

Company Number 926329

Federation of Oils, Seeds and Fats Associations Limited

Reports and Financial Statements 2017

A company limited by guarantee not having a share capital

Year ended 31 March 2017

WEDNESDAY



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COMPANIES HOUSE

PRESIDENT'S REVIEW

2017, thus far, has proved to be a volatile market place for commodities in general, and oils and fats no exception; indeed swings in speciality oils such as coconut oil, palm kernel oil and my own area of operation, fish oil, are ever evident. Other areas of business and lifestyle have also been somewhat turbulent - elections in particular.

Keeping closer to the ground and focusing on members' interests here, as conveyed in outgoing President Marcus Reis's review last year, the Federation's balance sheet continues its upward trend, but two major significances to be reported upon. As flagged, our investments, themselves a sizeable asset for any trade association, are now reported at their market values at year end - previously at cost; and this will be the reporting position into the future, in accordance with Financial Reporting Standard 102 (1A), now adopted by the Federation, as legally required to do so.

The second matter relates to the ownership of Baltic Exchange shares and the Exchange's acquisition in November 2016 by the Singapore Exchange. This has generated a £360,000 gain for the Federation and has further bolstered the reserves to now be £5,928,984 from £4,623,708 12 months ago (31 March 2016), although the Balance Sheet figure in these Accounts against 2016, now appropriately adjusted, states £4,916,015.

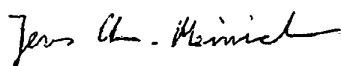
That substantial fiscal uplift aside, the Federation has conducted and delivered its usual services to the membership and to the wider trade, but with, it has to be said, a much reduced staff element. That has been and continues to be a focus for the Council. It, however, has not noticeably impacted the efficiency or outreach of the Secretariat I am pleased to report. New staff appointments are in the pipeline. It does, however, pose questions of what Council needs to consider going forward.

The London Dinner in 2016 was successful and the Council has concluded that the 'park' is a suitable venue for 2018. It matches our space requirements with scope to expand if required and the service was of a good standard. Antwerp this year should also capture the interest of the members and a chance for the Belgium trade in particular to country host the occasion for the first time.

Trade course numbers in the summer were low reflecting the tight market conditions, as companies put restrictions on travel and training budgets. September's numbers however were encouraging with over 60 delegates. The value of the residential courses cannot be overstated.

Finally, a review of our Arbitration Services, now over a 12 month period, is leading to updated Rules that we hope will maintain FOSFA's predominant service provider position for disputes on FOSFA commodities. 2015 and 2016 have been years dominated by detention claims, with still ongoing congestion at a particular South American port; and luckily for me and my own activities not impacting fish oil on predominantly the West Coast.

I look forward to my second year as your President in 2018 and the challenges it poses.



C Meinich
President

CHIEF EXECUTIVE'S REPORT

As regular readers of the Report will well know I select a theme rather than provide the more usual chief executives' overview of the year on our core or exceptional activities.

This year is a good occasion to highlight the Dinners, share our approach to these occasions and some of the traditions involved. 2017 will be a year of three dinners, as it happens.

From FOSFA's origins (in that name) in the early 1970s, Liverpool was considered the heart and soul of the physical UK trade, and the Annual Dinner, nearly always on the first Thursday of November was held in that City. The London crowd went north, the Hull crowd went west and others gathered from far afield with the continental contingent growing throughout the 1980s and early 1990s; this irrespective of the difficulties to get there.

The latter and the decline of the processors, crushers, compounders and refiners in the Liverpool area made it an obvious and indeed necessary time to relocate the Dinner to London. This occurred in 1997. It would be my view that in doing so the dinner event in the FOSFA calendar was saved. Some of course do not agree, and will say it has never been the same since!

Then in 2003, reflecting the international composition of the membership "overseas" dinners were launched, firstly in Paris, coinciding with a French President. The plan was to hold the dinner every third year thereafter abroad, with London in the intervening years. However an every other year schedule quickly had the support of the FOSFA Council and since that Paris occasion the Federation has had its November annual dinners in Geneva (2005), Budapest (2007), Barcelona, (2009), Milan (2011), Istanbul (2013) and Athens (2015). As stated in the President's Review, we head to Antwerp this year.

