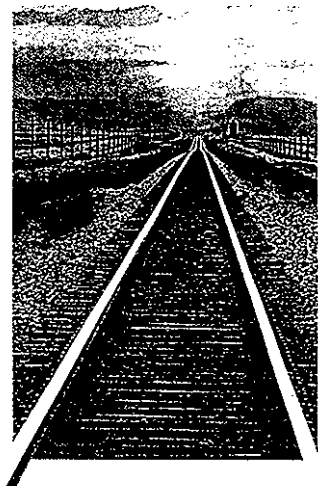
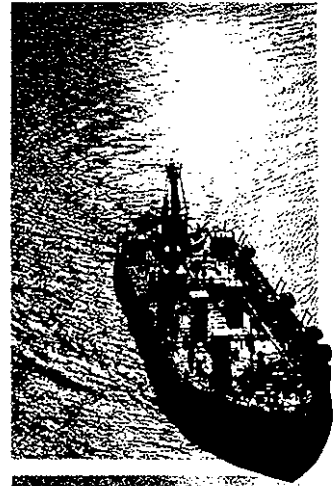


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WE KNOW.  
WE CAN HELP.

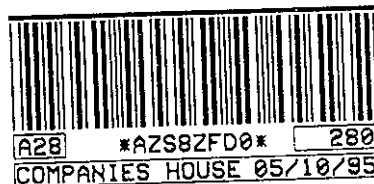


# ANNUAL ACCOUNTS

*of*

THE FREIGHT  
TRANSPORT  
ASSOCIATION

1994



## ***ANNUAL GENERAL MEETING 1995***

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 25 April 1995 for the purpose of transacting the following business:

### **1 Directors Report**

To receive the Report of the Directors for the year 1994.

### **2 Annual Accounts**

To receive the Income and Expenditure Account for the year ended 31 December 1994, the Balance Sheet as at that date and the Auditors' Report.

### **3 Auditors**

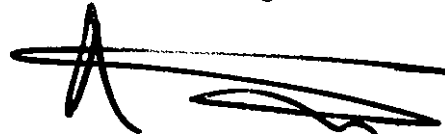
To appoint Auditors and to fix their remuneration.

### **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

A handwritten signature in black ink, appearing to be 'Roger S Nolan', written over a horizontal line.

## **THE REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 1994**

Your Directors have pleasure in submitting their Annual Report and Accounts for the year ended 31 December 1994. 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 1994 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 1994 was 11,473 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 1995

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

**NATIONAL EXECUTIVE BOARD 1994/1995**

**President and Chairman:** R A Clark, *J Sainsbury plc*

**Vice-Chairmen:** B K R Burns, *NFC plc*  
G D N Miller, *W M Younger & Co*

**Honorary Treasurer:** J P Richardson, *The Boots Co plc*

**Members of the Board:** J A C Bell, *Esso Petroleum Co Ltd*  
L Christensen, *Safeway plc*  
I H Gaseltine, *British Sugar plc*  
C A Lawrence, *Wincanton Ltd*  
D G Mathew, *Allied Steel & Wire*  
K W Miller, *Securicor Omega Express Ltd*  
J G Russell, *John Russell Transport Ltd*

The following also held office during the year:

C G Harvey, *Shell UK Oil*  
F M P Pearce, *ECC International Ltd*  
R T Penny, *Nestle UK Ltd*

## *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 5 to 15 which have been prepared under the Historical Cost Convention and the accounting policies set out on page 9.

