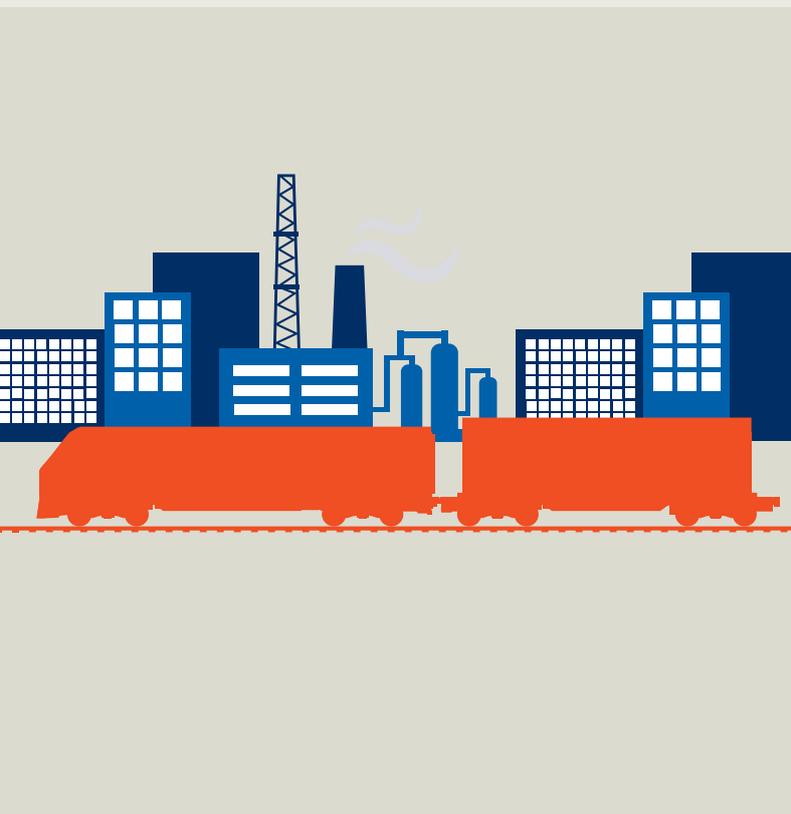
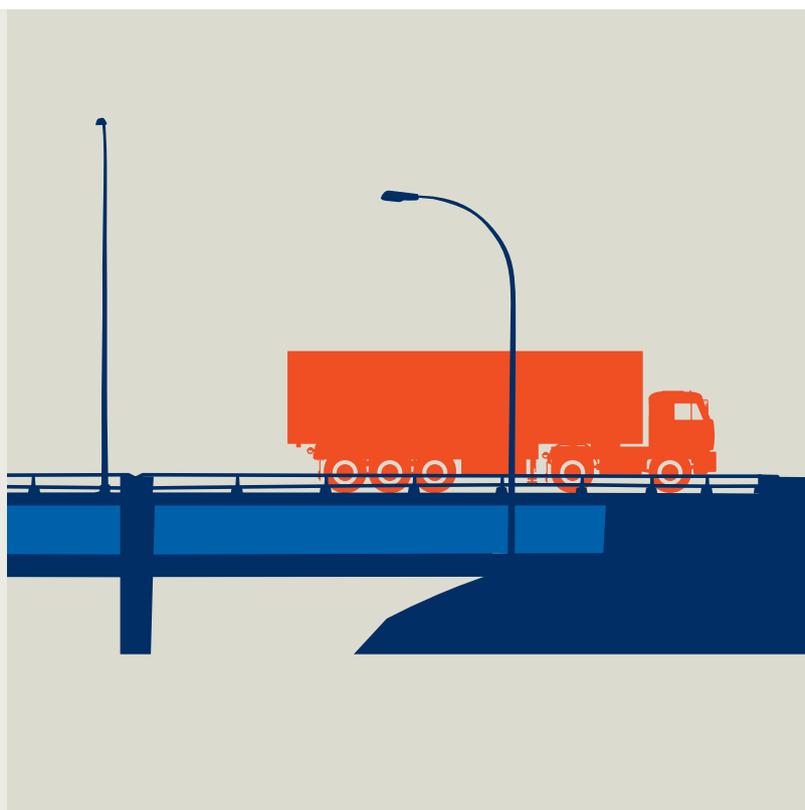


# British International Freight Association

Annual Report and Accounts 2018



BRITISH INTERNATIONAL  
FREIGHT ASSOCIATION



# Notice of Annual General Meeting

Notice is hereby given that the 30th Annual General Meeting of the British International Freight Association (BIFA) will be held at The Baltic Exchange, 38 St Mary Axe, City of London, EC3A 8BH on Thursday 23rd May 2019 at 12.45pm in order to:

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1. Receive the Report of the Board of Directors.
2. Receive the accounts for the year ended 31 December 2018 and the Report of the Auditors thereon.
3. Appoint Auditors and authorise the Board to fix their remuneration.
4. In accordance with the Association's Articles to note and approve the election of Officers of the Association.
5. Transact any other business which may properly be transacted at an Annual General Meeting.

