

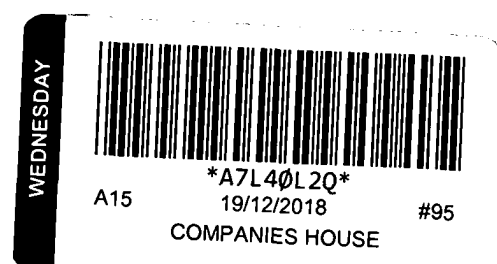
Company Number 926329

Federation of Oils, Seeds and Fats Associations Limited

Reports and Financial Statements 2018

A company limited by guarantee not having a share capital

Year ended 31 March 2018



PRESIDENT'S REVIEW

Perhaps the most significant event in the reporting period is the appointment of a technical manager joining the London Secretariat. Dr Gretel Bescoby joined in February this year and brings a wealth of knowledge and applicable technical expertise to the staff. Our search for a more commercial orientated manager continues, with hopefully one strong possibility emerging. These steps will strengthen the knowledge base and prepare the ground for a major change on the horizon now, that being the retirement of our Chief Executive; this year being his 25th year with the Federation come November. I am assured here that some mileage is left in the tank!

The Council decided to hold just one residential trade course in 2018, at which 50 delegates are registered at the time of writing this report. FOSFA will revert to the two tier programme in 2019 and thereafter every other year. The course for the more experienced delegates is to be designated the Advanced Course.

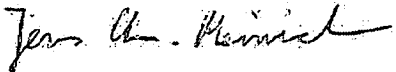
FOSFA is pleased to have completed its review of its arbitration services earlier in the year and launched revised Rules, updated the Guide to Arbitrations and Appeals and revamped the Code of Practice for Arbitrators. All were published on 1 April 2018. We will have to wait a while to see if they have the intended effect to add efficiency to the processes involved, but continue to provide a first class service to the trade.

FOSFA's financial standing remains very strong, with Reserves at £6,144,124 as at 31 March 2018. It is timely to remind members that investments are reported now at market value and of course, as we are frequently reminded by the sector, investments can go down as well as up!

On the membership front the net increase is relatively small, and today stands at 1,128 members, so only incremental enlargement over the past couple of years, reflecting continuing consolidation of the trade and industry. We have however maintained our 90 countries spread. Our focus remains on new players in the market and on areas where trade liberalisation is evident.

My tenure as president is coming to a close. On reflection FOSFA has continued to achieve its goals, I was pleased to have been involved in the Lima Seminar back in 2016, attending the various kindred association events, including NOFOTA's Centenary Celebration dinner in Rotterdam this year, and overseeing the review of two projects, our links with GAFTA and the arbitration services.

I thank all my Council colleagues in particular for their support throughout my presidency.



C Meinich
President

CHIEF EXECUTIVE'S REPORT

It has been some years since I addressed the committee structure of the Federation, and it seems appropriate to do so on this occasion.

Relatively little has changed in the actual structure, perhaps the major modification being the demise of a standalone Groundnut Section and Committee back in 2014. This was not an abandoning of the commodity, far from it, but a consolidation (rather like the Sector itself) and merging of groundnut/peanut business into the Oilseeds domain; itself an obvious fit.

This therefore leaves just the two Section of FOSFA, Oilseeds and Oils and Fats. The Committees representing these trade sectors now, in reality, meet separately in September (coinciding with the Section Annual Meeting (open to all members in the section) and then potentially in April – Oilseeds, and May - Oils and Fats and always December – Oils and Fats when the section Dinner takes place.

Interim meetings will depend upon agenda items, but increasingly items can be handled electronically thus better managing the time and effort members have to give to attend our London meetings. Periodic attendance is however beneficial to the organisation and also a networking opportunity formally and informally (the Globe public house has proved popular).

The Technical Committee meets, again in London at the FOSFA office on two occasions in the year, usually in April and in October. FOSFA's two annual proficiency programmes associated with Analyst accreditation are one of the core elements of the meetings; Oilseeds results undergo review in October, Oils and Fats in April. This necessitates an open and then a confidential element to the meeting arrangements.

Our records show that the Contracts Committee last convened in 2006, but I assure the reader this Committee has not been idle since then. This Committee has switched to an electronic operation and works very well, reducing otherwise would-be delays to contract changes/ updates. It is appropriate to remind the members that this Committee is the Council's pool of expertise 'eyes and ears' to bring standardisation and harmonisation to contract terms, but without abandoning the bespoke characteristics of the various FOSFA traded commodities; the often relied upon aspect of dispute resolution 'custom and practice of the trade'.

