Annual Report

Incorporating the Annual Accounts for 2022

2022

President's Report

It was a fantastic honour to take over the presidency of Logistics UK in April 2022. As a member of the Logistics UK Board for many years, I recognise the important role that it plays in representing its members, influencing the government's policy agenda and supporting the industry as a whole.

I would like to pay tribute to my predecessor Leigh Pomlett, whose six-year term at the helm of Logistics UK saw the industry grapple with a series of seismic shifts, including Brexit, the COVID-19 pandemic and an acute skills shortage.

While the logistics industry has navigated the post-pandemic economy well, the skills issue remains stubbornly acute. The industry has ridden out the end of the pandemic by creating new opportunities to deliver more efficiently for customers, but it still has its share of issues to contend with, chief among them a chronic scarcity of staff with the skills and expertise the industry needs.

Logistics is not unique, of course. Following first Brexit and then the COVID-19 pandemic, there has been a dearth of suitable candidates across the UK economy. Despite this challenging set of circumstances, however, 2022 marked a significant turning point for logistics.

Logistics UK has been at the vanguard of that change, in partnership with the Chartered Institute of Logistics and Transport. Over the past year, a significant amount of work has been undertaken to influence government and industry to tackle the skills shortage head on, including the introduction of new apprenticeship standards and the creation of driver skills bootcamps. But I would argue that the biggest gamechanger has been the creation of the Generation Logistics programme, which has gone from a concept to a reality in fewer than six months.

For the first time, businesses and trade associations from right across our sector have come together to co-sponsor an awareness campaign for the sector, targeting hard-to-reach people, young people, those looking for a return to work, those looking for new careers and people coming back from parental leave. In just the first six months there have been over 1.8 million engagements with our campaigns, generationlogistics.org has attracted over 320,000 visits, and our campaigns have created over 190 million opportunities to see the message.

It only remains for me to thank our 20,000 members for their continued engagement and support. While the UK's economy looks set to face significant headwinds for some time to come, Logistics UK will continue to use its considerable influence and lobbying power to stand up for and champion the interests of the UK's logistics sector.

Phil Roe
President

Chief Executive's Report

Following two extremely challenging years, 2022 represented a return to something approaching business as usual for Logistics UK.

Despite the prevailing headwinds in the wider UK economy, our membership increased by 4.8% over the course of the year. I was delighted to welcome our 20,000th member to Logistics UK in October, achieving a personal objective I set myself when I became Chief Executive in 2015.

By passing this significant milestone on our membership journey, Logistics UK is proving itself to be one of the UK's biggest and most influential business groups. The more transport businesses and professionals we represent, the more impact we can deliver for the logistics sector as a whole, a sector which has never been more essential to the wider UK economy.

Our status as one of the UK's pre-eminent trade bodies was cemented in October when Logistics UK was crowned Trade Association of the Year at the 2022 Memcom Excellence Awards. This award is a testament to the dedication of our staff and all that we, as a business group, have achieved.

Our business services have also had a good year, and our annual income exceeded £31m – a level it last achieved before the pandemic.

Our Tachograph Services have performed strongly, and our nationwide recruitment of engineers for our Vehicle Inspection Service has given us the capacity to inspect the vehicles of members in every part of the UK. Demand for our Training and Penalty Charge Notice Administration Services has also grown significantly over the course of 2022.

Our engagement with government has never been closer and we have extended our sphere of influence to include regular engagement with other departments including HM Treasury and the Department for Business, Energy and Industrial Strategy.

To help increase our engagement with government further still, we have opened an office in Westminster in London, making it easier for our policy and public affairs teams to maintain close links with ministers, senior officials and key decision makers.

Logistics UK has performed strongly in 2022. Despite the economic headwinds of high inflation, soaring energy costs and continued industrial action, I believe this leaves us well placed to continue raising the profile of the logistics sector as a whole and serving the best interests of our 20,000 members.

David Wells OBE
Chief Executive

Some key achievements in 2022

Here are just some of our key achievements and wins for our members in 2022.

20,000TH LOGISTICS UK MEMBER

Welcoming our 20,000th member. By passing this significant milestone on our membership journey, Logistics UK is proving itself to be one of the nation's largest and most influential business groups.

FUTURE OF FREIGHT PUBLISHED

Logistics UK was pleased to see the publication of the government's *Future of Freight: a long-term plan* – the first cross-modal and cross-government plan for the UK freight transport sector – which includes many of the business group's key asks.

GENERATION LOGISTICS LAUNCH

Logistics UK was delighted to launch Generation Logistics in partnership with the Chartered Institute of Logistics and Transport. In its first six months the campaign to shift perceptions achieved 190 million opportunities to see the message.

