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# FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

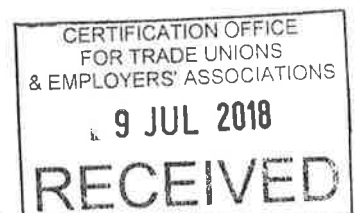
Name of Employers' Association:	Freight Transport Association
Year ended:	31 <sup>st</sup> December 2017
List No:	1160E
Head or Main Office:	Hermes House St John's Road Tunbridge Wells Kent TN4 9UZ
Website address (if available)	www.fta.co.uk
Has the address changed during the year to which the return 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:	Anna Humphrey-Taylor
Telephone Number:	01892552314
e-mail:	ahtaylor@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: 0330 109 3602

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  
Lower Ground Floor, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX

**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
16,690	470	14	10	17,184

## 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	Ian Veitch		6 <sup>th</sup> March 2017
Board Member	Rebecca Jenkins		6 <sup>th</sup> March 2017
Board Member	Andrew J Haines		6 <sup>th</sup> March 2017
Board Member	Perry Watts		6 <sup>th</sup> March 2017
Board Member	John H Williams		6 <sup>th</sup> March 2017
Board Member	Ray Ashworth		6 <sup>th</sup> March 2017
Board Member	Laura Thomas		6 <sup>th</sup> March 2017
Board Member		Phil Roe	19 <sup>th</sup> September 2017

# REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	<b>INCOME</b>			
28,025	From Members	Subscriptions, levies, etc		29,375
26	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) Other Operating income		92
28,051				29,483
		<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)	16,285	
15,488				
	Other charges	Bank charges Depreciation Sums written off Affiliation fees Donations Conference and meeting fees Expenses Miscellaneous (specify) National Operating costs & Interest payable Pension Costs – Actuarial (gains) losses	10,965 (2,511)	
10,733 1,257				
(16)	Taxation		24	
27,462		<b>TOTAL EXPENDITURE</b>		24,763
589		Surplus/Deficit for year		4,720
3,474		Amount of fund at beginning of year		4,063
4,063		Amount of fund at end of year		8,783

## 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>£</b>	<b>£</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>£</b>	<b>£</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>	
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 5</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)

<b>ACCOUNT 6</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 7</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)		

## BALANCE SHEET AS AT 31<sup>st</sup> December 2017

(see notes 19 and 20)

Previous Year		£	£
3,665	<b>Fixed Assets</b> (as at page 11)		3,836
	<b>Investments</b> (as per analysis on page 13)		
	Quoted (Market value £            )		
	Unquoted		
	<b>Total Investments</b>		
	<b>Other Assets</b>		
6,128	Sundry debtors	7,136	
3,406	Cash at bank and in hand	3,269	
486	Stocks of goods	561	
	Others (specify)		
10,020	<b>Total of other</b>		10,966
	<b>assets</b>		
13,685		<b>TOTAL ASSETS</b>	14,802
7,890	General Reserve Fund (Account)		8,783
(3,827)	Pension Reserve Fund (Account)		-
	Fund (Account)		
	Revaluation Reserve		
	<b>Liabilities</b>		
	Loans		
	Bank overdraft		
1,197	Tax payable	1,218	
3,317	Sundry creditors	3,737	
1,281	Accrued expenses	1,064	
	Provisions		
3,827	Other liabilities: Pension reserve		
9,622		<b>TOTAL LIABILITIES</b>	6,019
4,063		<b>TOTAL ASSETS</b>	8,783

## FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Computer & Software and other intangibles	Total
	£	£	£	£
<b>COST OR VALUATION</b>				
At start of period	1,921	1,979	4,527	8,427
Additions during period		131	1,187	1,318
Less: Disposals during period		(95)	(818)	(913)
Less: DEPRECIATION:	38	253	856	1,147
Total to end of period	1,098	1,582	2,316	4,996
<b>BOOK AMOUNT</b> at end of period	823	433	2,580	3,836
Freehold	823			
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
<b>AS BALANCE SHEET</b>	823	433	2,580	3,836



# 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:			
<b>COMPANY NAME</b>  Tachodisc Distribution (UK) Limited T Team Limited	<b>COMPANY REGISTRATION NUMBER (if not registered in England &amp; Wales, state where registered)</b>  10140022 08101543		
<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.			
<b>COMPANY NAME</b>	<b>NAMES OF SHAREHOLDERS</b>		
<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.			
<b>COMPANY NAME</b>	<b>NAMES OF SHAREHOLDERS</b>		

# SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	29,375		29,375
From Investments	16		16
Other Income (including increases by revaluation of assets)	92		92
<b>Total Income</b>	29,483		29,483
<b>EXPENDITURE</b> (including decreases by revaluation of assets)			
<b>Total Expenditure</b>	24,763		24,763
<b>Funds at beginning of year</b> (including reserves)	4,063		4,063
<b>Funds at end of year</b> (including reserves)	8,783		8,783
<b>ASSETS</b>			
Fixed Assets			3,836
Investment Assets			
Other Assets			10,966
		<b>Total Assets</b>	14,802
<b>LIABILITIES</b>			
		<b>Total Liabilities</b>	6,019
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			8,783

# 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

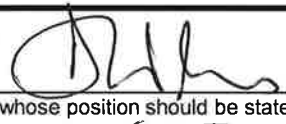
# ACCOUNTING POLICIES

(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: John Maitland Date: <u>02/07/2018</u>	Chairman's Signature: <u></u> (or other official whose position should be stated)  Name: David Wells Date: <u>26/06/18</u>
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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  
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  
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  
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

We confirm that the audit was carried out in accordance with the requirements of the Trade Union and Labour Relations (consolidation) Act 1992.

