

# Annual General Meeting 2001

Notice is hereby given that the Annual General Meeting of the Freight Transport Association Limited will be held at the London Hilton, Park Lane, London W1, at 9.30am on Tuesday 1 May 2001 for the purpose of transacting the following business:

## 1 Directors Report

To receive the Report of the Directors for the year 2000.

## 2 Annual Accounts

To receive the Income and Expenditure Account for the year ended 31 December 2000, the Balance Sheet as at that date and the Auditors' Report.

## 3 Auditors

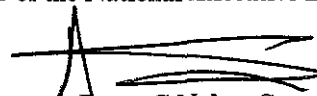
To appoint Auditors and to fix their remuneration.

## 4 Other Business

To deal with any other business admitted by the Chairman.

By order of the National Executive Board

Hermes House, St John's Road  
Tunbridge Wells, Kent TN4 9UZ

  
Roger S Nolan, Secretary



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COMPANIES HOUSE

\*AWMJA215\*

0584  
20/07/01

## The Report of the Directors for the year ended 31 December 2000

Your Directors have pleasure in submitting their Annual Report and Accounts for the year ended 31 December 2000. For the purposes of the Companies Act 1985 members of the National Executive Board are Directors. The names of those persons who were members of the Board at any time in 2000 appear on page 8.

The Association acts as a trade association for trade and industry in so far as the organisations in membership operate or use freight transport for or in connection with their business. During the year it continued its policy of providing a range of advisory and practical services to the membership and of pursuing a vigorous and responsible representational role. The total membership of the Association at 31 December 2000 was 10,996 and the state of the Association's affairs is set out in the Accounts shown on the following pages.

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 the Association maintained its policy of giving full and fair consideration to applications for employment made by disabled people.

Changes in the tangible assets of the Association are detailed in note 7 of the accounts. It is considered that the market value of the Association's freehold properties is in excess of the amounts shown in the Accounts.

The Auditors, Calder & Co. retire in accordance with the provisions of the Companies Act 1985 and a resolution for their reappointment will be proposed at the Annual General Meeting.

By order of the National Executive Board



Roger S Nolan, Secretary

15 March 2001

## National Executive Board 2000/2001

<b>President and Chairman:</b>	L R Christensen, <i>Safeway Stores plc</i>
<b>Vice-Chairmen:</b>	J P Richardson, <i>The Boots Company plc</i> J G Russell, <i>John G Russell (Transport) Ltd</i>
<b>Honorary Treasurer:</b>	J P Richardson, <i>The Boots Company plc</i>
<b>Other Members of the Board:</b>	D S Archbold, <i>Archbold Freightage Ltd</i> P Bateman, <i>Tesco Distribution Ltd</i> R A Clark, <i>Merlin Distribution Ltd</i> J A Harvey, <i>Tibbett &amp; Britten Group plc</i> C A Lawrence, <i>Wincanton Logistics</i> D G Mathew, <i>ASW Distribution</i> P R Mengel, <i>English Welsh &amp; Scottish Railway Ltd</i> E J Roderick, <i>Christian Salvesen PLC</i> G A Sheddick, <i>Norbert Dentressangle UK Ltd</i>

**The following also held office during the year:**

I K Braybrook, *English Welsh & Scottish Railway Ltd*  
P R Browitt, *ICI Procurement & Logistics*

## The Freight Transport Association Limited Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its surplus or deficit for that period. In preparing those 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

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

We have audited the financial statements on pages 10 to 20 which have been prepared under the Historical Cost Convention and the accounting policies set out on page 14.

