

# Freight Transport Association Limited (Trading as Logistics UK)

Company No 00391957

## Annual Report and Accounts

for the year ended 31 December 2023

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## Strategic report for the year ended 31 December 2023

The Association acts as a trade association for its members who operate or manage supply chains and use freight transport in connection with their business. The Association operates under the name Logistics UK. It is one of the biggest business groups in the UK, supporting, shaping and standing up for safe and efficient logistics. During the year the Association continued to provide a range of services to the membership and pursued a vigorous and responsible representational role. Income is derived from a combination of membership fees and services. Services include Vehicle Inspection, Tachograph Analysis, Training, Consultancy, Shop and Penalty Charge Notice (PCN) Administration.

The group consolidated accounts include the financial statements of the Company and its subsidiary undertakings as at 31 December 2023. Income ended the year at £33.8m - up £2.3m (7%) on 2022. Income growth reflected particularly strong performances in the Events and Shop businesses. The Group achieved a gross surplus for the year of £14.0m representing an increase of £1.0m on 2022. Operating expenses grew by £1.4m compared with 2022, mainly driven by payroll inflation. The Group recorded a net surplus for the year of £0.3m which represented a reduction of £1.2m from the surplus recorded in 2022. The accounts include exceptional costs of £0.6m for an HSE penalty following the conclusion of the investigation of a workplace accident that took place in 2018 and £0.1m for the write-off of obsolete stock purchased during the 2020 COVID pandemic. Average employee numbers increased from 310 in 2022 to 314 in 2023.

The Group generated a cash surplus from operating activities of £2.6m which enabled it to invest £1.4m in software development and £0.1m in the purchase of tangible assets. It also paid £1.1m into the closed defined pension scheme in accordance with the Schedule of Contributions agreed with the Trustee. These payments combined with careful management of working capital resulted in a net cash inflow for the year of £1.2m. As at 31 December 2023, cash at bank and in hand amounted to £4.7m.

The statement of financial position (excluding pension obligations) as at 31 December 2023 continues to show a strong position with group net assets of £7.6m (2022 - £8.1m). The pension deficit increased from £(6.3)m as at 31 December 2022 to £(6.9)m at 31 December 2023. The value of scheme liabilities increased by £0.1m, and the value of the schemes assets fell by £0.5m resulting in an increase in the deficit of £0.6m. As a result of the revised pension deficit and the profit performance, total net assets decreased from £1.8m as at 31 December 2022 to £0.7m as at 31 December 2023.

Market conditions for 2024 remain challenging. The UK economy remains subdued and although it appears that a prolonged recession may have been avoided, the prospects for growth in the near term remain weak. The Board believes however that the measures taken by management over the last three years, leave the Association in a strong position to benefit from any economic recovery and expects further revenue growth in 2024.

Management monitors a wide range of Key Performance Indicators to manage the business. These include:

- **Membership numbers and renewal rates:** during 2023 total membership reached 21,046 (2022: 20,007) achieving one of our key strategic milestones.
- **Attendance at member events & councils:** attendance at member events including councils, working groups and compliance briefings continued to grow in 2023 (2,831 versus 2,726 in 2022.) This was in addition to record attendance at Transport Manager Conference series and strong participation at events on topics such as vans, decarbonisation and supply chain resilience, which were supported by the policy team. Over 12,000 members subscribed to the weekly enews – up from 11,000 in 2023. Publications included the annual Yearbook of Road Transport Law and Logistics Report as well as the quarterly Manager's Guide to Distribution Costs and Logistics Performance Tracker. Following new member research, the EV Report was published in May.
- **Delegate numbers attending training courses & seminars:** training course attendance improved on 2022 and Training revenues increased by 8%. Our flagship annual compliance event – Transport Manager Conference - achieved record attendance numbers in 2023, attracting over 1,840 delegates across 11 regional venues and an online event. The series has received positive feedback from delegates, speakers and sponsors, and set a great foundation for continued growth in 2024.
- **Contract numbers and productivity measures in Vehicle Inspections (VIS) and Tachograph Services:** VIS productivity continued to improve during the year. These improvements position the business well to benefit from a pick-up in economic activity. We continue to invest in our Vision software and all services now benefit from this and our continued investment in back-office systems.
- **Representation in national & regional press, and on social media:** Logistics UK maintained an impressive media presence in 2023, thanks to the work of its press team. Coverage placed generated more than 800 million opportunities to see Logistics UK's messaging during the year, including 75 radio and tv interviews, 107 items in the national press and more than 2,600 articles in regional and trade press. Meanwhile Logistics UK's social media channels registered further impressive growth, with more than 32 million impressions (a 19% year on year increase) across the organisation's main channels, LinkedIn, X and Facebook. Overall engagements rose (35.9% year on year on Facebook and 37.7% on LinkedIn), a strong reflection of the relevance of Logistics UK's content to its target audience. During the year, Instagram, Threads and TikTok have also been added to Logistics UK's social media portfolio to provide outreach to new audiences: in only three months, the organisation's TikTok activity has achieved more than 200,000 views.
- **Health & safety measures including accident rates and near misses.** All incidents are reviewed and investigated to assess what, if any, changes or improvements are required in working practices or training.

