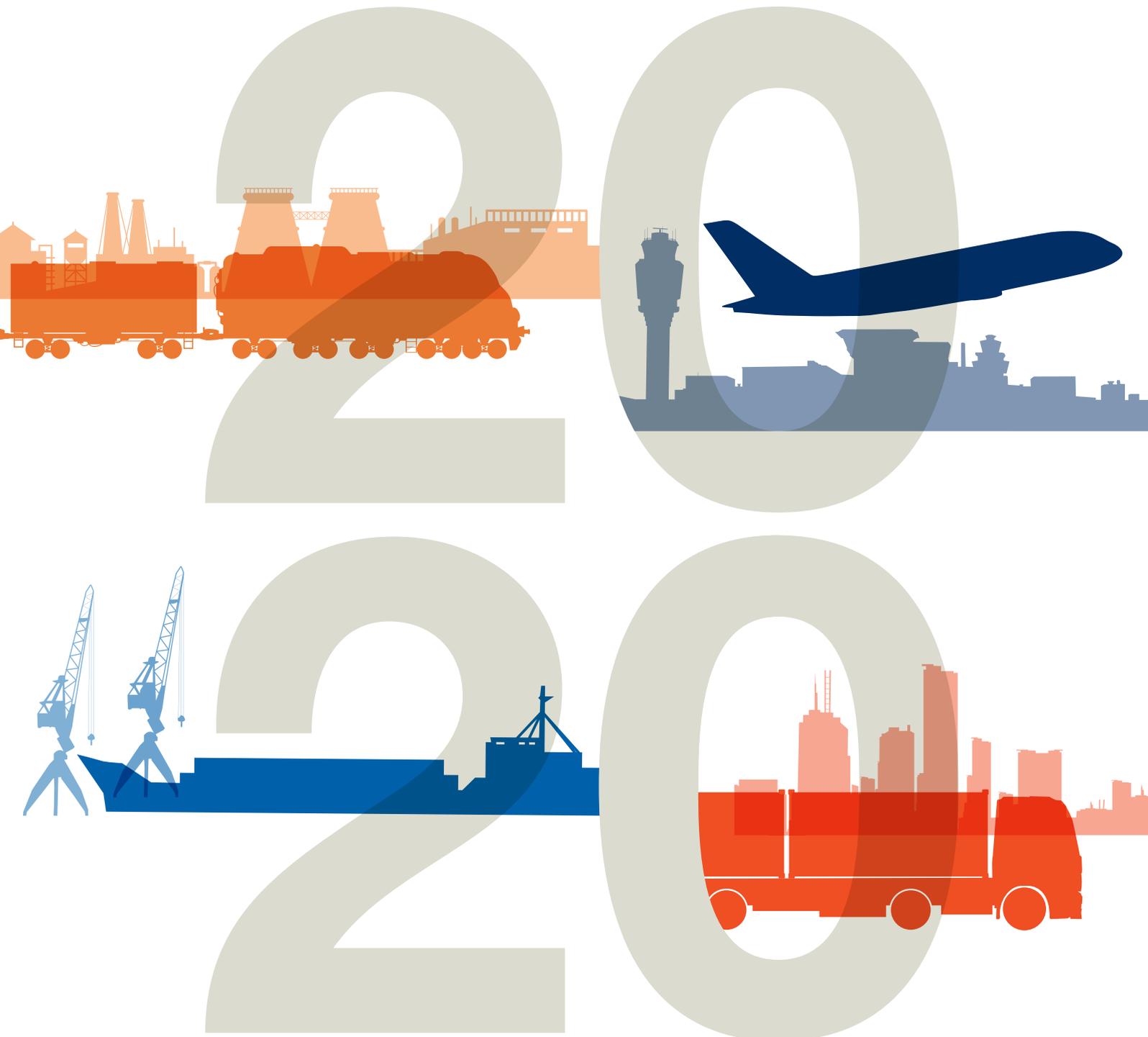


BIFA[®]



BRITISH INTERNATIONAL
FREIGHT ASSOCIATION

Annual Report & Accounts



Notice of Annual General Meeting

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Notice is hereby given that the 32nd Annual General Meeting of the British International Freight Association (BIFA) will be held by Zoom videoconference on Thursday 27th May 2021 (time to be advised) in order to:

1. Receive the Report of the Board of Directors.
2. Receive the accounts for the year ended 31 December 2020 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. Approve changes to the BIFA Articles of Association.
6. Transact any other business which may properly be transacted at an Annual General Meeting.