TRADE ASSOCIATION OF THE YEAR

Logistics UK was crowned Trade Association of the Year at the 2022 Memcom Excellence Awards. The business group was commended for its comprehensive, research-based approach to policy, its impressive media reach and its focus on delivering for its members.

REDUCING THE IMPACT OF RISING ENERGY COSTS

Logistics UK called for clarity on government plans to mitigate the impact of significant increases in energy costs. The government announced that businesses in the UK will be supported through the six-month Energy Bill Relief Scheme.

DECARBONISING LOGISTICS REPORT LAUNCHED

Logistics UK published its first *Decarbonising Logistics* report in May 2022 to review progress being made towards achieving the UK's 2050 net zero target. One of our asks led to the government's £200m funding for a zero emission road freight demonstrator programme.

SCOTTISH ZERO EMISSION TRUCK TASKFORCE

Logistics UK partnered with Transport Scotland and the Road Haulage Association to launch a Zero Emission Truck Taskforce, which brings together logistics operators, manufacturing, energy, and finance sectors to explore transitioning to zero tailpipe emission trucks.

DRIVER FACILITY IMPROVEMENTS IN GREAT BRITAIN

In England, following Logistics UK's engagement with National Highways and DfT, National Highways pledged £20m for the improvement of driver facilities and lorry parking. In Scotland, secure lorry parking is being included in the Strategic Transport Plan Review.

SOL AND THE SKILLED WORKER VISA REVIEW

Logistics UK sits on the Migration Advisory Committee (MAC) stakeholder group and following its call for HGV drivers to be included on both the Shortage Occupation List (SOL) and Skilled Worker Visa, the MAC has been commissioned to review both.

LOGISTICS AWARDS 2022

The Logistics Awards 2022, Logistics UK's prestigious celebratory annual event for the industry, received the highest number of entrants since it was launched in 2017. Entertainment was provided by comedian Kerry Godliman and illusionist Marc Spellman.

The voice of logistics

As the only business group that represents all of logistics, part of Logistics UK's remit is to give the industry a strong voice. Through its media activity, Logistics UK works to ensure that the issues that are crucial to logistics – decarbonisation, skills shortages, technology and innovation – remain at the top of the media's and government's agendas.

RADIO AND TV BROADCASTS

217

including **10** on BBC News Channel, **6** on BBC1 News, **18** on LBC, **6** on BBC Radio 2 and **3** on Sky News.

NATIONAL PRESS
(ONLINE AND PRINT)

233

including **20** in *The Independent* and on independent.co.uk, **14** in the *Daily Mail* and on Mail Online, **12** in *The Times*, *Sunday Times* and Times Online and **11** in the *Financial Times* and on FT.com.

REGIONAL PRESS
(ONLINE AND PRINT)

114

Including **6** in the *Belfast Telegraph*, **6** in the *Express and Star* , and **5** in the *Times of Tunbridge Wells*.

MAGAZINES

429

including **69** in *Motor Transport*, **68** in *Logistics Voices*, **56** in *Global Cold Chain News* and **46** in *Materials Handling World*.

780 million

'opportunities to see' Logistics UK press coverage

Between 1 January and 31 December 2022, Logistics UK achieved a total of **4,171** pieces of press coverage with a staggering **780 million** 'opportunities to see'.

SOCIAL MEDIA

In 2022 Logistics UK recorded over **27 million** impressions (up from 22 million in 2021) across its main social media channels – LinkedIn, Twitter and Facebook. If you take into consideration all interactions, retweets, shares and users interacting with Logistics UK's campaigns, it is estimated that **91 million** people saw Logistics UK's social media activity in 2022.

