

DO NOT STAPLE  
PRINT ON ONE SIDE ONLY

# FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

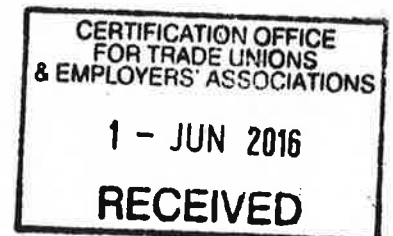
Name of Employers' Association:	Freight Transport Association
Year ended:	31/12/2015
List No:	1160E
Head or Main Office:	Freight Transport Association Hermes House St Johns Road Tunbridge Wells TN4 9UZ
Website address (if available)	
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Tick as appropriate)
General Secretary:	John Maitland
Contact name for queries regarding the completion of this return:	Rosa Vazquez
Telephone Number:	01892 552304
e-mail:	rvazquez@fta.co.uk

**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





FTA is owned and governed by its members. Policy positions and campaigning objectives are set by members meeting in regional and national councils.

The FTA Board is responsible for governance and financial stewardship of FTA.

## FTA Board (2015–2016)



**Ian Veitch (President and Chairman)**  
Chief Executive  
Yusen Logistics (Europe) BV



**Leigh Pomlett**  
Executive Director  
Ceva Group



**Rebecca Jenkins (Vice President)**  
Managing Director  
Results with Marketing



**Graham Roberts**  
Chairman  
Hellenic Carriers Ltd



**Kevin Appleton**  
Non-executive Chairman  
Horizon Platforms Ltd



**Ian Stansfield**  
Distribution Director  
Asda Logistic Services (ALS)  
& Supply Chain



**Ray Ashworth**  
Managing Director  
DAF Trucks Ltd



**Laura Thomas**  
Partner  
Birketts LLP



**Vincent Brickley**  
Managing Director  
Tandem Transport Services Ltd



**Perry Watts**  
Chief Executive Officer  
– UK and Ireland  
DHL Supply Chain



**Andrew J Haines**  
Supply Chain Director, EMEA  
Global Operations  
Tate & Lyle



**David Wells**  
Chief Executive  
Freight Transport Association



**Jon Moxon (Honorary Treasurer)**  
Group Finance Director  
Palmer and Harvey



**John H Williams**  
Managing Director  
Maritime Transport Ltd



**Carole Woodhead**  
Chief Executive  
Hermes

## National Freight Council chairmen (2015–2016)



**Dave Rowlands**  
Road Freight Council  
Wincanton Group Ltd

**John Carpenter**  
Rail Freight Council  
Lafarge Tarmac



**Gillian Scott**  
British Shippers'  
Council/International  
Supply Chain Forum  
John Lewis plc

## Regional Freight Council chairmen (2015–2016)



**Jerry Ward**  
Greater London  
John Lewis Partnership



**Denise Lovering**  
Wales  
Glenside Commercials Ltd



**Philip Marsden**  
South East England  
C Brewer & Sons Ltd



**Jeff Ritchie**  
North East England  
A Share & Sons Ltd



**Eric Fisher**  
East of England  
DS Smith plc



**David Owen**  
North West England  
Royal Mail



**Allison Kemp**  
East Midlands  
AIM Commercial Services Ltd



**Stewart Potter**  
Yorkshire and Humberside  
Marshalls plc



**Dave Rowlands**  
West Midlands  
Wincanton Group Ltd



**Stephen Halleran**  
Scotland  
ADM Milling



**Peter Woodhouse**  
South West England  
Stone King Sewell LLP



**John Purdy**  
Northern Ireland  
TBF Thompson (Garvagh) Ltd

# 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>14,698</b>	<b>390</b>	<b>22</b>	<b>11</b>	<b>15,121</b>

## OFFICERS IN POST

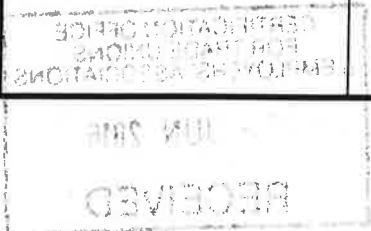
(see note 10)

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	T H J de Pencier		30/04/2015
Board Member		D Wells	01/05/2015
Board Member		L M Pomlett	17/09/2015



# REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£'000	£'000
	<b>INCOME</b>		
25,405	From Members                      Subscriptions, levies, etc		25,697
16	Investment income    Interest and dividends (gross) Bank interest (gross) Other (specify)		16
	Other income            Rents received Insurance commission Consultancy fees Publications/Seminars Miscellaneous receipts (specify)		
25,421			25,713
	<b>TOTAL INCOME</b>		
	<b>EXPENDITURE</b>		
	Administrative expenses		
	Remuneration and expenses of staff		
	Occupancy costs		
	Printing, Stationery, Post		
	Telephones		
	Legal and Professional fees		
14,101	Miscellaneous (specify)		
	Direct Costs	13,784	
	Other charges		
	Bank charges		
	Depreciation		
	Sums written off		
	Affiliation fees		
	Donations		
	Conference and meeting fees		
	Expenses		
	Miscellaneous (specify)		
10,125	National Operating costs & Interest payable	10,174	
	Recovery of provision for loss cash deposit		
(5)	Pension Costs- Actuarial gains	(719)	
991		4	
4	Taxation		
25,216			23,243
	<b>TOTAL EXPENDITURE</b>		
205	Surplus/Deficit for year		2,470
799	Amount of fund at beginning of year		1,004
1,004	Amount of fund at end of year		3,474

## ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

<b>ACCOUNT 2</b>		<b>Fund Account</b>	
<b>Name of account:</b>		<b>£'000</b>	<b>£'000</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 3</b>		<b>Fund Account</b>	
<b>Name of account:</b>		<b>£'000</b>	<b>£'000</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)		

# ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

<b>ACCOUNT 4</b>		<b>Fund Account</b>	
<b>Name of account:</b>		<b>£'000</b>	<b>£'000</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 5</b>		<b>Fund Account</b>	
<b>Name of account:</b>		<b>£'000</b>	<b>£'000</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)		

# 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>£'000</b>	<b>£'000</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>£'000</b>	<b>£'000</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 [ 31/12/2015**

]

(see notes 19 and 20)

Previous Year		£'000	£'000
3,159	<b>Fixed Assets</b> (as at page 11)		3,136
	<b>Investments</b> (as per analysis on page 13)		
	Quoted (Market value £           )		
	Unquoted		
	<b>Total Investments</b>		
	<b>Other Assets</b>		
5,145	Sundry debtors	5,436	
3,070	Cash at bank and in hand	3,605	
236	Stocks of goods	311	
	Others (specify)		
	<b>Total of other</b>		9,352
	<b>assets</b>		
11,610		<b>TOTAL ASSETS</b>	12,488
5,912	General Reserve Fund (Account)		6,890
(4,908)	Pension Reserve Fund (Account)		(3416)
	Fund (Account)		
	Revaluation Reserve		
	<b>Liabilities</b>		
	Loans		
	Bank overdraft		
1,101	Tax payable	1005	
3,012	Sundry creditors	3,307	
1,585	Accrued expenses	1286	
	Provisions		
4,908	Other liabilities: Pension reserve	3,416	
10,606		<b>TOTAL LIABILITIES</b>	9,014
1,004		<b>TOTAL ASSETS</b>	3,474

## FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Equipment & Software	Total
	£'000	£'000	£'000	£'000
<b>COST OR VALUATION</b>				
At start of period	1,921	1,757	4,318	7,996
Additions during period		125	651	776
Less: Disposals during period			(305)	(305)
Less: DEPRECIATION:	38	198	563	799
Total to end of period	1,022	1,262	3,047	5,331
<b>BOOK AMOUNT at end of period</b>				
	899	620	1,617	3,136
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
<b>AS BALANCE SHEET</b>				

# ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £'000
<b>QUOTED</b>	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	<b>TOTAL QUOTED (as Balance Sheet)</b>	
	<b>*Market Value of Quoted Investments</b>	
<b>UNQUOTED</b>	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	<b>TOTAL QUOTED (as Balance Sheet)</b>	
	<b>*Market Value of Unquoted Investments</b>	

\* 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 <input checked="" type="checkbox"/>
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 £'000	Political Funds £'000	Total Funds £'000
<b>INCOME</b>			
From Members	25,697		25,697
From Investments	16		16
Other Income (including increases by revaluation of assets)			
<b>Total Income</b>	25,713		25,713
<b>EXPENDITURE</b> (including decreases by revaluation of assets)			
<b>Total Expenditure</b>	23,243		23,243
<b>Funds at beginning of year</b> (including reserves)	1,004		1004
<b>Funds at end of year</b> (including reserves)	3,473		3,473
<b>ASSETS</b>			3,136
Fixed Assets			
Investment Assets			
Other Assets			9,352
		<b>Total Assets</b>	12,488
<b>LIABILITIES</b>			
		<b>Total Liabilities</b>	9,014
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			3,474

# 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)

## SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u> Name: <u>JOHN MATARANA</u> Date: <u>25/5/16</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>DAVID WELLS</u> Date: <u>25<sup>th</sup> MAY 2016</u>
--	--

## 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)

Please see attached document

Signature(s) of auditor or auditors:	<i>Kingston Smith LLP</i>	
Name(s):	KINGSTON SMITH LLP	
Profession(s) or Calling(s):	REGISTERED AUDITOR	
Address(es):	DEVONSHIRE HOUSE 60 BOSWELL ROAD LONDON EC1M 7AD	
Date:	8 March 2016	
Contact name and telephone number:	0207 566 4000	


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

## Annual General Meeting 2016

Notice is hereby given that the Annual General meeting of the Freight Transport Association Limited will be held at the Institution of Civil Engineers, One Great George Street, Westminster London SW1P 3AA at 9:30am on Thursday 21 April 2016 for the purpose of transacting the following business:

- |   |  |
|---|--|
| <p><b>1 Directors' Report</b><br/>To receive the Report of the Directors for the year 2015.</p> <p><b>2 Annual Accounts</b><br/>To receive the Statement of Comprehensive Income for the year ended 31 December 2015, the Statement of Financial Position as at that date and the Auditors' Report.</p> | <p><b>3 Auditors</b><br/>To appoint Auditors and to fix their remuneration.</p> <p><b>4 Other Business</b><br/>To deal with any other business admitted by the Chairman.</p> |
|---|--|

4 March 2016

  
By order of the FTA Board  
John Maitland – Company Secretary  
Hermes House, St John's Road, Tunbridge Wells, Kent TN4 9UZ

## Strategic Report for the year ended 31 December 2015

Your Directors have pleasure in submitting their Strategic Report for the year ended 31 December 2015.

