

**Company Number 926329**

**Federation of Oils, Seeds and Fats Associations Limited**

**Reports and Financial Statements 2014**

**A company limited by guarantee not having a share capital**

**Year ended 31 March 2014**

**WEDNESDAY**



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COMPANIES HOUSE

## PRESIDENT'S REVIEW

It serves to remind the Members that FOSFA is a contract issuing body, and our committee structure is shaped to deal with the process of reflection, review, deliberation, debate and where consensus prevails in a fair and even way to the parties interests, bring the terms to market. FOSFA today publishes 53 contracts which are distributed roughly evenly between Oilseeds and Oils/Fats.

The Chief Executive's Report details some of the key contract developments over the last three years and I believe highlights the continuing relevance and proactive stance the Federation represents. It is quite an extensive list and worthy here to convey thanks to those that sit on the Section Committees and the Contracts Committee to make this commitment and to provide these base terms to our businesses, and the global market place.

We should also note that a significant piece of work was addressed in reviewing and updating the FOSFA Insurance Clauses that were published in June last year, replacing those previously negotiated with the Insurance Industry as far back as 1985! The work with the London based Lloyd's Market Association has allowed bespoke FOSFA orientated terms to be maintained and be once again relevant to today's market needs.


Your Council is pleased that these matters remain at the core of the Federation's agenda and reflect the continuing need for self regulation. Even as the Annual Reports are finalised for circulation another tranche of contract amendments are processing through the committee stages, include the UK Rapeseed Contract with relevance to my own business, and will lead to a comprehensive amendment service likely for the year ahead (January 2015). Our revamped website should also assist access to these terms on a range of media devices as well as being of benefit to members.

Arguably the same can be said about the carriage conditions for oils and the work that the Oils and Fats Committee undertakes, with the support of the Technical Committee. In perhaps a less dominant and demonstrative way, this also applies to the work of the Arbitrations and Appeals Committee, noting that that Committee brought updated Rules and the Guide to bare at the beginning of 2012, and introduced the Code of Practice for Arbitrators in June last year.

Clearly individuals from amongst the member companies, firms and associations have been working tirelessly to fulfil FOSFA's mandate to the trade. That to me expresses confidence of purpose and relevance and, along with the other activities undertaken – education, dinners, secretariat services and advice (all professionally delivered by our dedicated staff team), continues to promote FOSFA and, indirectly, its members.

With the strong financial basis, a growing membership and positive uptake of activities offered by the Federation, one can only conclude that fit for purpose best describes the Association today. I trust you can agree!

In November my time as President comes to an end and I feel, like others before me no doubt and often so expressed, that the collective contribution of Council Members, Committee Members, and many others, including the London staff, puts the Federation in a continuing strong and applicable role. It has been a privilege and pleasure to be the thirty-fourth President of FOSFA and I, in turn, thank the members for their support.



M Farrow  
President

## CHIEF EXECUTIVE'S REPORT

Those monitoring the changes reflected in printed contracts in recent years will have evidenced a continuing and detailed programme conducted by the Federation and its Committees. This has been a particularly busy period and will continue.

It has also to be remembered that the Section Committees, so today the Oils and Fats Committee and the Oilseeds Committee, give consideration to a number of proposals that do not reach the Contract Manual updating service; this of course after due deliberation and exchanges. About half of the issues brought to committee go on to amend the texts of the printed FOSFA Contracts and other publications.

Changes and amendments in the past three years –

- Introduced Olive Oil terms (effective January 2012);
- Reintroduced, after a lull related to BSE issues, Inedible Tallow (January 2012) and Edible Dipping/Lard/Poultry Oil (January 2014);
- Widened scope of originally UK terms for Acid Oil and Feed Fat to cover the European Union (Contract 91 and 93; January 2014)
- Revisions to the Extension of Shipment Clauses in a number of Oilseed Contracts (January 2013);
- Harmonised indemnity/guarantee wording across a range of contracts in the Payment and Shipping Documents Clause (January 2013);
- Uplifted the demurrage rate in the Loading Clause of FOB Oils Contracts (revised and issued January 2013);
- Updated the Institute/FOSFA Trade Clause A, B and C, Institute Law and Strike Clauses (June 2013); and
- Reordered and updated the Soyabean terms - Contracts 23, 24 and 25 (January 2013).

We should perhaps not forget that Sampling of Oilseeds underwent a detailed review and updating, bringing in the FOSFA Official Method in 2010, which in general contract terms has been adopted by other organisations, and will become the official ISO 542 Oilseeds Sampling Standard in 2016.

Our records show that since 1982 sixty-three amendment services have been applied to the FOSFA Contracts and Rules Manual, seventeen in the past ten years.

Going forward greater emphasis will be placed on internet access to publications, phasing out the printed hard copy versions. The improved website endeavours to assist this process.

The staff look forward to receiving members at the new offices in 4-6 Throgmorton Avenue, EC2, where we trust we will be able to provide continuing high level of services and facilitate the needs of the members, and of the Federation.