The FOSFA Calendar has a second, equally traditional dinner event for the Oils and Fats Section - held at the Tallow Chandlers Hall in the City of London where up to 100 gather - more latterly 65 - 70. Seen as a more bespoke occasion, the Livery Hall venue enshrines one of the fat elements of our trade - tallow. Those attending the early December dinner are rarely disappointed with the company, food, speeches and the Hall, dating back to the 1600s.

We experimented in 2007 by having the Oils and Fats Dinner in September. The aim was to provide a mini seminar single topic event, following the morning Section Annual and Committee meetings and then hold the Section dinner. This also coinciding with the post summer holidays (in Europe) when the trade gains momentum and the sun often shines. However the December option proved more popular and, in keeping with pre-Christmas trips to London traditions, that continues today.

Our third 2017 dinner will have taken place when these Reports are read, however it seemed appropriate to hold a Reunion Dinner at the quite well known Adelphi Hotel in Liverpool this year. The predominant home for the Annual Dinner for 25 years it has fond, alternatively disturbing, recollections to many members of the Federation and the intervening twenty years makes it appropriate to reunite a generation of Dinner attendees in the venue where in one particular year the Dinner made the national papers, but for all the wrong reasons! Our annual conveyance of best wishes to Her Majesty the Queen on the occasion of the FOSFA Dinner on behalf of the Oilseeds, Oils and Fats Trade was slightly tarnished on that occasion, but long forgotten, or is it?

As to the future, the alternative year arrangements are likely to continue. We have shifted the strongly held view that FOSFA should not be seen to be competing with the European Trade Dinners of GROFOR, NOFOTA and UCOGRAS, and as the Antwerp announcement conveys, a change of thinking has occurred and been welcomed. The Trade has the NOFOTA centenary to celebrate in 2018, but thereafter The Netherlands and neighbouring Germany are possibilities. Equally the wings must spread and Asia and the Americas have to be contenders in this global market place.



S R Logan

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

	Notes	£	2017 £	£	2016 £
Turnover	3		1,439,239		1,560,186
Direct Operating Expenditure			<u>(648,265)</u>		<u>(720,692)</u>
Gross Surplus			790,974		839,494
Other Operating Expenses			<u>(649,004)</u>		<u>(689,338)</u>
Operating Surplus	5		141,970		150,156
Investment Gain on disposal		19,397		487,529	
Investment Income		507,304		102,058	
Interest Receivable		193		140	
Changes in Fair Value of Fixed Asset Investments	9	<u>510,894</u>		<u>(690,304)</u>	
			<u>1,037,788</u>		<u>(100,577)</u>
Surplus on ordinary activities before taxation			1,179,758		49,579
Taxation on ordinary activities	7		<u>(166,789)</u>		<u>18,697</u>
Accumulated Surplus for the Year			1,012,969		68,276
Retained Surplus Brought Forward			<u>4,916,015</u>		<u>4,847,739</u>
Retained Surplus Carried Forward			<u>5,928,984</u>		<u>4,916,015</u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the income and expenditure account.

There was no other comprehensive income for 2017 (2016: nil).

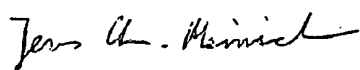
The Notes on pages 5 to 8 inclusive form part of these Accounts.

BALANCE SHEET
AT 31 MARCH 2017
COMPANY NUMBER: 926329

	Notes	£	2017 £	2016 £
Fixed Assets				
Tangible Assets	8		39,381	54,287
Investments	9		<u>6,030,169</u>	<u>5,608,589</u>
			6,069,550	5,662,876
Debtors due after more than one year	10		22,285	22,285
Current Assets				
Stocks		4,321	4,723	
Debtors	11	234,630	199,474	
Cash at Bank and in hand		<u>755,369</u>	<u>21,155</u>	
		994,320	225,352	
Creditors - amounts falling due within one year	12	<u>(1,032,802)</u>	<u>(922,196)</u>	
Net Current Assets/(Liabilities)			<u>(38,482)</u>	<u>(696,844)</u>
Creditors - amounts falling due after one year	12		(124,369)	(72,302)
Total Assets less Current Liabilities			<u>5,928,984</u>	<u>4,916,015</u>
Capital and Reserves Accumulated Fund			<u>5,928,984</u>	<u>4,916,015</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 Financial Reporting Standard 102 section 1A – small entities.