The Association acts as a trade association for its members who operate or manage supply chains and use freight transport in connection with their business. During the year it continued to provide a range of services to the membership and pursued a vigorous and responsible representational role.

The Association performed satisfactorily during the year. Income increased 1% in 2015 to £25.7m and is derived from a combination of membership fees and services. Services include Vehicle Inspection, Tachograph Analysis, Training, Consultancy, Shopfta and Penalty Charge Notice Administration Service. Membership numbers rose to 4% to 15,121 at the year end. Vehicle inspections remain the largest of our business streams and together with Tachograph Services, contributed strongly in 2015. Both services benefited from continued investment in software development throughout the year. In the last quarter of 2015 the business also invested in a new Training centre at its head office in Tunbridge Wells.

Throughout the year the Board continued to proactively control costs and as a result the year end head count reduced 3% to 342. Market conditions for 2016 show signs of further improvement and the Board believe the Association is well placed to continue its recent success, given the plans and actions that are in place.

Key performance indicators used within the business include membership numbers and renewal rates, contract numbers and productivity measures in Vehicle Inspections and Tachograph Services and delegate numbers attending training courses, seminars and Freight Councils. The business also measures members of the Logistics Carbon Reduction and Van Excellence schemes and our representation in the national and local press.

FTA's mission is to enable its members to develop and operate safer, more efficient and sustainable supply chains. The Association's future will be shaped by four factors.

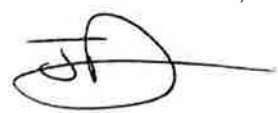
- 1 Members' demands, needs and expectations arising from their membership and ownership of one of the country's biggest trade associations
- 2 Changing economic and market pressures – the environment in which members trade
- 3 New regulatory and policy pressures – members' compliance obligations
- 4 Innovation or acquisition of other services that maximise the safety, efficiency and sustainability of members' supply chains and grow the trading strength of FTA

FTA's strategic plan maps out the expected changes in these factors and builds a plan that responds to them and underpins growth consistent with its objectives, if objectives are met. By 2020 FTA will have increased member engagement, represent 20,000 members and have developed new services to meet the changing demands of its members.

Key risks facing the organisation are the need to maintain membership numbers, the need to generate sufficient cash to invest in further development of its services to members and the requirement to meet its pension funding obligations. Management processes exist to monitor, report on and control all of these areas.

The statement of financial position (excluding pension adjustments) at 31 December 2015 remains strong with net assets excluding pension liabilities of £6.9m. The cash balance increased in 2015 to £3.6m. FTA paid pension contributions of £1.0m to the Pension plan during 2015. The FRS102 pension fund deficit decreased by £1.5m in the year to £3.4m leaving positive net assets after pension adjustments of £3.5m. The level of contributions payable to the pension plan under the current schedule of contributions for the year ended 31 December 2016 is £1.1m which the directors consider FTA is able to pay.

4 March 2016

  
By order of the FTA Board  
Jon Moxon – Honorary Treasurer

# Directors' Report for the year ended 31 December 2015

For the purposes of the Companies Act 2006, members of the FTA Board are Directors. The names of those persons who were members of the Board during 2015 are shown below.

Formal arrangements exist for the management team to discuss and contribute to the financial, economic and social objectives of the Association and regularly to brief all staff on the activities in which the Association is engaged. During the year FTA maintained its policy of giving full and fair consideration to applications for employment made by disabled people. The Association is committed to continuing employment and training of employees who become disabled and to the training, career development and promotion of all employees.

During 2015 the Remuneration Committee – chaired by the President – and the Audit Committee – chaired by the Honorary Treasurer – met to consider matters appropriate to their remit and subsequently updated the FTA Board.

## Auditors

A resolution proposing that Kingston Smith LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

In accordance with section 414 (C) 11 of the Companies Act 2006, the Directors have chosen to include information about future developments and principal risks in the Strategic Report.



By order of the FTA Board  
Jon Moxon – Honorary Treasurer

4 March 2016

## FTA Board 2015

**President and Chairman**  
I Veitch

**Vice President**  
R J Jenkins

### Other Members of the Board

K A Appleton  
R J Ashworth  
V J Brickley  
T H J de Pencier (*resigned 30 April 2015*)  
L E Thomas  
A J Haines  
L M Pomlett (*appointed 17 September 2015*)

**Honorary Treasurer**  
J D Moxon

G Roberts  
I Stansfield  
P Watts  
D Wells (*appointed 1 May 2015*)  
J H Williams  
C M Woodhead

## Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102, 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS102). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing these financial statements, the Directors are required to:

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# 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 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cashflows, the Statement of Changes in Equity 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) including FRS102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'.