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

As described on page 3, 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 1994 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 1995



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

# INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

		1994		1993	
	Note	£	£	£	£
Turnover	1(v)		11,650,900		10,753,112
Direct service costs			6,125,531		5,661,481
Gross Surplus	2		5,525,369		5,091,631
National operating expenses	3 & 4		5,347,784		4,967,476
Operating Surplus			177,585		124,155
Income from deposits		111,259		119,253	
Rent received		6,636		6,372	
		117,895		125,625	
Taxation	6	29,154		29,364	
			88,741		96,261
Surplus for the year before transfers to Reserves	4		266,326		220,416
Transfer to Property and Refurbishing Reserve	10(iii)	50,000		50,000	
Transfer to Pension Reserve	10(iv)	50,000		50,000	
Transfer to Special Contingency Reserve	10(v)	—		—	
Transfer to Legal Defence Reserve	10(vi)	30,000		30,000	
Transfer to Centenary Award Fund	10(vii)	—		—	
			130,000		130,000
Transfer to Accumulated Reserves			136,326		90,416

## 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 9 to 15 form part of these accounts*

# BALANCE SHEET 31 DECEMBER 1994

		1994		1993	
	Note	£	£	£	£
<b>Fixed Assets:</b>					
Tangible Assets	7		3,950,565		3,678,298
<b>Current Assets:</b>					
Stocks	1(iii)	71,252		75,738	
Debtors	8	2,377,530		2,296,806	
Deposits at short notice		1,877,000		1,800,000	
Cash at bank and in hand		37,838		245,313	
		<u>4,363,620</u>		<u>4,417,857</u>	
<b>Creditors:</b>					
Amounts falling due within one year	9	<u>4,171,919</u>		<u>4,138,930</u>	
Net Current Assets			191,701		278,927
Total Net Assets			<u>4,142,266</u>		<u>3,957,225</u>
<b>Capital and Reserves</b>					
<b>General Reserve:</b>					
Balance as at 1 January 1994	10(i)		3,494,210		3,477,320
Unappropriated surplus for the year			136,326		90,416
Prior Year Adjustment	15		—		(73,526)
Balance as at 31 December 1994			<u>3,630,536</u>		<u>3,494,210</u>
<b>Specific Reserves and Funds:</b>					
Property and Refurbishing Reserve	10(iii)		95,087		121,262
Pension Reserve	10(iv)		71,262		104,105
Special Contingency Reserve	10(v)		144,511		175,000
Legal Defence Reserve	10(vi)		138,245		60,000
Centenary Award Fund	10(vii)		1,125		2,648
Industry Image Fund	10(viii)		61,500		—
			<u>4,142,266</u>		<u>3,957,225</u>

R A Clark, President

*Race*

Signed on behalf of the National Executive Board

17 March 1995

J P Richardson, Honorary treasurer

*JPR*

*The notes on pages 9 to 15 form part of these accounts*

# *CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1994*

		1994		1993	
	Note	£	£	£	£
Net cash inflow from operations	11		925,379		968,188
<b>Return on investments</b>					
Interest received		111,655		132,066	
Other investment income		5,740		5,819	
Net inflow from return on investments			117,395		137,885
<b>Taxation</b>					
Tax paid		(34,609)		(37,460)	
			(34,609)		(37,460)
<b>Investing Activities</b>					
Purchase of Tangible Fixed Assets (see * below)		(1,311,393)		(857,767)	
Proceeds from sales of Tangible Fixed Assets (see * below)		254,038		199,666	
Net cash outflow from investing activities			(1,057,355)		(658,101)
Net cash (outflow)/inflow before financing			(49,190)		410,512
<b>Financing Activities</b>					
Expenditure funded from Reserves	11	(81,285)		(139,450)	
			(81,285)		(139,450)
Increase/(Decrease) in cash and cash equivalents	12		(130,475)		271,062

**\* Purchase and Sale of Tangible Fixed Assets**

During the year ended 31 December 1994 a new property was acquired for use as the Midlands regional office and the old office was sold.

