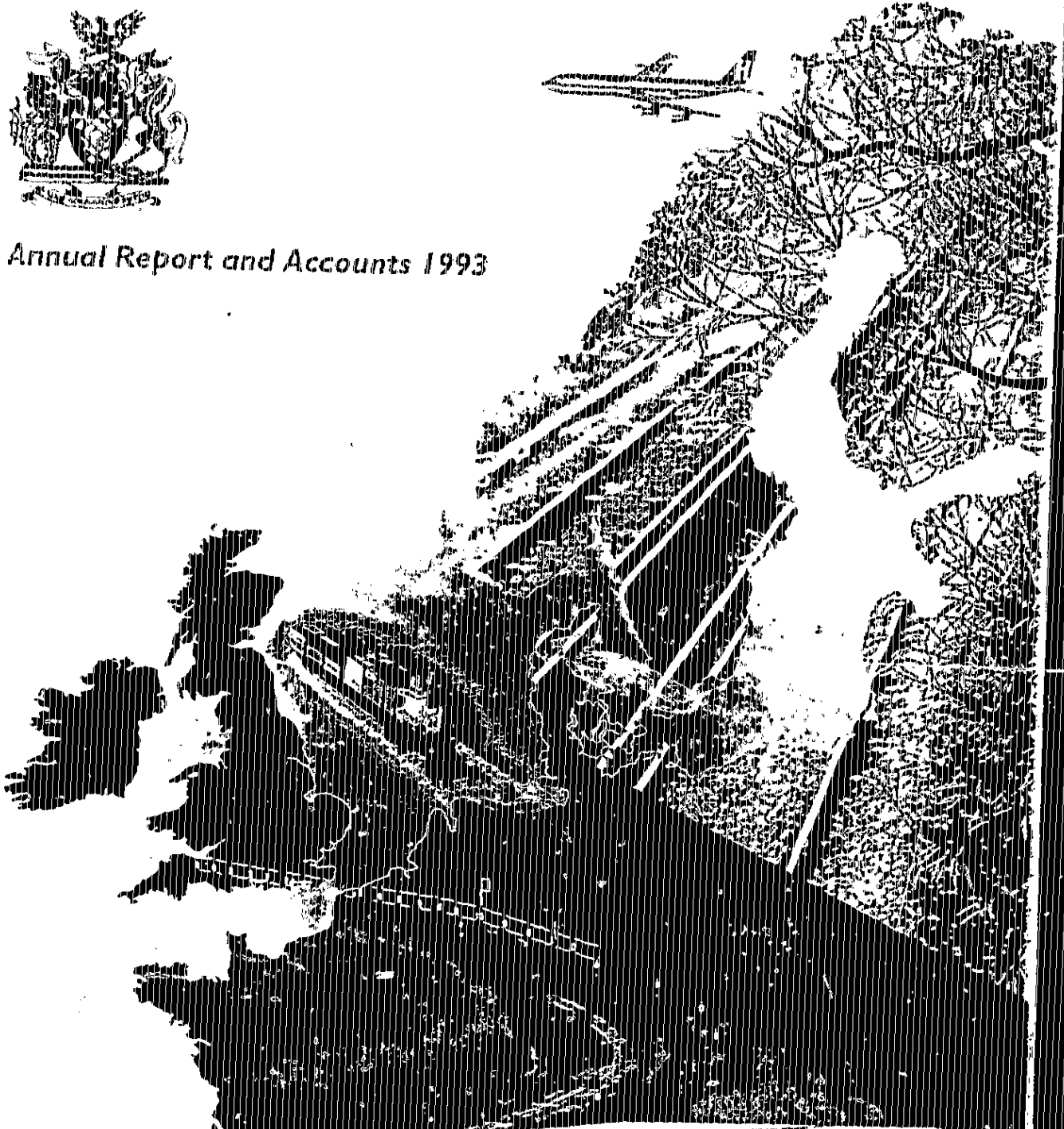


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Annual Report and Accounts 1993



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RECEIPT DATE 05/07/94

FREIGHT TRANSPORT ASSOCIATION LIMITED

Annual Report to Members 1993



1993 started with industry still in deep recession and although there was much talk then about the green shoots of recovery, this was not borne out by the views of members canvassed at the January National Council meeting. However, as the year progressed, there began to be distinct indications that a recovery, although slight, was underway and FTA's annual Freight Monitor survey, carried out in October 1993, showed that a majority of those companies surveyed, anticipated growth in activity during 1994.