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 21 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 2015 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

8 March 2016

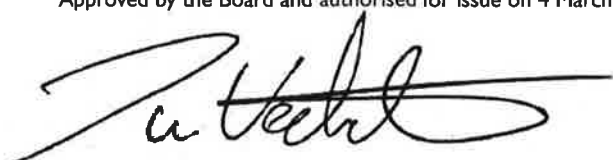


Janice Riches (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP, Statutory Auditor

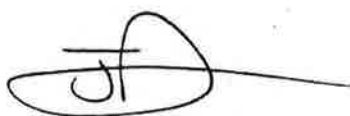
# Statement of financial position as at 31 December 2015

		2015		2014	
	Note	£'000	£'000	£'000	£'000
<b>Non-current Assets:</b>					
Intangible Assets	8 (i)	1,437		1,274	
Tangible Assets	8 (ii)	<u>1,699</u>		<u>1,885</u>	
			3,136		3,159
<b>Current Assets:</b>					
Stock	1 (viii)	311		236	
Debtors	9	5,436		5,145	
Cash at bank and in hand		<u>3,605</u>		<u>3,070</u>	
		9,352		8,451	
<b>Creditors:</b>					
Amounts falling due within one year	10	<u>5,578</u>		<u>5,628</u>	
<b>Net Current Assets</b>			<u>3,774</u>		<u>2,823</u>
<b>Total Assets less Current Liabilities</b>			6,910		5,982
<b>Creditors: amounts falling due after more than one year</b>	11		<u>20</u>		<u>70</u>
<b>Net Assets Excluding Pension Liability</b>			6,890		5,912
<b>Provision for Retirement Benefit Obligations</b>	12		<u>3,416</u>		<u>4,908</u>
			<u>3,474</u>		<u>1,004</u>
<b>Reserves</b>					
<b>Accumulated Reserves:</b>					
General reserve			6,890		5,912
Pension reserve			<u>(3,416)</u>		<u>(4,908)</u>
			<u>3,474</u>		<u>1,004</u>

Approved by the Board and authorised for issue on 4 March 2016



I Veitch, President



J D Moxon, Honorary Treasurer

Company registration no: 00391957

## Statement of comprehensive income for the year ended 31 December 2015

		<b>2015</b>	<b>2014</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
Income	1 (iv) and 3	25,697	25,405
Direct Expenses		<u>(13,784)</u>	<u>(14,101)</u>
Gross Surplus		11,913	11,304
National Operating Expenses	4	<u>(10,019)</u>	<u>(9,921)</u>
Operating Surplus	5(i)	1,894	1,383
Income from deposits	5(ii)	16	21
Interest payable and similar charges		(1)	(15)
Other finance (expenditure)	15	<u>(154)</u>	<u>(189)</u>
Surplus on ordinary activities before taxation		1,755	1,200
Taxation	7	<u>(4)</u>	<u>(4)</u>
Surplus for the financial year		1,751	1,196
Other comprehensive income			
Actuarial gains/(losses) on defined benefit pension schemes	15(v)	<u>719</u>	<u>(991)</u>
Total comprehensive income for the year		<u>2,470</u>	<u>205</u>

The income and surplus for the financial year derives from operations which are continuing operations.

## Statement of cash flows for the year ended 31 December 2015

	Note	2015		2014	
		£'000	£'000	£'000	£'000
<b>Net cash from operating activities</b>	14		1,360		2,480
Taxation – Corporation Tax paid			<u>(4)</u>		<u>(7)</u>
<b>Net cash generated from operating activities</b>			1,356		2,473
<b>Cash flow from investing activities</b>					
Purchase of intangible assets		(595)		(407)	
Purchase of tangible assets		(181)		(235)	
Interest received		16		21	
Interest paid		<u>(1)</u>		<u>(15)</u>	
<b>Net cash used in investing activities</b>			(761)		(636)
<b>Cash flow from financing activities</b>					
Repayment of obligations under finance leases			<u>(60)</u>		<u>7</u>
<b>Net increase in cash and cash equivalents</b>			535		1,844
Cash and cash equivalents at the beginning of year			<u>3,070</u>		<u>1,226</u>
Cash and cash equivalents at the end of year			<u>3,605</u>		<u>3,070</u>
<b>Cash and cash equivalents consist of:</b>					
Cash in bank and in hand			<u>3,605</u>		<u>3,070</u>

## Statement of changes in equity for the year ended 31 December 2015

	Note	Pension reserve	General reserve	Total
		£'000	£'000	£'000
Balance at 1 January 2014		(4,628)	5,427	799
Surplus for the year		711	485	1,196
Other comprehensive income for the year	15(v)	<u>(991)</u>	<u>–</u>	<u>(991)</u>
Total comprehensive income for the period		<u>(280)</u>	<u>485</u>	<u>205</u>
Balance at 31 December 2014		<u>(4,908)</u>	<u>5,912</u>	<u>1,004</u>
Surplus for the year		773	978	1,751
Other comprehensive income for the year	15(v)	<u>719</u>	<u>–</u>	<u>719</u>
Total comprehensive income for the period		<u>1,492</u>	<u>978</u>	<u>2,470</u>
Balance at 31 December 2015	13	<u>(3,416)</u>	<u>6,890</u>	<u>3,474</u>

# Notes to the Accounts 31 December 2015

## I Accounting policies

### *Company Information*

Freight Transport Association Limited is a limited company domiciled and incorporated in England.

The registered office is Hermes House, St. John's Road, Tunbridge Wells.

### (i) Accounting Convention

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

### (ii) Compliance with Accounting Standards

These financial statements for the year ended 31 December 2015 are the first financial statements of Freight Transport Association Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 17.

### (iii) Going Concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company will continue to adopt the going concern basis of accounting in preparing the financial statements.