Key risks facing the organisation are the need to maintain membership numbers and the need to generate sufficient cash to invest in further development of its services to members and the requirement to meet its pension funding obligations. Management processes exist to monitor, report on and control all of these areas. Like all businesses, the Association is vulnerable to the threat of cyber-attacks and other related fraud. Attempted access violations are routinely monitored and all staff are required to undertake regular monthly training regarding information security risks. The Group is ISO 27001-certified and its information security processes are regularly audited.

Logistics UK's mission is to enable its members to develop and operate safer, more efficient and sustainable supply chains. The Association's future will be shaped by four factors.

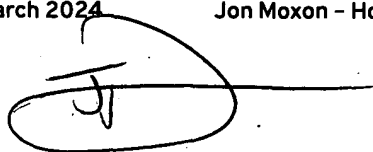
- 1 Members' demands, needs and expectations arising from their membership of one the country's biggest trade associations

- 2 Changing economic and market circumstances and developments in technology – the environment in which members trade
- 3 New regulatory and policy pressures – members' compliance obligations
- 4 Enhancement of existing services to maximise the safety, efficiency and sustainability of members' supply chains and grow the trading strength of the Association.

The Association's strategic plan maps out the expected changes in these factors and builds a plan that responds to them and underpins growth consistent with its objectives.

22 March 2024

By order of the FTA board  
Jon Moxon – Honorary Treasurer



## Directors' report for the year ended 31 December 2023

The Freight Transport Association Limited and its subsidiaries primarily trade under the name Logistics UK. For the purposes of the Companies Act 2006, members of the FTA Board are Directors. The names of those persons who were members of the Board during 2023 are shown below.

### Principal activities

The principal activities of the Group continue to be the provision of membership support as well as logistics products, consultancy, penalty charge notice administration and training to members.

Formal arrangements exist for the management team to discuss and contribute to the financial, economic and social objectives of the Association and regularly to brief all staff on the activities in which the Association is engaged. During the year Logistics UK maintained its policy of giving full and fair consideration to applications for employment made by disabled people. The Association is committed to continuing employment and training of employees who become disabled and to the training, career development and promotion of all employees.

During 2023 the Remuneration Committee - chaired by the President, and the Audit Committee - chaired by the Honorary Treasurer - met to consider matters appropriate to their remit and subsequently updated the FTA Board.

### Auditors

A resolution proposing that Moore Kingston Smith LLP be reappointed as auditors of the Company will be put to the Annual General Meeting.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

In accordance with section 414 (C) 11 of the Companies Act 2006 the directors have chosen to include information about future developments and principal risks in the Strategic Report.

## The Logistics UK Board 2023

### President and Chairman

P Roe

### Honorary Treasurer

JD Moxon

### Chief Executive

D Wells OBE

### Other Members of the Board

VJ Brickley

SJ Hobbs (appointed 13 March 2023)

LA Hosegood (appointed 13 March 2023)

SM MacKenzie

GJ Murdoch (appointed 13 March 2023)

G Roberts

I Stansfield

## Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' and Strategic Reports 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 Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Accounting Standards and applicable law), (FRS102). Under company law the Directors 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 the Group and of the Group's profit or loss for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

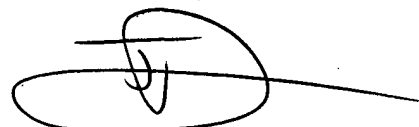
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

22 March 2024

By order of the FTA board  
Jon Moxon - Honorary Treasurer



# Independent auditor's report to the Members of Freight Transport Association Limited

## Opinion

We have audited the financial statements of Freight Transport Association Limited ('the parent company') and its subsidiaries for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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 FRS 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 group's and of the parent company's affairs as at 31 December 2023 and of the group's deficit 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 financial statements section of our report. We are independent of the Group 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 themselves. 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.

## Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report 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 Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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 Group's and the parent 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 group or the parent 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Company.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the Group and parent company through the use of permanent audit file information, updated this year for any changes that have been identified by management or by our own investigations and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation;
- we obtained an understanding of how the group and parent company comply with these requirements by discussions with management and those charged with governance and through reviews of relevant accounting and management records;
- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, based on our work as outlined above;

- we enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations, using associated documentary evidence to better understand items of interest;
- based on this understanding, we designed specific *appropriate audit procedures to identify instances of non-compliance with laws and regulations*. As well as specific audit testing, this included approaching accounting records with an inquisitive and sceptical mindset such that we examined items that were felt to be of interest or of higher risk in this area, and obtaining additional corroborative evidence as required.

To address the risk of fraud through management override of controls, we carried out the following work:

- procedures were undertaken to identify any unusual or unexpected matters, and the rationale behind any such matters was examined;
- journal entries were reviewed to identify unusual transactions;
- judgements and assumptions made in determining the accounting estimates set out in the accounting policies were reviewed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of

non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

#### 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 for no purpose other than to draw to the attention of the Company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the Company and Company's members as a body, for our work, for this report, or for the opinions we have formed.