The Arbitrations and Appeals Committee has retained a travelling to meet status, but spasmodically and the more recent meetings have been involved in the Review of the Arbitration Services. This Committee is charged with overseeing, on behalf of the Council, the Rules and related documentation associated with dispute resolution and Court matters. As of 1 April 2018 the Committee has been revamped to provide a balance of trade, arbitrator and legal experience, and we have moved away from the listed committee being the pool of appeal board chair persons. This committee will be more proactive as the new Rules come into play.

Of course the FOSFA Council heads the structure, remains a relatively small grouping, but does come together still four times per year, in February, May, September and November (sometimes, like 2018, at the end of October, and linked to the Annual Dinner event).

The cycle and model works well, the call upon committee members not onerous, but retains the involvement of those elected or appointed to the committees for their knowledge, expertise and wish to engage with FOSFA's essential work and development.

There can be no doubt that committees remain a significant component of the Federation.



S R Logan

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

		2018	2017
	Notes	£	£
Turnover	3	1,573,424	1,439,239
Direct Operating Expenditure		<u>(749,145)</u>	<u>(648,265)</u>
Gross Surplus		824,279	790,974
Other Operating Expenses		<u>(579,710)</u>	<u>(649,004)</u>
Operating Surplus	5	244,569	141,970
Investment Gain on disposal		0	19,397
Investment Income		135,360	507,304
Interest Receivable		624	193
Changes in Fair Value of Fixed Asset Investments	9	<u>(193,212)</u>	<u>510,894</u>
		<u>(57,228)</u>	<u>1,037,788</u>
Surplus on ordinary activities before taxation		187,341	1,179,758
Taxation on ordinary activities	7	<u>27,799</u>	<u>(166,789)</u>
Accumulated Surplus for the Year		215,140	1,012,969
Retained Surplus Brought Forward		<u>5,928,984</u>	<u>4,916,015</u>
Retained Surplus Carried Forward		<u>6,144,124</u>	<u>5,928,984</u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the income and expenditure account.

There was no other comprehensive income for 2018 (2017: nil).

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

BALANCE SHEET

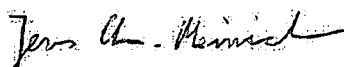
AT 31 MARCH 2018

COMPANY NUMBER: 926329

	Notes	£	2018 £	£	2017 £
Fixed Assets					
Tangible Assets	8		53,323		39,381
Investments	9		<u>6,860,076</u>		<u>6,030,169</u>
			6,913,399		6,069,550
 Debtors due after more than one year	 10		 22,285		 22,285
 Current Assets					
Stocks		2,595		4,321	
Debtors	11	250,354		234,630	
Cash at Bank and in hand		<u>107,507</u>		<u>755,369</u>	
		360,456		994,320	
 Creditors - amounts falling due within one year	 12	 (1,098,077)		 (1,032,802)	
Net Current Liabilities			<u>(737,621)</u>		<u>(38,482)</u>
 Creditors - amounts falling due after one year	 12	 (53,939)		 (124,369)	
Total Assets less Current Liabilities			<u>6,144,124</u>		<u>5,928,984</u>
 Capital and Reserves Accumulated Fund			<u>6,144,124</u>		<u>5,928,984</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 ... September 2018 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 2018

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; 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 9.

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.

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

A full year of depreciation is charged in the year of purchase, there is no part-year time apportionment.

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.

2.9 Debtors and Creditors

Short term debtors and creditors are measured at transaction price, less any impairment.

3 Turnover

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

	2018	2017
	£	£
United Kingdom	47,721	129,162
Rest of the World	<u>1,525,703</u>	<u>1,310,077</u>
	<u>1,573,424</u>	<u>1,439,239</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 £24,368 (2017: £23,972).

Employees

The average number of staff during 2018 was 5 (2017: 5). There were no Holiday pay accrual costs in the year.

