

Company Number 926329

Federation of Oils, Seeds and Fats Associations Limited

Reports and Financial Statements 2011



A company limited by guarantee not having a share capital

Year ended 31 March 2011

PRESIDENT'S REVIEW

It is with much pleasure that I provide this review statement to members as the anniversary of my first year as your President fast approaches. It is pleasing to be able to assure members that the Federation's name continues to be held in high regard across the trade and with many institutions.

The Federation has had another good year with revenue (turnover) rising to £1,638,423. In the main this reflects the strong support for membership activities and services and, in particular, arbitration. The latter mirrors the turbulent market conditions we are all facing and the uncertainty of financial and global commodity markets generally.

The surplus for the year is marginally up on that of 2010 and takes the reserves to a figure just below the £3 million level. Our strong financial position, as in the past, has to be put down to favourable support for the whole range of services FOSFA offers the trade, publications, education courses, and that already mentioned, dispute resolution as being the leading income stream. Our arbitration activities have been subject to detailed review and, while a few changes are to be made, the general consensus of the parties, the practitioners and the Committee responsible for procedures and application is that the approach remains balanced, fair and relevant under the institutional umbrella favoured in so many of the commodity trades. And it is important to stress that the law, in England, supports that approach.

FOSFA's operating costs have once again been kept in strict control and along with the investment portfolio income, which is not as high as we would like, the Federation maintains a surplus year on year.

The Reserves are considerable for such an organisation but we, as Council, have been pleased to support a policy of effective controls on expenditure while membership, sales and services have grown over the years. A good proportion of this income is derived from non-members so the burden, if any, is not great on individuals and company members, as the 30% discount subscription rate demonstrates.

We are keeping the membership above the 900 mark, which again is a reflection of the Secretariat's efforts to attract new members as we inevitably lose a small proportion each year due to market conditions, mergers, etc. Membership today stands at 914.

Continuing with our education theme reported upon by our Immediate Past President in 2010, we launched our deferred Istanbul seminar in October last year and have firm plans to hold a trade seminar in Mumbai aligned with the Solvent Extractors Association of India in December this year. We are also planning to hold a seminar with a commercial focus in the Far East in 2012. FOSFA is also to participate in PORAM's Open Forum event and Dinner in Kuala Lumpur in October and, thus, maintain our kindred association links, looking East on these occasions, and reflecting my own interests, that successive FOSFA presidents are encouraged, and perhaps inclined, to do.

We have welcomed new participants to Council through the various appointment processes and also thank those who take part in our committee work and activities. Their contribution is most valuable and well recognised by the Council.



G Patel

President

CHIEF EXECUTIVE'S REPORT

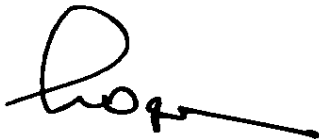
A decade ago, our focus was on enhancing professionalism, embracing technology and better servicing high levels of activities, so stated my Millennium Report to members

It is not an unreasonable assumption to make that some of those aspirations have been fulfilled. Certainly technology has assisted our workloads and to some extent practices and even ethics, and in the process reduced our staffing levels from ten to seven. Our day to day activities have increased if judged by trade course attendance, dinner event participation, general office enquiries handled, sales of publications processed and quarterly circulars and Newsletters sent to our 900 plus membership, to name but a few.

In respect of professionalism I leave that to members to judge, but the 2009 member survey seemed to suggest, to me anyway, a generally acceptable standard of service across the various committees, events and the wide range of liaison activities. In that regard I express my own gratitude to my office colleagues for their hard work and level of commitment.

We in turn, the FOSFA staff, would like to thank the members who provide the ingredients to respond to enquiries, create discussion forums, initiate a dialogue and, often relentlessly, support our events. This extends to presenters and lecturers on our education courses and seminars, trade tribunals, committee members, diners and even golfers! Your support makes our work pleasurable and just as importantly, rewarding. Such joint ventures in commodity associations, in my experience, seem to work, not only for FOSFA but also the British Peanut Council and the Tropical Growers' Association, for whom we provide secretariat services.

We have much to reflect on the various internal procedures set up, in some instances, so very long ago, and still remain workable and compatible even in a new era of secretariat support. May this continue well into the future. We must, however, be mindful to embrace the technical and commercial aspects that the trade elects to follow. After all it is to the trade that our efforts are directed.