## **Respective responsibilities of Directors and Auditors**

As described on page 8, the company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

## **Basis of opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

1 Regent Street  
London SW1Y 4NW  
15 March 2001

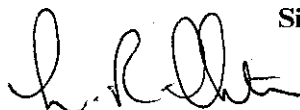


*Calder & Co*  
*Chartered Accountants*  
*and Registered Auditor*

# Balance Sheet 31 December 2000

		2000	1999
	Note	£	£
<b>Fixed Assets:</b>			
Tangible Assets	7	4,230,104	4,201,899
<b>Current Assets:</b>			
Stocks	1(iii)	114,341	155,478
Debtors	8	3,381,214	3,554,783
Cash at bank and in hand		274,321	552,100
		<u>3,769,876</u>	<u>4,262,361</u>
<b>Creditors:</b>			
Amounts falling due within one year	9	<u>3,477,839</u>	<u>4,010,141</u>
Net Current Assets		292,037	252,220
Total Net Assets		<u>4,522,141</u>	<u>4,454,119</u>
<b>Capital and Reserves</b>			
<b>General Reserve:</b>			
Balance as at 31 December 2000	10(i) to (iii)	4,086,662	3,791,926
<b>Specific Reserves and Funds:</b>			
Property and Refurbishing Reserve	10(iv)	142,221	113,143
Pension Reserve	10(v)	40,521	46,213
Legal Defence Reserve	10(vi)	67,101	118,704
Information Technology Development Reserve	10(vii)	—	134,133
Staff Development Reserve	10(viii)	185,636	250,000
		<u>4,522,141</u>	<u>4,454,119</u>

L R Christensen, President



Signed on behalf of the National Executive Board  
15 March 2001

J P Richardson, Honorary Treasurer



*The notes on pages 14 to 20 form part of these accounts*

# Income and Expenditure Account for the year ended 31 December 2000

		2000	1999
	Note	£	£
Turnover	1(v) and 2	15,345,688	15,099,649
Direct service costs		8,753,292	8,662,265
Gross Surplus		6,592,396	6,437,384
National operating expenses	3 and 4	6,034,535	5,896,315
Operating Surplus		557,861	541,069
Income from deposits		33,884	65,660
Rent received		—	4,824
		33,884	70,484
Taxation	6	5,722	14,315
		28,162	56,169
Surplus for year before Extraordinary item	4	586,023	597,238
Less Extraordinary item:			
Expenditure on Transport Taxes Campaign	see below	—	500,000
Surplus for year after Extraordinary item		586,023	97,238

## Transport Taxes Campaign

In 1999, FTA undertook to meet the first £500,000 of the costs of a campaign mounted by the Association to raise awareness of the high levels of taxation on fuel and of excise duty.

Member companies contributed a further £6,400 in 2000 (1999: £261,586) and expenditure on the campaign in 2000 amounted to £136,039 (1999: £533,810).

## Continuing Operations

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

*The notes on pages 14 to 20 form part of these accounts*

# Cash Flow Statement for the year ended 31 December 2000

		2000	1999
	Note	£	£
Net cash inflow from operating activities		1,164,025	804,982
Return on investments	11(i)	33,884	70,484
Taxation		(13,760)	(24,425)
Capital expenditure and financial investment	11(ii)	(943,927)	(786,257)
Cash inflow/(outflow) before use of liquid resources and financing		240,222	64,784
<b>Financing:</b>			
Expenditure funded from Reserves	11(iii)	(518,001)	(235,463)
Expenditure on Transport Taxes Campaign		—	(500,000)
Increase/(decrease) in cash in the period	12	(277,779)	(670,679)
<b>Reconciliation of operating profit to net cash (outflow)/inflow from operating activities</b>			
<b>Operating Surplus:</b>		557,861	541,069
Depreciation		1,099,668	1,006,085
Surplus on sale of Fixed Assets		(183,946)	(162,301)
(Increase)/Decrease in Stocks		41,137	(11,946)
(Increase)/Decrease in Debtors		173,569	(675,706)
Increase/(Decrease) in Creditors		(524,264)	107,781
Net cash inflow from operating activities		1,164,025	804,982

