	Cash at bank and in hand	1226	
220	Stocks of goods	249	
	Others (specify)		7123
	<b>Total of other assets</b>		
12484		<b>TOTAL ASSETS</b>	10332
6377	General reserve	Fund (Account)	5517
(6792)	Pension Reserve	Fund (Account)	(4628)
		Fund (Account)	
		Revaluation Reserve	
	<b>Liabilities</b>		
	Loans		
	Bank overdraft		
998	Tax payable	1073	
4259	Sundry creditors	3021	
850	Accrued expenses	721	
	Provisions		
6792	Other liabilities: Pension reserve	4628	
12899		<b>TOTAL LIABILITIES</b>	9443
(415)		<b>TOTAL ASSETS</b>	889

## FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
<b>COST OR VALUATION</b>				
At start of period	1921	2089	3857	7867
Additions during period	-	77	245	322
Less: Disposals during period		(434)	(47)	(481)
Less: DEPRECIATION:	38	173	403	614
Total to end of period	945	890	2664	4499
<b>BOOK AMOUNT</b> at end of period	976	842	1391	3209
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
<b>AS BALANCE SHEET</b>	976	842	1391	3209



# ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
<b>QUOTED</b>	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Quoted Investments	
<b>UNQUOTED</b>	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Unquoted Investments	

\* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

<b>Does the association, or any constituent part of the association, have a controlling interest in any limited company?</b>		YES	NO
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
<b>INCORPORATED EMPLOYERS' ASSOCIATIONS</b>			
<b>Are the shares which are controlled by the association registered in the association's name</b>		YES	NO
If NO, please state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
<b>UNINCORPORATED EMPLOYERS ASSOCIATIONS</b>			
<b>Are the shares which are controlled by the association registered in the names of the association's trustees?</b>		YES	NO
If NO, state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

# SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
	23848		23848
From Members	3		3
From Investments			
Other Income (including increases by revaluation of assets)			
<b>Total Income</b>	23848		23848
<b>EXPENDITURE</b> (including decreases by revaluation of assets)	22544		22544
<b>Total Expenditure</b>			
<b>Funds at beginning of year</b> (including reserves)	(415)		(415)
<b>Funds at end of year</b> (including reserves)	889		889
<b>ASSETS</b>			
Fixed Assets			3209
Investment Assets			
Other Assets			7123
		<b>Total Assets</b>	10332
<b>LIABILITIES</b>		<b>Total Liabilities</b>	9443
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			889

# NOTES TO THE ACCOUNTS

(see note 36)

All notes to the accounts must be entered on or attached to this part of the return.

Please see attached document

# ACCOUNTING POLICIES

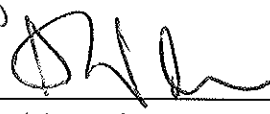
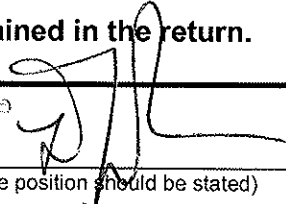
(see notes 37 and 38)

Please see attached document

## SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

<p>Secretary's Signature: <u></u></p> <p>Name: <u>DAVID WELLS</u></p> <p>Date: <u>19/05/14</u></p>	<p>Chairman's <sup>Treas</sup> Signature: <u></u></p> <p>(or other official whose position should be stated)</p> <p>Name: <u>TIMO DE GENCIEL</u></p> <p>Date: <u>19/05/14</u></p>
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## CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES		NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES		NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES		NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES		NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES		NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES		NO	

# AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?  
(See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

YES/~~NO~~

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
  - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
  - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 43)

YES/~~NO~~

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
  - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in note 43)

YES/~~NO~~

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.  
(See note 45)

# AUDITOR'S REPORT (continued)

[Empty space for auditor's report content]

Signature(s) of auditor or auditors:	<i>Kingston Smith Ltd</i>	
Name(s):	KINGSTON SMITH LTD	
Profession(s) or Calling(s):	REGISTERED AUDITOR	
Address(es):	DEVONSHIRE HOUSE 60 GOSWELL ROAD LONDON EC1M 7AD	
Date:	10 MARCH 2014	
Contact name and telephone number:	020 7566 4000	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

# Independent Auditors' Report to the Members of Freight Transport Association Limited

We have audited the financial statements of Freight Transport Association Limited for the year ended 31 December 2013 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

## Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 17 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit 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 Companies Act 2006.