SINGLE MARKET

Against this background, major initiatives were in hand, both in Europe and within the UK. The beginning of the year saw the completion of the single market and in January, to coincide with this fundamental change to the nature of European trading, FTA opened its new office in Brussels.

DEREGULATION

On the domestic front, we saw the launch of the Prime Minister's deregulation initiative and FTA was able to make a significant contribution, through the involvement of Graham Miller on the Transport and Communications Task Force.

PRIVATISATION

A major issue which continued to dominate the work of the Association during 1993 was the proposal to privatise British Rail and FTA was heavily involved in lobbying the Department of Transport in order to ensure that there would be adequate facilities for freight following privatisation.

BRITAIN'S MOTORWAYS

Another main issue during the year was the continuing need to ensure an adequate

roads infrastructure. In 1992, FTA had published 'Britain's motorways' jointly with the RAC. That document had called for better management of Britain's highways and the Government responded by the establishment in 1993 of a Highways Agency in order to manage the productivity of the roads and to deliver new roads construction to time and to budget.

TRANSATLANTIC AGREEMENT

The work of the British Shippers' Council was dominated by its continuing involvement with the complaint it had lodged in 1992 against the Transatlantic Agreement. FTA staff attended oral hearings before the European Commission in early June and these were followed by the compilation of a massive dossier, detailing the damaging effect that the TAA was having on some of the largest UK exporters. BSC is still awaiting the decision of the Commission but there is no doubt that the weight of evidence now before them is compelling. Despite being dominated by the issue of the TAA, other work of the British Shippers' Council continued and BSC achieved a significant victory against IATA by defeating their plans for the imposition of a surcharge.

EUROPEAN COMMISSION

FTA's training activities continued successfully during 1993 and such is its prestige, that it was chosen by the European Commission to provide a number of training courses for Russian transport personnel with funding provided by the Commission.

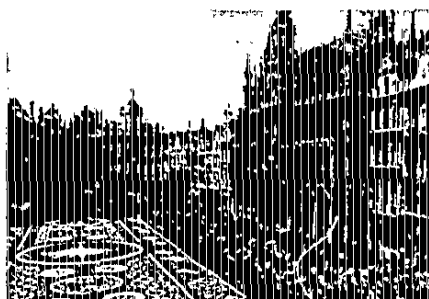
FTA has always been heavily involved with international issues particularly European and the new office in Brussels has added a new dimension to that work. Our relations with Commission staff have continued to strengthen and, in particular, we were the



Annual Report to Members 1993

first to alert Robert Coleman, the Director General of Transport at the Commission, of the growing abuse of TIR carnets by former Eastern Block countries. 1993 saw the final European Union agreement on liberalisation and cabotage coupled with agreement on goods vehicle taxation including new arrangements for road user charging. FTA continues to campaign for fair treatment for UK international hauliers now facing additional taxation elsewhere in Europe.

FTA's relations with the European Commission continued to strengthen with the opening of our Brussels office close to the Grand Place



ROADS ISSUES

Despite FTA being a truly multi-modal organisation, roads issues continue to dominate much of our work. Following FTA pressure, the Southampton lorry ban was removed and considerable effort over a number of years to remove the London lorry ban paid off with the deregulation bill published in January 1994 containing provisions which will enable the Secretary of State for Transport to remove the permit system operating in London. FTA continued its representation at public inquiries and a notable success resulted at Bexley following FTA intervention. Staff worked with member companies in South Wales to overcome

problems with the Severn Bridge tag scheme. The Association was successful in overturning plans to deny breakdown access to motorway service areas and also in achieving a deferment in the introduction of the more impractical aspects of proposed bridge bashing regulations.