S R Logan

# INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

	Notes	£	2014 £	£	2013 £
Turnover	2		1,675,552		1,429,263
Direct Operating Expenditure			<u>(857,975)</u>		<u>(645,915)</u>
Gross Surplus			817,577		783,348
Other Operating Expenses			<u>(671,828)</u>		<u>(633,754)</u>
Operating Surplus	4		145,749		149,594
Investment Income		94,299		92,956	
Interest Receivable		<u>64</u>		<u>31</u>	
			<u>94,363</u>		<u>92,987</u>
Surplus on ordinary activities before taxation			240,112		242,581
Taxation on ordinary activities	6		<u>(7,515)</u>		<u>(4,567)</u>
Accumulated Surplus for the Year			232,597		238,014
Retained Surplus Brought Forward			<u>3,471,776</u>		<u>3,233,762</u>
Retained Surplus Carried Forward			3,704,373		3,471,776

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 2014

COMPANY NUMBER: 926329

		2014		2013	
	Notes	£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	7		20,798		4,264
Investments at Cost			<u>4,278,208</u>		<u>4,032,527</u>
			4,299,006		4,036,790
<b>Current Assets</b>					
Stocks		6,203		9,759	
Debtors	8	196,103		218,781	
Cash at Bank and in hand		<u>101,117</u>		<u>69,667</u>	
		303,423		298,207	
<b>Creditors – amounts falling due within one year</b>					
	9	(898,056)		(863,221)	
<b>Net Current Liabilities</b>			<u>(594,633)</u>		<u>(565,014)</u>
<b>Total Assets less Current Liabilities</b>			<u>3,704,373</u>		<u>3,471,776</u>
<b>Capital and Reserves Accumulated Fund</b>					
			<u>3,704,373</u>		<u>3,471,776</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 13 September 2014 and signed on its behalf by:

M P Farrow  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 2014

### 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.

#### Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRSSE 2008.

#### 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 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	12½% straight line	Computer hardware	33⅓% 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 -

	2014	2013
	£	£
United Kingdom	184,573	165,065
Rest of the World	<u>1,490,979</u>	<u>1,264,198</u>
	<u>1,675,552</u>	<u>1,429,263</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 £31,698 (2013: £26,475).

4	<b>Operating Surplus</b>				
			2014	2013	
	This is stated after charging		£	£	
	Auditors' remuneration for Audit Services		9,000	8,900	
	Non-Audit Services		2,500	2,500	
	Depreciation of fixed assets		<u>9,965</u>	<u>12,700</u>	
5	<b>Investment Income</b>		2014	2013	
			£	£	
	Income from listed investments				
	The market value of listed investments at 31 March 2014 was £4,735,399 (2013: £4,368,394).		<u>94,363</u>	<u>92,956</u>	
6	<b>Taxation</b>				
	Based on the surplus for the year at 20% (2013: 20%)		2014	2013	
			£	£	
	Surplus for the period		240,112	242,581	
	Surplus on ordinary activities multiplied by				
	Small Profits Rate of Corporation Tax in UK of 20%		48,022	48,516	
	Effects of:				
	Non-taxable Income and non-deductible expenses		(42,057)	(45,773)	
	Depreciation for the period in excess of Capital Allowances		1,550	1,972	
	Tax losses carried forward		-	(148)	
	Taxation on ordinary activities		<u>7,515</u>	<u>4,567</u>	
7	<b>Tangible Fixed Assets</b>				
		<b>Leasehold Improvement</b>	<b>Office Equipment</b>	<b>Motor Vehicle</b>	<b>Total</b>
		£	£	£	£
	Cost At 1 April 2013	<u>19,320</u>	<u>13,498</u>	<u>23,975</u>	<u>56,793</u>
	Disposals	-	-	(23,975)	(23,975)
	Additions	-	-	26,500	26,500
	At 31 March 2014	<u>19,320</u>	<u>13,498</u>	<u>26,500</u>	<u>59,318</u>
	Depreciation as at 1 April 2013	<u>16,904</u>	<u>11,651</u>	<u>23,975</u>	<u>52,530</u>
	Disposals	-	-	(23,975)	(23,975)
	Charge for year	<u>2,416</u>	<u>924</u>	<u>6,625</u>	<u>9,965</u>
	At 31 March 2014	<u>19,320</u>	<u>12,575</u>	<u>6,625</u>	<u>38,520</u>
	Net book value at 31 March 2014	-	<u>923</u>	<u>19,875</u>	<u>20,798</u>
	Net book value at 31 March 2013	<u>2,416</u>	<u>1,847</u>	-	<u>4,263</u>
8	<b>Debtors</b>			2014	2013
				£	£
	Trade Debtors			133,408	159,164
	Other Debtors			<u>62,695</u>	<u>59,617</u>
				<u>196,103</u>	<u>218,781</u>
9	<b>Creditors – amounts falling due within one year</b>			2014	2013
				£	£
	Accruals and deferred income			652,387	636,653
	Corporation Tax			7,515	4,715
	Other creditors			226,078	209,732
	Other Taxes and Social Security Costs			<u>12,076</u>	<u>12,121</u>
				<u>898,056</u>	<u>863,221</u>
10	<b>Operating Lease Commitments on Land and Buildings</b>			2014	2013
	Annual payment commitments on operating leases which expire in:			£	£
	0 to 1 year			22,515	-
	1 to 2 years			-	66,432
11	<b>Related party transactions</b>				
	Fees were paid to Directors in respect of Arbitration activities in the amount of £67,460.				

# COUNCIL REPORT

The Council has pleasure in presenting its Report and Financial Statements for the Year Ended 31 March 2014. 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 N de Zwart  
Mr M P Farrow  
Mr K Hellquist  
Mr F Jansen

Mr C Meinich  
Mr G Patel  
Mr M Reis  
Mr G Vanmarcke

## 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 1020 members as at 31 March 2014.

## 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 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  
12 September 2014



# 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 2014 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes numbered 1 to 11.

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 2014 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.



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

19 September 2014