*The notes on pages 14 to 20 form part of these accounts*

# Statement of Total Recognised Gains and Losses for the year ended 31 December 2000

		2000	1999
	Note	£	£
Surplus before transfer to Reserves		586,023	97,238
<b>Expenditure from Reserves</b>			
Property and Refurbishing Reserve		70,922	36,558
Pension Reserve		145,692	87,836
Legal Defence Reserve		81,603	24,000
Information Technology Development Reserve		155,420	87,069
Staff Development Reserve		64,364	—
		<u>518,001</u>	<u>235,463</u>
Total recognised gains/(losses) relating to the year		<u>68,022</u>	<u>(138,225)</u>
Total gains/(losses) since the last Annual Report		<u>68,022</u>	<u>(138,225)</u>

*The notes on pages 14 to 20 form part of these accounts*



# Notes to the Accounts 31 December 2000

## 1 Accounting Policies

### (i) Preparation of Accounts

These Accounts have been prepared under the Historical Cost Convention and in accordance with applicable Accounting Standards.

### (ii) Depreciation

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

Freehold Buildings	50 years	Furniture and Equipment	4 years
Motor Vehicles	4 years	Computers	4 years

### (iii) Stock

Stock is valued at the lower of cost and net realisable value.

### (iv) Taxation

Taxation is provided on non-member income only.

### (v) Turnover

Income is recognised at the point of sale or at the time the service is provided.  
All turnover excludes value added tax.

### (vi) Pensions

The pension costs charged against profits are based on an actuarial method and actuarial assumptions designed to spread the anticipated pension costs over the service lives of the employees of the scheme, in such a way that seeks to ensure that the regular pension costs represent a substantially level percentage of the current and expected future pensionable payroll. Variations from regular costs are spread over the average remaining service lives of current employees in the scheme.

## 2 Turnover

	2000	1999
	£	£
Membership fees	2,943,973	2,930,339
Commercial activities	12,401,715	12,169,310
	<u>15,345,688</u>	<u>15,099,649</u>

Membership fees are recognised in the month they are due and no provision for the prepaid portion is carried forward in the Balance Sheet.

Only direct salaries and expenses have been charged to the departments. Member services and administrative salaries and expenses have been included in 'National operating expenses'.

All income is generated in the UK, with the exception of occasional fees from overseas projects.

# Notes to the Accounts 31 December 2000

## 3 National Operating Expenses

The heading 'Administration expenses' which is specified in the Companies Act 1985 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 1985.

## 4 Total Expenditure

The Surplus for the year is derived after charging:

	2000	1999
	£	£
Audit fees	31,998	32,725
Depreciation	1,099,668	1,006,085
Profit on sale of assets	(183,946)	(162,301)

## 5 Employment Costs

	2000	1999
	£	£
Salaries	7,412,706	6,994,261
Social Security	558,050	533,421
Pensions	1,101,979	1,038,121

Salary costs are inclusive of redundancy payments.

	2000	1999
The average number of employees during the year was:	364	350

## 6 Taxation

The Association is liable for taxation only on surpluses arising from non-members. The taxation charge for the year based on this income is as follows:

	2000	1999
	£	£
Corporation tax at 20 per cent (1999 – 20 per cent)	6,777	14,815
Over provision for previous years	(1,055)	(500)
	5,722	14,315

# Notes to the Accounts 31 December 2000

## 7 Tangible Assets

	Freehold Property	Motor Vehicles	Furniture and Equipment	Computer Equipment	Total
	£	£	£	£	£
<b>Cost</b>					
Balance at 1 January 2000	2,706,644	2,729,389	246,504	1,223,487	6,906,024
Additions	–	762,665	119,839	262,007	1,144,511
Disposals	–	(712,802)	–	–	(712,802)
Balance at 31 December 2000	2,706,644	2,779,252	366,343	1,485,494	7,337,733
<b>Depreciation</b>					
Balance at 1 January 2000	697,725	1,433,470	146,027	426,903	2,704,125
Provision	52,512	673,400	52,077	321,679	1,099,668
Disposals	–	(696,164)	–	–	(696,164)
Balance at 31 December 2000	750,237	1,410,706	198,104	748,582	3,107,629
Net Book Value 31 December 2000	1,956,407	1,368,546	168,239	736,912	4,230,104
Net Book Value 31 December 1999	2,008,919	1,295,917	100,478	796,585	4,201,899