*Note: Any Member entitled to attend and vote at the above meeting may appoint a proxy to attend and vote on a poll in his stead. A proxy need not be a Member of the Association.*

*A form of proxy is available to download from:  
[www.bifa.org](http://www.bifa.org)*

**Robert Keen**

*BIFA Director General  
21 March 2019*



# President's Report



**The 2018 Annual Report, which records the work carried out by BIFA to address many of the challenges dealt with daily by the trade association's Members, provides a good opportunity to reflect on the year that has passed.**

And what an eventful year it was, in which Britain's freight forwarding and logistics industry faced a stream of challenges, but went on calmly delivering the goods.

Early in the year, in the grocery sector, the 'Beast from the East' blizzards sent shoppers hoarding food and candles but the trucks kept moving and the shops stayed open. The glorious summer saw supply chains stretched taut as we celebrated the Royal Wedding, drank in England's World Cup success and basked in the long heatwave. But again the line held.

Throughout the year, the tension surrounding Brexit continued to build and saw businesses of all kinds snapping up warehouse space and buffering themselves against anticipated post-Brexit stock shortages.

As an apolitical organisation, BIFA remained unwilling to speculate on what could happen in regards to Brexit, but the Secretariat remained committed in 2018 in presenting the forwarder's position wherever appropriate with various stakeholders.

But the issues surrounding Brexit were far from the only challenges for BIFA Members and the customers they serve in 2018.

Driver shortages played out in higher input costs and threats to the longer term stability of the market and ongoing e-commerce growth is leading to volatility for all operators in the Last Mile sector.

Fuel costs remained a continuing risk of doing business in the logistics industry, and last year saw significant rises in the cost of fuel, which squeezed margins for those operators that were unprepared.

The year saw the shipping sector start to announce plans for how it will handle the low sulphur fuel regulations which are due to be imposed on the shipping industry in 2020, suggesting that those plans will lead to spikes in rates.

All of the above, and more, is covered in greater detail in the following sections of the 2018 Annual Report, which provides an accurate representation of BIFA's efforts and demonstrates how Members' annual subscription fees underpin practical responses to issues and concerns, alongside the delivery of a broad range of support services.

The 2018 Annual report is an informative and useful read for all and, on your behalf, I thank the Secretariat for the work done during the year.

**Sir Peter Bottomley, MP**

*President*

**As the President of BIFA it gives me pleasure to present the trade association's latest Annual Report**

# National Chair's Report



When I took over as BIFA's National Chair in May 2017 I stated my ambitions as being straightforward: Pushing the work of the Association to develop clearer strategies as to how BIFA can fulfil its remit and provide effective and broad representation and support for the UK's freight forwarding community as it underpins the country's international trading efforts.

BIFA's 2018 Annual Report shows clear evidence and examples of how that has been achieved via the work of the BIFA Secretariat and Policy Groups' commitment to delivering advice, guidance and support services that really help the membership.

On a few specifics, we saw a significant strengthening of BIFA's training services provision in 2018 with the expansion of its training team in anticipation of the need for a significant increase in the training requirements of its Members as a result of issues raised by Brexit and other matters. The year also saw the introduction of the International Freight Forwarding Specialist apprenticeship, an initiative that BIFA helped to spearhead.

2018 also saw the phased entry of HMRC's new Customs processing system known as CDS to replace CHIEF. BIFA was at the heart of a very successful series of seminars across the country in conjunction with Agency Sector Management and HMRC, held to explain how this would impact upon forwarders' operations, and how they should be preparing for this significant change.

Of course, the biggest issue for the trade association in 2018 was Brexit and this proved to be probably the most time consuming and complex subject that the Secretariat and Policy Groups have ever had to deal with. During the year, it became abundantly clear that Brexit touches on almost every aspect of the UK forwarding sector to some extent and whilst certain modes and locations are likely to be more impacted than others, all will be affected to some degree.

Our approach to tackling the many issues was to review and comment on Government proposals, guidance and legislation, concerning the departments with which we are engaged, which includes: HMRC; The Treasury; DexEU; DIT; DEFRA, as well as DfT and its agencies. Throughout the year, we tried to communicate and provide information at various levels, whilst facilitating discussions on policy between Members and Government.

The year saw BIFA continue to maintain its influence with FIATA, where some members of the BIFA Secretariat and Board retain senior positions on policy making bodies and BIFA continued to be regarded as an authoritative figure that can be relied upon to provide valuable insight into new initiatives and programmes.

The BIFA Board also saw a slight change in 2018 with the election of Susanne Oud at the BIFA AGM in May to replace Roy Baker who has stepped down.