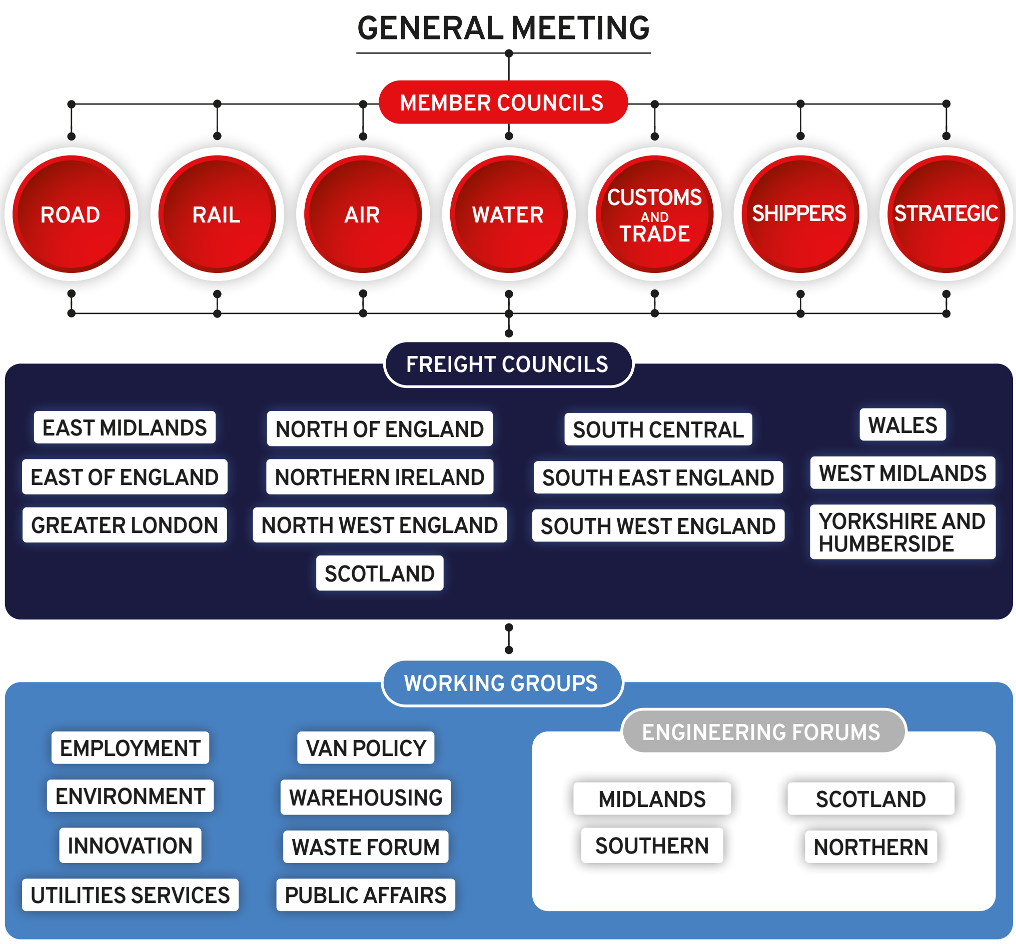
36% rise in engagement.

32% rise in engagement.

28% rise in engagement.

Our governance and democracy

Central to Logistics UK's democratic structure, the policy positions adopted by Logistics UK are determined by the members of its councils. In a normal year, more than 300 logistics managers and leaders attend Logistics UK's Freight Councils (English regions and Northern Ireland, Scotland and Wales) throughout the UK every quarter, and 96% of those would recommend the meetings to colleagues in the industry. An Annual General Meeting, to which all members are invited, is held once a year. > **www.logistics.org.uk/councils**



2022 LOGISTICS UK BOARD

Phil Roe
President and Chair
(Appointed President on 1 April 2022)

Leigh Pomlett
Outgoing President and Chair
(Resigned March 2022)

Jon Moxon
Honorary Treasurer

David Wells OBE
Chief Executive

Vincent Brickley

Peter Gifford
(Resigned March 2022)

Steve Granite
(Resigned March 2022)

Simon Hobbs
(Joined March 2023)

Louisa Hosegood
(Joined March 2023)

Sue MacKenzie

Gavin Murdoch
(Joined March 2023)

Graham Roberts

Ian Stansfield

Carole Walker
(Resigned March 2022)

Freight Transport Association Limited (Trading as Logistics UK)

Company No 00391957

Annual Report and Accounts

for the year ended 31 December 2022

Strategic report for the year ended 31 December 2022

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 2022. The Group recovered strongly from the effects of the Covid-19 pandemic which impacted performance in 2020 and 2021. Income ended the year at £31.5m - up £3.4m (12%) on 2021, and 2% up on the levels recorded in 2019, the last pre-Covid year. Income growth reflected particularly strong performances in the Training and PCN administration businesses. The Group achieved a gross surplus for the year of £13.0m representing an increase of £0.3m on 2021. Operating expenses grew by £0.1m compared with 2021. There was no benefit in 2022 from furlough grants which contributed £343,000 of other operating income in 2021. The Group recorded a net surplus for the year of £1.5m which represented a slight reduction on the surplus of £1.6m recorded in 2021. Following the redundancy programs in 2020, the Group was able to hire again in 2022 and average employee numbers grew from 302 in 2021 to 310 in 2022.

The Group generated a cash surplus from operating activities of £984,000 which enabled it to invest £974,000 in software development and £129,000 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 resulted in a small cash outflow for the year of £143,000. As at 31 December 2022, cash at bank and in hand amounted to £3.6m.