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Devonshire House, 60 Goswell Road  
London EC1M 7AD

10 March 2014



Janice Riches (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP, Statutory Auditor



## Income and Expenditure Account for the year ended 31 December 2013

	Note	2013		2012	
		£'000	£'000	£'000	£'000
Income	1 (vi) and 2		23,845		23,478
Direct Expenses			<u>13,381</u>		<u>12,459</u>
Gross Surplus			10,464		11,019
National Operating Expenses	3		<u>9,889</u>		<u>9,630</u>
Trading Surplus			575		1,389
Exceptional item – recovery of cash deposit	4(ii)		28		66
Operating Surplus	4(i)		<u>603</u>		<u>1,455</u>
Income from deposits		3		7	
Interest payable and similar charges		(5)		(5)	
Other Finance Expenditure	15	<u>(143)</u>		<u>(205)</u>	
			<u>(145)</u>		<u>(203)</u>
Surplus before taxation			458		1,252
Taxation	6		<u>7</u>		<u>7</u>
Surplus for the year			<u>451</u>		<u>1,245</u>

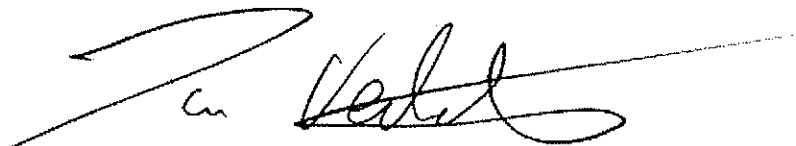
### Continuing Operations

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during the above two financial years. The income and operating result derive entirely from continuing operations.

# Balance Sheet 31 December 2013

	Note	2013		2012	
		£'000	£'000	£'000	£'000
<b>Fixed Assets:</b>					
Tangible Assets	7		3,209		3,506
<b>Current Assets:</b>					
Stock	1(iv)	249		220	
Debtors	8	5,648		5,758	
Cash at bank and in hand		<u>1,226</u>		<u>3,000</u>	
		7,123		8,978	
<b>Creditors:</b>					
Amounts falling due within one year	9	<u>4,759</u>		<u>6,068</u>	
<b>Net Current Assets</b>			<u>2,364</u>		<u>2,910</u>
<b>Total Assets less Current Liabilities</b>			5,573		6,416
Creditors: amounts falling due after more than one year	10		<u>56</u>		<u>39</u>
<b>Net Assets Excluding Pension Liability</b>			5,517		6,377
Less Pension Scheme Liability	11		<u>4,628</u>		<u>6,792</u>
			<u>889</u>		<u>(415)</u>
<b>Reserves</b>					
<b>Accumulated Reserves:</b>					
General reserve	12(i) to (v)		5,517		6,377
Pension reserve			<u>(4,628)</u>		<u>(6,792)</u>
			<u>889</u>		<u>(415)</u>

Approved by the Board and authorised for issue on 7 March 2014



I Veitch, President



J D Moxon, Honorary Treasurer  
Company registration no: 00391957

# Notes to the Accounts 31 December 2013

## I Accounting policies

(i) Accounting Convention

These Accounts have been prepared under the historical cost convention.

(ii) Compliance with Accounting Standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

(iii) Depreciation

Depreciation is provided on an annual instalments basis over the expected useful lives of assets as follows:

Freehold Buildings	50 years	Furniture and Equipment	4 to 10 years
Motor Vehicles	4 years	Computers	3 to 5 years

(iv) Stock

Stock is valued at the lower of cost and net realisable value and is comprised of finished goods and goods for resale.