ENVIRONMENTAL INITIATIVE

In the face of increasing environmental opposition on the transport front, FTA further developed its own activity on environmental matters on behalf of industry. This work was strengthened by the publication of the 'FTA Directory of Environmental and Freight Transport Research', listing all current research being undertaken into transport and distribution environmental issues.

44 TONNE CAMPAIGN

FTA's campaign for 44 tonne lorries continued apace into 1993 and although we did not succeed in achieving universal use, the restriction of 44 tonne lorries to journeys to and from railheads is a small victory and it ensures that the bigger issue of full liberalisation of 44 tonnes remains on the agenda. Our lobbying in respect of the review of operator licensing has borne fruit in the deregulation bill, which provides for continuous operator licensing. Vehicle and load security emerged as a major issue and initiatives in this field are planned for 1994. We have ensured that our views have been made in the debates currently being held into the options for a second generation tachograph.

REGIONAL SUCCESSES

FTA is not just active on national and international issues. Our work through our regional offices was successful in many areas, notable amongst which was the concession over drivers' hours earned in Scotland in January 1993, when the Secretary of State

Annual Report to Members 1993



The Rt Hon John Major, Prime Minister, with FTA President Alec Lafere (left) and Angus Clark at FTA's Annual Dinner



agreed to suspend all aspects of the hours rules, except the break requirement, during severe weather conditions

Notable events in 1993 included the award of BS5750 certification to FTA's Freightcheck chart checking service. The award was presented by the Roads and Traffic Minister, Kenneth Carlisle, at a ceremony held at the National Motorcycle Museum in April.

FTA NATIONAL CONFERENCE

The FTA National Conference was reintroduced in September after a gap of four years. Speakers included the Secretary of State,

for Transport and the Director General of Transport at the European Commission. FTA intends once again to hold regular conferences in the future. The next one will be in February 1995 and annually thereafter.

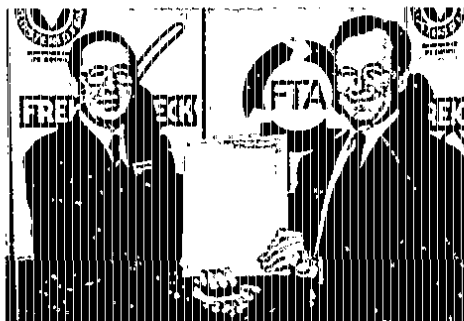
FTA ANNUAL DINNER

Undoubtedly a high spot in the FTA year was the presence of the Prime Minister as principal guest at the annual dinner in April. FTA has had many eminent guests at its annual dinner, but this was the first time the serving Prime Minister had attended, indicating that transport issues remain at the heart of Government action.

David Green succeeded Garry Turvey as Director General in October and established a new management structure by the end of the year



Kenneth Carlisle presents Garry Turvey with BS5750 certification for FTA's Freightcheck service



The annual dinner was also the last attended by Garry Turvey before his retirement and he took the opportunity to deliver a resounding speech. In October, Garry was succeeded as Director General by David Green, who lost no time in establishing a new management structure which was in place well before the end of the year. That new structure provides a strong foundation to ensure that FTA will continue to provide a quality service for its membership. In the coming years. ■



FTA Annual General Meeting 1994

ANNUAL GENERAL MEETING 1994

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 10.00am on Tuesday 26 April 1994 for the purpose of transacting the following business

1. Annual Report

To receive the Report of the Directors for the year 1993.

2. Annual Accounts

To receive the Income and Expenditure Account for the year ended 31 December 1993, 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.

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

By order of the National Executive Board
Roger S Nolan, Secretary

Directors' Report and Accounts 1993



THE REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 1993

Your Directors have pleasure in submitting their Annual Report and Accounts for the year ended 31 December 1993. 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 1993 appear below.