We hope this now completes your requirements

Yours faithfully



Kingston Smith LLP

Signature(s) of auditor or auditors:		
Name(s):	Kingston Smith LLP	
Profession(s) or Calling(s):	Registered Auditors	
Address(es):	Devonshire House 60 Goswell Road London EC1M 7AD	
Date:	27 March 2018	
Contact name and telephone number:	0207 566 4000	

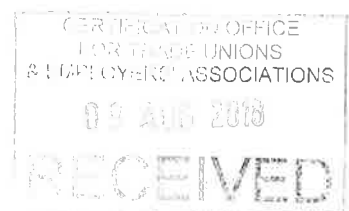
N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

# Annual report and accounts

for the year ended 31 December 2017



Freight Transport Association Limited  
Company No 00391957





## Freight Transport Association Limited

### Company information

<b>DIRECTORS</b>	<b>SECRETARY</b>	<b>REGISTERED OFFICE</b>	<b>AUDITORS</b>	<b>BANK</b>
L M Pomlett	John Maitland	Hermes House	Kingston Smith LLP	Lloyds Bank
V J Brickley		St. John's Road	Devonshire House	3rd Floor, 2 City Place,
G Roberts		Tunbridge Wells	60 Goswell Road	Beehive Ring Road
J D Moxon		Kent	London	Gatwick
I Stansfield		TN4 9UZ	EC1M 7AD	Sussex
P Roe				RH6 0PA
D Wells				
C M Walker				

**Freight Transport Association Limited**

Annual report and accounts  
for the year ended 31 December 2017

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## Strategic report for the year ended 31 December 2017

Your Directors have pleasure in submitting their Strategic Report for the year ended 31 December 2017.

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. Group income increased 4.8% in 2017 to £29.4m, due in part to a full year of trading for the subsidiary acquired in April 2016, 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 by 5% to 16,811 at the year end. All services now benefit from the continued investment in our Vision software and during the year we continued to invest in back office systems.

The Board continued to monitor performance and where necessary approve staff investment plans that support the business's key strategic plan and as a result the year end head count for the group increased 2% to 379. Market conditions for 2018 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.

On 2 January 2018 the Association acquired 100% of the issued shares in T Team Limited, trading as Training Team, a training provider based in Gatwick. The business has over 30 years of training experience in the dangerous goods by air market and broadens the portfolio of services available to members who increasingly need a range of logistics solutions. The business acquired by Tachodisc Distribution UK Limited in April 2016 grew 4% in 2017. The core business of transport related products and tachograph services performed satisfactorily and contributed a surplus of £127k in the year.

Key performance indicators used within the business include membership numbers and renewal rates, contract numbers and productivity measures in Vehicle Inspections (VIS) and Tachograph Services and delegate numbers attending training courses, seminars, Freight Councils and our representation in the national and local press. During the year productivity in VIS exceeded the national average of 5 units per day by 3%, 1,300 delegates attended our Transport Manager events and attendance at Freight Councils increased by 20%.

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.

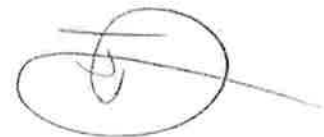
- 1 Members' demands, needs and expectations arising from their membership and ownership of one of the country's biggest trade associations
- 2 Changing economic and market pressures – the environment in which members trade
- 3 New regulatory and policy pressures – members' compliance obligations
- 4 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.

The group consolidated accounts include the financial statements of the company and its subsidiary undertaking as at 31 December 2017. Any subsidiary undertakings sold or acquired during the year are included up to, or from, the date of change of control or change of significant influence respectively.

Key risks facing the organisation are the need to maintain membership numbers and 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 obligations) at 31 December 2017 remains strong with group net assets of £8.8m. Cash balances remain buoyant in 2017 at £3.3m. FTA paid pension contributions of £1.5m to the Pension plan during 2017. The FRS102 pension fund deficit decreased by £4.4m in the year to a surplus of £0.6m. This asset has not been recognised as its recoverability in the form of a refund or reduction in the future contributions is not within FTA's sole control as it depends on the future decision of the trustees of the plan. The level of contributions payable to the pension plan under the current schedule of contributions for the year ended 31 December 2018 is £1.4m.



By order of the FTA board  
Jon Moxon – Honorary Treasurer

23 March 2018

## Directors' report for the year ended 31 December 2017

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 2017 are shown below.

### Principal activities

The principal activities of the group continue to be the provision of membership support as well as logistics products, consultancy, penalty charge notice administration service and training to members.

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 2017 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.

Several members of the Board stood down in March 2017 for several reasons: three resigned as they were retiring and two resigned due to future conflicts of interest. This smaller board remains engaged and prepared to take FTA forward in what is a challenging environment for the business and its Members.