(v) Taxation

Taxation is provided on non-member income and capital gains only.

(vi) Income

Membership income is recognised in the month due.

All other income is recognised at the time the goods or services are provided.

All turnover excludes value added tax.

(vii) Pensions

For the defined benefit pension scheme Operating Surplus is charged with the cost of providing pension benefits earned by employees in the year. The expected return on pension scheme assets less the interest on pension scheme liabilities is shown as other finance expenditure within the Income and Expenditure Account.

Actuarial gains and losses arising in the year from the difference between actual and expected returns on pension scheme assets, experience gains and losses on pension scheme liabilities and the effects of changes in financial assumptions are included in the Statement of Total Recognised Gains and Losses.

For the defined contribution scheme the amount charged to the Income and Expenditure account in respect of pension cost is the contributions payable in the year.

(viii) Operating Leases

Costs in respect of operating leases are charged to the Income and Expenditure account on a straight line basis over the term of the lease.

(ix) Finance Leases

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased equipment and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in creditors. The interest element of the finance cost is charged to the Income and Expenditure account over the lease period so as to produce a constant periodic rate of interest for each period. Equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

(x) Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

All differences are taken to the Income and Expenditure account.

## Cash Flow Statement for the year ended 31 December 2013

	Note	<b>2013</b> £'000	<b>2012</b> £'000
Net cash (outflow)/inflow from operating activities	13(i)	(1,495)	875
Return on investments and servicing of finance	13(ii)	(2)	2
Taxation – Corporation Tax paid		(7)	...
Capital expenditure and financial investment	13(iii)	<u>(216)</u>	<u>(868)</u>
Net cash (outflow)/inflow before use of liquid resources and financing		(1,720)	9
<b>Financing:</b>			
Capital element of finance lease rental payment		<u>(54)</u>	<u>(35)</u>
<b>(Decrease) in cash in the year</b>	14	<u>(1,774)</u>	<u>(26)</u>
<b>Reconciliation of net cash flow to movements in net funds (note 14)</b>			
(Decrease) in cash in the year		(1,774)	(26)
Cash outflow from finance lease payments		<u>54</u>	<u>35</u>
Change in net debt resulting from cash flows		(1,720)	9
New finance leases		(101)	(110)
Net funds at 1 January 2013		<u>2,925</u>	<u>3,026</u>
Net funds at 31 December 2013	14	<u>1,104</u>	<u>2,925</u>

## Statement of Total Recognised Gains and Losses for the year ended 31 December 2013

	Note	<b>2013</b> £'000	<b>2012</b> £'000
Surplus before transfer to Reserves		451	1,245
Actuarial gain/(loss) on pension scheme	15	<u>853</u>	<u>(2,120)</u>
Total recognised gains/(losses) relating to the year		<u>1,304</u>	<u>(875)</u>

# Notes to the Accounts 31 December 2013

## 5 Employment Costs

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
(i) Employee costs during the year amounted to:		
Salaries and bonuses	12,163	12,301
Social Security costs	1,192	1,252
Defined Contribution pension costs	<u>644</u>	<u>669</u>

	<b>2013</b>	<b>2012</b>
(ii) The average number of employees during the year was:		
Operations	238	256
National Operating Expenses	154	157
Software development	<u>1</u>	<u>6</u>
	<u>393</u>	<u>419</u>

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
(iii) Director emoluments		
Emoluments for qualifying services	224	213
Company pension contributions to defined contribution schemes	<u>2</u>	<u>24</u>
	<u>226</u>	<u>237</u>

### Contribution schemes

The number of Directors for whom retirement benefits are accruing under defined contribution schemes amount to 1 (2012-1). Emoluments disclosed above include the following amounts paid to the highest paid Director:

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Emoluments for qualifying services	208	190
Company pension contributions to defined contribution schemes	<u>2</u>	<u>24</u>
	<u>210</u>	<u>214</u>

The highest paid director is a member of the company's defined contribution scheme and had accrued entitlements of £262,000 under the scheme at the year end.