9 Appold Street  
London EC2A 2AP

26 March 2024

*Moore Kingston Smith LLP*

James Saunders (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

## Consolidated statement of comprehensive income for the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Income	1(v) and 3	33,792	31,527
Direct expenses		<u>(19,761)</u>	<u>(18,478)</u>
Gross surplus		14,031	13,049
Operating expenses		<u>(12,888)</u>	<u>(11,530)</u>
Operating surplus	4(i)	1,143	1,519
Investment income	4(ii)	107	12
Other finance expenditure	18(iv)	(289)	(17)
Exceptional items	5	<u>(669)</u>	<u>-</u>
Surplus on ordinary activities before taxation		292	1,514
Taxation	7	<u>(8)</u>	<u>(18)</u>
Surplus for the financial year		284	1,496
Other comprehensive income:			
Actuarial loss on defined benefit pension scheme	18(v)	<u>(1,372)</u>	<u>(5,939)</u>
Total comprehensive loss for the year		<u>(1,088)</u>	<u>(4,443)</u>

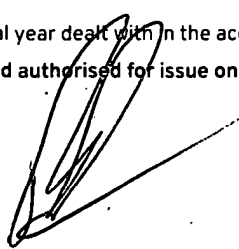


# Consolidated and company statement of financial position as at 31 December 2023

		Group		Company	
		2023	2022	2023	2022
	Note	£'000	£'000	£'000	£'000
Non-current Assets:					
Intangible assets	8 (i)	3,816	3,468	3,048	2,622
Tangible assets	8 (ii)	798	826	798	826
Investments	9	18	18	1,192	1,192
		4,632	4,312	5,038	4,640
Current Assets:					
Stock	10	650	1,003	396	588
Debtors	11	7,049	7,023	7,343	7,411
Cash at bank and in hand		4,743	3,585	4,676	3,490
		12,442	11,611	12,415	11,489
Creditors:					
Amounts falling due within one year	12	(9,246)	(7,855)	(8,894)	(7,493)
Net Current Assets					
		3,196	3,756	3,521	3,996
Total assets less current liabilities					
		7,828	8,068	8,559	8,636
Creditors: amounts falling due after more than one year	13 (i)	(280)	-	(280)	-
Provision for liabilities					
	13 (ii)	-	(1)	-	-
Net assets excluding pension liabilities					
		7,548	8,067	8,279	8,636
Retirement benefit obligations	15	(6,885)	(6,317)	(6,885)	(6,317)
Net assets including pension liabilities					
		663	1,750	1,394	2,319
Reserves					
Accumulated reserves:					
	16				
General reserve		7,548	8,067	8,279	8,636
Pension reserve		(6,885)	(6,317)	(6,885)	(6,317)
		663	1,750	1,394	2,319

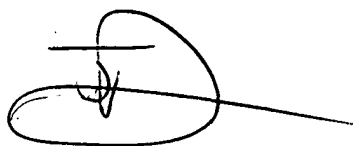
The surplus for the financial year dealt with in the accounts of the parent company was £447,000 (2022: £1,714,000)

Approved by the Board and authorised for issue on 22 March 2024



P Roe, President

Company Registration Number: 00391957



J D Moxon, Honorary Treasurer

## Consolidated and company statement of changes in equity for the year ended 31 December 2023

Group		Pension reserve	General reserve	Total
	Note	£'000	£'000	£'000
<b>Balance at 1 January 2022</b>		(1,423)	7,616	6,193
<b>Year ended 31 December 2022</b>				
Surplus for the year		1,045	451	1,496
Other comprehensive loss for the year	18 (v)	(5,939)	-	(5,939)
Total comprehensive (loss)/gain for the year		(4,894)	451	(4,443)
<b>Balance at 31 December 2022</b>		(6,317)	8,067	1,750
<b>Year ended 31 December 2023</b>				
Surplus/(loss) for the year		804	(519)	285
Other comprehensive loss for the year	18 (v)	(1,372)	-	(1,372)
Total comprehensive loss for the year		(568)	(519)	(1,087)
<b>Balance at 31 December 2023</b>	15	(6,885)	7,548	663

Company		Pension reserve	General reserve	Total
	Note	£'000	£'000	£'000
<b>Balance at 1 January 2022</b>		(1,423)	7,967	6,544
<b>Year ended 31 December 2022</b>				
Surplus for the year		1,045	669	1,714
Other comprehensive loss for the year	18 (v)	(5,939)	-	(5,939)
Total comprehensive (loss)/gain for the year		(4,894)	669	(4,225)
<b>Balance at 31 December 2022</b>		(6,317)	8,636	2,319
<b>Year ended 31 December 2023</b>				
Surplus/(loss) for the year		804	(357)	447
Other comprehensive loss for the year	18 (v)	(1,372)	-	(1,372)
Total comprehensive loss for the year		(568)	(357)	(925)
<b>Balance at 31 December 2023</b>	15	(6,885)	8,279	1,394

## Consolidated statement of cash flows for the year ended 31 December 2023

		Group	
	Note	2023 £'000	2022 £'000
<b>Net cash from operating activities</b>	17	2,613	1,020
Taxation - Corporation tax paid		(20)	(36)
<b>Net cash generated from operating activities</b>		<u>2,593</u>	<u>984</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets		(1,427)	(974)
Purchase of tangible assets		(115)	(129)
Interest received		107	12
<b>Net cash used in investing activities</b>		<u>(1,435)</u>	<u>(1,091)</u>
<b>Cash flow from financing activities</b>			
Repayment of obligations under finance leases			(36)
<b>Net increase/(decrease) in cash and cash equivalents</b>		1,158	(143)
<b>Cash and cash equivalents at the beginning of year</b>		<u>3,585</u>	<u>3,728</u>
<b>Cash and cash equivalents at the end of year</b>		<u>4,743</u>	<u>3,585</u>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		<u>4,743</u>	<u>3,585</u>

# 1 Accounting policies

## Company information

Freight Transport Association Limited is a company limited by guarantee, domiciled and incorporated in England and Wales and not having any share capital.