As I approach the end of my two-year term as BIFA's National Chair, I would encourage you to read more about the work of the trade association in the Year in Review section. It really does demonstrate how BIFA's Secretariat, Policy Groups, Regional Committees and Representatives, provided excellent services and backing to Members, in support of their activities in 2018.

**Mark Bromley**  
*National Chair*



# Director General's Report



**Inevitably, Brexit dominated BIFA's work in 2018 and the many issues concerning the subject are covered heavily in other parts of the 2018 Annual Report, which presents a detailed round up of the work done by the trade association over the last financial year.**

2018 got off to a musical start, with chef, radio host and *Dragon's Den* entrepreneur Levi Roots proving to be a hugely entertaining host for another highly successful and enjoyable Freight Service Awards event. This annual event provides the industry with the opportunity to relax and celebrate the best in class in categories related to individual modes of transport, staff development and service enhancement. BIFA Members benefit from positive media exposure as a result.

BIFA is grateful to a loyal group of sponsors who return to support this event year after year, particularly those sponsors who give their time to participate in the judging process making the selection of the category winners totally independent of the trade association.

On the subject of awards, BIFA was proud to hear Louis Perrin, a director of BIFA Member Hemisphere Freight Services, named as the winner of the FIATA Young International Freight Forwarder of the Year competition in September. Louis had won the BIFA equivalent in 2017.

In the airfreight arena, 2018 saw progress made on expansion of capacity at Heathrow, after years of argument and delay. BIFA expressed its hope that the news is the beginning of the end of years of procrastination over the expansion of UK aviation capacity. However, ongoing congestion at Heathrow's so-called 'horseshoe' cargo handling centre continued to cause problems.

In the oceanfreight arena, BIFA described the container shipping industry's imposition of a 'sulphur surcharge' as unjustified. While shipping lines may say that the new BAFs are needed to cover the cost of switching to low sulphur fuels or fitting exhaust 'scrubbers', BIFA stated that rises of this magnitude are unjustified and could be construed as blatant profiteering by shipping lines determined to exploit the situation.

In the summer of 2018, BIFA Members suffered significant operational damage and incurred significant additional costs as a result of the disruption to operations at the UK Port of Felixstowe following the introduction of a new operating system in June. We expressed our astonishment that a port authority, which owns the UK's busiest container port, implemented a new and vitally important system with apparently no fall-back position if it went wrong, as well as our disappointment that it was not even prepared to discuss any kind of compensation for such a failure in customer service.

We ended the year by welcoming the news of an £8 million government funding scheme for customs intermediaries and traders. The scheme was intended to help support the extra demand for customs brokerage services associated with the UK's departure from the EU, as well as issues associated with the replacement of the current system (CHIEF) used to process customs entries.

Brexit aside, this Annual Report addresses many other challenges faced by BIFA Members and the international trading community.

The inherent volatility of the sector continued throughout 2018, and the trend towards consolidation on all sides of the supply chain through acquisition and merger showed no signs of abating. Trade wars reared their ugly heads. Of course, some of these problems have been created by government policy, whilst some are a result of changing demand and supply side dynamics. It became even more apparent in 2018 that some of the new technologies being developed are already having a very important role in addressing the risks associated with these issues and we saw many examples of freight forwarders resorting to tried and trusted methods, as well as fresh innovation, in an effort to keep their heads above water.

We saw examples of how network planning, presently a labour intensive function, can be improved by Artificial Intelligence. Throughout the year, we saw demonstrations of how digitisation can provide more visibility throughout the supply chain which will enable companies to be much more responsive to the changing and volatile market environment.

Whilst the industry in ten years' time may be unrecognisable, in 2018 we saw examples of how the stand out logistics companies are using technologies available now to cope – and thrive – in today's complex market

As Director General, I feel proud of the hard work and commitment that has been shown by the BIFA Secretariat, Policy Groups and Regional Groups. This report shows clearly how they are working hard behind the scenes with those in government addressing the many issues affecting visible trade and the work of BIFA Members who facilitate that trade.

**Robert Keen**

*BIFA Director General*

# Year in Review

In this section of the BIFA Annual Report 2018, we summarise the work undertaken over the year by the various BIFA Policy Groups that has helped to deliver the guidance and direction of the Association in 2018, under the management and administration of the Policy & Compliance team and the executive management of the Secretariat.

These groups include: Air; Customs; Maritime, Road & Rail; and Legal & Insurance.

In 2018, these groups reported to the BIFA Council through their respective chairpersons. In offering their valuable time and knowledge on an entirely voluntary basis, the members of each policy group made an important contribution to the Association's work this year. This we acknowledge and appreciate in 2018 as in every other year.

In many ways 2018 was about making Members more aware of their regulatory responsibilities and trying to enhance compliance. This was achieved via Policy Group and Member meetings, as well as the issuing of increasing amounts of advice in the form of Good Practice Guides.