There is also an accrued lump sum of £65,000.

## 6 Taxation

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
UK Corporation tax at 20% (2012: 20.25%)	<u>7</u>	<u>7</u>
Current tax charge	<u>7</u>	<u>7</u>

# Notes to the Accounts 31 December 2013

## 2 Income

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Membership fees	3,814	3,844
Commercial activities	<u>20,031</u>	<u>19,634</u>
	<u>23,845</u>	<u>23,478</u>
Geographical analysis		
United Kingdom	22,761	23,110
Ireland	1,030	310
Rest of world	<u>54</u>	<u>58</u>
	<u>23,845</u>	<u>23,478</u>

## 3 National Operating Expenses

The heading 'Administration expenses' which is specified in the Companies Act 2006 has been altered in favour of the heading 'National Operating Expenses'. The Directors consider that this heading more accurately describes the nature and substance of the expenses than that prescribed by the Companies Act 2006.

## 4 Operating Surplus

(i) The surplus for the year is derived after charging/(crediting):

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Auditors' remuneration in respect of:		
Statutory audit services	37	36
Other non-audit services	14	14
Depreciation:		
Owned assets	576	393
Assets held under finance leases	38	37
Profit on disposal of fixed assets	–	(7)
Loss on foreign exchange transactions	–	5
Operating lease payments:		
Land and buildings	102	108
Other operating leases	<u>923</u>	<u>885</u>

(ii) Exceptional item – Recovery of cash deposit

At 31 December 2008, the company had £500,000 in a deposit account with the Icelandic bank, Kaupthing, Singer and Friedlander (KSF). On 8 October 2008, Kaupthing, Singer and Friedlander went into administration whereupon all deposits were frozen and no withdrawals were permitted. The company ranks as a non preferential creditor against KSF and is being dealt with in accordance with the Insolvency Act 1986. In the absence of any reliable information to substantiate how much of the deposit was likely to be recoverable, a provision of £500,000 was made at 31 December 2008 for the non-recovery of the entire deposit. During 2013, the company received £28,000 (2012: £66,000) from the administrators thus reducing the overall loss to £86,000 as at 31 December 2013.

# Notes to the Accounts 31 December 2013

## 9 Creditors: Amounts falling due within one year

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	1,138	1,158
Other creditors	–	1,300
Corporation Tax	7	7
Social Security and other taxes	1,066	991
Obligations under finance leases (note 16)	66	36
Accruals and deferred income:		
Vehicle and Tachograph Inspection Services	944	1,029
Other member services	817	697
General	721	850
	<u>4,759</u>	<u>6,068</u>

## 10 Creditors: Amounts falling due after more than one year

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Obligations under finance leases (note 16)	<u>56</u>	<u>39</u>

The bank overdraft facility is secured by way of a fixed charge over the Association's head office, Hermes House, St John's Road, Tunbridge Wells.

## 11 Pension Scheme Liability

Provision has been made for the pension scheme deficit in the Financial Statements.

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Deficit at start of year	6,792	6,529
Cash contributions paid in the year	(1,454)	(2,062)
Other finance expenditure	143	205
Actuarial (gain)/loss	(853)	2,120
Deficit at end of year	<u>4,628</u>	<u>6,792</u>

## 12 Reserves

### (i) General Reserve

The Association is limited by guarantee and does not have any share capital. Annual surpluses or deficits are transferred to the General Reserve.

### (ii) Reconciliation of movements in shareholders' funds

Within the meaning of FRS3 the total of the Association's General Reserve and Pension Reserve constitute 'Shareholders funds'. The movements in the reserves are detailed below.