The registered office is Hermes House, St. John's Road, Tunbridge Wells.

## (i) Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The group and individual financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements are prepared in sterling, which is the functional currency of the Group and the Company. Monetary amounts in the financial statements are rounded to the nearest thousand pounds.

As permitted by s408 Companies Act 2006, the Company has not presented its own income statement and related notes.

## (ii) Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following exemptions under the provisions of FRS 102:

i) The requirements of section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d) to prepare a company statement of cash flows on the basis that the Company is a qualifying entity and the Company's cash flows are included in the consolidated statement of cash flows; and

ii) From disclosing the Company key management personnel compensation, as required by paragraph 33.7.

## (iii) Basis of consolidation

The group consolidated accounts include the financial statements of the Company and its subsidiary undertakings as at 31 December 2023. There have been no acquisition or disposals of subsidiary undertakings during the last two years.

## (iv) Going concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Group and Company can continue in operational existence for the foreseeable future, being a minimum period of 12 months from the date of approval of the financial statements. As at 31 December 2023, the Group had net assets of £662,000 however this is after deducting the defined benefit pension scheme liability of £6,885,000. The net assets of the Group as at 31 December 2023 after adding back the defined benefit liability were £7,547,000.

At the year-end the Group's cash at bank and in hand was £4,743,000. Management has prepared cash flow projections for the financial period from 1 January 2024 to 31 December 2025 and has performed additional sensitivities on these projections. The directors are confident that the Group and the Company have sufficient resources to continue to operate for at least the next twelve months. The directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

## (v) Income recognition

Income is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business net of discounts, VAT, and other sales related taxes.

Membership income is recognised in the month due.

All other income is recognised at the time the goods or services are provided.

## (vi) Intangible assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 10 years. Provision is made for any impairment.

Purchased goodwill represents the excess of the amount paid on the acquisition of a business over the aggregate fair value of the assets acquired and is written off in equal instalments over its expected useful economic life subject to impairment reviews.

### Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently recognised at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3 to 5 years	Goodwill	10 years	Licences	3 years
Intellectual Property	4 years	Database	10 years		

**1 Accounting policies (continued)****(vii) Tangible assets - property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation net of depreciation and any impairment losses.

Depreciation is provided at rates calculated to write off the cost or valuation of assets less their estimated residual values over their useful lives on the following basis:

Freehold Buildings	50 years	Furniture and Equipment	4 to 10 years
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Computers	3 to 5 years
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

**(viii) Impairment of tangible and intangible assets**

At each reporting end date, the Group and the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value of the asset less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**(ix) Investments****Investment in subsidiary**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group (its subsidiaries). Control is achieved where the Group has power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

**(x) Stock**

Stock is valued at the lower of cost and estimated selling price less costs to sell and is comprised of finished goods and goods for resale.

**(xi) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**(xii) Financial assets**

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the Group and Company's statement of financial position when the Group and Company become party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. Other financial assets classified as fair value through profit or loss are measured at fair value.

**1 Accounting policies (continued)***Loans and receivables*

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

*Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

*Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

**(xiii) Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**i) Current tax**

The tax currently payable is based on the taxable surplus for the year. Taxable surplus differs from net surpluses as reported in the consolidated income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been substantively enacted by the reporting end date.

**ii) Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable surpluses. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable surplus nor the accounting surplus.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable surpluses will be available to allow all or part of the assets to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to reserves, in which case the deferred tax is also dealt with in reserves. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**(xiv) Employee benefits**

The Group and Company provides a range of benefits to employees including bonuses, paid holiday arrangements and defined benefit and defined contribution plans.

**i) Short-term benefits**

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**ii) Defined benefit pension plan**

The Company operates a defined benefit pension scheme for the benefit of certain employees, the assets of which are separately held from those of the Company in independently administered funds. The scheme was closed to new entrants on 1 January 2001 and to future accrual of benefits on 30 June 2002.

Pension scheme assets are measured at fair value in accordance with the FRS 102 fair value hierarchy. Pension scheme liabilities are measured using the projected unit credit method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. Annually the Company engages independent actuaries to calculate the obligation.

The liability recognised in the statement of financial position in respect of the defined benefit pension scheme is the present value of the defined benefit obligation at the end of the reporting date, less the fair value of the scheme assets at the reporting date.

The increase in the present value of liabilities of the company's defined benefit pension scheme expected to arise from employee service in the period is charged to operating surplus. Past service costs are also charged to operating surplus. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on scheme assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

**1 Accounting policies (continued)**

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of scheme assets. This cost is recognised in profit or loss as 'Finance expenditure'.

Pension scheme deficits are recognised in full and presented within provisions

**iii) Defined contribution pension plan**

The Group and Company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group and Company in an independently administered fund. Payments to defined contribution retirement benefit schemes are charged as an expense when they fall due.