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 1993 was 11,596 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, W. J. Calder, Sons & 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.

17 March 1994

By order of the National Executive Board
Roger S Nolan, Secretary

NATIONAL EXECUTIVE BOARD 1993/1994

President and chairman:	R A Clark, J Sainsbury plc
Vice-chairmen:	B K R Burns, NFC plc F M P Pearce, ECC International Ltd
Honorary treasurer:	C A Lawrence, Wincanton Ltd
Members of the Board:	L Christensen, Safeway plc I H Gaseltine, British Sugar plc C G Harvey, Shell UK Oil G D N Miller, Youngers K W Miller, Securicor Omega Express Ltd R T Penry, Nestle Group Distribution Ltd J P Richardson, The Boots Company plc

The following also held office during the year:

R J Bayfield, Royal Mail
T Chapman, Esso Petroleum Company Ltd
J D Frost, Castle Cement (Padeswood) Ltd
W B Houseman MBE, J Bibby Agriculture Ltd
A G Lafone, Glaxo Pharmaceuticals UK Ltd



Directors' Report and Accounts 1993

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.

Directors' Report and Accounts 1993



AUDITORS' REPORT TO THE MEMBERS OF THE FREIGHT TRANSPORT ASSOCIATION LIMITED

We have audited the financial statements on pages 8 to 19 which have been prepared under the Historical Cost Convention and the accounting policies set out on page 12.

Respective responsibilities of Directors and Auditors

As described on page 6, 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 1993 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

25 Lower Belgrave Street
London SW1W 0LS
17 March 1994

W. J. Calder, Sons & Co
Chartered Accountants
and Registered Auditor



Directors' Report and Accounts 1993

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1993

		1993		1992	
	Note	£	£	£	£
Turnover	1(vi)		10,753,112		10,457,486
Direct service costs			<u>5,661,481</u>		<u>5,623,205</u>
Gross Surplus	2		5,091,631		4,834,191
National operating expenses	3 & 4		<u>4,967,476</u>		<u>4,473,751</u>
Operating Surplus			124,155		360,440
Income from listed investments	1(iii)	—		4,452	
Income from deposits		119,253		174,917	
Rent received		<u>6,372</u>		<u>3,714</u>	
		125,625		183,083	
Taxation	6	<u>29,364</u>		<u>46,220</u>	
			96,261		136,863
Surplus on redemption of listed investments			—		<u>14,038</u>
Surplus for the year before transfers to Reserves	4		<u>220,416</u>		511,341
Transfer to Property and Refurbishing Reserve	10(iii)	50,000		90,000	
Transfer to Pension Reserve	10(iv)	50,000		52,500	
Transfer to Special Contingency Reserve	10(v)	—		102,591	
Transfer to Legal Defence Reserve	10(vi)	30,000		30,000	
Transfer to Centenary Award Fund	10(vii)	<u>—</u>		<u>346</u>	
			<u>130,000</u>		<u>275,437</u>
Transfer to Accumulated Reserves			<u>90,416</u>		<u>235,904</u>

Continuing Operations

The company has made no acquisitions nor discounted 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 12 to 19 form part of these accounts

Directors' Report and Accounts 1993



BALANCE SHEET 31 DECEMBER 1993

		1993	1992
	Note	£	£
Fixed Assets:			
Tangible Assets	7	3,678,298	3,667,915
Current Assets:			
Stocks	1(iv)	75,738	71,559
Debtors	8	2,296,806	2,135,625
Deposits at short notice		1,800,000	1,545,000
Cash at bank and in hand		245,313	229,251
		<u>4,417,857</u>	<u>3,981,435</u>
Creditors:			
Amounts falling due within one year	9	<u>4,065,404</u>	<u>3,699,265</u>
Net Current Assets		352,453	282,170
Total Net Assets		<u>4,030,751</u>	<u>3,949,785</u>
Capital and Reserves			
General Reserve:			
Balance as at 1 January 1993	10(i)	3,477,320	3,241,416
Unappropriated surplus for the year		<u>90,416</u>	<u>235,904</u>
Balance as at 31 December 1993		3,567,736	3,477,320
Specific Reserves:			
Property and Refurbishing Reserve	10(ii)	121,262	124,737
Pension Reserve	10(iii)	104,105	138,951
Special Contingency Reserve	10(iv)	175,000	175,000
Legal Defence Reserve	10(v)	60,000	30,000
Centenary Award Fund	10(vi)	<u>2,648</u>	<u>3,777</u>
		<u>4,030,751</u>	<u>3,949,785</u>