Approved by the Council and authorised for issue on 28 September 2017 and signed on its behalf by:



C MEINICH
President



S R LOGAN
Chief Executive

The Notes on pages 5 to 8 inclusive form part of these Accounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Company Information

FOSFA International Limited is a private company, limited by Guarantee, incorporated in England and Wales, registration number 926329. The registered office is 4-6 Throgmorton Avenue, London EC2N 2DL. The principal activity is the issuance of internationally recognised and accepted contract forms.

2 Accounting Policies

2.1 Basis of Accounting

The Financial Statements are prepared in accordance with:

- (i) Financial Reporting Standard 102, Information on the first time adoption of this standard is given in Note 12; and
- (ii) The directors have taken advantage of the small companies exemptions provided by section 1A of FRS102.

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 8.

2.2 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.

2.3 Stock

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

2.4 Investments

All investments have been classified as fixed assets and are stated at market value. Changes in fair value are recognised in the Income and Expenditure statement. In November 2016, following takeover by the Singapore Stock Exchange, the 2000 unlisted shares in the Baltic Exchange were disposed.

2.5 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	10% straight line	Computer hardware	33⅓% straight line
Office equipment	25% straight line	Motor vehicles	25% straight line

2.6 Leases

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

2.7 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.

2.8 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.

3 Turnover

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

	2017	2016
	£	£
United Kingdom	129,162	146,678
Rest of the World	<u>1,310,077</u>	<u>1,413,508</u>
	<u>1,439,239</u>	<u>1,560,186</u>

4 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 £23,972 (2016: £29,572).

Employees

The average number of staff during 2017 was 5 (2016: 6). There were no Holiday pay accrual costs in the year.

5 Operating Surplus

This is stated after charging	2017	2016
	£	£
Auditors' remuneration for Audit Services	9,810	9,525
Non-Audit Services	2,725	2,645
Depreciation of fixed assets	14,905	14,905

6 Investment Income

	2017	2016
	£	£
Income from listed investments	<u>507,497</u>	<u>102,198</u>

7 Taxation

	2017	2016
	£	£
Corporation Tax		
Current tax charge	81,603	-
Underprovision for previous periods	<u>16,777</u>	-
	98,380	-
Deferred taxation		
Origination of timing differences	<u>68,409</u>	<u>(18,697)</u>
Tax on profits on ordinary activities	<u>166,789</u>	<u>(18,697)</u>

Based on the surplus for the year at 20% (2016: 20%)

Surplus for the period	<u>1,179,758</u>	<u>49,579</u>
Surplus on ordinary activities multiplied by		
Corporation Tax in UK of 20% (2016: 20%)	235,952	9,916
Effects of:		
Underprovision for previous periods	16,777	
Non-taxable Income and non-deductible expenses	(85,940)	(21,107)
Tax losses carried forward	-	(7,506)
Taxation on ordinary activities	<u>166,789</u>	<u>(18,697)</u>

Provisions for liabilities and charges

Deferred tax		
Balance at 1 April 2016	35,532	54,229
Transfer from profit and loss account	<u>68,409</u>	<u>(18,697)</u>
Balance at 31 March 2017	<u>103,941</u>	<u>35,532</u>

8 **Tangible Fixed Assets**

	Leasehold Improvement £	Office Equipment £	Motor Vehicle £	Total £
Cost At 1 April 2016	53,307	9,377	26,500	89,184
No Additions nor Disposals				
At 31 March 2017	<u>53,307</u>	<u>9,377</u>	<u>26,500</u>	<u>89,184</u>
Depreciation as at 1 April 2016	10,660	4,363	19,875	34,898
Charge for year	<u>5,330</u>	<u>2,950</u>	<u>6,625</u>	<u>14,905</u>
At 31 March 2017	<u>15,990</u>	<u>7,313</u>	<u>26,500</u>	<u>49,803</u>
Net book value at 31 March 2017	<u>37,317</u>	<u>2,064</u>	<u>-</u>	<u>39,381</u>
Net book value at 31 March 2016	<u>42,647</u>	<u>5,015</u>	<u>6,625</u>	<u>54,287</u>