## On the Surface

With the most diverse membership out of any of BIFA's policy groups, the Maritime, Road and Rail Policy Group has focussed on numerous issues having an impact on Members offering surface freight forwarding services.

BIFA continued to provide guidance on the thorny issues surrounding container weighing and the issuing of a Verified Gross Mass by certain ports, which sometimes had subsequently proved inaccurate.

The policy group continued to focus on the increased anti-fraud activity being undertaken by HMRC, as well as the Maritime and Coastguard Agency, and continued to support efforts to ensure Members remain compliant.

Supply chain disruptors such as the digitalisation of the maritime environment, including blockchain technology, as well as the consequences of IMO regulations on ship emissions and low sulphur fuel also came under the spotlight.

With the European Commission undertaking a review of the Consortia Block Exemption Regulation, BIFA fed significant amounts of information to CLECAT to be consolidated into its response.

In terms of road sector activity, BIFA continued to be involved in a review of EU transport policy by the European Commission introducing the Mobility Package, which showed deep divisions regarding policy between member states in various parts of the EU. The main areas reviewed were drivers working conditions, special posting rules for drivers; access to the haulage market and improved enforcement.

In the UK we saw the start of planning for truck platooning trials, while on the continent, the deployment of networked trucks had already begun.

On specific initiatives, BIFA lobbied for continued market access for UK hauliers to EU markets post Brexit; and provided Members with more information regarding vehicle-related crime.

In regards to rail sector activity, BIFA was actively involved in lobbying for greater connectivity of ports to the UK rail network.



## In the Customs arena

BIFA's Customs policy group had yet another busy year in 2018, with significant input into discussions about the Customs issues associated with Brexit.

August saw the commencement of the phased launch of the Customs Declaration System (CDS), the system intended to completely replace the existing system (CHIEF) for Customs declarations in the UK.

Along with Agency Sector Management (ASM) and HM Revenue and Customs (HMRC) we offered advice and guidance to businesses affected by the implementation of the new CDS system.

Together, we arranged a series of seminars ahead of phased introduction in response to concerns about the readiness of the new system, to provide companies with the opportunity to fully understand what CDS is, why it is being introduced, how it will impact their businesses, and when the system will be fully launched. Nine main events were attended by 981 Members.

The Secretariat was actively engaged with HMRC about Member needs relative to the new system and provided information to HMRC as how to make the new Tariff more user friendly. BIFA also produced templates to allow Members to collect new data elements from their customers.

Another important issue concerning Customs on which BIFA worked with HMRC on behalf of its Members was on customs compliance work, especially the inland checks carried out in Bicester. This programme has created some problems for importers and freight forwarders, with the latter often being caught in the middle between HMRC and their customer. BIFA lobbied continually for improvements in communications as well as the speed of inspection and processing of detained cargo to expedite release if cleared.

The ongoing relationship with the National Clearance Hub was also on the agenda of the Customs policy group in 2018, as was the monitoring of the clearance times of Route 1 entries relative to the Service Level Agreement. We also became involved in new procedures such as the Transfer of Residence.

During the year, BIFA issued Good Practice Guides on Customs Representation and how to set up a business as a Customs Agent in the UK.

## Legal and Insurance matters

The main topics discussed and monitored by the Legal and Insurance Policy Group during 2018 included overseeing the implementation of the 2017 edition of the BIFA Standard Training Conditions (STC), which were introduced on 1st October 2017.

Great efforts were made to encourage Members to adopt the new STCs by 30th September 2018 and Pysdens Solicitors edited a new guide with information on the revisions made in the 2017 STC, and expanded information covering the new clauses.

Three Good Practice Guides focussing on different aspects of due diligence were issued.

The first focussed on GDPR implementation and looked at the likely impact of the legislation on the Association and Members.

A second monitored the HSE's increased willingness to prosecute company directors and the increased penalties for breaching H&S legislation.

The final guide examined the commercial relationship between the port and freight forwarder, as a result of the problems faced by Members following the introduction of a new IT system at the port of Felixstowe.

The main project that the Legal and Insurance policy group was involved in, was reviewing the proposed changes to the BIFA Standard Trading Conditions (STC). The 2017 edition of the BIFA STC were introduced on 1st October 2017. Some of the clauses had significant changes made to them, while others were left untouched. Two important additions were made in the form of an Acceleration Clause, and Arbitration.

In February, BIFA's policy and compliance team – working with the BIFA Legal and Insurance group – published a new Good Practice Guide on the complex subject of Representation to better support its Members.

BIFA (with the input of both the Legal and Insurance Policy Group, and Customs Policy Group) also played an active role in the Fulfilment House consultation undertaken by HM Treasury, minimising some of the burdens placed on forwarders when acting as Customs agents.