**iv) Executive and senior management incentive plans**

An expense is recognised in the statement of comprehensive income when the company has a legal and constructive obligation to make payments under the plans as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the obligation can be made

**(xv) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the asset's fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the statement of comprehensive income so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**(xvi) Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

All differences are taken to the statement of comprehensive income

**2 Critical accounting judgements and estimation uncertainty**

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are outlined below.

**i) Useful economic lives of intangible assets**

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. Goodwill and other intangible assets impairment reviews are also performed annually. These reviews require an estimation of the value in use of the cash generating units to which the goodwill, software and other intangible assets have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise for the cash generating unit and a suitable discount rate to calculate present value. See note 8(i) for the carrying amount of the intangible assets and note 1(vi) for the useful economic lives for each class of asset.

**ii) Useful economic lives of property, plant and equipment**

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8(ii) for the carrying amount of the property, plant and equipment and note 1(vii) for the useful economic lives for each class of asset.

**iii) Defined benefit pension scheme**

The Company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends.

See note 18 for disclosures relating to the defined benefit pension scheme.

**3 Income**

	2023	2022
	£'000	£'000
Membership fees	4,568	4,476
Commercial activities:		
Income from services	25,800	24,066
Sales of goods	3,424	2,985
	<u>33,792</u>	<u>31,527</u>
Geographical analysis		
United Kingdom	33,156	31,085
Ireland	479	343
Rest of world	157	99
	<u>33,792</u>	<u>31,527</u>

**4 Operating surplus**

(i) The surplus for the year is derived after charging / (crediting):

	2023	2022
	£'000	£'000
Fees payable to the company's auditor in respect of:		
Audit of parent company and group	69	67
Audit of subsidiaries	15	16
Other tax and accounting services	18	17
Depreciation:		
Owned assets	138	137
Assets held under finance leases	5	22
Loss on disposal of assets	-	1
Amortisation of intangible assets	1,079	1,111
(Gain)/Loss on foreign exchange transactions	(7)	(16)
Operating lease payments:		
Land and buildings	98	38
Other operating leases	<u>1,164</u>	<u>1,134</u>

(ii) Investment income

	2023	2022
	£'000	£'000
Other interest	107	12
	<u>107</u>	<u>12</u>



**5 Exceptional Items**

	2023	2022
	£'000	£'000
HSE Fine	600	-
Stock write-off	69	-
	<u>669</u>	<u>-</u>

HSE fine: As a result of a work place accident that occurred in 2018, the company was subject to an investigation by the Health and Safety Executive (HSE). The result of this investigation was finalised in November 2023, and the Company was issued with a penalty of £600,000. This penalty is payable across 4 bi-annual instalments and the expenditure is exceptional in nature.

Write-off of stock balances: Certain stock was purchased during 2020 as a response to the COVID pandemic and has since become obsolete. The stock written-off is not standard items that the group hold and has therefore been classified as exceptional

**6 Employment costs**

(i) Employee costs during the year amounted to:

	2023	2022
	£'000	£'000
Salaries and bonuses	13,654	11,986
Social security costs	1,506	1,422
Defined contribution pension costs	1,113	923
Redundancy costs	336	134
	<u>16,609</u>	<u>14,465</u>

(ii) The average number of employees during the year was:

	2023	2022
Operations	168	160
Management, sales and administration	146	150
	<u>314</u>	<u>310</u>

(iii) Director emoluments

	2023	2022
	£'000	£'000
Emoluments for qualifying services	330	343
Company pension contributions to defined contribution schemes	20	19
	<u>350</u>	<u>362</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounts to 1 (2022 - 1).

Emoluments disclosed above include the following amounts paid to the highest paid director:

	2023	2022
	£'000	£'000
Emoluments for qualifying services	238	251
Company pension contributions to defined contribution schemes	20	19
	<u>258</u>	<u>270</u>

The highest paid director is a member of the company's defined contribution scheme and had accrued entitlements of £29,365 (2022 - £23,687) under the scheme at the year end.

(iv) Key management compensation

Key management is considered to be the seven executive directors (2022: eight). Total remuneration paid to key management personnel in the year was £1,587,000 (2022 - £1,247,000).

**7 Taxation**

(i) Domestic current year tax

	2023	2022
	£'000	£'000
UK Corporation tax	35	19
Total current tax charge	35	19

(ii) Deferred tax:

Deferred tax credit for the current year (note 14)	(27)	(1)
Group deferred tax credit	(27)	(1)
Total tax charge	8	18

(iii) Factors affecting the tax charge for the year

The Association is liable for taxation on investment income and capital gains.

In 2023 this amounted to £136,321 (2022: £45,126). The subsidiaries are fully taxable.