9 **Fixed Asset Investments**

2017

	£
Market value brought forward	5,608,589
Less cash held by investment manager	(277,998)
Additions	1,664,221
Disposals	(1,707,913)
Changes in fair value	510,894
Cash held by investment manager	<u>232,376</u>
Closing Market carried forward	<u>6,030,169</u>

10 **Rent Deposit**

The deposit paid to the Landlord for the currently occupied premises, to be repaid at the end of the lease.

11 **Debtors**

2017

2016

	£	£
Trade Debtors	168,220	134,604
Other Debtors	<u>66,410</u>	<u>64,870</u>
	<u>234,630</u>	<u>199,474</u>

12 **Creditors – amounts falling due within one year**

2017

2016

	£	£
Trade Creditors	33,021	37,635
Corporation Tax	98,380	-
Other Taxes and Social Security Costs	6,828	11,412
Other creditors	191,417	156,324
Accruals and deferred income	<u>703,156</u>	<u>716,825</u>
	<u>1,032,802</u>	<u>922,196</u>

Creditors – amounts falling due after one year

Deferred Tax	103,941	35,532
Accruals and deferred income	20,428	36,770

13 First Time Adoption of FRS 102 1A

	Reserves as at 1 April 2015 £	Year ended 31 March 2016 £	Reserves at 31 March 2016 £
Reserves values stated prior to FRS 102 1A	3,883,825	739,883	4,623,708
Fixed Asset Investments - Revaluation to Fair Value previously held at cost	1,018,143	(690,304)	327,839
Deferred Tax on investment revaluations	(54,229)	18,697	(35,532)
Restated in compliance with FRS 102 1A	4,847,739	68,276	4,916,015
		Year ended 31 March 2016	Year ended 31 March 2015
Surplus after tax previously stated		739,883	179,452
Fixed Asset Investments - Revaluation to Fair Value previously held at cost		(690,304)	1,018,143
Deferred Tax on investment revaluations		18,697	(54,229)
Restated in compliance with FRS 102 1A		68,276	1,143,366

14 Operating Lease Commitments on Land and Buildings

At the year end, the company had future minimum lease payments under non-cancellable leases as follows:

	2017 £	2016 £
1 year	89,139	89,139
2 to 5 years	356,556	356,556
After 5 years	<u>200,563</u>	<u>289,702</u>
	<u>646,258</u>	<u>735,397</u>

15 Related party transactions

Fees were paid to Directors in respect of Arbitration activities in the amount of £14,595.

COUNCIL REPORT

The Council has pleasure in presenting its Report and Financial Statements for the Year Ended 31 March 2017. The Report has been prepared in accordance with the special provisions relating to small companies.

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;
- ♦ 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 M S Dordery
Mr A C de Winter (Appointed 1 September 2016)
Mr M P Farrow (Resigned 10 November 2016)
Miss C Geers
Mr K Hellquist (Resigned 2 September 2016)
Mr F Jansen (Resigned 1 May 2016)

Mr G D Patel (Resigned 10 November 2016)
Mr J C Meinich
Mr M Reis
Mr G Vanmarcke
Mr R A van Dorland (Appointed 10 November 2016)
Mr M C Vehring (Appointed 2 September 2016)

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 1,111 members as at 31 March 2017.

Auditor

A resolution to re-appoint Crowe Clark Whitehill LLP 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.

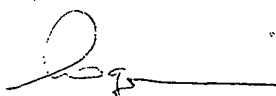
Under company law the Council Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the Council Members 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/she ought to have taken as a director in order to make himself/herself 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

28 September 2017

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 Association Limited for the year ended 31 March 2017 which comprise the Income and expenditure account, the Balance sheet and the related notes numbered 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 Directors' Responsibilities, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the FRC's Ethical Standard for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

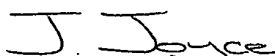
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.



Janette Joyce
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Reading

29 September 2017