## 8 Debtors

	2000	1999
	£	£
Debtors for goods and services	3,033,671	2,891,451
Other debtors	118,195	141,519
Prepayments and accrued income	229,348	521,813
	3,381,214	3,554,783

## 9 Creditors

	2000	1999
	£	£
Trade creditors	464,186	607,550
Accruals and deferred income:		
Vehicle Inspection Service	1,011,012	1,531,229
Tachograph Service	666,776	709,411
Other member services	245,863	148,380
Payroll and other taxes	502,467	489,293
General accruals and other creditors	580,758	509,463
Corporation tax payable	6,777	14,815
	3,477,839	4,010,141

# Notes to the Accounts 31 December 2000

## 10 Reserves and Funds

### (i) General Reserve

The Association is limited by guarantee and does not have any share capital. Annual surpluses or deficits, after providing for specific reserves, which are detailed below, are transferred to the accumulated fund.

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

Within the meaning of FRS3 the total of the Association's Accumulated Reserve and Other Reserves constitute 'Shareholders funds'. The movements in the Accumulated Reserve and Other Reserves are detailed below.

### (iii) General Reserve

	2000	1999
	£	£
Balance at 1 January 2000	3,791,926	4,084,688
Surplus for the year	586,023	97,238
	<hr/> 4,377,949	<hr/> 4,181,926
Transfers to Other Reserves:		
Property and Refurbishing Reserve	100,000	50,000
Pension Reserve	140,000	60,000
Legal Defence Reserve	30,000	30,000
Information Technology Development Reserve	21,287	—
Staff Development Reserve	—	250,000
	<hr/> 4,086,662	<hr/> 3,791,926

### (iv) Property and Refurbishing Reserve

	2000	1999
	£	£
Balance at 1 January 2000	113,143	99,701
Allocation from income in the year	100,000	50,000
	<hr/> 213,143	<hr/> 149,701
Less: Expenditure in the year	70,922	36,558
	<hr/> 142,221	<hr/> 113,143

### (v) Pension Reserve

The Pension Reserve was established to help finance possible future commitments for early retirement and to meet cases of hardship. Movements in the reserve during the year were as follows:

	2000	1999
	£	£
Balance at 1 January 2000	46,213	74,049
Allocation from income in the year	140,000	60,000
	<hr/> 186,213	<hr/> 134,049
Less: Expenditure in the year	145,692	87,836
	<hr/> 40,521	<hr/> 46,213

## Notes to the Accounts 31 December 2000

### (vi) *Legal Defence Reserve*

The Legal Defence Reserve was established in 1992 to provide for possible actions considered necessary to protect the interests of the Association and its members. Movements during the year were as follows:

	2000	1999
	£	£
Balance at 1 January 2000	118,704	112,704
Allocations from income in the year	30,000	30,000
	<hr/>	<hr/>
	148,704	142,704
Less: Expenditure in the year	81,603	24,000
	<hr/>	<hr/>
Balance at 31 December 2000	67,101	118,704

### (vii) *Information Technology Development Reserve*

A reserve was established to fund development of Information Technology.

	2000	1999
	£	£
Balance at 1 January 2000	134,133	221,202
Allocation from income in the year	21,287	–
	<hr/>	<hr/>
	155,420	221,202
Less: Expenditure in the year	155,420	87,069
	<hr/>	<hr/>
Balance at 31 December 2000	–	134,133

### (viii) *Staff Development Reserve*

A reserve has been established to fund staff development.