The statement of financial position (excluding pension obligations) as at 31 December 2022 continues to show a strong position with group net assets of £8.1m (2021 - £7.6m). 2022 was a year of significant volatility in the financial markets, and the pension deficit increased from £(1.4)m as at 31 December 2021 to £(6.3)m at 31 December 2022. The value of scheme liabilities reduced by £22.2m, mainly because of the significant increase in bond yields during the year. However, the value of the schemes assets fell by £27.1m resulting in an increase in the deficit of £4.9m. As a result of the revised pension deficit and the profit performance, total net assets decreased from £6.2m as at 31 December 2021 to £1.8m as at 31 December 2022.

Market conditions for 2023 remain challenging. The threat posed by Covid-19 has receded, but the year has seen an upsurge in inflation and labour markets remain tight. The UK economy remains subdued and although it appears that a 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 2023.

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

- **Membership numbers and renewal rates:** during 2022 total membership reached 20,007 (2021: 19,090) achieving one of our key strategic milestones.
- **Attendance at member events & councils:** Attendance at member events including councils, working groups and compliance events continued to grow with attendance at record levels overall (2,726 in 2022, versus 2,294 in 2021.) This was in addition to member attendance at both traditional Transport Manager events and new Van, Zero Carbon and Supply Chain Resilience events chaired and facilitated by the policy team. Over 11,000 members subscribed to the weekly E News – up from 10,440 in 2021. Publications included the annual Transport Law Book and Logistics Report as well as the quarterly Managers Guide to Distribution Costs and Logistics Performance Tracker. A new Zero Carbon Report was launched in May 2022.
- **Delegate numbers attending training courses & seminars:** training course attendance improved significantly on 2021 and Training revenues increased by 51%. Our flagship annual compliance event – Transport Manager Conference - achieved record attendance numbers in 2022, attracting over 1,750 delegates across 10 regional venues and an online event. The series has received positive feedback from delegates, speakers and sponsors, and set a great foundation for growth in 2023.
- **Contract numbers and productivity measures in Vehicle Inspections (VIS) and Tachograph Services:** VIS productivity continued to improve during the year and we were able to increase engineer numbers significantly. 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 stayed in the headlines in 2022, despite reaction to issues caused by the pandemic and Brexit starting to wane. The organisation's press team created coverage that generated more than three quarters of a billion opportunities to see Logistics UK's messages during the year, including more than 200 radio and tv interviews, 233 items in the national press and over 3,500 pieces in the regional and trade press. Meanwhile, Logistics UK's social media channels continued to grow, recording over 27 million impressions across all platforms (up from 22 million in 2021) – over 91 million people had the opportunity to see the organisation's social media activity in 2022, up from 73 million the previous year. Overall engagement levels also rose across all platforms, as more people responded to the organisation's campaigns: Logistics UK's Facebook page saw a 36% growth in engagement, LinkedIn 32% and Twitter 28%.
- **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.

By order of the FTA board

24 March 2023 **Jon Moxon – Honorary Treasurer**

Directors' report for the year ended 31 December 2022

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 2022 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 2022 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 2022

President and Chairman
P Roe

Honorary Treasurer
JD Moxon

Chief Executive
D Wells OBE

Other Members of the Board

VJ Brickley • P Gifford (resigned 21 June 2022) • S Granite (resigned 21 June 2022) • SJ Hobbs (appointed 13 March 2023) • LA Hosegood (appointed 13 March 2023) • SM MacKenzie • GJ Murdoch (appointed 13 March 2023) • LM Pomlett (resigned 25 March 2022) • G Roberts • I Stansfield • CM Walker (resigned 29 March 2022)

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:

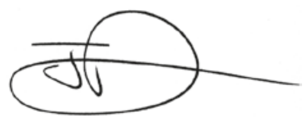
- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare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

By order of the FTA board

24 March 2023 **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 2022 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 2022 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.
- 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.

- the parent company financial statements are not in agreement with the accounting records and returns;
- certain disclosures of directors' remuneration specified by law are not made;
- 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 3, 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 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
3 April 2023

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 2022

	Note	2022 £'000	2021 £'000
Income	1(v) and 3	31,527	28,146
Direct expenses		(18,478)	(15,360)
Gross surplus		13,049	12,786
Operating expenses		(11,530)	(11,399)
Other operating income	4	-	343
Operating surplus	5(i)	1,519	1,730
Investment income	5(ii)	12	7
Other finance expenditure	17(iv)	(17)	(99)
Interest payable and similar charges		-	(5)
Surplus on ordinary activities before taxation		1,514	1,633
Taxation	7	(18)	(34)
Surplus for the financial year		1,496	1,599
Other comprehensive income:			
Actuarial (loss)/gain on defined benefit pension scheme	17 (v)	(5,939)	5,794
Total comprehensive (loss)/profit for the year		(4,443)	7,393