## ...Year in Review continued

### In the Air

2018 saw the Air Policy Group focus on multiple issues affecting the movement and storage of airfreight.

Matters concerning aviation security were prominent and there was considerable discussion on overall compliance and procedures, as well as changes to background checks being drafted as part of a small amendments package.

Operational issues on which the Air Policy Group concentrated in 2018, included discussions with key stakeholders about collection control processes for transit shed operators, which were revised in conjunction with the Airline Operators Committee for Cargo (AOCC) to improve security for cargo being collected following a serious theft incident at Heathrow airport.

The group was also keen to support plans to trial procedures for deliveries of import cargo by a single truck from a solitary ITSF to multiple ETSFs.

In January the topic of Dangerous Goods was added to the agenda of the Air Policy Group meetings and information from BIFA's Dangerous Goods Advisory Group (DGAG) was shared with members to keep them informed. In April the group received information about a new digital solution that allows the declaration of dangerous goods to be checked for compliance against all relevant rules and regulations. This was seen as a positive technological development that would complement the existing processes.

The group was kept up to date on several matters related to Aviation Security and the challenge of 'Insider-Threat' which has led to changes to the Background Check requirements being drafted by the EC as part of a small amendments package. Overall the Aviation Security compliance rate for cargo in the UK remained high.

During November it was confirmed that the roll out of the IATA FIATA Air Cargo Program was being delayed whilst some changes to the forwarder's agreement were considered by representatives of the forwarders and airlines. It was estimated that the roll out of the program in Europe would start in August 2019, although noted that the date could be amended again due to the complex nature of the negotiations.

### Training and Education

BIFA's freight and customs training courses continue to be popular and receive great feedback, with many members writing to us on a regular basis congratulating us on our interactive, engaging delivery methods.

As expected, we saw our Customs courses become more popular, due to Brexit and AEO. This is set to increase for the foreseeable future.

Due to this increased demand, in September, we expanded our team with the appointment of the experienced Claire Capaccioli, who, with Graeme Wilkinson is now delivering our complete range of courses. Earlier in the year there was a changing of the guard in the BIFA training department with the retirement of long-standing training provider Colin Joyce.

In the training arena, BIFA set a goal in 2018 to reduce the use of PowerPoint as we investigated methods for improving the delivery of our freight and customs courses – as learners become younger, this is vital.

BIFA's BTEC courses and Introduction to Import and Export courses were both CPD-accredited along with all our 'behind-the-scenes' tours.

After 18 months of work, the International Freight Forwarding Specialist apprenticeship was approved at the end of April 2018 and from September we saw around 160 apprentices join the industry. BIFA published 'Attracting Talent for the Future: an SME's Guide to Taking on an Apprentice' to provide guidance for its Members.

Towards the end of the year, we started planning the Young Forwarders Network (YFN) to be launched during the National Apprenticeship Week in March 2019. We aimed to design the YFN to provide young talent with numerous learning opportunities to broaden their knowledge and benefit the organisations they work for.

Also in December, BIFA supported training provider Outsource and the Logistics Skills Alliance with three breakfast seminars in Heathrow, Manchester and Belfast.

### Communications

As part of BIFA's remit to promote its work and services to as wide an audience as possible, a number of activities were undertaken in 2018.

The trade association endeavoured to keep Members apprised of association and industry news via the BIFAlink magazine, the Website, fortnightly eNewsletter, and Training eNewsletter, as well as through various social media channels

BIFAlink, the trade association's monthly magazine, continued to be delivered to BIFA Members and other interested parties at the beginning of each month in both print and digital formats. 2018 saw BIFA's presence in the global media continue to increase with articles being seen regularly in both trade and business media. Over 20 press releases were issued in 2018 along with a significant number of standalone articles and interviews with journalists.

Brexit continued to stimulate the interest of several branches of the mainstream media, which rarely cover the subject of freight, keeping BIFA's long-standing external PR agency busy as it continued to manage a programme of media relations activities that delivered strong coverage for the association's work, as can be seen from the monthly clippings booklets.

The 2017 Freight Services Awards ceremony held in January 2018 was again a great success, as was our continued attendance at the Multimodal exhibition at the NEC. Both events gave members of the BIFA Secretariat and regional consultants an opportunity to network with existing and potential Members, in addition to other stakeholders.

BIFA's regional meetings continue to ensure Members received up-to-date industry information direct from BIFA offices. These also included the successful BIFA/ASM/HMRC joint seminars, held throughout the UK, on the introduction of the new Customs Declaration Service.

# Report of the Board of Directors



The directors present their Annual Report and financial statements for the year ended 31 December 2018.

## Principal activities

The Association is the primary representational body of the international freight services industry in the UK and its objectives, amongst others, are to promote the interest and welfare of its members within the freight services industry.

## Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Bromley  
R Keen  
A Melton  
R Morley  
F Osborn  
S Parker  
S Stevenson  
J Stubbings  
R Windsor  
S Oud (*Appointed 1 June 2018*)

## Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. 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 of the surplus or deficit of the company 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

## Robert Keen

*BIFA Director General*  
21 March 2019

# Report of the Independent Auditors

**We have audited the financial statements of British International Freight Association (the ‘company’) for the year ended 31 December 2018 which comprise the income and expenditure account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies.**

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 company’s affairs as at 31 December 2018 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

## **Other information**

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

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

We have nothing to report in this regard.

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

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

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



## Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

## Responsibilities of directors

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

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

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

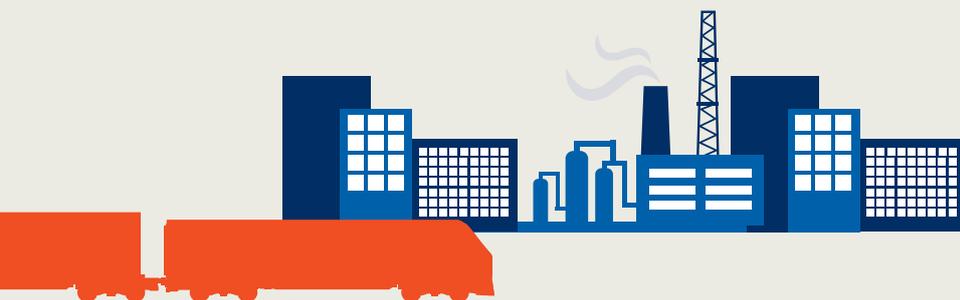
## Stephen Meredith BA FCA DChA

*Senior Statutory Auditor*

### For and on behalf of Alliotts

Chartered Accountants  
Statutory Auditor, Friary Court, 13-21 High Street, Guildford,  
Surrey GU1 3DL

21 March 2019



# Income & Expenditure Account

For the year ended 31 December 2018

	Note	2018 £	2017 £
Income		2,028,978	1,885,016
Cost of sales		(562,738)	(425,741)
Gross surplus		1,466,240	1,459,275
Administrative expenses		(1,374,760)	(1,382,994)
Operating surplus		91,480	76,281
Interest receivable and similar income		2,574	217
Surplus before taxation		94,054	76,498
Tax on surplus		(23,335)	(27,445)
Surplus for the financial year		70,719	49,053

# Balance Sheet

As at the year ended 31 December 2018

	Note	2018 £	2017 £
<b>Fixed Assets</b>			
Intangible assets	3	40,000	-
Tangible assets	4	237,333	253,302
Investments	5	2	2
		<b>277,335</b>	<b>253,304</b>
<b>Current Assets</b>			
Debtors	6	129,261	136,937
Cash at bank and in hand		1,479,715	1,336,605
		<b>1,608,976</b>	<b>1,473,542</b>
<b>Creditors</b>			
Amounts falling due within one year	7	(682,423)	(592,238)
		<b>926,553</b>	<b>881,304</b>
<b>Net Current Assets</b>			
<b>Total Assets</b>			
Less current liabilities		1,203,888	1,134,608
		<b>(3,693)</b>	<b>(5,132)</b>
<b>Provisions for liabilities</b>			
<b>Net assets</b>			
		<b>1,200,195</b>	<b>1,129,476</b>
<b>Reserves</b>			
Income and expenditure account		1,200,195	1,129,476

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime under FRS 102 section 1A.

The financial statements were approved by the board of directors and authorised for issue on 21 March 2019 and are signed on its behalf by:

**Robert Keen**

*BIFA Director General*

Company Registration No. 00391973

# Notes to the Accounts

For the year ended 31 December 2018

## 1. Accounting Policies

### Company Information

British International Freight Association is a company limited by guarantee and incorporated in England and Wales. The registered office is Redfern House, Browells Lane, Feltham, London, TW13 7EP.

#### 1.1 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Income and expenditure

Income represents amounts after discounts and excluding V.A.T. for membership with the association in the year and for attending events/training occurring within the financial period.

Expenditure represents the cost net of V.A.T. for services or goods which were incurred during the activities of the company in the year.

#### 1.3 Intangible fixed assets other than goodwill

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

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:

Training materials	33.33% on cost
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#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

The fixed assets are included at cost less aggregate depreciation. The rates of depreciation are as follows:

Freehold property - buildings	Over 20 years
Fixtures, fittings & equipment	10%/20%/25% on cost
Computer equipment	33%/50% on cost

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 credited or charged to surplus or deficit.

#### 1.5 Fixed asset investments

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The dormant subsidiary exists under the name The Institute Of Freight Forwarders and is registered under the same registered office as the parent.

#### 1.6 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible 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).

#### 1.7 Cash and cash equivalents

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

#### 1.8 Financial instruments

The company 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 instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Deferred tax liabilities are generally recognised for all timing differences. Such 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 tax profit nor the accounting profit.