### (iv) Income recognition

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.

### (v) Intangible assets

Intangible assets comprise internally generated computer software and are recognised at cost less accumulated amortisation and accumulated impairment losses. Computer software is amortised over its useful life of 5 years on a straight line basis.

### (vi) Tangible assets - property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment.

Depreciation is provided at rates calculated to write off the cost or valuation of assets less their estimated residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

### (vii) Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value of the asset less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised



# Notes to the Accounts 31 December 2015

## I Accounting policies (continued)

estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### (viii) Stock

Stock is valued at the lower of historical cost and estimated selling price less costs to sell and is comprised of finished goods and goods for resale.

### (ix) Financial assets

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. Other financial assets classified at fair value through profit or loss are measured at fair value.

#### *Loans and receivables*

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

#### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

#### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

### (x) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified at fair value through profit or loss are measured at fair value.

#### *Other financial liabilities*

Other financial liabilities, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

# Notes to the Accounts 31 December 2015

## I Accounting policies (continued)

### (xi) Taxation

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

### (xii) Employee benefits

The company provides a range of benefits to employees including bonuses, paid holiday arrangements and defined benefit and defined contribution plans.

#### i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period.

#### ii) Defined benefit pension plan

The company operates a defined benefit pension for the benefit of its employees, the assets of which are separately held from those of the company in independently administered funds.

Pension scheme assets are measured at fair value in accordance with the FRS 102 fair value hierarchy. Pension scheme liabilities are measured using the projected unit credit method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. Annually the company engages independent actuaries to calculate the obligation.

The liability recognised in the Balance Sheet in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the end of the reporting date, less the fair value of the scheme assets at the reporting date.

The increase in the present value of liabilities of the company's defined benefit pension scheme expected to arise from employee service in the period is charged to operating surplus. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on scheme assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of scheme assets. This cost is recognised in profit or loss as 'Finance expenditure'.

Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented within provisions.

#### iii) Defined contribution pension plan

The company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due.

#### iv) Long term incentive plan

The company operates cash-settled long term incentive plans at an operating business level for the executive directors. The plans are based on the company's performance over a three year period. The targets include operating surplus results, turnover, membership and council attendance and are set by the Remuneration Committee.

An expense is recognised in the statement of comprehensive income when the company has a legal and constructive obligation to make payments under the plan as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the obligation can be made.

### (xiii) Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

# Notes to the Accounts 31 December 2015

## 1 Accounting policies (continued)

### (xiv) Foreign exchange

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 statement of comprehensive income.

## 2 Critical accounting judgements and estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### *Key sources of estimation uncertainty*

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are outlined below.

#### (i) Useful economic lives of intangible assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. Computer software impairment reviews are also performed annually. These reviews require an estimation of the value in use of the cash generating units to which the software has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise for the cash generating unit and a suitable discount rate to calculate present value. See note 8(i) for the carrying amount of the intangible assets and note 1(v) for the useful economic lives for each class of asset.

#### (ii) Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8(ii) for the carrying amount of the property, plant and equipment and note 1(vi) for the useful economic lives for each class of asset.

#### (iii) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 15 for the disclosures relating to the defined benefit pension scheme.

#### (iv) Long term incentive plan

The company operates a cash settled long term incentive plan for the executive directors. The plan provides for a payment to be made subsequent to the 31 December 2017 year end based on the achievement of certain operational targets including turnover; operating surplus results, membership numbers and council attendance. The Directors and Management consider the probability of achieving the various targets based on results to date and realistic forecasting and the accounts include an accrual of £115,000 for the liability arising.

# Notes to the Accounts 31 December 2015

## 3 Income

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Membership fees	4,123	3,943
Commercial activities	21,574	21,462
	<u>25,697</u>	<u>25,405</u>
Geographical analysis		
United Kingdom	25,338	24,960
Ireland	311	416
Rest of world	48	29
	<u>25,697</u>	<u>25,405</u>

## 4 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.

## 5 Operating Surplus

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

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Auditors' remuneration in respect of:		
Statutory audit services	39	37
Other non-audit services	6	14
Depreciation:		
Owned assets	301	304
Assets held under finance leases	66	81
Amortisation of intangible assets	432	307
Gain/Loss on foreign exchange transactions	18	(3)
Operating lease payments:		
Land and buildings	91	102
Other operating leases	1,005	889
Cost of inventories recognised as an expense	<u>1,340</u>	<u>1,242</u>

(ii) Income from Deposits:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest	11	12
Other interest	5	4
Recovery of KSF cash deposit	-	5
	<u>16</u>	<u>21</u>

# Notes to the Accounts 31 December 2015

## 6 Employment costs

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
(i) Employee costs during the year amounted to:		
Salaries and bonuses	11,511	11,839
Social security costs	1,113	1,112
Defined contribution pension costs	<u>673</u>	<u>654</u>

Within the salaries and bonuses figure is an amount of £115,000 (2014 - £426,000) payable to senior members of staff in respect of the Long-Term Incentive Plan.

	<b>2015</b>	<b>2014</b>
(ii) The average number of employees during the year was:		
Operations	198	210
National Operating Expenses	<u>144</u>	<u>144</u>
	<u>342</u>	<u>354</u>

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
(iii) Director emoluments		
Emoluments for qualifying services	226	219
Amounts payable under long-term incentive plan	35	201
Company pension contributions to defined contribution schemes	<u>7</u>	<u>—</u>
	<u>268</u>	<u>420</u>

### Contribution schemes

The number of Directors for whom retirement benefits are accruing under defined contribution schemes amount to 1 (2014 - nil).