Consolidated and company statement of financial position as at 31 December 2022

		Group		Company	
		2022	2021	**2022**	2021
	Note	**£'000**	£'000	**£'000**	£'000
Non-current assets:					
Intangible assets	8 (i)	3,468	3,605	2,622	2,577
Tangible assets	8 (ii)	826	860	826	856
Investments	9	18	18	1,192	1,192
		4,312	4,483	4,640	4,625
Current assets:					
Stock	10	1,003	806	588	423
Debtors	11	7,023	6,251	7,411	6,513
Cash at bank and in hand		3,585	3,728	3,490	3,675
		11,611	10,785	11,489	10,611
Creditors:					
Amounts falling due within one year	12	(7,855)	(7,650)	(7,493)	(7,269)
Net current assets		3,756	3,135	3,996	3,342
Total assets less current liabilities		8,068	7,618	8,636	7,967
Provision for liabilities	13	(1)	(2)	-	-
Net assets excluding pension liabilities		8,067	7,616	8,636	7,967
Retirement benefit obligations	14	(6,317)	(1,423)	(6,317)	(1,423)
Net assets including pension liabilities		1,750	6,193	2,319	6,544
Reserves					
Accumulated reserves:	15				
General reserve		8,067	7,616	8,636	7,967
Pension reserve		(6,317)	(1,423)	(6,317)	(1,423)
		1,750	6,193	2,319	6,544

The surplus for the financial year dealt with in the accounts of the parent company was £1,714,000 (2021: £2,282,000)

Approved by the Board and authorised for issue on 24 March 2023

P Roe, President

J D Moxon, Honorary Treasurer

Company Registration Number: 00391957

Consolidated and company statement of changes in equity for the year ended 31 December 2022

Group	Note	Pension reserve £'000	General reserve £'000	Total £'000
Balance at 1 January 2021		(8,149)	6,949	(1,200)
Year ended 31 December 2021				
Surplus for the year		932	667	1,599
Other comprehensive gain for the year	17 (v)	5,794	-	5,794
Total comprehensive gain for the year		6,726	667	7,393
Balance at 31 December 2021		(1,423)	7,616	6,193
Year ended 31 December 2022				
Surplus for the year		1,045	451	1,496
Other comprehensive loss for the year	17 (v)	(5,939)	-	(5,939)
Total comprehensive (loss)/gain for the year		(4,894)	451	(4,443)
Balance at 31 December 2022	14	(6,317)	8,067	1,750

Company	Note	Pension reserve £'000	General reserve £'000	Total £'000
Balance at 1 January 2021		(8,149)	6,617	(1,532)
Year ended 31 December 2021				
Surplus for the year		932	1,350	2,282
Other comprehensive loss for the year	17 (v)	5,794	-	5,794
Total comprehensive loss for the year		6,726	1,350	8,076
Balance at 31 December 2021		(1,423)	7,967	6,544
Year ended 31 December 2022				
Surplus for the year		1,045	669	1,714
Other comprehensive loss for the year	17 (v)	(5,939)	-	(5,939)
Total comprehensive (loss)/gain for the year		(4,894)	669	(4,225)
Balance at 31 December 2022	14	(6,317)	8,636	2,319

Consolidated statement of cash flows for the year ended 31 December 2022

	Note	Group 2022 £'000	Group 2021 £'000
Net cash from operating activities	16	1,020	2,205
Taxation - corporation tax paid		(36)	(14)
Net cash generated from operating activities		984	2,191
Cash flow from investing activities			
Purchase of intangible assets		(974)	(687)
Purchase of tangible assets		(129)	(43)
Interest received		12	7
Interest paid		-	(5)
Net cash used in investing activities		(1,091)	(728)
Cash flow from financing activities			
Repayment of obligations under finance leases		(36)	(31)
Bank loan repaid		-	(1,500)
Net decrease in cash and cash equivalents		(143)	(68)
Cash and cash equivalents at the beginning of year		3,728	3,796
Cash and cash equivalents at the end of year		3,585	3,728
Cash and cash equivalents consist of:			
Cash at bank and in hand		3,585	3,728

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 2022. Any subsidiary undertakings sold or acquired during the year are included up to, or from, the date of change of control or change of significant influence respectively.

(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 2022, the Group had net assets of £1,750,000 however this is after deducting the defined benefit pension scheme liability of £6,317,000. The net assets of the Group as at 31 December 2022 after adding back the defined benefit liability were £8,067,000.

At the year-end the Group's cash at bank and in hand was £3.6m. Management has prepared cash flow projections for the financial period from 1 January 2023 to 31 December 2024 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.