Robert Keen

BIFA Director General
30 March 2021

A BIFA Member may nominate an attendee although there will be a limit on numbers once a quorum is achieved. Please email r.keen@bifa.org

Note: Any Member entitled to vote at the above meeting may appoint a proxy to 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 the BIFA website www.bifa.org



President's Report

Sir Peter Bottomley, MP

President



As the President of BIFA, I am delighted to present the trade association's latest Annual Report.

In Shakespeare's Hamlet, Claudius said: "When sorrows come, they come not single spies, but in battalions", meaning that when bad incidents occur, they do not happen alone. Can there ever have been a better summing up of the difficulties faced by BIFA Members in 2020?

Many of the challenges – the EU Exit transition period, COVID-19, demand and supply imbalances in air and ocean freight markets – dealt with daily by BIFA's Members in 2020, as well as the work carried out by the trade association, are covered in the pages of the 2020 Annual Report, providing a good reflection of the year that has passed.

In 2020, as in every year, it was important to remember that there are as many positives as negatives. The Association finished the year with the highest-ever number of Members.

Our active membership at the end of the year was 1,467, with more applications in the pipeline. Just a year earlier, BIFA ended 2019 with 1,431 Members and 2018 with 1,366. This is undoubtedly an encouraging sign of the ever-growing relevance of BIFA membership to freight forwarders who underpin much of the UK's visible international trading activities.

At the same time, the transformation of BIFA's training delivery in 2020 was a remarkable undertaking, which is a great credit to the Association's leadership.

I am only too aware of how important it was in 2020, of all years, to communicate BIFA's work to the freight industry and wider British public. So, once again, I am pleased to note that BIFA continued to receive many plaudits from its Members about our communication across all media channels.

Our website is now a few years old and we can identify a number of potential improvements; however in 2020 we received many compliments about the way we presented and distributed Brexit information in the transition period.

In 2020, despite the reported death of print media, BIFAlink continued to draw plaudits from Members.

For me, one of BIFA's best achievements of 2019 was the establishment of its Young Forwarder Network (YFN). In 2020, two more regions were added to the network and by the end of the year it had nearly 500 members.

However YFN activity came to a grinding halt in March. At the end of May, the YFN was re-launched via Zoom and run by a virtual committee, with events every other week for one hour. This proved very successful, with each session attracting an average of 50 attendees.

Without doubt the YFN is providing young people with a sense of belonging and an affinity with BIFA, which can only be good for our image as we continue to modernise.

As always as BIFA President, I thank the Secretariat, Policy Groups and Regional Groups for the work that they did in 2020, much of which is covered in this Annual Report, which is once again an informative and useful read.

Without doubt the YFN is providing young people with a sense of belonging and an affinity with BIFA, which can only be good for our image as we continue to modernise.

National Chair's Report

John Stubbings

National Chair



When I succeeded Mark Bromley as BIFA's National Chair in May 2019 little did I know that the Members would have more than just Brexit to worry about in 2020, my first full year as BIFA National Chair.

The 2020 Annual Report has to be one of the most significant reports in the Association's history. It would be quite wrong to try and sugar-coat the year endured by UK freight forwarders.

2020 was effectively bookended by a global pandemic that led to a national lockdown in March and the end of the EU Exit transition period on the last day of the year. One of those events would have been difficult enough in its own right; two added to the pressures faced by BIFA Members as they managed UK supply chains.

However, there was normal Association business undertaken in 2020 that I want to share with you. In February 2020, we noted that the implementation timetable on the new computer system that is set to replace the existing

system used for processing Customs declarations was under review by the programme implementation board.

From the forwarder and customs agent's viewpoint, the key statement made by the Chancellor of the Duchy of Lancaster, the Rt Hon Michael Gove, in the same month was that frontier customs and other regulatory checks would be reintroduced on EU trade after the end of the transition period.