	2023	2022
	£'000	£'000
Surplus on ordinary activities before tax	292	1,514
Surpluses on ordinary activities before tax multiplied by the standard rate of UK Corporation tax of 25% (2022 - 19%)	72	288
Effects of:		
Non deductible expenses	21	55
Non taxable income of the association	(85)	(325)
	(64)	(270)
Total tax charge	8	18

**8 Non-current assets****(i) Intangible fixed assets**

	Goodwill	Intellectual Property	Database	Software	Group Total	Company Software
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 January 2023	1,460	20	35	7,509	9,024	7,346
Additions	-	-	-	1,427	1,427	1,396
Disposals	-	-	-	-	-	(76)
At 31 December 2023	<u>1,460</u>	<u>20</u>	<u>35</u>	<u>8,936</u>	<u>10,451</u>	<u>8,666</u>
<b>Amortisation</b>						
At 1 January 2023	671	20	25	4,840	5,556	4,724
Charge for the year	144	-	3	932	1,079	894
Disposals	-	-	-	-	-	-
At 31 December 2023	<u>815</u>	<u>20</u>	<u>28</u>	<u>5,772</u>	<u>6,635</u>	<u>5,618</u>
<b>Net book value</b>						
31 December 2023	<u>645</u>	<u>-</u>	<u>7</u>	<u>3,164</u>	<u>3,816</u>	<u>3,048</u>
<b>Net book value</b>						
31 December 2022	<u>789</u>	<u>-</u>	<u>10</u>	<u>2,669</u>	<u>3,468</u>	<u>2,622</u>

**Group and company intangible assets**

The group goodwill arises from the subsidiary company's acquisition of the trade and assets of Tachodisc Limited on 29 April 2016, from the acquisition of 100% of the issued share capital of T Team Limited on 2 January 2018 and from the acquisition of 100% of the issued share capital of CD Media Training Limited on 31 May 2019.

The software intangible assets include bespoke systems for managing and delivering three key services lines:

Vehicle Inspection, Tachograph Analysis and Penalty Charge Notice. These systems were created by a mixture of external development firms and staff specifically employed for the purpose.

**8 Non-current assets (continued)****(ii) Tangible fixed assets**

<b>Group</b>	<b>Freehold property £'000</b>	<b>Furniture and equipment £'000</b>	<b>Computer equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 January 2023	1,921	547	388	2,856
Additions	-	38	77	115
Disposals	-	(218)	(211)	(429)
At 31 December 2023	<u>1,921</u>	<u>367</u>	<u>254</u>	<u>2,542</u>
<b>Depreciation</b>				
At 1 January 2023	1,286	460	284	2,030
Charge for the year	43	33	67	143
Disposals	-	(218)	(211)	(429)
At 31 December 2023	<u>1,329</u>	<u>275</u>	<u>140</u>	<u>1,744</u>
Net book value 31 December 2023	<u>592</u>	<u>92</u>	<u>114</u>	<u>798</u>
Net book value 31 December 2022	<u>635</u>	<u>87</u>	<u>104</u>	<u>826</u>
<b>Company</b>	<b>Freehold property £'000</b>	<b>Furniture and equipment £'000</b>	<b>Computer equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 January 2023	1,921	521	388	2,830
Additions	-	38	77	115
Disposals	-	(218)	(211)	(429)
At 31 December 2023	<u>1,921</u>	<u>341</u>	<u>254</u>	<u>2,516</u>
<b>Depreciation</b>				
At 1 January 2023	1,286	437	281	2,004
Charge for the year	43	33	67	143
Disposals	-	(218)	(211)	(429)
At 31 December 2023	<u>1,329</u>	<u>252</u>	<u>137</u>	<u>1,718</u>
Net book value 31 December 2023	<u>592</u>	<u>89</u>	<u>117</u>	<u>798</u>
Net book value 31 December 2022	<u>635</u>	<u>84</u>	<u>107</u>	<u>826</u>

As at 31 December 2023 a charge existed over the Association's Leamington office, Hermes House, 20 Coventry Road, Cubbington, in favour of the Trustees of the FTA Occupational Pension Plan for the lower of market value of the property and £850,000.

On 5 January 2024, the company sold its offices in Leamington Spa and the charge has been released. The building was held in the accounts at 31 December 2023 with a net book value of £173,000 and sold for gross proceeds of £775,000.

A charge is held over the Association's head office, 155 - 157 St. John's Road, Tunbridge Wells in favour of Lloyds

Included in freehold property is freehold land at cost of £29,085 (2022: £29,085) which is not depreciated.

The carrying amount of assets under finance leases included in computer equipment is £119 (2022: £119).

The carrying amount of assets under finance leases included in freehold property is £28,009 (2022: £32,816).

9 Fixed assets - investments

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Subsidiary undertakings			1,174	1,174
Other	18	18	18	18
	<u>18</u>	<u>18</u>	<u>1,192</u>	<u>1,192</u>

Shares in group undertakings are shown at cost, less any provision for material continuing losses and impaired carrying value.

Details of the company's subsidiary undertakings, which were incorporated in England and Wales and operated in the United Kingdom are set out below.

Company	Principal activity	Proportion of ordinary £1 shares held %	Registered office address
Tachodisc Distribution UK Limited	Sales of logistics products and training	100	Hermes House, St John's Road, Tunbridge Wells, TN4 9UZ
T Team Limited	Providing training and then dormant from 17 March 2020	100	Hermes House, St John's Road, Tunbridge Wells, TN4 9UZ
CD Media Training Limited	Providing training and then dormant from 17 March 2020	100	Hermes House, St John's Road, Tunbridge Wells, TN4 9UZ

The financial statements for the trading subsidiaries for the year ended 31 December 2023 have been consolidated with those of the parent company.