Grants income is recognised in full in the statement of comprehensive income in the year in which they are receivable, or in case of grants with associated eligibility criteria, in the year in which those criteria are satisfied.

Government grants

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the associated costs for which the grant is intended to compensate. This includes £nil (2021: £343,000) of Government assistance under the Coronavirus Job Retention Scheme (CJRS) relating to staff who were furloughed due to Covid-19.

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.

1 **Accounting policies** (continued)

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

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

(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
Computers	3 to 5 years		

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.

1 **Accounting policies** (continued)

(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'.

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 17 for disclosures relating to the defined benefit pension scheme.

3 Income

	2022	2021
	£'000	£'000
Membership fees	4,476	4,401
Commercial activities:		
Income from services	24,066	20,518
Sales of goods	2,985	3,227
	31,527	28,146
Geographical analysis		
United Kingdom	31,085	27,559
Ireland	343	444
Rest of world	99	143
	31,527	28,146

4 Other operating income

	2022	2021
	£'000	£'000
CJRS Grant income	-	343
	-	343

During the year ended 31 December 2022 the Group recognised an amount totalling £nil (2021: £343,000) receivable under the Coronavirus Job Retention Scheme (CJRS).

5 Operating surplus

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

	2022	2021
	£'000	£'000
Fees payable to the company's auditor in respect of:		
Audit of parent company and group	67	53
Audit of subsidiaries	16	20
Other tax and accounting services	17	19
Depreciation:		
Owned assets	137	141
Assets held under finance leases	22	26
Loss on disposal of assets	1	9
Amortisation of intangible assets	1,111	1,357
(Gain)/Loss on foreign exchange transactions	(16)	25
Operating lease payments:		
Land and buildings	38	40
Other operating leases	1,134	1,084

(ii) Investment income

	2022	2021
	£'000	£'000
Other interest	12	7
	12	7

6 Employment costs

(i) Employee costs during the year amounted to:

	2022	2021
	£'000	£'000
Salaries and bonuses	11,986	11,274
Social security costs	1,422	1,296
Defined contribution pension costs	923	778
Redundancy costs	134	110

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

	2022	2021
Operations	160	154
Management, sales and administration	150	148
	310	302

(iii) Director emoluments

	2022	2021
	£'000	£'000
Emoluments for qualifying services	343	267
Company pension contributions to defined contribution schemes	19	18
	362	285

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounts to 1 (2021 - 1).

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

	2022	2021
	£'000	£'000
Emoluments for qualifying services	251	244
Company pension contributions to defined contribution schemes	19	18
	270	262

The highest paid director is a member of the company's defined contribution scheme and had accrued entitlements of £23,687 (2021 - £14,514) under the scheme at the year end.

(iv) Key management compensation

Key management is considered to be the eight executive directors (2021: eight). Total remuneration paid to key management personnel in the year was £1,247,000 (2021 - £1,446,000).

7 Taxation

(i) Domestic current year tax

	2022	2021
	£'000	£'000
UK Corporation tax	19	35
Total current tax charge	19	35

(ii) Deferred tax:

	2022	2021
Deferred tax (credit) for the current year (note 13)	(1)	(1)
Group deferred tax (credit)	(1)	(1)
Total tax charge	18	34

(iii) Factors affecting the tax charge for the year

The Association is liable for taxation on investment income and capital gains.
In 2022 this amounted to £45,126 (2021: £31,618). The subsidiaries are fully taxable.

	2022	2021
	£'000	£'000
Surplus on ordinary activities before tax	1,514	1,633
Surpluses on ordinary activities before tax multiplied by the standard rate of UK Corporation tax of 19% (2021 - 19%)	288	310
Effects of:		
Non deductible expenses	55	34
Non taxable income of the association	(325)	(310)
	(270)	(276)
Total tax charge	18	34

8 Non-current assets

(i) Intangible fixed assets

	Goodwill	Intellectual Property	Database	Software	Group Total	Company Software
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2022	1,460	20	35	6,535	8,050	6,372
Additions	-	-	-	974	974	974
Disposals	-	-	-	-	-	-
At 31 December 2022	1,460	20	35	7,509	9,024	7,346
Amortisation						
At 1 January 2022	525	19	21	3,880	4,445	3,795
Charge for the year	146	1	4	960	1,111	929
Disposals	-	-	-	-	-	-
At 31 December 2022	671	20	25	4,840	5,556	4,724
Net book value 31 December 2022	789	-	10	2,669	3,468	2,622
Net book value 31 December 2021	935	1	14	2,655	3,605	2,577