### (iii) General Reserve and Pension Reserve

	<b>2013</b>			<b>2012</b>
	General Reserve	Pension Reserve	Total	Total
	£'000	£'000	£'000	£'000
Balance at 1 January 2013	6,377	(6,792)	(415)	460
(Loss)/Surplus for the year	(860)	1,311	451	1,245
Actuarial gain/(loss)	–	853	853	(2,120)
Balance at 31 December 2013	<u>5,517</u>	<u>(4,628)</u>	<u>889</u>	<u>(415)</u>

## Notes to the Accounts 31 December 2013

### 6 Taxation (continued)

#### Factors affecting the tax charge of the year

The Association is liable for taxation on investment income and capital gains. In 2013 this amounted to £31,029 (2012: £73,485)

	<b>2013</b>	<b>2012</b>
	£'000	£'000
Taxable income multiplied by standard rate of UK corporation tax of 20% (2012: 20%)	7	15
Effects of:		
Tax losses utilised in year	—	(8)
Current tax charge	<u>7</u>	<u>7</u>

### 7 Tangible Assets

	Freehold Property £'000	Motor Vehicles £'000	Furniture and Equipment £'000	Computer Equipment £'000	Total £'000
<b>Cost</b>					
Balance at 1 January 2013	1,921	24	2,089	3,833	7,867
Additions	—	—	77	245	322
Disposals	—	(24)	(434)	(23)	(481)
Balance at 31 December 2013	<u>1,921</u>	<u>—</u>	<u>1,732</u>	<u>4,055</u>	<u>7,708</u>
<b>Depreciation</b>					
Balance at 1 January 2013	907	24	1,151	2,279	4,361
Charge for the year	38	—	173	403	614
Disposals	—	(24)	(434)	(18)	(476)
Balance at 31 December 2013	<u>945</u>	<u>—</u>	<u>890</u>	<u>2,664</u>	<u>4,499</u>
Net Book Value 31 December 2013	<u>976</u>	<u>—</u>	<u>842</u>	<u>1,391</u>	<u>3,209</u>
Net Book Value 31 December 2012	<u>1,014</u>	<u>—</u>	<u>938</u>	<u>1,554</u>	<u>3,506</u>

A charge was created over the Association's Leamington office, Hermes House, 20 Coventry Road, Cubbington, on 14 January 2013 in favour of the Trustees of the FTA Occupational Pension Plan for the lower of the market value of the property and £850,000.

Included in freehold property is freehold land at cost of £29,085 (2012: £29,085) which is not depreciated.

The net book value of £3,209,000 includes an amount of £133,781 (2012: £75,556) in respect of assets under finance leases.

### 8 Debtors

	<b>2013</b>	<b>2012</b>
	£'000	£'000
Debtors for goods and services	4,498	4,843
Other debtors	454	405
Due from FTA pension plan	4	2
Prepayments and accrued income	<u>692</u>	<u>508</u>
	<u>5,648</u>	<u>5,758</u>

#### Debtors: Amounts falling due after more than one year

Other debtors include an amount of £400,000 (2012: £300,107) due from FTA Ireland Limited. This comprises a loan of £400,000 (2012: £160,000) which is subject to interest and has fixed repayment terms. The repayment of the loan is scheduled to commence in December 2014. Amounts falling due after more than one year are £360,000 (2012: £280,107).



# Notes to the Accounts 31 December 2013

## 14 Analysis of changes in net funds

	At 1 Jan 2013	Cash flow	Other non- cash changes	At 31 Dec 2013
	£'000	£'000	£'000	£'000
Cash at bank and in hand	3,000	(1,774)	–	1,226
Finance leases	(75)	54	(101)	(122)
<b>Net funds</b>	<u>2,925</u>	<u>(1,720)</u>	<u>(101)</u>	<u>(1,104)</u>

### Major non-cash transactions

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £101,000.

## 15 Pensions

### (i) Defined Benefit Scheme

The Association operates a contributory pension scheme, which is voluntary. Entry was open to all members of staff who were over 20 and under 59 but the scheme was closed to new entrants on 1 January 2001 and to future accrual of benefits, other than required by law, on 30 June 2002.