R A Clark, President

R A Clark

Signed on behalf of the
National Executive Board
17 March 1994

C A Lawrence, Honorary treasurer

C A Lawrence

The notes on pages 12 to 19 form part of these accounts



Directors' Report and Accounts 1993

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1993

		1993	1992
	Note	£	£
Net cash inflow from operations	11	968,188	2,050,152
Return on Investments			
Interest received		132,066	147,117
Other investment income		5,819	1,165
Net inflow from return on investments		137,885	155,664
Taxation			
Tax paid		(37,460)	(55,010)
		(37,460)	(55,010)
Investing Activities			
Purchase of Tangible Fixed Assets		(857,767)	(1,094,432)
Proceeds from sales of Tangible Fixed Assets		199,666	197,352
Proceeds from sale of investments		-	89,038
Net cash outflow from investing activities		(658,101)	(722,242)
Net cash inflow before financing		410,512	434,033
Financing Activities			
Expenditure funded from Reserves	11	(139,450)	(86,555)
		(139,450)	(86,555)
Increase in cash and cash equivalents	12	271,062	2,745,418

The notes on pages 12 to 19 form part of these accounts

Directors' Report and Accounts 1993



STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1993		1992	
	£	£	£	£
Surplus before transfer to Reserves		220,416		511,347
Expenditure from Reserves				
Property and Refurbishing Reserve	53,475		55,895	
Pension Reserve	84,846		29,700	
Special Contingency Reserve	-		-	
Legal Defence Reserve	-		-	
Lombard Centenary award	1,129		960	
		139,450		86,555
Total recognised gains relating to the year		80,966		424,766

The notes on pages 12 to 19 form part of these accounts



Directors' Report and Accounts 1993

NOTES TO THE ACCOUNTS 31 DECEMBER 1993

Note

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
Motor Vehicles	4 years
Furniture and Equipment	4 years
Computers	4 years

(iii) Investments

Investments are held as medium to long term facilities and are included at cost. The market value is based on the quoted middle market price at 31 December each year.

(iv) Stock

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

(v) Taxation

Taxation is provided on non-member income only.

(vi) Turnover

Membership fees are recognised on a receipts basis only. All other income is recognised at the point of sale or at the time the service is provided. All turnover excludes value added tax.

(vii) 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 cost represents 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.

Directors' Report and Accounts 1993



NOTES TO THE ACCOUNTS 31 DECEMBER 1993

2 Turnover and Gross Surplus

	Gross Turnover £	Direct Costs £	1993 Gross Surplus £	1992 Gross Surplus £
Membership fees	2,219,730	-	2,219,730	2,017,730
Vehicle Inspection Service	4,034,074	2,990,897	1,043,177	947,100
Freightcheck	1,411,572	869,176	542,396	511,637
Training courses and conference fees	1,558,487	1,196,850	361,637	445,724
Publications and advertising	797,396	409,539	387,857	386,444
Other membership services	536,408	124,301	412,107	441,157
Sundry income	195,445	70,718	124,727	60,872
	<u>10,753,112</u>	<u>5,661,481</u>	<u>5,091,631</u>	<u>4,834,194</u>

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

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.