Emoluments disclosed above include the following amounts paid to the highest paid director:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Emoluments for qualifying services and amounts payable under long-term incentive schemes	140	412
Company pension contributions to defined contribution schemes	<u>7</u>	<u>—</u>
	<u>147</u>	<u>412</u>

The highest paid Director is a member of the company's defined contribution scheme and had accrued entitlements of £113,000 (2014 - £286,000) under the scheme at the year end.

There is also an accrued lump sum of £28,000 (2014 - £71,000).

- (iv) Key management compensation  
Key management is considered to be the nine executive directors. Total remuneration payable to key management personnel in the year was £921,000 (2014 - £1,387,000).

# Notes to the Accounts 31 December 2015

## 7 Taxation

(i) Tax expense included in Statement of Comprehensive Income

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Current tax:		
UK Corporation tax at 20% (2014: 20%)	4	4
Total tax charge	<u>4</u>	<u>4</u>

(ii) Factors affecting the tax charge of the year

The Association is liable for taxation on investment income and capital gains.

In 2015 this amounted to £16,213 (2014: £21,095)

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Taxable income multiplied by standard rate of UK corporation tax of 20% (2014: 20%)	4	4
Current tax charge	<u>4</u>	<u>4</u>

## 8 Non-current Assets

(i) Intangible Fixed Assets

	<b>Software</b>
	<b>£'000</b>
<b>Cost</b>	
At 1 January 2015	2,731
Additions	<u>595</u>
At 31 December 2015	<u>3,326</u>
<b>Amortisation</b>	
At 1 January 2015	1,457
Charge for the year	<u>432</u>
At 31 December 2015	<u>1,889</u>
Net Book Value 31 December 2015	<u>1,437</u>
Net Book Value 31 December 2014	<u>1,274</u>

The software intangible assets include the company's bespoke systems for managing and delivering three of its key service lines; Vehicle Inspection, Tachograph Analysis and Penalty Charge Notice. These systems were created by a mixture of external development firms and staff specifically employed for the purpose. There are no other individually material intangible assets.

## Notes to the Accounts 31 December 2015

### (ii) Tangible Assets

	Freehold Property	Furniture and Equipment	Computer Equipment	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 January 2015	1,921	1,757	1,587	5,265
Additions	–	125	56	181
Disposals	–	–	(305)	(305)
At 31 December 2015	<u>1,921</u>	<u>1,882</u>	<u>1,338</u>	<u>5,141</u>
<b>Depreciation</b>				
At 1 January 2015	984	1,064	1,332	3,380
Charge for the year	38	198	131	367
Disposals	–	–	(305)	(305)
At 31 December 2015	<u>1,022</u>	<u>1,262</u>	<u>1,158</u>	<u>3,442</u>
Net Book Value 31 December 2015	<u>899</u>	<u>620</u>	<u>180</u>	<u>1,699</u>
Net Book Value 31 December 2014	<u>937</u>	<u>693</u>	<u>255</u>	<u>1,885</u>

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

A charge is held over the Association's head office, 155 - 157 St John's Road, Tunbridge Wells in favour of Lloyds TSB Bank PLC in respect of a mortgage deed.

Included in freehold property is freehold land at cost of £29,085 (2013: £29,085) which is not depreciated.

The carrying amount of assets under finance leases included in computer equipment is £106,044 (2014: £194,229).

### 9 Debtors

	2015	2014
	£'000	£'000
Debtors for goods and services	4,418	4,004
Other debtors	401	422
Due from FTA pension plan	–	4
Prepayments and accrued income	617	715
	<u>5,436</u>	<u>5,145</u>

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

Other debtors include an amount of £343,000 (2014: £372,000) due from FTA Ireland Limited. This comprises a loan of £320,000 (2014: £360,000) plus accrued interest and has fixed repayment terms. The repayment of the loan commenced in December 2014. Amounts falling due after more than one year are £314,000 (2014: £332,000). Interest of £11,000 (2014: £12,000) was charged on the loan in the year.

Debtors for goods and services, other debtors and amounts due from the FTA Pension Plan are classified as loans and receivables and are therefore measured at amortised cost.

# Notes to the Accounts 31 December 2015

## 10 Creditors: Amounts falling due within one year

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	1,352	1,121
Corporation Tax	3	4
Social Security and other taxes	1,002	1,097
Obligations under finance leases (note 16)	49	59
Accruals and deferred income:		
Vehicle and Tachograph Inspection Services	945	988
Other member services	941	774
General	1,286	1,585
	<u>5,578</u>	<u>5,628</u>

Trade creditors, corporation tax, social security and other taxes and obligations under finance leases are classified as basic financial liabilities and are therefore measured at amortised cost.

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

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Obligations under finance leases (note 16)	<u>20</u>	<u>70</u>

## 12 Provision for Retirement Benefit Obligations

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

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Deficit at start of year	4,908	4,628
Cash contributions paid in the year	(927)	(900)
Other finance expenditure	154	189
Actuarial loss/(gain)	(719)	991
Deficit at end of year	<u>3,416</u>	<u>4,908</u>

## 13 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.

Within the meaning of FRS 102 the total of the Association's General Reserve and Pension Reserve constitute 'Shareholders funds'. The movements in the reserves are detailed in the Statement of Changes in Equity.