### 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.

## The FTA Board 2017

President and Chairman	Other Members of the Board	
LM Pomlett	RJ Ashworth (resigned 6 March 2017)	I Stansfield
	VJ Brickley	I Veitch (resigned 6 March 2017)
Vice President	LE Thomas (resigned 6 March 2017)	P Watts (resigned 6 March 2017)
RJ Jenkins (resigned 6 March 2017)	AJ Haines (resigned 6 March 2017)	D Wells
Honorary Treasurer	G Roberts	J H Williams (resigned 6 March 2017)
JD Moxon	P Roe (appointed 19 September 2017)	C M Walker

## Statement of Directors' responsibilities

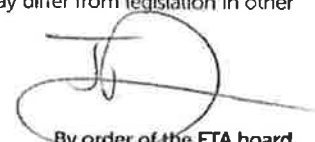
The Directors are responsible for preparing the Directors' and Strategic Reports and the financial statements in accordance with applicable law and regulations.

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 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 the group and the group's profit and loss 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.



By order of the FTA board  
Jon Moxon – Honorary Treasurer

23 March 2018

## Independent auditor's report to the Members of Freight Transport Association Limited

### Opinion

We have audited the financial statements of Freight Transport Association Limited ('the parent company') and its subsidiaries for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 so we might state to the company's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or

## Independent auditor's report to the Members of Freight Transport Association Limited (continued)

- 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.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Devonshire House, 60 Goswell Road,  
London EC1M 7AD  
27 March 2018



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

## Consolidated statement of comprehensive income for the year ended 31 December 2017

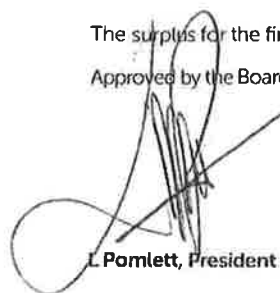
	Note	2017 £'000	2016 £'000
Income	1(v) and 3	29,375	28,025
Direct expenses		<u>(16,285)</u>	<u>(15,488)</u>
Gross surplus		13,090	12,537
Operating expenses		(10,881)	(10,624)
Other operating income		<u>92</u>	<u>-</u>
Operating surplus	4(i)	2,301	1,913
Income from deposits	4(ii)	16	26
Other finance expenditure	18	<u>(84)</u>	<u>(109)</u>
Surplus on ordinary activities before taxation		2,233	1,830
Taxation	6	<u>(24)</u>	<u>16</u>
Surplus for the financial year		2,209	1,846
Other comprehensive income			
Actuarial gains/(losses) on defined benefit pension scheme	18 (v)	<u>2,511</u>	<u>(1,257)</u>
Total comprehensive income for the year		<u>4,720</u>	<u>589</u>

## Consolidated and company statement of financial position as at 31 December 2017

	Note	Group		Company	
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>Non-current assets:</b>					
Intangible assets	7 (i)	2,427	2,042	2,327	1,929
Tangible assets	7 (ii)	<u>1,409</u>	<u>1,623</u>	<u>1,339</u>	<u>1,588</u>
		3,836	3,665	3,666	3,517
<b>Current assets:</b>					
Stock	9	561	486	366	289
Debtors	10	7,136	6,128	7,421	6,584
Cash at bank and in hand		<u>3,269</u>	<u>3,406</u>	<u>3,112</u>	<u>3,252</u>
		10,966	10,020	10,899	10,125
<b>Creditors:</b>					
Amounts falling due within one year	11	<u>(5,930)</u>	<u>(5,698)</u>	<u>(5,731)</u>	<u>(5,559)</u>
<b>Net current assets</b>		<u>5,036</u>	<u>4,322</u>	<u>5,168</u>	<u>4,566</u>
<b>Total assets less current liabilities</b>		8,872	7,987	8,834	8,083
<b>Creditors: amounts falling due after more than one year</b>	12	(73)	(88)	(73)	(88)
<b>Provision for liabilities</b>	14	<u>(16)</u>	<u>(9)</u>	-	-
<b>Net assets excluding pension liability</b>		8,783	7,890	8,761	7,995
<b>Retirement benefit obligations</b>	15	<u>-</u>	<u>(3,827)</u>	<u>-</u>	<u>(3,827)</u>
<b>Net assets including pension liability</b>		<u>8,783</u>	<u>4,063</u>	<u>8,761</u>	<u>4,168</u>
<b>Reserves</b>					
<b>Accumulated reserves</b>					
General reserve	16	8,783	7,890	8,761	7,995
Pension reserve		<u>-</u>	<u>(3,827)</u>	<u>-</u>	<u>(3,827)</u>
		<u>8,783</u>	<u>4,063</u>	<u>8,761</u>	<u>4,168</u>

The surplus for the financial year dealt with in the accounts of the parent company was £ 2,082,000 (2016: £1,951,000)