5 Operating Surplus

This is stated after charging	2018	2017
	£	£
Auditors' remuneration for Audit Services	11,950	9,810
Non-Audit Services	3,400	2,725
Depreciation of fixed assets	14,508	14,905

6 Investment Income

	2018	2017
	£	£
Income from listed investments, and bank interest receivable	<u>135,984</u>	<u>507,497</u>

7 Taxation

	2018	2017
	£	£
Corporation Tax		
Current tax charge	23,738	81,603
Underprovision for previous periods	<u>2,551</u>	<u>16,777</u>
	26,289	98,380
Deferred taxation		
Origination of timing differences	<u>(54,088)</u>	<u>68,409</u>
Tax on profits on ordinary activities	<u>(27,799)</u>	<u>166,789</u>

Based on the surplus for the year at 19% (2017: 20%)

Surplus for the period	<u>187,341</u>	<u>1,179,758</u>
Surplus on ordinary activities multiplied by Corporation Tax in UK of 19% (2017: 20%)	35,595	235,952
Effects of:		
Underprovision for previous periods	2,551	16,777
Non-taxable Income and non-deductible expenses	(65,945)	(85,940)
Tax losses carried forward	-	-
Taxation on ordinary activities	<u>(27,799)</u>	<u>166,789</u>

Provisions for liabilities and charges

Deferred tax		
Balance at 1 April 2017	103,941	35,532
Transfer from profit and loss account	<u>(54,088)</u>	<u>68,409</u>
Balance at 31 March 2018	<u>49,853</u>	<u>103,941</u>

8 Tangible Fixed Assets

	Leasehold Improvement £	Office Equipment £	Motor Vehicle £	Total £
Cost At 1 April 2017	53,307	9,377	26,500	89,184
Additions	-	-	28,450	28,450
Disposals	-	-	(26,500)	(26,500)
At 31 March 2018	<u>53,307</u>	<u>9,377</u>	<u>28,450</u>	<u>91,134</u>
Depreciation as at 1 April 2017	15,990	7,313	26,500	49,803
Disposals	-	-	(26,500)	(26,500)
Charge for year	<u>5,332</u>	<u>2,064</u>	<u>7,112</u>	<u>14,508</u>
At 31 March 2018	<u>21,322</u>	<u>9,377</u>	<u>7,112</u>	<u>37,811</u>
Net book value at 31 March 2018	<u>31,985</u>	<u>-</u>	<u>21,338</u>	<u>53,323</u>
Net book value at 31 March 2017	<u>37,317</u>	<u>2,064</u>	<u>-</u>	<u>39,381</u>

9 Fixed Asset Investments

	2018 £	2017 £
Market value brought forward	6,030,169	5,608,589
Less cash held by investment manager	(232,375)	(277,998)
Additions	3,230,803	1,664,221
Disposals	(2,784,309)	(1,707,913)
Changes in fair value	(193,212)	510,894
Cash held by investment manager	<u>809,000</u>	<u>232,376</u>
Closing Market carried forward	<u>6,860,076</u>	<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

	2018 £	2017 £
Trade Debtors	159,288	168,220
Other Debtors	<u>91,066</u>	<u>66,410</u>
	<u>250,354</u>	<u>234,630</u>

12 Creditors – amounts falling due within one year

	2018 £	2017 £
Trade Creditors	68,870	33,021
Corporation Tax	26,289	98,380
Other Taxes and Social Security Costs	8,278	6,828
Other creditors	260,084	191,417
Accruals and deferred income	<u>734,556</u>	<u>703,156</u>
	<u>1,098,077</u>	<u>1,032,802</u>

Creditors – amounts falling due after one year

Deferred Tax	49,853	103,941
Accruals and deferred income	<u>4,086</u>	<u>20,428</u>
	<u>53,939</u>	<u>124,369</u>

13 Operating Lease Commitments on Land and Buildings

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

	2018	2017
	£	£
1 year	89,139	89,139
2 to 5 years	356,556	356,556
After 5 years	<u>111,424</u>	<u>200,563</u>
	<u>557,119</u>	<u>646,258</u>

14 Related party transactions

Fees were paid to Directors in respect of Arbitration activities in the amount of £13,654.

COUNCIL REPORT

The Council has pleasure in presenting its Report and Financial Statements for the Year Ended 31 March 2018. 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 M Reis
Mr A C de Winter	Mr G Vanmarcke
Mr T Eigenraam (Appointed 31 August 2017)	Mr R A van Dorland
Miss C Geers (Resigned 31 August 2017)	Mr M C Vehring
Mr J C Meinich	

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 1,118 members as at 31 March 2018.

Small Companies Note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Auditor

A resolution to re-appoint Crowe UK 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

25 September 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE FEDERATION OF OILS, SEEDS AND FATS ASSOCIATIONS LIMITED

Opinion

We have audited the financial statements of Federation of Oils, Seeds and Fats Associations Limited for the year ended 31 March 2018 which comprise the Income and expenditure account, the Balance sheet and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the 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 directors' report.

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

- adequate accounting records have not been kept by the company, 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 directors report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

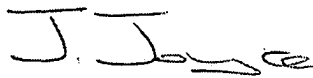
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



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

26 September 2018