S R Logan

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011

	Notes	£	2011 £	£	2010 £
Turnover	2		1,638,423		1,455,945
Direct Operating Expenditure			<u>(829,829)</u>		<u>(690,259)</u>
Gross Surplus			808,594		765,686
Other Operating Expenses			<u>(597,696)</u>		<u>(580,508)</u>
Operating Surplus	4		210,898		185,178
Investment Income	5	40,570		35,193	
Interest Receivable		<u>115</u>		<u>77</u>	
			<u>40,685</u>		<u>35,270</u>
Surplus on ordinary activities before taxation			251,583		220,448
Taxation on ordinary activities	6		-		<u>(2,565)</u>
Accumulated Surplus for the Year			251,583		217,883
Retained Surplus Brought Forward			<u>2,737,812</u>		<u>2,519,929</u>
Retained Surplus Carried forward			<u>2,989,395</u>		<u>2,737,812</u>

The Income and Expenditure Account contains all the surpluses and deficits of the Federation recognised in the current and preceding year

The Notes on pages 5 and 6 form part of these Accounts

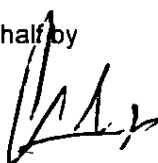
BALANCE SHEET
AT 31 MARCH 2011
COMPANY NUMBER: 926329

	Notes	2011 £	2010 £
Fixed Assets			
Tangible Assets	7	25,867	27,746
Investments at Cost		<u>3,559,894</u>	<u>3,270,424</u>
		3,585,761	3,298,170
Current Assets			
Stocks		7,393	4,625
Debtors	8	163,914	215,419
Cash at bank and in hand		<u>146,997</u>	<u>86,213</u>
		318,304	306,257
Creditors - amounts falling due within one year	9	<u>(914,670)</u>	<u>(866,615)</u>
Net Current Liabilities		<u>(596,366)</u>	<u>(560,358)</u>
Total Assets less Current Liabilities		<u>2,989,395</u>	<u>2,737,812</u>
Capital and Reserves Accumulated Fund		<u>2,989,395</u>	<u>2,737,812</u>

These financial statements have been prepared in accordance with the provisions of the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Council and authorised for issue on 9 September 2011
and signed on its behalf by

G D Patel



President

S R Logan



Chief Executive

The notes on pages 5 and 6 form part of these Accounts

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting Policies

1.1 Basis of Accounting

The Financial Statements are prepared under the historical cost convention and in accordance with -

- (i) the Financial Reporting Standard for Smaller Entities (effective April 2008), and
- (ii) the provisions of the small companies regime within Part 15 of the Companies Act 2006

Going Concern

After making enquiries, Council has a reasonable expectation that the Federation has adequate resources to continue its activities for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the financial statements, as outlined in the Statement of Council Members' Responsibilities on page 7

1.2 Income

Income is accounted for on an accruals basis with the exception of arbitrations and appeals income which is accounted for on issue of the award

1.3 Stock

Stock is stated at the lower of cost and net realisable value

1.4 Investments

All investments have been classified as fixed assets and are stated at cost. The Council regularly reviews the performance of these investments to ascertain any need for a provision for permanent diminution in value. In addition, the Federation holds 2000 shares in the Baltic Exchange which are unlisted. No value has been placed on these shares. Any premium paid on the purchase of corporate bonds is amortised over the life of the bond in line with interest payments

1.5 Depreciation

Depreciation is provided on all tangible assets in use, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows -

Leasehold improvements	12 ¹ / ₂ % straight line
Computer hardware	33 ¹ / ₃ % straight line
Office equipment	25% straight line
Motor vehicles	25% straight line

1.6 Leases

Rentals payable under operating leases are charged on a straight line basis over the lease term

1.7 Pension Costs

The Federation operates a money purchase pension scheme. The scheme assets are held separately from those of the Federation. Contributions to the scheme are charged to the Income and Expenditure Account as they fall due

1.8 Foreign Currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the Balance Sheet date. All exchange differences are taken to the Income and Expenditure Account

2 Turnover

Turnover represents amounts invoiced. An analysis of turnover by geographical market is as follows -

	2011 £	2010 £
United Kingdom	65,169	102,950
Rest of the world	<u>1,573,254</u>	<u>1,352,995</u>
	<u>1,638,423</u>	<u>1,455,945</u>

3 Pension Costs

There were no outstanding or prepaid contributions as at the balance sheet date. The contributions made during the year to the money purchase scheme were £23,726 (2010 £22,197)

4 Operating Surplus

	2011	2010
	£	£
This is stated after charging		
Auditors' remuneration for Audit Services	8,300	8,000
Non-Audit Services	1,950	1,800
Depreciation of fixed assets	<u>11,681</u>	<u>14,726</u>

5 Investment Income

	2011	2010
	£	£
Income from listed investments		
The market value of listed investments at 31 March 2011 was £4,020,033 (2010 £3,574,269)	<u>40,570</u>	<u>35,193</u>