During the year, we worked to produce a new edition of the BIFA Standard Trading Conditions. The changes are slight, but necessary and useful.

Another project during the year was our collaboration with Drewry to help bring the maritime information provider's confidential freight rate benchmarking service to the attention of the Association's members. This provides members with the opportunity to confidentially benchmark their ocean carrier buy rates against their peers and what is even better is that membership to Drewry's Forwarder Benchmarking Club is free to qualifying forwarders and NVOCCs.

Another degree of normality to the Association's activities during the year was that throughout 2020, we continued to produce the

monthly BIFAlink magazine for distribution in both print and digital format to BIFA members and non-members. It is pleasing that the magazine grew in page numbers for several issues and was an important platform for distributing information on EU exit, as well as legal matters, customs and general advice and information relevant to the business of freight forwarding.

2020 actually started on a high note as we all sat down to enjoy the 31st annual BIFA Freight Service Awards luncheon and ceremony held at The Brewery in central London in which we celebrated the finalists and winners of the 2019 competition. Around 500 guests enjoyed the event which was hosted by TV presenter and Paralympian, Ade Adepitan, who gave a moving and uplifting talk, continuing our good run with hosts. The annual Liverpool Dinner was also a great success and raised £5,500 for local charities.

One beacon among all the tough headlines in 2020 was the growing BIFA membership. In 2020 membership grew by 133 to 1,494 corporate Members and we also ended the year with 71 Associate Members.

In the pages that follow in the Year in Review section, you can read about just how BIFA's Secretariat, Policy Groups,

Regional committees and Representatives continued to provide excellent services and support to Members in 2020, as they faced the many issues and challenges throughout the year.

As I reach the end of my two-year term of office as BIFA National Chair, and on behalf of the BIFA Membership, I would like to extend thanks to the personnel at the Secretariat, the Policy Group members, Regional Committees and Board Members whose unwavering service ensures that BIFA continues to meet its remit.

The 2020 Annual Report has to be one of the most significant reports in the Association's history. It would be quite wrong to try and sugar-coat the year endured by UK freight forwarders.

Director General's Report



Robert Keen

BIFA Director General

2020 was a year when BIFA successfully navigated the effects of the COVID-19 pandemic to achieve a number of positive outcomes for Members, notably on both training provision and our interface with young forwarders.

COVID-19 caused disruption to many routines of both our Members and the Association itself and it will be no surprise that our 2020 budget and financial results were skewed by the pandemic, most noticeably in travel, subsistence and meeting costs. However, strong membership numbers and the re-engineering of training delivery, had a positive effect on the association's revenues.

We recruited temporary staff to help overcome some of the consequences of our new training delivery method, but an unfortunate outcome of COVID-19 was the closure of Redfern House to training courses and meetings. Whilst our head office maintained operations with all necessary

COVID-19 safe working procedures in place, some staff elected to work from home and no visitors were admitted after March for the remainder of the year.

EU Exit again dominated the Policy and Compliance agenda during the year and we continued to keep outputs of relevant information flowing via all available conduits. The Air, Maritime, Road & Rail, Customs and Legal & Insurance policy groups continued to hold regular meetings online with engaging agenda.

COVID-19 restrictions on physical meetings, and a Cabinet Office that had side-lined many of our usual interfaces with government departments, meant that our lobbying and representation work with government was increasingly done via the Border Delivery Protocol Group (BDPG), which meant multiple virtual meetings each week in the last two quarters of 2020.

BIFA maintained four FIATA posts and as one of the 15 founder members, remained a strong supporter in 2020. FIATA's new DG managed a quiet revolution in both the FIATA profile and staff capability and we continued to attend Extended Board, Institute, Working Group, Advisory Body and European Regional meetings, via virtual conferences.

During the year, our training courses sold themselves with the introduction of the apprenticeship scheme and Brexit preparation.

Two concerns that surfaced in the year were the drop in apprentices joining the industry and the poor uptake in STC training despite it being free of charge, both issues that we started to address in the latter part of the year.

2020 saw BIFA maintaining a good Health and Safety rating and we started a revised compliance management system project so that all staff have access to, and are more engaged with, H & S matters.