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 profits will be available to allow all or part of the asset 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 profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax liabilities are offset when the company has a legally enforceable right to offset current tax liabilities and the deferred tax liabilities relate to taxes levied by the same tax authority.

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

#### 1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised 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.

#### 1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## 2. Employees

The average monthly number of persons (including directors) employed by the company during the year was 12 (2017 - 11).

## 3. Intangible Fixed Assets

	Training materials £
<b>Cost</b>	
At 1 January 2018	-
Additions	60,000
At 31 December 2018	60,000
<b>Amortisation and impairment</b>	
At 1 January 2018	-
Amortisation charged for the year	20,000
At 31 December 2018	20,000
<b>Carrying amount</b>	
At 31 December 2018	40,000
At 31 December 2017	-

## 4. Tangible Fixed Assets

	Land and buildings £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1 January 2018	506,976	201,998	708,974
Additions	-	6,012	6,012
Disposals	-	(1,334)	(1,334)
At 31 December 2018	506,976	206,676	713,652
<b>Depreciation and impairment</b>			
At 1 January 2018	318,976	136,696	455,672
Depreciation charged in the year	3,500	18,481	21,981
Eliminated in respect of disposals	-	(1,334)	(1,334)
At 31 December 2018	322,476	153,843	476,319
<b>Carrying amount</b>			
At 31 December 2018	184,500	52,833	237,333
At 31 December 2017	188,000	65,302	253,302

# Notes to the Accounts...continued

For the year ended 31 December 2018

## 5. Fixed Asset Investments

	2018 £	2017 £
Investments	2	2

### Fixed asset investments not carried at market value

The investment in the dormant subsidiary company, the Institute of Freight Forwarders, is valued at cost.

### Movements in fixed asset investments

#### Cost or valuation

At 1 January 2018 & 31 December 2018

Shares in group  
undertakings  
£

2

#### Carrying amount

At 31 December 2018

2

At 31 December 2017

2

## 6. Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	32,839	42,496
Other debtors	96,422	94,441
	<b>129,261</b>	<b>136,937</b>

## 7. Creditors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade creditors	29,307	30,638
Corporation tax	22,702	16,630
Other taxation and social security	82,865	72,686
Other creditors	547,549	472,284
	<b>682,423</b>	<b>592,238</b>

## 8. Members' Liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

## 9. Operating Lease Commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018 £	2017 £
	<b>5,503</b>	<b>2,635</b>

## 10. Related Party Transactions

### Remuneration of key management personnel

The remuneration of key management personnel which also includes directors is as follows

	2018 £	2017 £
Aggregate compensation	<b>287,319</b>	283,234

During the year 3 (2017: 3) directors had retirement benefits accruing.

### Transactions with related parties

No guarantees have been given or received.

# Detailed Income & Expenditure Account

For the year ended 31 December 2018

	2018 £	2018 £	2017 £	2017 £
<b>Income</b>				
Subscriptions		1,382,389		1,361,713
FIATA Sales		17,213		16,887
Education and training		502,901		388,746
Application fees		17,504		12,862
Events and sundry sales		108,971		104,808
		<b>2,028,978</b>		<b>1,885,016</b>
<b>Cost of Sales</b>				
Wages and salaries	133,149		-	
Social security costs	1,656		-	
Staff pension costs defined contribution	8,632		-	
Permanent health insurance	14,380		-	
Private health insurance	3,336		-	
Education and training	291,765		347,859	
Events	102,408		70,674	
Training development	7,412		7,208	
		<b>(562,738)</b>		<b>(425,741)</b>
<b>Gross surplus</b>		<b>1,466,240</b>		<b>1,459,275</b>
<b>Administrative expenses</b>		<b>(1,374,760)</b>		<b>(1,382,994)</b>
<b>Operating surplus</b>		<b>91,480</b>		<b>76,281</b>
<b>Investment revenues</b>				
Bank interest received	2,574		217	
		<b>2,574</b>		<b>217</b>
<b>Surplus before taxation</b>		<b>94,054</b>		<b>76,498</b>