10 Stock

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Goods for resale	650	1,003	396	588
	<u>650</u>	<u>1,003</u>	<u>396</u>	<u>588</u>

11 Debtors

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade debtors	5,063	4,825	4,863	4,552
Other debtors	235	258	195	217
Amounts due from group undertakings	-	-	586	702
Prepayments and accrued income	1,725	1,940	1,699	1,940
Deferred tax asset (note 14)	26	-	-	-
	<u>7,049</u>	<u>7,023</u>	<u>7,343</u>	<u>7,411</u>

**Debtors: amounts falling due after more than one year**

Other debtors include £112,000 (2022: £129,000) due from FTA Ireland Limited. This comprises a loan of £112,000 (2022: £129,000) plus accrued interest and has fixed repayment terms. The repayment of the loan after redenomination into Euros commenced in December 2016. Amounts falling due after more than one year are £95,000 (2022: £112,000). Interest of £5,000 (2022: £12,000) was charged on the loan in the year.

Amounts due from group undertakings include balances due from Tachodisc Distribution UK Limited, the company's subsidiary. This includes:

- a loan of £236,000 (2022: £356,000) including interest, which has a fixed payment term. The loan commenced in January 2021. Amounts falling due after more than one year are £107,000 (2022: £253,000). Interest of £30,000 (2022: £33,000) was charged on the loan in the year.

12 Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	1,605	1,507	1,406	1,324
Corporation tax	34	19	34	8
Social Security and other taxes	1,225	1,088	1,210	1,071
Other creditors	271	147	315	-
Accruals and deferred income:				
Vehicle and Tachograph Inspection Services	2,726	2,071	2,726	2,071
Other member services	1,588	1,543	1,588	1,543
General	1,797	1,480	1,615	1,476
	<u>9,246</u>	<u>7,855</u>	<u>8,894</u>	<u>7,493</u>

13 Creditors: amounts falling due within one year

(i) HSE Fine

280	-	280	-
<u>280</u>	<u>-</u>	<u>280</u>	<u>-</u>

(ii) Provision for liabilities

-	(1)	-	-
<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>

**14 Provision for liabilities**

**Deferred taxation**

Deferred tax assets and liabilities are offset where the Group or Company has a legally enforceable right to do so. The following is an analysis of the deferred tax balances (after offset) for the financial reporting purposes:

**Deferred tax assets**

	Group	
	2023	2022
	£'000	£'000
Tax losses carried forward	26	-
<b>Deferred tax asset within debtors</b>	<u>26</u>	<u>-</u>

**Deferred tax liabilities**

	Group	
	2023	2022
	£'000	£'000
Accelerated capital allowances	-	(1)
<b>Provision for liabilities</b>	<u>-</u>	<u>(1)</u>

**Deferred tax movements in the year**

	Group	
	2023	2022
	£'000	£'000
Liability at 1 January 2023	(1)	(2)
Credit to income statement	27	1
<b>Assets/(liabilities) at 31 December 2023</b>	<u>26</u>	<u>(1)</u>

**15 Provision for retirement benefit obligations**

Provision has been made for the pension scheme deficit in the Financial Statements.

	Group and Company	
	2023	2022
	£'000	£'000
Deficit at start of year	6,317	1,423
Contributions in the year	(1,093)	(1,062)
Other finance costs	289	17
Actuarial loss - statement of comprehensive income (note 18(v)).	1,372	5,939
<b>Deficit at end of year (note 18 (vii))</b>	<u>6,885</u>	<u>6,317</u>

16 Reserves

(i) General Reserve

The Association is limited by guarantee and does not have any share capital. Annual surpluses or deficits are transferred to the General Reserve.

Within the meaning of FRS 102 the total of the Association's General Reserve and Pension Reserve constitute Shareholders funds'. The movements in the reserves are detailed in the Statement of Changes in Equity.

(ii) Campaign Fund

General reserves include income and expenditure on the Campaign Fund as follows:

	2023	2022
	£'000	£'000
Income	-	-
Expenditure	-	-
Surplus of expenditure over income	-	-
Balance at 1 January	960	960
Balance at 31 December	960	960

Assets representing this Fund are held in Current Assets.

Expenditure from this fund is specifically authorised by the FTA Board.

- (iii) As at 31 December 2023, FTA held £5,650 (2022: £5,563) of guarantee deposits for TIR carnets and other organisations. These funds are not in the beneficial ownership of FTA and do not form part of FTA's net assets.

17 Cash generated from operations

	Group	
	2023	2022
	£'000	£'000
(i) Operating Surplus:	1,142	1,519
Exceptional items ( Note 5)	(669)	-
Amortisation of intangible assets	1,079	1,111
Loss on disposal of assets	-	4
Depreciation of tangible assets	143	159
Post employment benefits less payments	(1,093)	(1,062)
Working capital movements:		
Decrease/(Increase) in Stocks	353	(197)
Increase in Debtors	-	(772)
Increase in Creditors	1,658	258
Cash flow from operating activities	2,613	1,020

(ii) Net Cash Reconciliation

	1 January	Cash flows	31 December
	£'000	£'000	£'000
Cash at bank and in hand	3,585	1,158	4,743



18 Pensions

(i) Defined benefit scheme

The Association operates a contributory pension scheme, which is voluntary. Entry was open to all members of staff who were over 20 and under 59 but the scheme was closed to new entrants on 1 January 2001 and to future accrual of benefits, other than required by law, on 30 June 2002.

The scheme is of the funded defined benefit type, with its assets held in a separate trust. The most recent actuarial valuation, upon which the amounts included in these accounts are based, was carried out at 31 March 2019.