*The notes on pages 9 to 15 form part of these accounts*



# STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Note	1994		1993	
		£	£	£	£
Surplus before transfer to Reserves			266,326		220,416
<b>Expenditure from Reserves</b>					
Property and Refurbishing Reserve		76,175		53,475	
Pension Reserve		82,843		84,846	
Special Contingency Reserve		30,489		—	
Legal Defence Reserve		(48,245)		—	
Lombard Centenary award		1,523		1,129	
Industry Image Fund		(61,500)		—	
			81,285		139,450
Total recognised gains relating to the year			185,041		80,966
Prior Year Adjustment	15		(73,526)		—
Total gains recognised since last Annual Report			111,515		80,966

*The notes on pages 9 to 15 form part of these accounts*

# NOTES TO THE ACCOUNTS 31 DECEMBER 1994

## 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) 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

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.

### (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 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.

## 2 Turnover and Gross Surplus

			1994	1993
	Gross Turnover	Direct Costs	Gross Surplus	Gross Surplus
	£	£	£	£
Membership fees	2,334,867	—	2,334,867	2,219,730
Vehicle Inspection Service	4,242,395	2,980,730	1,261,665	1,043,177
Freightcheck	1,437,123	947,203	489,920	542,396
Training courses	1,793,817	1,321,006	472,811	361,637
Publications and advertising	876,670	452,760	423,910	387,857
Other membership services	635,973	250,122	385,851	412,107
Sundry income	330,055	173,710	156,345	124,727
	<u>11,650,900</u>	<u>6,125,531</u>	<u>5,525,369</u>	<u>5,091,631</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.

## NOTES TO THE ACCOUNTS 31 DECEMBER 1994

### 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:

	1994	1993
	£	£
Audit fees	24,450	23,600
Depreciation	860,952	809,124
Profit on sale of assets	122,904	114,666

### 5 Employment Costs

	1994	1993
	£	£
Salaries	5,287,470	5,074,153
Social Security	426,418	413,666
Pensions	777,119	680,675

Salary costs are inclusive of redundancy payments

	1994	1993
The average number of employees during the year was:	322	318

### 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:

	1994	1993
	£	£
Corporation tax at 25%	28,879	34,334
Underprovision for 1993 (1992 – Overprovision)	275	(4,970)
	<u>29,154</u>	<u>29,364</u>

# NOTES TO THE ACCOUNTS 31 DECEMBER 1994

## 7 Tangible Assets

	Freehold Property	Motor Vehicles	Furniture and Equipment	Computer Equipment	Total
	£	£	£	£	£
<b>Cost</b>					
Balance at 1 January 1994	2,523,341	2,288,299	246,501	622,727	5,680,868
Additions	444,999	536,446	171,155	111,753	1,264,353
Written-off			(59,290)	(77,024)	(136,314)
Disposals	(100,115)	(463,614)	—	—	(563,729)
Balance at 31 December 1994	<u>2,868,225</u>	<u>2,361,131</u>	<u>358,366</u>	<u>657,456</u>	<u>6,245,178</u>
<b>Depreciation</b>					
Balance at 1 January 1994	417,552	1,068,098	134,924	381,996	2,002,570
Provision	57,312	548,223	89,592	165,825	860,952
Written-off	—	—	(59,290)	(77,024)	(136,314)
Disposals	(23,824)	(408,771)	—	—	(432,595)
Balance at 31 December 1994	<u>451,040</u>	<u>1,207,550</u>	<u>165,226</u>	<u>470,797</u>	<u>2,294,613</u>
Net Book Value 31 December 1994	<u>2,417,185</u>	<u>1,153,581</u>	<u>193,140</u>	<u>186,659</u>	<u>3,950,565</u>
Net Book Value 31 December 1993	<u>2,105,789</u>	<u>1,220,201</u>	<u>111,577</u>	<u>240,731</u>	<u>3,678,298</u>

\* During the year ended 31 December 1994 a new property was acquired for use as the Midlands regional office and the old office was sold.