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

Group	**Freehold property £'000**	**Furniture and equipment £'000**	**Computer equipment £'000**	**Total £'000**
Cost				
At 1 January 2022	1,921	552	425	2,898
Additions	-	4	125	129
Disposals	-	(9)	(162)	(171)
At 31 December 2022	1,921	547	388	2,856
Depreciation				
At 1 January 2022	1,248	417	373	2,038
Charge for the year	38	48	73	159
Disposals	-	(5)	(162)	(167)
At 31 December 2022	1,286	460	284	2,030
Net book value 31 December 2022	635	87	104	826
Net book value 31 December 2021	673	135	52	860

Company	**Freehold property £'000**	**Furniture and equipment £'000**	**Computer equipment £'000**	**Total £'000**
Cost				
At 1 January 2022	1,921	520	425	2,866
Additions	-	4	125	129
Disposals	-	(3)	(162)	(165)
At 31 December 2022	1,921	521	388	2,830
Depreciation				
At 1 January 2022	1,248	389	373	2,010
Charge for the year	38	48	70	156
Disposals	-	-	(162)	(162)
At 31 December 2022	1,286	437	281	2,004
Net book value 31 December 2022	635	84	107	826
Net book value 31 December 2021	673	131	52	856

A charge exists 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.

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

Included in freehold property is freehold land at cost of £29,085 (2021: £29,085) which is not depreciated.

The carrying amount of assets under finance leases included in computer equipment is £119 (2021: £17,452).

The carrying amount of assets under finance leases included in freehold property is £32,816 (2021: £37,623).

9 Fixed assets - investments

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Subsidiary undertakings	-	-	1,174	1,174
Other	18	18	18	18
	18	18	1,192	1,192

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
FTA Pension Plan Trustee Limited	Dormant	100	Hermes House St John's Road Tunbridge Wells, TN4 9UZ

The financial statements for the trading subsidiaries for the year ended 31 December 2022 have been consolidated with those of the parent company.

10 Stock

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Goods for resale	1,003	806	588	423
	1,003	806	588	423

11 Debtors

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Trade debtors	4,825	4,697	4,552	4,144
Other debtors	258	533	217	527
Amounts due from group undertakings	-	-	702	821
Prepayments and accrued income	1,940	1,021	1,940	1,021
	7,023	6,251	7,411	6,513

Debtors: amounts falling due after more than one year

Other debtors include £129,000 (2021: £162,000) due from FTA Ireland Limited. This comprises a loan of £129,000 (2021: £158,000) 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 £112,000 (2021: £102,000). Interest of £12,000 (2021: £7,000) 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 £356,000 (2021: £448,000) including interest, which has a fixed payment term. The loan commenced in January 2021. Amounts falling due after more than one year are £253,000 (2021: £339,000). Interest of £33,000 (2021: £23,000) was charged on the loan in the year.

12 Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Trade creditors	1,507	1,603	1,324	1,406
Corporation tax	19	35	8	5
Social security and other taxes	1,088	1,171	1,071	1,161
Obligations under finance leases (note 18 (ii))	-	41	-	41
Other creditors	147	432	-	289
Accruals and deferred income:				
Vehicle and Tachograph Inspection Services	2,071	1,406	2,071	1,406
Other member services	1,543	1,421	1,543	1,421
General	1,480	1,541	1,476	1,540
	7,855	7,650	7,493	7,269

13 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 liabilities

	Group	
	2022	2021
	£'000	£'000
Accelerated capital allowances	(1)	(2)
Provision for liabilities	(1)	(2)

Deferred tax movements in the year

	Group	
	2022	2021
	£'000	£'000
Liability at 1 January 2022	(2)	(3)
Credit to income statement	1	1
Liability at 31 December 2022	(1)	(2)

14 Provision for retirement benefit obligations

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

	Group and Company	
	2022	2021
	£'000	£'000
Deficit at start of year	1,423	8,149
Contributions in the year	(1,062)	(1,031)
Other finance costs	17	99
Actuarial loss - statement of comprehensive income (note 17(v))	5,939	(5,794)
Deficit at end of year (note 17 (vii))	6,317	1,423

15 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:

	2022	2021
	£'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 2022, FTA held £5,563 (2021: £7,861) 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.