Approved by the Board and authorised for issue on 23 March 2018



L Pomlett, President



J D Moxon, Honorary Treasurer

Company Registration Number: 00391957



## Consolidated and company statement of changes in equity for the year ended 31 December 2017

Group	Note	Pension reserve	General reserve	Total
		£'000	£'000	£'000
<b>Balance at 1 January 2016</b>		(3,416)	6,890	3,474
<b>Year ended 31 December 2016</b>				
Surplus for the year		846	1,000	1,846
Other comprehensive (loss) income for the year	18 (v)	<u>(1,257)</u>	<u>-</u>	<u>(1,257)</u>
Total comprehensive income/(loss) for the year		<u>(411)</u>	<u>1,000</u>	<u>589</u>
<b>Balance at 31 December 2016</b>		<u>(3,827)</u>	<u>7,890</u>	<u>4,063</u>
<b>Year ended 31 December 2017</b>				
Surplus for the year		1,316	893	2,209
Other comprehensive income for the year	18 (v)	<u>2,511</u>	<u>-</u>	<u>2,511</u>
Total comprehensive income for the year		<u>3,827</u>	<u>893</u>	<u>4,720</u>
<b>Balance at 31 December 2017</b>	16	<u>-</u>	<u>8,783</u>	<u>8,783</u>
<b>Company</b>				
	Note	Pension reserve	General reserve	Total
		£'000	£'000	£'000
<b>Balance at 1 January 2016</b>		(3,416)	6,890	3,474
<b>Year ended 31 December 2016</b>				
Surplus for the year		846	1,105	1,951
Other comprehensive income for the year	18 (v)	<u>(1,257)</u>	<u>-</u>	<u>(1,257)</u>
Total comprehensive income for the year		<u>(411)</u>	<u>1,105</u>	<u>694</u>
<b>Balance at 31 December 2016</b>		<u>(3,827)</u>	<u>7,995</u>	<u>4,168</u>
<b>Year ended 31 December 2017</b>				
Surplus for the year		1,316	766	2,082
Other comprehensive income for the year	18 (v)	<u>2,511</u>	<u>-</u>	<u>2,511</u>
Total comprehensive income for the year		<u>3,827</u>	<u>766</u>	<u>4,593</u>
<b>Balance at 31 December 2017</b>	16	<u>-</u>	<u>8,761</u>	<u>8,761</u>

## Consolidated statement of cashflows for the year ended 31 December 2017

		Group	
	Note	2017 £'000	2016 £'000
<b>Net cash from operating activities</b>	17	1,160	1,147
Taxation - corporation tax (paid)/received		<u>(8)</u>	<u>21</u>
<b>Net cash generated from operating activities</b>		1,152	1,168
<b>Cash flow from investing activities</b>			
Purchase of intangible assets		(1,125)	(1,053)
Purchase of tangible assets		(193)	(330)
Proceeds on disposal of tangible assets		-	11
Interest received		<u>16</u>	<u>26</u>
<b>Net cash used in investing activities</b>		(1,302)	(1,346)
<b>Cash flow from financing activities</b>			
New finance leases in the year/(repayment of obligations under finance leases)		<u>13</u>	<u>(21)</u>
<b>Net (decrease) in cash and cash equivalents</b>		(137)	(199)
<b>Cash and cash equivalents at the beginning of year</b>		<u>3,406</u>	<u>3,605</u>
<b>Cash and cash equivalents at the end of year</b>		<u>3,269</u>	<u>3,406</u>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		<u>3,269</u>	<u>3,406</u>

**1 Accounting policies**

*Company information*

Freight Transport Association Limited is a company limited by guarantee, domiciled and incorporated in England and Wales and not having any share capital.

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

The financial statements are prepared in sterling, which is the functional currency of the group and the company. Monetary amounts in the financial statements are rounded to the nearest thousand pounds

As permitted by s408 Companies Act 2006, the Company has not presented its own income statement and related notes.

**(ii) Exemptions for qualifying entities under FRS 102**

The company has taken advantage of the following exemptions under the provisions of FRS 102:

i) The requirements of section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d) to prepare a statement of cash flows on the basis that the company is a qualifying entity and the company's cash flows are included in the consolidated financial statements.

ii) The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A, regarding disclosures of financial liabilities and assets as the equivalent disclosures required by FRS102 are included in the consolidated financial statements of the group in in which the entity is consolidated; and

iii) From disclosing the company key management personnel compensation, as required by paragraph 33.7.

**(iii) Basis of consolidation**

The group consolidated accounts include the financial statements of the company and its subsidiary undertakings as at 31 December 2017. Any subsidiary undertakings sold or acquired during the year are included up to, or from, the date of change of control or change of significant influence respectively.

**(iv) Going concern**

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

**(v) Income recognition**

Income is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business net of discounts, VAT, and other sales related taxes.

Membership income is recognised in the month due.

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

**(vi) Intangible assets - goodwill**

Purchased goodwill represents the excess of the amount paid on the acquisition of a business over the aggregate fair value of the assets acquired and is written off in equal instalments over its expected useful economic life subject to impairment reviews.

*Intangible assets other than goodwill*

Intangible assets acquired separately from a business are recognised at cost and are subsequently recognised at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3 to 5 years	Goodwill	10 years
Intellectual Property	4 years	Database	10 years

**1 Accounting policies (continued)**

**(vii) Tangible assets - property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation net of depreciation and any impairment losses.

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 basis:

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 income statement.

**(viii) Impairment of tangible and intangible assets**

At each reporting end date, the group and 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 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.

**(ix) Investment in subsidiary**

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiary). Control is achieved where the group has power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

**(x) Stock**

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

**(xi) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**(xii) Financial assets**

The group 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 group and company's statement of financial position when the group and company become 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.

**1 Accounting policies (continued)**

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 as 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.

**(xiii) Financial liabilities**

Basic financial liabilities 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.