## 8 Debtors

	1994	1993
	£	£
Debtors for goods and services	2,101,257	2,144,606
Other debtors	23,171	13,595
Prepayments and accrued income	253,102	138,605
	<u>2,377,530</u>	<u>2,296,806</u>

## 9 Creditors

	1994	1993
	£	£
Trade and other creditors	608,521	482,222
Accruals and deferred income:		
Vehicle Inspection Service	1,929,642	1,971,656
Freightcheck	658,090	641,198
Other member services	176,877	185,633
Payroll and other taxes	408,017	535,211
General accruals	361,893	288,676
Corporation tax payable	28,879	34,334
	<u>4,171,919</u>	<u>4,138,930</u>

# NOTES TO THE ACCOUNTS 31 DECEMBER 1994

## 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 general reserve.

### (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

	1994	1993
	£	£
Balance at 1 January 1994	121,262	124,737
Allocation from income in the year	50,000	50,000
	<hr/>	<hr/>
	171,262	174,737
Less: Expenditure in the year	76,175	53,475
	<hr/>	<hr/>
Balance at 31 December 1994	95,087	121,262

### (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:

	1994	1993
	£	£
Balance at 1 January 1994	104,105	138,951
Allocation from income in the year	50,000	50,000
	<hr/>	<hr/>
	154,105	188,951
Less: Expenditure in the year	82,843	84,846
	<hr/>	<hr/>
Balance at 31 December 1994	71,262	104,105

### (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:

	1994	1993
	£	£
Balance at 1 January 1994	175,000	175,000
Allocation from income in the year	-	-
	<hr/>	<hr/>
	175,000	175,000
Less: Expenditure in the year	30,489	-
	<hr/>	<hr/>
Balance at 31 December 1994	144,511	175,000

## NOTES TO THE ACCOUNTS 31 DECEMBER 1994

### (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:

	1994	1993
	£	£
Balance at 1 January 1994	60,000	30,000
Additions to the Reserve in the year	92,000	30,000
	<hr/>	<hr/>
Less: Expenditure in the year	152,000	60,000
	13,755	—
Balance at 31 December 1994	<hr/>	<hr/>
	138,245	60,000

### (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:

	1994	1993
	£	£
Balance at 1 January 1994	2,648	3,777
Allocation from income in the year	—	—
	<hr/>	<hr/>
Less: Expenditure in the year	2,648	3,777
	1,523	1,129
Balance at 31 December 1994	<hr/>	<hr/>
	1,125	2,648

### (viii) *Industry Image Fund*

The Industry Image Fund is set up to promote actions to improve the image of the freight transport industry.

	1994	1993
	£	£
Balance at 1 January 1994	—	—
Amounts received from members	11,500	—
Allocation from income in the year	50,000	—
	<hr/>	<hr/>
Less: Expenditure in the year	61,500	—
	—	—
Balance at 31 December 1994	<hr/>	<hr/>
	61,500	—

## NOTES TO THE ACCOUNTS 31 DECEMBER 1994

### 11 Net Cash Inflow

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

	1994	1993
	£	£
Operating Surplus:	177,585	124,155
Depreciation	860,952	809,124
Surplus on sale of fixed assets	(122,904)	(114,666)
(Increase)/Decrease in Stocks	4,486	(4,179)
(Increase)/Decrease in Debtors	(80,224)	(16,398)
Increase/(Decrease) in Creditors	85,484	170,152
Net cash inflow from operating activities	<u>925,379</u>	<u>968,188</u>
(Income Credited to)/Expenditure funded from Reserves:		
Funded from Property and Refurbishment Reserve	76,175	53,475
Funded from Pension Reserve	82,843	84,846
Funded from Special Contingency Reserve	30,489	—
Funded from Lombard Centenary Fund	1,523	1,129
Funded from Legal Defence Reserve	(48,245)	—
Funded from Industry Image Fund	(61,500)	—
	<u>81,285</u>	<u>139,450</u>