### (ii) Campaign Fund

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

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Income	333	323
Expenditure	<u>(285)</u>	<u>(350)</u>
Surplus/(deficit) of expenditure over income	48	(27)
Balance at 1 January 2015	897	924
Balance at 31 December 2015	<u>945</u>	<u>897</u>

Assets representing this fund are held in Current Assets.

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



# Notes to the Accounts 31 December 2015

## 13 Reserves (continued)

- (iii) As at 31 December 2015, FTA held £42,763 (2014: £43,112) 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.

## 14 Note to the Statement of Cash Flows

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Operating Surplus	1,894	1,383
Amortisation of intangible assets	432	307
Depreciation of tangible assets	367	385
Post employment benefits less payments	(927)	(900)
Working capital movements:		
(Increase) / decrease in Stocks	(75)	13
(Increase) / decrease in Debtors	(291)	503
(Decrease) / increase in Creditors	(40)	789
Cash flow from operating activities	<u>1,360</u>	<u>2,480</u>

## 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 actuarial valuation has been updated to 31 December 2015 by an independent qualified actuary in accordance with Section 28 of FRS102.

As required by Section 28 of FRS 102, the defined benefit liabilities have been measured using the projected unit method.

Contributions during the year ended 31 December 2015 amounted to £1,032,000 (2014: £1,005,000). Payments for future years under the current schedule of contributions will be £954,810 for 2016 together with the expenses of the scheme, which will vary in amount from year to year.

### (ii) Changes in present value of defined benefit obligations

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Scheme liabilities at 1 January	63,309	57,730
Interest cost	2,137	2,541
Net benefits paid from scheme assets	(2,745)	(2,557)
Actuarial (gain)/loss on scheme liabilities	(2,049)	5,595
Scheme liabilities at 31 December	<u>60,652</u>	<u>63,309</u>

The total actuarial (gain)/loss on the liabilities is analysed as follows:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Experience losses on scheme liabilities	-	-
(Gain)/loss from change in assumptions	(2,049)	5,595
Total (gain)/loss on scheme liabilities	<u>(2,049)</u>	<u>5,595</u>

# Notes to the Accounts 31 December 2015

## 15 Pensions (continued)

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

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets at 1 January	58,401	53,102
Return on scheme assets (excluding amounts included in net interest)	(1,330)	4,604
Employer contributions	1,032	1,005
Net benefits paid	(2,745)	(2,557)
Expenses paid	(105)	(105)
Interest income	1,983	2,352
Fair value of scheme assets at 31 December	<u>57,236</u>	<u>58,401</u>

### (iv) Amount recognised in income

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
The amounts recognised in income are as follows:		
Interest on assets	1,983	2,352
Interest cost on liabilities	<u>(2,137)</u>	<u>(2,541)</u>
Charged to other finance (expenditure)	<u>(154)</u>	<u>(189)</u>

The actual return on scheme assets net of expenses for the year was a gain of £653,000 (2014 - £6,956,000).

### (v) Amount recognised in other comprehensive income

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Actuarial (gain)/loss on scheme assets in excess of interest	1,330	(4,604)
Actuarial (gain)/loss from changes to financial assumptions	<u>(2,049)</u>	<u>5,595</u>
Total amount recognised in other comprehensive income during the year	<u>(719)</u>	<u>991</u>

### (vi) Assumptions

	<b>2015</b>	<b>2014</b>
The key assumptions used by the actuary were:		
Discount rate for scheme liabilities	3.70%	3.45%
Rate of increase on fixed pensions in payment	5.00%	5.00%
Rate of increase on LPI pensions in payment	2.90%	2.90%
Inflation (RPI)	3.00%	3.00%
Revaluation in deferment (RPI)	2.00%	2.00%

The significant demographic assumptions relate to the mortality assumptions which 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 (2014 - 110% of SIPXA year of use with CMI\_2012 [1%] projections). Under this assumption the average life expectancy of males aged 65 is 21.5 years and of females aged 65 is 23.9 years. 100% of members are assumed to take their maximum tax free cash lump sum (2014: 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.

# Notes to the Accounts 31 December 2015

## 15 Pensions (continued)

(vii) Amounts included in the statement of financial position

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets	57,236	58,401
Present value of funded defined benefit obligations	<u>(60,652)</u>	<u>(63,309)</u>
Net liability recognised in statement of financial position	<u>(3,416)</u>	<u>(4,908)</u>

(viii) Analysis of fair value of scheme assets

	<b>2015</b>		<b>2014</b>	
	<b>£'000</b>		<b>£'000</b>	
Equities	17,171	30%	23,361	40%
Diversified growth fund	5,724	10%	-	0%
Gilts	22,894	40%	22,776	39%
Bonds	11,447	20%	11,680	20%
Other	<u>-</u>	0%	<u>584</u>	1%
Fair value of assets	<u>57,236</u>		<u>58,401</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 £672,703 (2014: £654,401).

Included in the general accruals are pension contributions amounting to £86,000 (2014 - £87,000).