The planned refurbishment of the first floor at Redfern House was postponed in 2020 and we were unable to finish an upgrade programme for our IT system although the intention remains to move from an office-based server to a cloud-based solution.

BIFA finished 2020 with a profile that has never been higher and a positive side effect of EU Exit and COVID-19 was the much greater recognition of the role that BIFA Members and the freight forwarding and logistics sector now has with government and society in general. This meant a substantial increase in our involvement with the communications teams of various government

departments, especially HMRC, as well as other organisations, opening up opportunities for individual BIFA Member companies, as well as with the trade and mainstream media.

The Annual Report 2020 shows clearly the breadth of the work that BIFA undertook with those in government and other stakeholders to address the many issues affecting visible trade and the work of BIFA Members that facilitate that trade.

I am grateful for the support of the Chair and the unstinting efforts of my colleagues in the BIFA Secretariat in delivering yet another successful year for BIFA in the most trying of times.

BIFA finished 2020 with a profile that has never been higher.

Year in Review

In this section of the BIFA Annual Report 2020, we deliver a summary of some of the work undertaken over the year by the trade association's Air, Customs, Maritime, Road & Rail, and Legal & Insurance policy groups in addition to activities carried out by the Secretariat.

The work of policy groups helped to deliver the guidance and direction of the Association in 2020, under the management and administration of the Policy & Compliance team and the executive management of the Secretariat.

In 2020, these groups reported to the BIFA Council through their respective chairs. 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 in the year, which we acknowledge and appreciate.

It was anticipated that 2020 would be a challenging year due to the preparations for the UK leaving the EU on 31 December 2020. The COVID-19 pandemic made the situation even more demanding than previously anticipated. When we went into the first lockdown on 23 March 2020, nobody could anticipate that by the end of the year there would be very little improvement to the interruption of traditional business operations.

The first issue was how to continue to meet Members' needs regarding the potential trade disruption and Government restrictions, whilst helping them devise

recovery processes via the dissemination of information about national and international supply chain disruption and available Government support.

On the Surface

The Maritime, Road and Rail Policy Group, with the most diverse membership of any of BIFA's policy groups, met once in person and three times electronically.

A wide range of issues engaged the policy group's discussions in 2020.

The ever-increasing focus on environmentally-friendly and sustainable processes within logistics supply chains saw the group consider the impact on Members' activities of decarbonisation in the marine environment and the impact of moving to low sulphur fuel. We also engaged with the Road Haulage Association (RHA) on issues such as Clean Air and Ultra Low Emission Zones, as well as a DfT consultation on prohibiting the sale of diesel, petrol and hybrid vehicles.

The Group also considered the outcome and impact on Members of the European Commission's Block Exemption Review, which was extended for 4 years; as well as the EU review of the roadfreight market covering access to the market, drivers'

rest periods, the introduction of digital tachographs and cabotage regulations.

The ongoing problems with undeclared/misdeclared dangerous goods shipments was also addressed by the group and there was continued support for NAVCIS in its attempts to highlight and tackle vehicle crime.

The Group and Secretariat acted as a conduit for the flow of information between the ports and Members regarding quay rent charges and off-port storage facilities, whilst representing Members views to the DfT about the need to curb quay rent and demurrage charges.

Much of the year was spent in helping Members address a difficult international container shipping market, where a significant increase in demand, shortages of tonnage and containers, as well as port and service delays, combined to create a perfect storm for Members offering ocean freight logistics services.

In the Customs arena

The Policy Group met twice in person, three times electronically. For much of the year there were weekly technical calls held to facilitate discussion between Government and Members. Not surprisingly, some of

the biggest talking points concerned the consequences of UK Exit from the EU and the preparations and future policies at the border once the transition period came to an end.

The Border Operating Model was central to this and the group assessed and provided information on the implications and consequences of the new customs requirements and policies on the EU/GB border; the implementation of the Northern Ireland Protocol – including specific use of CDS and CHIEF; whilst engaging HMRC and other government departments on CDS development, GVMS, EU VAT quick fixes, as well as the future Safety and Security regime.