**(xiv) Derivatives**

The company enters into forward exchange contracts in order to reduce its exposure to foreign exchange risk. Such contracts are derivatives and therefore not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently measured at fair value. Changes in the fair value of derivatives are recognised immediately in profit or loss in finance costs or finance income as appropriate, unless they are designated as an effective hedging instrument, in which event the timing of recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset at the reporting date, whereas a derivative with a negative fair value is recognised as a financial liability. Forward foreign currency contracts are valued using quoted forward exchange rates and with reference to quoted interest rates matching the maturities of the contracts.

**(xv) Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**i) Current tax**

The tax currently payable is based on the taxable surplus for the year. Taxable surplus differs from net surpluses as reported in the consolidated income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been substantively enacted by the reporting end date.

**1 Accounting policies (continued)****ii) Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable surpluses. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable surplus nor the accounting surplus.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable surpluses will be available to allow all or part of the assets to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to reserves, in which case the deferred tax is also dealt with in reserves. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**(xvi) Employee benefits**

The group and 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 in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**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 statement of financial position 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 deficits are recognised in full and presented within provisions.

Pension scheme surpluses have not been recognised in the statement of financial position as the recovery is uncertain due to:

- the pension scheme deficit at the last triennial valuation dated 31 March 2016 was £12,544,000, requiring significant ongoing annual contributions and,
- the recoverability of the surplus in the form of a refund or a reduction in future contributions depends on the future decisions of the trustees of the scheme.

**iii) Defined contribution pension plan**

The group and company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group and company in an independently administered fund. Payments to defined contribution retirement benefit schemes are charged as an expense when they fall 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 group's performance over a three year period. The targets include retained earnings 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.

**(xvii) 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.

**1 Accounting policies (continued)**

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.

**(xviii) 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 group'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) Deferred tax**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable surpluses will be available against which the losses can be utilised. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable surpluses together with future tax planning strategies.

**ii) 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. Goodwill and other intangible assets impairment reviews are also performed annually. These reviews require an estimation of the value in use of the cash generating units to which the goodwill, software and other intangible assets have been allocated. The value in use calculation requires the group 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 7(i) for the carrying amount of the intangible assets and note 1(vi) for the useful economic lives for each class of asset.

**iii) 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 7(ii) for the carrying amount of the property, plant and equipment and note 1(vii) for the useful economic lives for each class of asset.

**iv) 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 statement of financial position. The assumptions reflect historical experience and current trends. See note 18 for the disclosures relating to the defined benefit pension scheme.

**v) Long-term incentive plan**

The company operates a cash settled long term incentive plan for certain executive directors. There are three plans in operation that provide for a payment to be made subsequent to the 31 December 2017, 31 December 2018 and 31 December 2019 year ends, based on the achievement of certain operational targets including turnover, retained earnings results, membership numbers and council attendance. The directors and management estimate the probability of achieving these targets based on results to date and realistic forecasting and the accounts include an accrual of £339,451 (2016 - £274,154) for the liability arising.

**3 Income**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Membership fees	4,356	4,288
Commercial activities:		
Income from services	21,025	20,236
Sales of goods	3,994	3,501
	<u>29,375</u>	<u>28,025</u>
Geographical analysis		
United Kingdom	28,964	27,616
Ireland	352	353
Rest of world	59	56
	<u>29,375</u>	<u>28,025</u>

**4 Operating surplus**

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

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Auditors' remuneration in respect of:		
Audit of parent company and group	44	40
Audit of subsidiary	8	6
Depreciation:		
Owned assets	340	324
Assets held under finance leases	67	74
Amortisation of intangible assets	740	445
(Gain)/Loss on foreign exchange transactions	(19)	(17)
Operating lease payments:		
Land and buildings	129	122
Other operating leases	1,191	1,075
Cost of inventories recognised as an expense	<u>2,188</u>	<u>1,836</u>

(ii) Income from deposits

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Other interest	13	13
Bank interest	3	4
Recovery of KSF cash deposit	-	9
	<u>16</u>	<u>26</u>



**5 Employment costs**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
(i) Employee costs during the year amounted to:		
Salaries and bonuses	12,635	12,688
Social security costs	1,393	1,263
Defined contribution pension costs	749	701
Redundancy costs	<u>53</u>	<u>260</u>

Within the salaries and bonuses figure is an amount of £65,297 (2016: £159,154) payable to senior members of staff in respect of Long-Term Incentive Plans.

	<b>2017</b>	<b>2016</b>
(ii) The average number of employees during the year was:		
Operations	204	213
Management, sales and administration	<u>175</u>	<u>160</u>
	<u>379</u>	<u>373</u>

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
(iii) Director emoluments		
Emoluments for qualifying services	221	209
Amounts payable under long-term incentive plan	26	47
Company pension contributions to defined contribution schemes	<u>40</u>	<u>21</u>
	<u>287</u>	<u>277</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amount to 1 (2016 - 1).

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

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Emoluments for qualifying services and amounts payable under long-term incentive schemes	224	236
Company pension contributions to defined contribution schemes	<u>40</u>	<u>21</u>
	<u>264</u>	<u>257</u>

The highest paid director is a member of the company's defined contribution scheme and had accrued entitlements of £74,707 (2016 - £27,882) under the scheme at the year end.

There is also an accrued lump sum of £157,000 (2016 - £6,956).

(iv) **Key management compensation**

Key management is considered to be the nine executive directors. Total remuneration paid to key management personnel in the year was £1,189,000 (2016 - £985,000).