### 12 Movement in Cash and Cash Equivalents

	1994	1993
	£	£
Balance brought forward	2,045,313	1,774,251
(Decrease)/Increase in the year	(130,475)	271,062
Balance carried forward	<u>1,914,838</u>	<u>2,045,313</u>
Represented by:		
Cash at bank and in hand	37,838	245,313
Deposits at short notice	1,877,000	1,800,000
	<u>1,914,838</u>	<u>2,045,313</u>

# NOTES TO THE ACCOUNTS 31 DECEMBER 1994

## 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, Abbey National Independent Trustees Limited; K H Taylor, FTA's Executive Director – Personnel and Business Services and R S Nolan, FTA's Secretary and Executive Director – Finance and Consultancy. 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 1994. 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% and pensions will increase at 5% per annum. Over the previous two years, average salaries have increased by 3%. At the date of the latest actuarial valuation, 30 April 1994, the market value of the assets of the scheme was £13.6 million and the actuarial value of the assets was sufficient to cover 90% of the benefits that had accrued to members, after allowing for expected future increases in earnings. This deficiency should be eliminated by 2002 at the current employer's contribution rate of 18.5% of pensionable earnings.

## 14 Operating Leases

### Annual commitment under operating leases

At 31 December 1994 there were the following annual commitments under non-cancellable operating leases:

### Operating leases that expire:

	1994		1993	
	Land & Buildings	Other	Land & Buildings	Other
	£	£	£	£
Within one year	–	–	–	–
In second to fifth years	–	–	–	–
Over five years	28,950	–	28,950	–
	<u>28,950</u>	<u>–</u>	<u>28,950</u>	<u>–</u>

## 15 Prior Year Adjustment

The prior year adjustment results from a change to a more accurate accounting policy for the Vehicle Inspection Service income.

## 16 Contingent Liability

Contingent liabilities existed at 31 December 1994 in connection with guarantees relating to carnets issued by the Association in the ordinary course of business. Carnets are issued throughout Europe by various members of the International Road Transport Union (IRU), of which FTA is one, to facilitate the transport of goods.

The Directors do not anticipate a material liability for the Association.



## **FTA**

Freight Transport Association Limited, Hermes House, St John's Road, Tunbridge Wells, Kent TN4 9UZ  
Tel: (01892) 526171 Telex: 317210 Fax: (01892) 534989

**Director General:** D C Green *FCIT FILog*

**Secretary and Executive Director – Finance and Consultancy:** R S Nolan *FCA*

**Executive Director – Transport Policy:** R K Turner *MSc BSc(Hons) CEng MICE FIHT FILog*

**Executive Director – Personnel and Business Services:** K H Taylor *FIPD MCIT*

**Executive Director – Regions and Marketing:** R Armstrong *FCIT MILog*

## **REGIONAL OFFICES**

### **London and South-Eastern Region**

Hermes House, St John's Road, Tunbridge Wells, Kent TN4 9UZ  
Tel: (01892) 526171 Telex: 317210 Fax: (01892) 534989

### **Midlands Region**

Hermes House, 20 Coventry Road, Cubbington, Leamington Spa, Warwickshire CV32 7JN  
Tel: (01926) 450020 Fax: (01926) 452765

### **Northern Region**

Springwood House, Low Lane, Horsforth, Leeds LS18 5NU  
Tel: (0113) 258 9861 Fax: (0113) 258 6501

### **Scotland and Northern Ireland**

Hermes House, Melville Terrace, Stirling FK8 2ND  
Tel: (01786) 471910 Fax: (01786) 450412  
Northern Ireland Tel: (01232) 421422

### **Western Region**

Hermes House, Queens Avenue, Clifton, Bristol BS8 1SE  
Tel: (0117) 973 1187 Fax: (0117) 923 8269

### **Brussels Office**

40 Rue Joseph 11, bte 2, B-1040 Brussels, Belgium  
Tel: (00 322) 231-03-21 Fax: (00 322) 230-00-49