16 Cash generated from operations

	Group	
	2022	2021
	£'000	£'000
(i) Operating Surplus:	1,519	1,730
Amortisation of intangible assets	1,111	1,357
Loss on disposal of assets	4	9
Depreciation of tangible assets	159	167
Post employment benefits less payments	(1,062)	(1,031)
Working capital movements:		
(Increase)/decrease in Stocks	(197)	142
(Increase)/decrease in Debtors	(772)	977
Increase/(decrease) in Creditors	258	(1,146)
Cash flow from operating activities	1,020	2,205

(ii) Net Debt Reconciliation

	1 January	**Cash flows**	**31 December**
	£'000	**£'000**	**£'000**
Cash at bank and in hand	3,728	(143)	3,585
Finance leases	41	(41)	-
Bank Loan	-	0	-
Net debt	3,769	(184)	3,585

17 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 2022 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 2022 amounted to £1,215,000 and were fully paid in the year. *(2021: Total £1,437,000).*

Payments for future years under the current schedule of contributions will be £1,092,727 for 2023 together with the expenses of the scheme, which vary in amount from year to year.

(ii) Changes in present value of scheme liabilities

	2022	2021
	£'000	£'000
Scheme liabilities at 1 January	73,249	80,718
Interest cost	1,321	1,019
Experience (gain)/loss on liability	3,998	(1,436)
Net benefits paid from scheme assets	(3,752)	(4,663)
Actuarial gain on scheme liabilities	(23,770)	(2,389)
Scheme liabilities at 31 December	51,046	73,249

	2022	2021
The total actuarial gain on the liabilities is analysed as follows	**£'000**	£'000
Changes in demographic assumptions	(664)	(657)
Gain from change in other assumptions	(23,106)	(1,732)
Total gain on scheme liabilities	(23,770)	(2,389)

(iii) Changes in fair value of scheme assets

	2022	2021
	£'000	£'000
Fair value of scheme assets at 1 January	71,826	72,569
Return on scheme assets (excluding amounts included in net interest)	(25,710)	1,969
Employer contributions	1,215	1,437
Net benefits paid	(3,752)	(4,662)
Expenses paid	(154)	(407)
Interest income	1,304	920
Fair value of scheme assets at 31 December	44,729	71,826

17 Pensions (continued)

(iv) Amounts recognised in income

	2022	2021
The amounts recognised in the income statement are as follows:	**£'000**	£'000
Interest on assets	1,304	920
Interest cost on liabilities	(1,321)	(1,019)
Charged to other finance expenditure	(17)	(99)

The actual return on scheme assets net of expenses for the year was a loss of £24,406,000 (2021: gain £2,889,000).

(v) Amount recognised in other comprehensive income

	2022	2021
	£'000	£'000
Actuarial loss/(gain) on scheme assets in excess of interest	25,710	(1,969)
Experience loss/(gain)on liability	3,998	(1,436)
Gain from changes to demographic assumptions	(663)	(657)
Actuarial gain from changes to other assumptions	(23,106)	(1,732)
Total loss/(gain) recognised in other comprehensive income during the year	5,939	(5,794)

(vi) Assumptions

The principal assumptions used by the actuary were:	**2022**	2021
Discount rate for scheme liabilities	5.00%	1.85%
Rate of increase on fixed pensions in payment	5.00%	5.00%
Rate of increase on RPI pensions in payment	3.25%	3.45%
Inflation (RPI)	3.35%	3.65%
Inflation (CPI)	2.35%	2.65%

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_2021 [1%] projections (2020 - 100% of S3PA year of use with CMI_2020 [1%] projections). Under this assumption the average life expectancy of males aged 65 is 21.4 years and of females aged 65 is 24.0 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.

17 Pensions (continued)

(vii) Amounts included in the statement of financial position

	2022	2021
	£'000	£'000
Fair value of scheme assets	44,729	71,826
Present value of funded defined benefit obligations	(51,046)	(73,249)
	(6,317)	(1,423)

(viii) Analysis of fair value of scheme assets

	2022	2021
	£'000	£'000
Equities	4,964	17,099
Fixed income	25,060	44,414
Cash and debtors	3,405	1,158
Alternatives	11,300	9,155
Fair value of assets	44,729	71,826

(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 £923,000 (2021: £778,000).

Included in the general accruals are pension contributions amounting to £100,000 (2021 - £93,000).

18 Future financial commitments

(i) Operating leases

At 31 December 2022 there were the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

Operating leases that expire:	**Group**		**Company**	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Within one year	392	256	392	256
In second to fifth years	677	122	677	122
	1,069	378	1,069	378

(ii) Finance leases

At 31 December 2022 the following obligations under finance leases are included in the financial statements:

	Group		**Company**	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Within one year	-	41	-	41
In second to fifth years	-	-	-	-
	-	41	-	41

19 Contingent liabilities

(i) Health and Safety Executive investigation

The Company is currently subject to an ongoing investigation by the Health and Safety Executive (HSE) into a work place accident that occurred in 2018. The outcome and financial penalty, if any, are unknown.

(ii) 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 2022 (2021: £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.

FIRST PAGE

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