**6 Taxation**

(i) Domestic current year tax

	2017	2016
	£'000	£'000
UK corporation tax	17	5
Total current tax charge	<u>17</u>	<u>5</u>

(ii) Deferred tax:

Deferred tax charge/(credit) for the current year (note 14)	7	(21)
Group deferred tax charge/(credit)	7	(21)
Total tax charge/(credit)	<u>24</u>	<u>(16)</u>

(iii) Factors affecting the tax charge of the year

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

In 2017 this amounted to £39,325 (2016: £40,480). The subsidiary is fully taxable.

	2017	2016
	£'000	£'000
Surplus on ordinary activities before tax	<u>2,233</u>	<u>1,830</u>
Surpluses on ordinary activities before tax multiplied by the standard rate of UK Corporation tax of 19.25% (2016 - 20%)	430	366
Effects of:		
Non deductible expenses	8	2
Non taxable income of the Association	(395)	(352)
Other timing differences	<u>(19)</u>	<u>(32)</u>
	<u>(406)</u>	<u>(382)</u>
Total tax charge/(credit)	<u>24</u>	<u>(16)</u>

**7 Non-current assets**

## (i) Intangible fixed assets

	Goodwill £'000	Intellectual Property £'000	Database £'000	Software £'000	Group Total £'000	Company Software £'000
<b>Cost</b>						
At 1 January 2017	57	20	35	3,523	3,635	3,512
Additions	-	-	-	1,125	1,125	1,122
Disposals	-	-	-	(173)	(173)	(173)
At 31 December 2017	<u>57</u>	<u>20</u>	<u>35</u>	<u>4,475</u>	<u>4,587</u>	<u>4,461</u>
<b>Amortisation</b>						
At 1 January 2017	4	3	2	1,584	1,593	1,583
Charge for the year	6	3	4	727	740	724
Disposals	-	-	-	(173)	(173)	(173)
At 31 December 2017	<u>10</u>	<u>6</u>	<u>6</u>	<u>2,138</u>	<u>2,160</u>	<u>2,134</u>
Net book value 31 December 2017	<u>47</u>	<u>14</u>	<u>29</u>	<u>2,337</u>	<u>2,427</u>	<u>2,327</u>
Net book value 31 December 2016	<u>53</u>	<u>17</u>	<u>33</u>	<u>1,939</u>	<u>2,042</u>	<u>1,929</u>

**Group and company intangible assets**

The group goodwill arises from the subsidiary company's acquisition of the trade and assets of Tachodisc Limited on 29 April 2016.

The software intangible assets include bespoke systems for managing and delivering three key services 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.

## (ii) Tangible fixed assets

Group	Freehold Property £'000	Furniture and Equipment £'000	Computer Equipment £'000	Total £'000
<b>Cost</b>				
At 1 January 2017	1,921	1,979	892	4,792
Additions	-	131	62	193
Disposals	-	(95)	(645)	(740)
At 31 December 2017	<u>1,921</u>	<u>2,015</u>	<u>309</u>	<u>4,245</u>
<b>Depreciation</b>				
At 1 January 2017	1,060	1,424	685	3,169
Charge for the year	38	253	116	407
Disposals	-	(95)	(645)	(740)
At 31 December 2017	<u>1,098</u>	<u>1,582</u>	<u>156</u>	<u>2,836</u>
Net book value 31 December 2017	<u>823</u>	<u>433</u>	<u>153</u>	<u>1,409</u>
Net book value 31 December 2016	<u>861</u>	<u>555</u>	<u>207</u>	<u>1,623</u>

**7 Non-current assets (ii) (continued)**

Company	Freehold Property	Furniture and Equipment	Computer Equipment	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 January 2017	1,921	1,939	892	4,752
Additions	-	70	62	132
Disposals	-	(95)	(645)	(740)
At 31 December 2017	<u>1,921</u>	<u>1,914</u>	<u>309</u>	<u>4,144</u>
<b>Depreciation</b>				
At 1 January 2017	1,060	1,419	685	3,164
Charge for the year	38	227	116	381
Disposals	-	(95)	(645)	(740)
At 31 December 2017	<u>1,098</u>	<u>1,551</u>	<u>156</u>	<u>2,805</u>
Net book value 31 December 2017	<u>823</u>	<u>363</u>	<u>153</u>	<u>1,339</u>
Net book value 31 December 2016	<u>861</u>	<u>520</u>	<u>207</u>	<u>1,588</u>

A charge exists over the Association's Learnington 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 Bank PLC in respect of a mortgage deed.

Included in freehold property is freehold land at cost of £29,085 (2016: £29,085) which is not depreciated.

The carrying amount of assets under finance leases included in computer equipment is £117,170 (2016: £130,959).

During the year the asset register was reviewed and a number of fully depreciated assets no longer in use in the business were scrapped. They are shown as disposals.

**8 Fixed assets - Investments**

Shares in group undertakings - company.

Shares in group undertakings are shown at cost, less any provision for material continuing losses and impaired carrying value.

Details of the company's subsidiary undertaking, which was incorporated in England and Wales and operated in the United Kingdom, and whose registered address is Hermes House St. John's Road, Tunbridge Wells, Kent, TN4 9UZ, are set out below.