	2000	1999
	£	£
Balance at 1 January 2000	250,000	–
Allocation from income in the year	–	250,000
	<hr/>	<hr/>
	250,000	250,000
Less: Expenditure in the year	64,364	–
	<hr/>	<hr/>
Balance at 31 December 2000	185,636	250,000

### (ix) *Other Funds*

FTA administered three (1999: three) funds as at 31 December 2000 with a value of £205,132 (1999: £247,763). As at 31 December 2000, FTA held £53,033 (1999: £49,533) of guarantee deposits for TIR carnets. These funds are not in the beneficial ownership of FTA and do not form part of FTA's net assets.

# Notes to the Accounts 31 December 2000

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

	2000	1999
	£	£
(i) <i>Return on investments</i>		
Interest received	33,884	65,660
Other investment income	—	4,824
	<u>33,884</u>	<u>70,484</u>
(ii) <i>Capital expenditure and financial investment</i>		
Purchase of tangible fixed assets	(1,144,511)	(1,168,674)
Sale of tangible fixed assets	200,584	382,417
<b>Net cash inflow/(outflow) for capital expenditure</b>	<u>(943,927)</u>	<u>(786,257)</u>
(iii) <i>Expenditure funded from Reserves</i>		
Funded from Property and Refurbishment Reserve	70,922	36,558
Funded from Pension Reserve	145,692	87,836
Funded from Legal Defence Reserve	81,603	24,000
Funded from IT Development Reserve	155,420	87,069
Funded from Staff Development Reserve	64,364	—
	<u>518,001</u>	<u>235,463</u>

## 12 Analysis of net funds

	At 1 January 2000	Cash flow	Other changes	At 31 December 2000
	£	£	£	£
<b>Net cash:</b>				
Cash at bank and in hand	552,100	(277,779)	—	274,321
<b>Net funds</b>	<u>552,100</u>	<u>(277,779)</u>	<u>—</u>	<u>274,321</u>

# Notes to the Accounts 31 December 2000

## 13 Pensions

The Association operates a contributory pension scheme which is voluntary. Entry was open to all members of staff who are over 20 and under 59 but the scheme was closed to new entrants on 30 November 2000. The scheme is of the funded defined benefit type with its assets held in a separate trust and invested by the trustees; R S Nolan, FTA's Secretary and Executive Director – Finance, Gissings Trustees Limited and Freight Transport Association Limited. The Association's contributions are determined by a qualified actuary on the basis of a regular valuation. The most recent valuation was in January 1999. The principal assumptions adopted in the valuation were that over the long term, the annual rate of return on investments will be eight and one half per cent, that each member's pensionable salary will increase by seven per cent and pensions will increase at four and one half per cent per annum on all pensions for members in service after 31 December 1996 and five per cent per annum otherwise.

At the date of the latest actuarial valuation, 1 January 1999, on a continuing basis, and under the provision of the Minimum Funding Requirement, the market value of the assets of the scheme was £25 million and the actuarial value of the assets was sufficient to cover 86 per cent (1996 – 83 per cent) of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The scheme actuary has advised the Trustees that at the current rate of contributions of 23.5 per cent (including contributions from members), the Minimum Funding Requirement solvency requirement will be met within the statutorily prescribed timescale.

From 30 November 2000, the Association will provide personal pension plans, which comply with stakeholder pension provisions, for new staff. The personal pension plans will be provided by Legal and General Assurance Society Limited and the Association will contribute six per cent of an employee's salary provided the employee contributes at least five per cent.

## 14 Operating Leases

### Annual commitment under operating leases

At 31 December 2000 there were the following annual commitments under non-cancellable operating leases:

#### Operating leases that expire:

	2000	1999
	£	£
Within one year	–	–
In second to fifth years	–	–
Over five years	28,950	28,950
	<u>28,950</u>	<u>28,950</u>

## 15 Contingent Liability

Contingent liabilities existed at 31 December 2000, arising in the ordinary course of business in connection with guarantees relating to TIR Carnets. These are issued throughout Europe by various members of the International Road Transport Union (IRU) of which FTA is one.

The Directors do not anticipate that this contingency in respect of TIR Carnets will result in a material liability for the Association.