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:

	1993 £	1992 £
Audit fees	23,600	23,750
Depreciation	809,124	760,864
Profit on sale of assets	114,666	94,507



Directors' Report and Accounts 1993

NOTES TO THE ACCOUNTS 31 DECEMBER 1993

5 Employment Costs

	1993	1992
	£	£
Salaries	5,074,153	4,947,895
Social Security	413,666	383,512
Pensions	680,675	651,785

Salary costs are inclusive of redundancy payments

The average number of employees during the year was:

	1993 number	1992 number
Representation and administration	154	146
Direct revenue operations	164	182
	<u>318</u>	<u>330</u>

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:

	1993	1992
	£	£
Corporation tax at 25% (1992 - 33.25%)	34,334	42,430
Overprovision for 1992 (1991 - Underprovision)	<u>(4,970)</u>	<u>3,790</u>
	<u>29,364</u>	<u>46,220</u>

Directors' Report and Accounts 1993



NOTES TO THE ACCOUNTS 31 DECEMBER 1993

7 Tangible Assets

	Freehold Property £	Motor Vehicles £	Furniture and Equipment £	Computer £	Total £
Cost					
Balance at 1 January 1993	2,516,057	2,165,053	444,552	350,239	5,475,901
Additions	7,284	727,322	98,153	72,048	904,807
Transfer*	-	-	(248,038)	248,038	-
Written-off	-	-	(48,166)	(47,598)	(95,764)
Disposals	-	(604,076)	-	-	(604,076)
Balance at 31 December 1993	2,523,341	2,288,299	246,501	622,727	5,680,868
Depreciation					
Balance at 1 January 1993	368,845	1,044,573	251,101	143,767	1,808,286
Provision	48,707	542,601	62,133	155,683	809,124
Transfer*	-	-	(130,144)	130,144	-
Written-off	-	-	(48,166)	(47,598)	(95,764)
Disposals	-	(519,076)	-	-	(519,076)
Balance at 31 December 1993	417,552	1,068,098	134,924	381,996	2,002,570
Net Book Value 31 December 1993	2,105,789	1,220,201	111,577	240,731	3,678,298
Net Book Value 31 December 1992	2,147,212	1,120,480	193,451	206,472	3,667,615

*the above transfer represents the reclassification of microcomputers with effect from 1 January 1993

8 Debtors

	1993 £	1992 £
Debtors for goods and services	2,144,606	1,979,571
Other debtors	13,595	8,095
Prepayments and accrued income	138,605	147,959
	<u>2,296,806</u>	<u>2,135,625</u>

9 Creditors

	1993 £	1992 £
Trade and other creditors	482,222	462,244
Accruals and deferred income:		
Vehicle Inspection Service	1,898,130	1,865,384
Freightcheck	641,198	618,684
Other member services	185,633	152,051
Payroll and other taxes	535,211	329,733
General accruals	288,676	228,739
Corporation tax payable	34,334	42,430
	<u>4,065,404</u>	<u>3,699,265</u>



Directors' Report and Accounts 1993

NOTES TO THE ACCOUNTS 31 DECEMBER 1993

10 Capital and Reserves

(i) Accumulated 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 movement in the Accumulated Reserve is shown in the Balance Sheet and the movements in the Other Reserves are detailed below.

(iii) Property and Refurbishing Reserve

	1993	1992
	£	£
Balance at 1 January 1993	124,737	90,632
Allocation from income in the year	50,000	90,000
	<u>174,737</u>	<u>180,632</u>
Less: Expenditure in the year	53,475	55,895
Balance at 31 December 1993	<u>121,262</u>	<u>124,737</u>

(iv) 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:

	1993	1992
	£	£
Balance at 1 January 1993	138,951	116,151
Allocation from income in the year	50,000	52,500
	<u>188,951</u>	<u>168,651</u>
Less: Expenditure in the year	84,846	29,700
Balance at 31 December 1993	<u>104,105</u>	<u>138,951</u>

(v) Special Contingency Reserve

The Special Contingency Reserve was established to provide for projects or expenditure outside the normal course of the Association's business. Movements in the reserve during the year were as follows:

	1993	1992
	£	£
Balance at 1 January 1993	175,000	72,409
Allocation from income in the year	—	102,591
	<u>175,000</u>	<u>175,000</u>
Less: Expenditure in the year	—	—
Balance at 31 December 1993	<u>175,000</u>	<u>175,000</u>