Company	Principal Activity	Proportion of ordinary shares held and cost	
		%	£
Tachodisc Distribution UK Limited	Sales of logistics products and training	100	1

The financial statements for the trading subsidiary for the year ended 31 December 2017 have been consolidated with those of the parent company.

**9 Stock**

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Goods for resale	561	486	366	289
	<u>561</u>	<u>486</u>	<u>366</u>	<u>289</u>

**10 Debtors**

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trade debtors	5,487	4,822	5,276	4,631
Other debtors	377	397	377	397
Amounts due from group undertaking	-	-	533	668
Prepayments and accrued income	1,272	909	1,235	888
	<u>7,136</u>	<u>6,128</u>	<u>7,421</u>	<u>6,584</u>

**Debtors: amounts falling due after more than one year**

Other debtors include £305,000 (2016: £324,000) due from FTA Ireland Limited. This comprises a loan of £266,000 (2016: £310,000) plus accrued interest and has fixed repayment terms. The repayment of the loan after redenomination into Euros commenced in December 2016. Amounts falling due after more than one year are £261,000 (2016: £293,000). Interest of £13,000 (2016: £13,000) was charged on the loan in the year.

Amounts due from group undertaking relate to the balances due from Tachodisc Distribution UK Limited, the company's subsidiary. This includes a loan of £460,000 (2016 - £584,000) including interest and has a fixed repayment term. The loan commenced in April 2016. Amounts falling due after more than one year are £325,000 (2016 - £556,000). Interest of £23,000 (2016 - £14,000) was charged on the loan in the year.

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

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Trade creditors	1,765	1,322	1,606	1,292
Corporation tax	14	5	5	5
Social security and other taxes	1,204	1,192	1,194	1,148
Obligations under finance leases (note 19)	56	28	56	28
Other creditors	-	13	-	-
Accruals and deferred income:				
Vehicle and Tachograph Inspection Services	891	984	891	984
Other member services	936	873	936	873
General	1,064	1,281	1,043	1,229
	<u>5,930</u>	<u>5,698</u>	<u>5,731</u>	<u>5,559</u>

**12 Creditors: amounts falling due after more than one year**

Obligations under finance leases (note 19)	<u>73</u>	<u>88</u>	<u>73</u>	<u>88</u>
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**13 Financial instruments**

	Group	
	2017	2016
	£'000	£'000
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>6,722</u>	<u>5,842</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>(2,958)</u>	<u>(2,732)</u>

Forward currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

The following table details the forward currency contracts outstanding at the year end:

	Average contractual exchange rate	Notional value £	Fair value £
Euros FX Swap to 29 December 2018	1.1209	-	0.305

The hedge was entered into as an effective hedge against a loan denominated in Euros.

Gains of £305 (2016: £1,898) were recognised in the surplus for the year.

**14 Provision for liabilities**

**Deferred taxation**

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is an analysis of the deferred tax balances (after offset) for the financial reporting purposes::

**Deferred tax assets**

	Group	
	2017	2016
	£'000	£'000
Timing differences	<u>-</u>	<u>16</u>
	<u>-</u>	<u>16</u>

**Deferred tax liabilities**

Other timing differences	(4)	(17)
Accelerated/decelerated capital allowances	<u>(12)</u>	<u>(8)</u>
	<u>(16)</u>	<u>(25)</u>
<b>Provision for liabilities</b>	<u>(16)</u>	<u>(9)</u>

**Deferred tax movements in the year**

	Group	
	2017	2016
	£'000	£'000
Liability at 1 January 2017	(9)	-
Deferred tax on stock fair value adjustment following business acquisition in 2016	-	(30)
(Charge)/credit to income statement	<u>(7)</u>	<u>21</u>
Liability at 31 December 2017	<u>(16)</u>	<u>(9)</u>

The total amount expected to be reversed out in 2018 is £4,000.

**15 Provision for retirement benefit obligations**

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

	<b>Group and Company</b>	
	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Deficit at start of year	3,827	3,416
Cash contributions paid in the year	(1,400)	(955)
Other finance (expenditure)	84	109
Actuarial loss/(gain) – statement of comprehensive income	<u>(2,511)</u>	<u>1,257</u>
Deficit at end of year (note18 vii)	<u>-</u>	<u>3,827</u>

**16 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>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Income	349	346
Expenditure	<u>(355)</u>	<u>(357)</u>
(Deficit) of expenditure over income	(6)	(11)
Balance at 1 January	<u>934</u>	<u>945</u>
Balance at 31 December	<u>928</u>	<u>934</u>

Assets representing this fund are held in Current Assets.

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

- (iii) As at 31 December 2017, FTA held £62,396 (2016: £45,734) 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.

**17 Cash generated from operations**

	Group	
	2017	2016
	£'000	£'000
Operating Surplus:	2,301	1,913
Amortisation of intangible assets	740	445
Depreciation of tangible assets	407	398
Post employment benefits less payments	(1,400)	(955)
Working capital movements:		
(Increase)/decrease in stocks	(75)	(175)
(Increase) in debtors	(1,008)	(692)
Increase/(decrease) in creditors	195	213
Cash flow from operating activities	<u>1,160</u>	<u>1,147</u>

**18 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 2016. Using this as a basis, the valuation has been updated to 31 December 2017 by a qualified actuary in accordance with Section 28 of FRS 102.