The scheme is of the funded defined benefit type, with its assets held in a separate trust. The most recent actuarial valuation, upon which the amounts included in these accounts are based, was carried out at 31 March 2013. Using this as a basis, the valuation has been updated to 31 December 2013 by a qualified actuary. As required by FRS17, the defined benefit liabilities have been measured using the projected unit method.

Contributions during the year ended 31 December 2013 amounted to £1,454,000 (2012: £2,062,000). Payments for future years under the current schedule of contributions will be £900,000 for 2014 together with the expenses of the scheme, which will vary in amount from year to year.

### (ii) Changes in present value of scheme liabilities

	2013 £'000	2012 £'000
Scheme liabilities at 1 January	57,017	53,807
Interest cost	2,451	2,547
Net benefits paid from scheme assets	(2,648)	(2,606)
Actuarial losses on scheme liabilities	910	3,269
Scheme liabilities at 31 December	<u>57,730</u>	<u>57,017</u>

The total actuarial loss of £910,000 on the liabilities is analysed as follows:

	2013 £'000	2012 £'000
Experience losses on scheme liabilities	1,248	1
(Gain)/loss from change in other assumptions	(338)	3,268
Total loss on scheme liabilities	<u>910</u>	<u>3,269</u>

### (iii) Changes in fair value of scheme assets

	2013 £'000	2012 £'000
Fair value of scheme assets at 1 January	50,225	47,278
Expected return on assets	2,308	2,342
Employer contributions	1,454	2,062
Net benefits paid from scheme assets	(2,648)	(2,606)
Actuarial gains on assets	1,763	1,149
Fair value of scheme assets at 31 December	<u>53,102</u>	<u>50,225</u>

# Notes to the Accounts 31 December 2013

## 12 Reserves (continued)

### (iv) Campaign Fund

General reserves include income and expenditure on the Campaign Fund as follows:

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Income	315	316
Expenditure	<u>(390)</u>	<u>(322)</u>
(Deficit) of expenditure over income	(75)	(6)
Balance at 1 January 2013	<u>999</u>	<u>1,005</u>
Balance at 31 December 2013	<u>924</u>	<u>999</u>

Assets representing this Fund are held in Current Assets.

Expenditure from this fund is specifically authorised by the FTA Board.

- (v) As at 31 December 2013, FTA held £43,412 (2012: £51,219) of guarantee deposits for TIR carnets and other organisations. These funds are not in the beneficial ownership of FTA and do not form part of FTA's net assets.

## 13 Analysis of Cash Flows for headings netted in the Cash Flow Statement

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
(i) Reconciliation of operating surplus to net cash inflow/(outflow) from operating activities		
Operating surplus:	603	1,455
Depreciation	614	430
(Increase)/decrease in Stocks	(29)	21
Decrease/(Increase) in Debtors	110	(962)
(Decrease)/Increase in Creditors	(1,339)	2,000
Pension contributions paid	(1,454)	(2,062)
Profit on disposal of fixed assets	<u>–</u>	<u>(7)</u>
	<u>(1,495)</u>	<u>875</u>
(ii) Return on investments		
Interest received	3	7
Interest paid	<u>(5)</u>	<u>(5)</u>
	<u>(2)</u>	<u>2</u>
	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
(iii) Capital expenditure		
Purchase of tangible fixed assets	(221)	(875)
Sale of tangible fixed assets	<u>5</u>	<u>7</u>
Net cash (outflow) for capital expenditure	<u>(216)</u>	<u>(868)</u>

# Notes to the Accounts 31 December 2013

## 15 Pensions (continued)

(viii) Five year history of assets, liabilities and deficit in the scheme

	2013	2012	2011	2010	2009
	£'000	£'000	£'000	£'000	£'000
Experience gains on scheme assets	1,763	1,149	1,287	2,151	1,594
Experience (losses) on scheme liabilities	(910)	(3,269)	(2,209)	(300)	(6,469)
<b>Deficit</b>					
Present value of defined benefit obligation	(57,730)	(57,017)	(53,807)	(51,239)	(50,423)
Fair value of scheme assets	53,102	50,225	47,278	44,242	40,040
(Deficit)	<u>(4,628)</u>	<u>(6,792)</u>	<u>(6,529)</u>	<u>(6,997)</u>	<u>(10,383)</u>

(ix) Defined Contribution Scheme

The Association also operates defined contribution schemes for employees. Pension costs for the defined contribution schemes are charged to the Income and Expenditure account in the year in which they become payable. The pension cost for the year in respect of the defined contribution schemes was £643,880 (2012: £668,956).