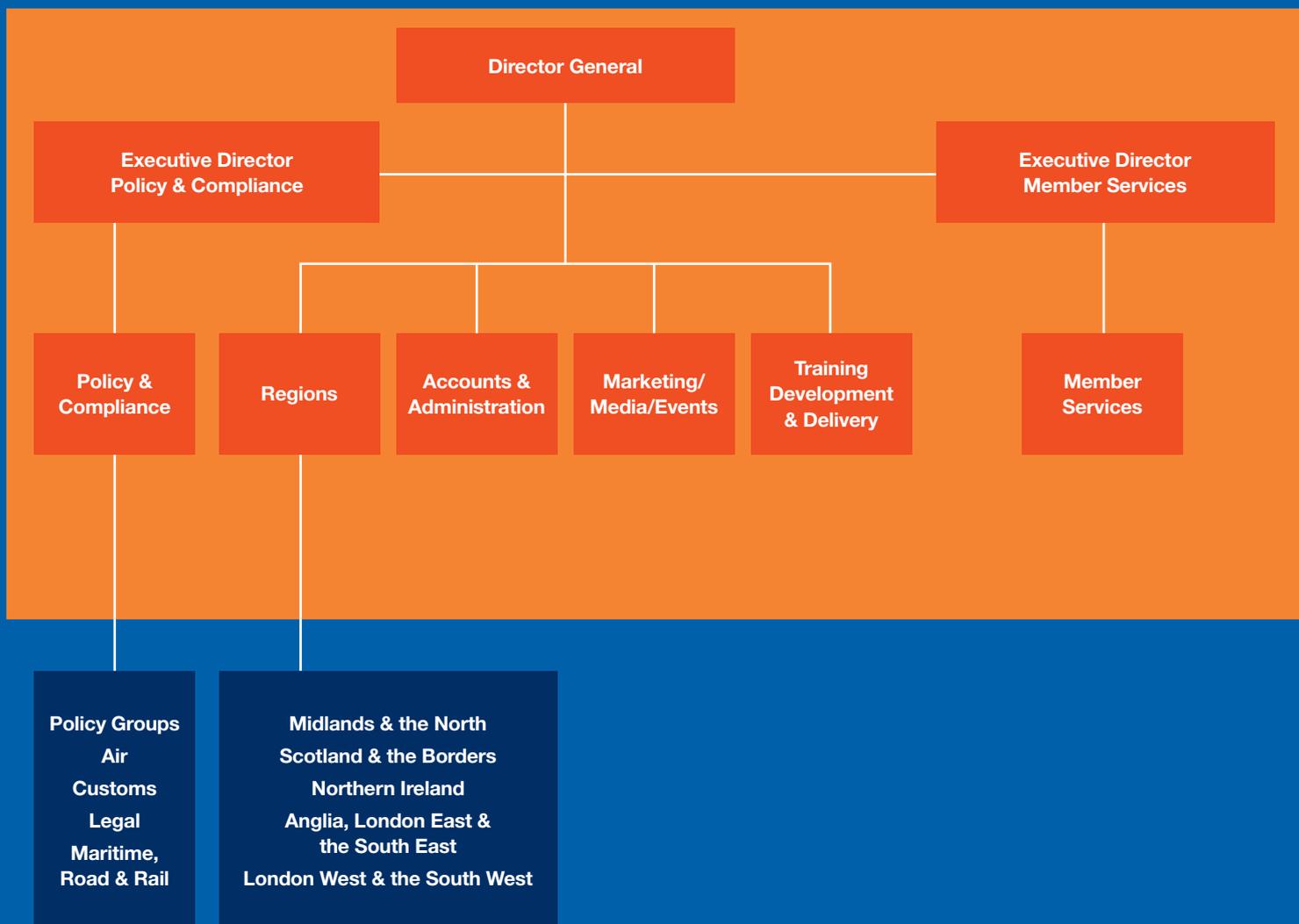
# Schedule Of Administrative Expenses

For The Year Ended 31 December 2018

## Administrative expenses

	2018 £	2017 £
Wages and salaries	475,598	474,172
Social security costs	55,562	55,330
Staff pension costs defined contribution	32,379	31,741
Permanent health insurance	11,199	10,248
Private health insurance	5,263	6,433
Rates	20,942	17,464
Power, light and heat	5,583	4,811
Property repairs and maintenance	43,954	52,134
Premises insurance	9,069	8,737
Computer running costs	34,569	37,793
Legal and professional fees	7,625	22,690
Consultancy fees	8,395	12,636
Accountancy	8,585	10,045
Annual report	5,163	6,059
Audit fees	14,844	14,256
Board expenses	11,068	10,021
Central secretariat costs	71,729	47,392
Policy groups	16,793	17,711
International representation	187,764	186,940
Northern England	11,195	9,130
Northern Ireland	62,499	63,705
Scotland	33,447	31,230
South of England	61,389	60,914
South East	44,912	43,057
Bank charges	2,785	4,639
Bad and doubtful debts	-	(216)
Printing and stationery	18,075	25,733
Advertising	28,756	25,455
Telecommunications	3,491	2,880
Sundry expenses	7,792	11,799
BIFAlink	52,354	51,714
Depreciation	21,981	26,341
	<b>1,374,760</b>	<b>1,382,994</b>

# BIFA Organisation & Secretariat Structure Chart





**BRITISH INTERNATIONAL  
FREIGHT ASSOCIATION**

**British International  
Freight Association**

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**W:** [www.bifa.org](http://www.bifa.org)

A company limited by guarantee.  
Registered in England: 00391973