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 2017 amounted to £1,534,000 (2016: £1,079,000).

Payments for future years under the current schedule of contributions will be £1,442,000 for 2018 together with the expenses of the scheme, which will vary in amount from year to year.

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

	2017	2016
	£'000	£'000
Scheme liabilities at 1 January	70,242	60,652
Interest cost	1,838	2,194
Net benefits paid from scheme assets	(4,344)	(2,745)
Actuarial (gain)/loss on scheme liabilities	(364)	10,141
Scheme liabilities at 31 December	<u>67,372</u>	<u>70,242</u>

	2017	2016
	£'000	£'000
The total actuarial (gain)/loss on the liabilities is analysed as follows		
Experience losses on scheme liabilities	-	(598)
Changes in demographic assumptions	(1,533)	(827)
(Gain)/loss from change in other assumptions	1,169	11,566
Total (gain)/loss on scheme liabilities	<u>(364)</u>	<u>10,141</u>



**18 Pensions (continued)**

(iii) Changes in fair value of scheme assets

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets at 1 January	66,415	57,236
Return on scheme assets (excluding amounts included in net interest)	2,748	8,884
Employer contributions	1,534	1,079
Net benefits paid	(4,344)	(2,745)
Expenses paid	(134)	(124)
Interest income	<u>1,754</u>	<u>2,085</u>
Fair value of scheme assets at 31 December	<u><b>67,973</b></u>	<u><b>66,415</b></u>

(iv) Amounts recognised in income

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
The amounts recognised in the income statement are as follows:		
Interest on assets	1,754	2,085
Interest cost on liabilities	<u>(1,838)</u>	<u>(2,194)</u>
Charged to other finance (expenditure)	<u>(84)</u>	<u>(109)</u>

The actual return on scheme assets net of expenses for the year was a gain of £4,502,000 (2016 - £10,969,000).

(v) Amount recognised in other comprehensive income

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Actuarial (gain) on scheme assets in excess of interest	(2,748)	(8,884)
Restriction on recognising surplus in the year	601	-
Actuarial (gain)/loss from changes to financial assumptions	<u>(364)</u>	<u>10,141</u>
Total (gain)/loss recognised in other comprehensive income during the year	<u><b>(2,511)</b></u>	<u><b>1,257</b></u>

(vi) Assumptions

	<b>2017</b>	<b>2016</b>
The principal assumptions used by the actuary were:		
Discount rate for scheme liabilities	2.50%	2.70%
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	3.20%	3.30%
Inflation (RPI)	3.35%	3.45%
Revaluation in deferment (RPI)	2.35%	2.45%

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 S2PXA year of use with CML\_2016 [1%] projections (2016 - 110% of S2PXA year of use with CML\_2015 [1.25%] projections). Under this assumption the average life expectancy of males aged 65 is 21.2 years and of females aged 65 is 23.1 years. 100% of members are assumed to take their maximum tax free cash lump sum (2016: 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.

**18 Pensions (continued)**

(vii) Amounts included in the statement of financial position

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of scheme assets	67,973	66,415
Present value of funded defined benefit obligations	<u>(67,372)</u>	<u>(70,242)</u>
	601	(3,827)
Restricted surplus	<u>(601)</u>	<u>-</u>
Net liability recognised on the statement of financial position	<u>-</u>	<u>(3,827)</u>

As shown above the pension scheme shows a net surplus of £601,000 that has not been recognised in the statement of financial position as the recovery is uncertain due to:

- the pension scheme deficit at the last triennial valuation dated 31 March 2016 was £12,544,000, requiring significant ongoing annual contributions and,
- the recoverability of the surplus in the form of a refund or a reduction in future contributions depends on the future decisions of the trustees of the scheme.

(viii) Analysis of fair value of scheme assets

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Equities	17,981	20,589
Diversified growth fund	6,179	5,977
Gilts	29,216	27,230
Bonds	13,922	12,619
Other	<u>675</u>	<u>-</u>
Fair value of assets	<u>67,973</u>	<u>66,415</u>

(ix) Defined contribution scheme

The group also operates defined contribution schemes for employees. Pension costs for the defined contribution schemes are charged to the Income Statement in the year in which they become payable. The pension cost for the year in respect of the defined contribution schemes was £749,000 (2016: £701,000).

Included in the general accruals are pension contributions amounting to £96,000 (2016 - £88,000).

**19 Future financial commitments**

(i) **Operating leases**

At 31 December 2017 there were the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

**Operating leases that expire:**

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Within one year	882	848	842	821
In second to fifth years	<u>1,003</u>	<u>1,361</u>	<u>893</u>	<u>1,201</u>
	<u>1,885</u>	<u>2,209</u>	<u>1,735</u>	<u>2,022</u>

(ii) **Finance leases**

At 31 December 2017 the following obligations under finance leases are included in the financial statements:

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Within one year	56	28	56	28
In second to fifth years	<u>73</u>	<u>88</u>	<u>73</u>	<u>88</u>
	<u>129</u>	<u>116</u>	<u>129</u>	<u>116</u>

The finance leases are for IT equipment, with lengths of 24 and 48 months. The company has the opportunity to purchase the assets at the end of the leases.

**20 Post Balance Sheet Event**

On 2 January 2018, Freight Transport Association acquired 100% of the issued share capital of T Team Limited for £1.125m settled by cash.



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