6 Taxation

Based on the surplus for the year at 21% (2010 21%)	2011	2010
	£	£
Surplus for the period	251,583	220,448
Surplus on ordinary activities multiplied by standard rate of corporation tax in UK of 21%	52,832	46,294
Effects of		
Non-taxable Income and non-deductible expenses	(52,651)	(43,244)
Depreciation for the period in excess of Capital Allowances	(612)	(485)
Tax losses carried forward	<u>431</u>	<u>-</u>
Taxation on ordinary activities	<u>-</u>	<u>2,565</u>

7 Tangible Fixed Assets

	Leasehold Improvements	Office Equipment	Motor Vehicle	Total
	£	£	£	£
Cost at 1 April 2010	<u>20,931</u>	<u>50,014</u>	<u>23,975</u>	<u>94,920</u>
Additions	-	9,802	-	9,802
Disposals	-	(50,014)	-	(50,014)
At 31 March 2011	<u>20,931</u>	<u>9,802</u>	<u>23,975</u>	<u>54,708</u>
Depreciation as at 1 April 2010	11,164	50,014	5,996	67,174
Disposals	-	(50,014)	-	(50,014)
Charge for year	<u>2,413</u>	<u>3,268</u>	<u>6,000</u>	<u>11,681</u>
At 31 March 2011	13,577	3,268	11,996	28,841
Net book value at 31 March 2011	<u>7,354</u>	<u>6,534</u>	<u>11,979</u>	<u>25,867</u>
Net book value at 31 March 2010	<u>9,767</u>	<u>-</u>	<u>17,979</u>	<u>27,746</u>

8 Debtors

	2011	2010
	£	£
Trade debtors	120,138	160,238
Other debtors	<u>43,776</u>	<u>55,181</u>
	<u>163,914</u>	<u>215,419</u>

9 Creditors – amounts falling due within one year

	2011	2010
	£	£
Accruals and deferred income	615,880	621,461
Corporation Tax	-	2,565
Other creditors	273,157	222,838
Other Taxes and Social Security Costs	<u>25,633</u>	<u>19,751</u>
	<u>914,670</u>	<u>866,615</u>

10 Operating Lease Commitments on Land and Buildings

Annual payment commitments on operating leases which expire in	2011	2010
	£	£
2 to 5 years	71,836	68,415

COUNCIL REPORT

The Council has pleasure in presenting its Report and Financial Statements for the Year Ended 31 March 2011. The Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Primary Activities continue to be the issuance of internationally recognised and accepted contract forms and the organisation and administration of an effective and efficient arbitration service.

Secondary Activities cover:

- ♦ the administration and management of an education and training programme,
- ♦ the operation of a Consultancy and Advisory Service and a Legal, Scientific and Technical Information Service,
- ♦ the administration of Schemes for Member Analysts and Member Superintendents associated with the development of methods of sampling and analysis,
- ♦ the organisation and sponsorship of research projects concerned with quality problems,
- ♦ liaison with kindred bodies, Governments, etc. to standardise practices for the good of the international trade.

Council

Members of the Council during the year consisted of

Mr C E Berry
Mr S Bigwood
Mr A C de Winter (Resigned 2 September 2010)
Mr K Hellquist
Mr M P Farrow (Appointed 4 November 2010)

Mr C Meinich (Appointed 2 September 2010)
Mr G Patel
Mr W R van Kempen
Mr G Vanmarcke
Mr E Zombory (Resigned 4 November 2010)

Share Capital

As a company limited by guarantee the Federation does not have share capital. In the event of the winding up or dissolution of the Federation the members are liable to contribute an amount not exceeding £100 towards the debts and liabilities of the Federation. There were 914 members as at 31 March 2011.

Auditor

A resolution to re-appoint Crowe Clark Whitehill LLP as statutory auditor to the Federation will be proposed at the forthcoming Annual General Meeting.

Statement of Council Members' Responsibilities for the Accounts

The Council Members, as the company directors, are responsible for preparing the Council Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Council Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

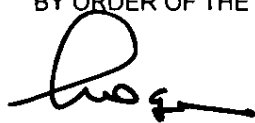
Under company law the Council Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the Council Members are required to

- ♦ select suitable accounting policies and then apply them consistently,
- ♦ make judgments and accounting estimates that are reasonable and prudent,
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council Members 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.

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

BY ORDER OF THE COUNCIL



S R Logan
Chief Executive
9 September 2011

INDEPENDENT AUDITOR'S REPORT

To the Members of the Federation of Oils, Seeds and Fats Associations Limited

We have audited the financial statements of the Federation of Oils, Seeds and Fats Associations Limited for the year ended 31 March 2011 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes numbered 1 to 10

The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

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 that we might state to the company's members those matters 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 anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Council Members' Responsibilities, the Council Members, who are the directors, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Council Members, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Council Report, President's Review and Chief Executive's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its surplus for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Council Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Council Report



Sally Kirby
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

13 September 2011