## 16 Commitments

(i) Operating leases

At 31 December 2015 there were the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

**Operating leases that expire:**

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	768	727
In second to fifth years	<u>1,143</u>	<u>904</u>
	<u>1,911</u>	<u>1,631</u>

(ii) Finance leases

At 31 December 2014 there were the following obligations under finance leases included in the financial statements as set out below:

	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	49	59
In second to fifth years	<u>20</u>	<u>70</u>
	<u>69</u>	<u>129</u>

The finance leases relate to computer equipment with remaining lease terms of between 1 and 2 years. At the end of the lease terms the company does not have the option to purchase the assets.

# Notes to the Accounts 31 December 2015

## 17 Reconciliations on adoption of FRS102 Reconciliation of equity

	Notes	At 1 January 2014			At 31 December 2014		
		As previously stated	Effect of transition	FRS 102 (as restated)	As previously stated	Effect of transition	FRS 102 (as restated)
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Non current assets</b>							
Intangible assets	17.3	-	1,171	1,174	-	1,274	1,274
Tangible assets - property, plant and equipment		3,209	(1,174)	2,035	3,159	(1,274)	1,885
		<u>3,209</u>	<u>-</u>	<u>3,209</u>	<u>3,159</u>	<u>-</u>	<u>3,159</u>
<b>Current assets</b>							
Stocks		249	-	249	236	-	236
Other debtors		5,648	-	5,648	5,145	-	5,145
Bank and cash		1,226	-	1,226	3,070	-	3,070
		<u>7,123</u>	<u>-</u>	<u>7,123</u>	<u>8,451</u>	<u>-</u>	<u>8,451</u>
<b>Creditors due within one year</b>							
Creditors	17.1	3,620	90	3,710	4,359	109	4,468
Taxation and social security		1,073	-	1,073	1,101	-	1,101
Obligations under finance leases		66	-	66	59	-	59
		<u>4,759</u>	<u>90</u>	<u>4,849</u>	<u>5,519</u>	<u>109</u>	<u>5,628</u>
Net current assets		2,364	(90)	2,274	2,932	(109)	2,823
Total assets less current liabilities		<u>5,573</u>	<u>(90)</u>	<u>5,483</u>	<u>6,091</u>	<u>(109)</u>	<u>5,982</u>
<b>Creditors due after one year</b>							
Obligations under finance leases		56	-	56	70	-	70
<b>Provisions for liabilities</b>							
Retirement benefit obligations		4,628	-	4,628	4,908	-	4,908
Net assets		<u>889</u>	<u>(90)</u>	<u>799</u>	<u>1,113</u>	<u>(109)</u>	<u>1,004</u>
<b>Reserves</b>							
Pension Reserve		(4,628)	-	(4,628)	(4,908)	-	(4,908)
General Reserve		5,517	(90)	5,427	6,021	(109)	5,912
Total equity		<u>889</u>	<u>(90)</u>	<u>799</u>	<u>1,113</u>	<u>(109)</u>	<u>1,004</u>

# Notes to the Accounts 31 December 2015

## Reconciliation of Statement of Comprehensive Income for the year

	Notes	At 31 December 2014		
		As previously stated £'000	Effect of transition £'000	FRS 102 (as restated) £'000
Income		25,405	—	25,405
Direct expenses		<u>(14,101)</u>	<u>—</u>	<u>(14,101)</u>
Gross surplus		11,304	—	11,304
National operating expenses	17.1	<u>(9,797)</u>	<u>(124)</u>	<u>(9,921)</u>
Operating surplus		1,507	(124)	1,383
Interest receivable and similar income		21	—	21
Interest payable and similar charges		(15)	—	(15)
Other finance income/(expenditure)	17.2	<u>125</u>	<u>(314)</u>	<u>(189)</u>
Surplus on ordinary activities before taxation		1,638	(438)	1,200
Taxation		<u>(4)</u>	<u>—</u>	<u>(4)</u>
Surplus for the financial year		1,634	(438)	1,196
Other comprehensive income				
Actuarial gains/(losses) on defined benefit pension schemes	17.2	<u>(1,410)</u>	<u>419</u>	<u>(991)</u>
Total comprehensive income for the year		<u>224</u>	<u>(19)</u>	<u>205</u>

## Notes to reconciliations on adoption of FRS 102

### 17.1 Holiday pay accrual

FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. This has resulted in the company recognising a liability for holiday pay of £90,000 on transition to FRS 102. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. In the year to 31 December 2014 an additional charge of £19,000 was recognised in the profit and loss account and the liability at 31 December 2014 was £109,000.

### 17.2 Defined benefit scheme

Under previous UK GAAP the company recognised an expected return on defined benefit plan assets in the profit and loss account. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in the profit and loss account. There has been no change in the defined benefit liability at either 1 January 2014 or 31 December 2014. The effect of the change has been to reduce the credit to the profit and loss account in the year to 31 December 2014 by £419,000 and reduce the debit in other comprehensive income by an equivalent amount.

### 17.3 Other adjustments arising on transition to FRS102

Computer software with net book value of £1,174,000 at 1 January 2014 and £1,247,000 at 31 December 2014 has been reclassified from property, plant and equipment to intangible fixed assets. Depreciation on this asset is now described as amortisation. This has no effect on the company's net assets or on the surplus for the financial year.

### 17.4 Statement of cash flows

The company's cash flow statement reflects the presentation requirements of FRS102, which is different to that prepared under FRS 1.