Included in the general accruals are pension contributions amounting to £89,000 (2012: £81,000).

## 16 Commitments

(i) Operating leases

At 31 December 2013 there were the following annual commitments under non-cancellable operating leases:

Operating leases that expire:

	Land and buildings		Other	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Within one year	30	20	104	50
In second to fifth years	37	85	649	677
	<u>67</u>	<u>105</u>	<u>753</u>	<u>727</u>

(ii) Finance Leases

At 31 December 2013 there were the following obligations under finance leases included in the financial statements as set out below:

	2013	2012
	£'000	£'000
Within one year	66	36
In second to fifth years	56	39
	<u>122</u>	<u>75</u>

## 17 Contingent Liability

(i) In 2011, the company set up an employee long-term incentive plan for certain executive 'directors'. These employees are due a payment under the plan if certain targets are met by 31 December 2014 which include turnover, net trading contribution, membership numbers and staff accidents. The Directors consider that at 31 December 2013, the targets remain challenging and therefore do not feel it is appropriate to include a provision in the financial statements for payments that may fall due in 2015.

# Notes to the Accounts 31 December 2013

## 15 Pensions (continued)

### (iv) Income and expenditure account disclosure

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
The amounts recognised in the Income and Expenditure Account are as follows:		
Expected return on assets	2,308	2,342
Interest cost	<u>(2,451)</u>	<u>(2,547)</u>
Charged to other finance expenditure	<u>(143)</u>	<u>(205)</u>

The actual return on scheme assets net of expenses for the year was a gain of £4,240,000 (2012: £3,491,000).

### (v) Statement of total recognised gains and losses (STRGL)

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Actuarial gain/(loss) arising during the year	<u>853</u>	<u>(2,120)</u>
Total amount recognised in the STRGL during the year	<u>853</u>	<u>(2,120)</u>
Cumulative actuarial (loss) recognised in the STRGL at the year end	<u>(5,338)</u>	<u>(6,191)</u>

### (vi) Assumptions

The principal assumptions used by the actuary were:	<b>2013</b>	<b>2012</b>
Discount rate for scheme liabilities	4.50%	4.40%
Rate of increase in salaries	N/A	N/A
Rate of increase on fixed pensions in payment	5.00%	5.00%
Rate of increase on LPI pensions in payment	3.30%	2.80%
Inflation (RPI)	3.45%	2.80%
Revaluation in deferment (RPI)	2.55%	2.30%

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements.

The actuary assumed that pre and post retirement mortality is in line with standard tables at 110% of SIPXA year of use with CMI\_2012 [1%] projections (2012: 100% of SIPXA year of use with CMI\_2009 [1%] projections). Under this assumption the average life expectancy of males aged 65 is 21 years and of females aged 65 is 24 years. 100% of members are assumed to take their maximum tax free cash lump sum (2012: 100%).

The overall expected rate of return on assets is determined as the average of the expected return of each major asset, weighted by the assets allocated to each class.

### (vii) Development of net balance sheet position

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets	53,102	50,225
Present value of funded defined benefit obligations	<u>(57,730)</u>	<u>(57,017)</u>
Pension deficit recognised in the Balance Sheet	<u>(4,628)</u>	<u>(6,792)</u>

#### Scheme asset information

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Equities	22,303	20,090
Gilts	19,648	17,579
Bonds	10,620	12,054
Other	<u>531</u>	<u>502</u>
Fair value of assets	<u>53,102</u>	<u>50,225</u>

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