NOTES TO THE ACCOUNTS 31 DECEMBER 1993

(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:

	1993	1992
	£	£
Balance at 1 January 1993	30,000	-
Allocation from income in the year	30,000	30,000
	<hr/>	<hr/>
Less: Expenditure in the year	60,000	30,000
	<hr/>	<hr/>
Balance at 31 December 1993	60,000	30,000

(vii) Lombard Centenary Award Fund

The Lombard Centenary Award Fund exists to provide a training award for students involved in transport related subjects. Movements in the fund during the year were as follows:

	1993	1992
	£	£
Balance at 1 January 1993	3,777	4,391
Allocation from income in the year	-	340
	<hr/>	<hr/>
Less: Expenditure in the year	3,777	4,737
	<hr/>	<hr/>
Balance at 31 December 1993	1,129	960
	<hr/>	<hr/>
	2,648	3,777



Directors' Report and Accounts 1993

NOTES TO THE ACCOUNTS 31 DECEMBER 1993

11 Net Cash Inflow

The reconciliation of Operating Surplus to Net Cash Inflow for the year is as follows

	1993	1992
	£	£
Operating Surplus:	124,155	83,240
Depreciation	809,124	701,604
Surplus on sale of fixed assets	(114,666)	(42,457)
(Increase)/Decrease in Stocks	(4,179)	(232)
(Increase)/Decrease in Debtors	(16,398)	(5,103)
Increase/(Decrease) in Creditors	170,152	(10,279)
Net cash inflow from operating activities	958,188	1,530,002
Expenditure funded from Reserves:		
Funded from Property and Refurbishment Reserve	53,475	56,855
Funded from Pension Reserve	84,846	20,700
Funded from Special Contingency Reserve	-	-
Funded from Lombard Centenary Fund	1,129	960
	139,450	78,515

12 Movement in Cash and Cash Equivalents

	1993	1992
	£	£
Balance brought forward	1,774,251	1,426,773
Increase in the year	271,062	347,476
Balance carried forward	2,045,313	1,774,251
Represented by:		
Cash at bank and in hand	245,313	220,251
Deposits at short notice	1,800,000	1,545,000
	2,045,313	1,774,251

13 Pensions

The Association operates a contributory pension scheme which is voluntary. Entry is open to all full time members of staff who are over 20 and under 59. The scheme is of the defined benefit type with its assets held in a separate trust and invested by the trustees, G. M. Benefit Consultants Limited. The Association's contributions are determined by a qualified actuary on the basis of a triennial valuation using the projected unit method. The most recent valuation was in April 1990. The principal assumptions adopted in the valuation were that over the long term, the annual rate of return on investments will be 9%, that each member's pensionable salary will increase by 7.5% and pensions will increase at 5% per annum. An initial valuation report has been prepared on the same principal assumptions during 1993 but this is subject to a number of points and so forms no definite recommendation as to the future level of funding rates required. An apparent underfunding is shown. For this reason, the Association's contribution has been increased to 18.5% from 16.5% with effect from 1 January 1994 and this, together with the support of the pension reserve arrangements, is anticipated to be adequate for the time being.

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NOTES TO THE ACCOUNTS 31 DECEMBER 1993

14 Operating Leases

Annual commitment under operating leases

At 31 December 1993 there were the following annual commitments under non-cancellable operating leases:

Operating leases that expire:

	1993		1992	
	Land & Buildings	Other	Land & Buildings	Other
	£	£	£	£
Within one year	-	-	-	-
In second to fifth years	-	-	-	-
Over five years	28,950	-	22,850	-
	<u>28,950</u>	<u>-</u>	<u>22,850</u>	<u>-</u>



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Secretary and Executive director - finance and consultancy: Roger Nolan

Executive director - transport policy: Richard Turner

Executive director - personnel and business services: Keith Taylor

Executive director - regions and marketing: Bob Armstrong

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