Using this as a basis, the valuation has been updated to 31 December 2023 by a qualified actuary in accordance with Section 28 of FRS 102.

As required by Section 28 of FRS 102, the defined benefit liabilities have been measured using the projected unit method.

Contributions during the year ended 31 December 2023 amounted to £1,257,000 and were fully paid in the year. (2022: Total £1,215,000).

Payments for future years under the current schedule of contributions will be £1,126,000 for 2024 together with the expenses of the scheme, which vary in amount from year to year.

(ii) Changes in present value of scheme liabilities

	2023	2022
	£'000	£'000
Scheme liabilities at 1 January	51,046	73,249
Interest cost	2,447	1,321
Experience loss on liability	894	3,998
Net benefits paid from scheme assets	(4,289)	(3,752)
Actuarial loss/(gain) on scheme liabilities	1,003	(23,770)
Scheme liabilities at 31 December	51,101	51,046

	2023	2022
	£'000	£'000
The total actuarial gain on the liabilities is analysed as follows		
Changes in demographic assumptions	(134)	(664)
Loss/(gain) from change in other assumptions	1,137	(23,106)
Total loss/(gain) on scheme liabilities	1,003	(23,770)

(iii) Changes in fair value of scheme assets

	2023	2022
	£'000	£'000
Fair value of scheme assets at 1 January	44,729	71,826
Return on scheme assets (excluding amounts included in net interest)	525	(25,710)
Employer contributions	1,257	1,215
Net benefits paid	(4,289)	(3,752)
Expenses paid	(164)	(154)
Interest income	2,158	1,304
Fair value of scheme assets at 31 December	44,216	44,729

18. Pensions (continued)

(iv) Amounts recognised in income

	2023	2022
	£'000	£'000
The amounts recognised in the income statement are as follows:		
Interest on assets	2,158	1,304
Interest cost on liabilities	(2,447)	(1,321)
Charged to other finance expenditure	(289)	(17)

The actual return on scheme assets net of expenses for the year was a gain of £2,683,000 (2022: loss £24,406,000).

(v) Amount recognised in other comprehensive income

	2023	2022
	£'000	£'000
Actuarial (gain)/loss on scheme assets in excess of interest	(525)	25,710
Experience loss on liability	894	3,998
Gain from changes to demographic assumptions	(134)	(663)
Actuarial loss/(gain) from changes to other assumptions	1,137	(23,106)
Total loss recognised in other comprehensive income during the year	1,372	5,939

(vi) Assumptions

The principal assumptions used by the actuary were:	2023	2022
Discount rate for scheme liabilities	4.70%	5.00%
Rate of increase on fixed pensions in payment	5.00%	5.00%
Rate of increase on RPI pensions in payment	3.15%	3.25%
Inflation (RPI)	3.25%	3.35%
Inflation (CPI)	2.25%	2.35%

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements.

The actuary assumed that pre and post retirement mortality is in line with standard tables at 100% of S3PA year of use with CMI\_2022 [1%] projections (2022 - 100% of S3PA year of use with CMI\_2021 [1%] projections). Under this assumption the average life expectancy of males aged 65 is 21.5 years and of females aged 65 is 23.9 years. 100% of members are assumed to take their maximum tax free cash lump sum (2021: 100%).

The overall expected rate of return on assets is determined as the average of the expected return of each major asset, weighted by the assets allocated to each class.

**18 Pensions (continued)**

(vii) Amounts included in the statement of financial position

	2023	2022
	£'000	£'000
Fair value of scheme assets	44,216	44,729
Present value of funded defined benefit obligations	(51,101)	(51,046)
	<u>(6,885)</u>	<u>(6,317)</u>

(viii) Analysis of fair value of scheme assets

	2023	2022
	£'000	£'000
Equities	4,612	4,964
Fixed income	26,400	25,060
Cash and debtors	2,539	3,405
Alternatives	10,665	11,300
Fair value of assets	<u>44,216</u>	<u>44,729</u>

(ix) Defined contribution scheme

The Group also operates defined contribution schemes for employees. Pension costs for the defined contribution schemes are charged to the Income Statement in the year in which they become payable. The pension cost for the year in respect of the defined contribution schemes was £113,000 (2022: £923,000).

Included in the general accruals are pension contributions amounting to £115,000 (2022 - £100,000).

**19 Future financial commitments**

(i) Operating leases

At 31 December 2023 there were the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

Operating leases that expire:	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Within one year	396	392	396	392
In second to fifth years	613	677	613	677
	<u>1,009</u>	<u>1,069</u>	<u>1,009</u>	<u>1,069</u>

**20 Contingent liabilities**

*Loan guarantee*

On 31 January 2018 the Company and one of the subsidiaries, Tachodisc Distribution Limited UK Limited entered into a loan guarantee and provided a charge over their assets in favour of Lloyds Bank plc in respect of any overdrawn bank account or loan balances. There were overdrawn and bank loan balances of £nil as at 31 December 2023 (2022: £nil).

On 11 May 2020 another of the company's subsidiaries, T Team Limited also entered into the loan guarantee and provided a charge over its bank account.

**21 Post balance sheet events**

On the 5th January 2024, the company sold its offices in Leamington Spa. The building was held in the accounts at 31 December 2023 with a net book value of £173,000 and sold for gross proceeds of £775,000.

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