BIFA attended four monthly CDS Programme Subgroup meetings with the programme board leaders and four CDS Migration Subgroup meetings focusing on the technical side of CDS migration and implementation. Both groups made good progress and managed to agree a new implementation schedule on which to seek official endorsement. The new schedule takes into consideration most of the concerns the industry raised in 2020, including training, and the readiness of CSPs and software suppliers.

It was anticipated that 2020 would be a challenging year due to the preparations for the UK leaving the EU on 31 December 2020.



In order to offset the negative impact of the COVID-19 pandemic on its Members, BIFA successfully campaigned for a holiday in paying “Deferment” Accounts, easements to ETSF authorisations relative to remote working, and flexibility of opening hours.

Members’ concerns were raised with HMRC and guidance secured regarding entry procedures where key paper documents such as a Certificate of Origin are not available at time of entry. BIFA also engaged with CLECAT, other associations and customs authorities to make Members more aware of EU Customs procedures.

Legal and Insurance Matters

In 2020, the Legal and Insurance Policy Group had some significant areas for discussion and action.

These included the Insolvency Act, where concerns were raised about the impact of changes on BIFA’s Standard Trading Conditions and, in particular, on liens. Legal opinion is divided on the matter and BIFA did write to government on the subject to express its concerns.

There was considerable discussion on the impact of COVID-19 on freight contracts and Force Majeure, and guidance was issued.

The RHA revised its terms and conditions, which generated several questions highlighting

the on-going issues regarding the difference in liability between the BIFA and RHA terms.

Another issue that generated considerable correspondence in the year concerned the issuing of letters of undertaking by some shipping lines which blurred the line between where Members act as agent on behalf of their client, or contract directly as principal with the carrier. Again guidance was issued.

Members continued to seek advice through regular enquiries regarding BIFA STC; the impact of the COVID-19 pandemic, as well as issues related to Force Majeure, lost Bills of Lading, cargoes abandoned at destination and criminal activity, as well as scams and fraud within the supply chain.

Dangerous Goods

This Advisory Group met once during the year and discussed various industry-related matters.

Areas that were discussed included undeclared/ misdeclared dangerous goods; competency-based training for checking and processing dangerous goods in the air environment; issues related to lithium batteries; and, problems specific to e-commerce.

In the Air

The main issues that drew the attention of the Air Policy Group were the ongoing

review and analysis of e-AWB development; together with an overview of CDS development, with HMRC agreeing more realistic target dates and, most importantly, accepting that an overlap of the current (CHIEF) and new systems is fundamental to the flow of Customs declarations.

EU Exit saw less discussion in the air arena but BIFA participated in many meetings throughout the year as trade talks leading to a Free Trade Agreement between the EU and UK reached their conclusion.

The changes brought about by the publication of INCOTERMS 2020 were explained to the policy group, while Border Force (Intelligence Directorate) gave a presentation on its activities to tackle fraud, money laundering and narcotics. The Group was also updated on the latest aviation security initiatives, such as SEMS, FREDDS and Dense Cargo Screening.

There was engagement with Heathrow Area Transport Forum (HATF) to ensure that the needs of the air cargo community are catered for in the proposed expansion of Heathrow airport.

Meetings were held with the Airline Operators Committee for Cargo (AOCC) with discussion covering subjects relevant to operations, handling and security at Heathrow.

BIFA actively engaged with Heathrow Airport Ltd (HAL) when the pandemic was causing the most significant disruption. In addition, discussions covered issues concerning a lack of resources at LHR and also planning to minimise the impact of strike action at LHR. Also, BIFA was invited to attend (via Teams) the various Senior Leaders webinars held during the course of the year.

During the year, BIFA highlighted COVID-19 surcharges by Heathrow ground handlers, which initiated a response in the press from some handlers.

As members of the IATA FIATA Consultative Council (IFCC) and the European Air Cargo Program Joint Council (EACP-JC), BIFA played a significant role in drafting papers for the IATA/FIATA meetings, challenging moves by IATA to veto the voting rights of Joint Councils.

In the Regions

The pandemic proved particularly disruptive to BIFA’s regional structure, making face to face meeting impossible to hold after 23rd March 2020.

This placed a heavier reliance on Regional Consultants to ensure that the increased level of communications that originated from the Secretariat were relayed to the various regional groups and that queries from Members were answered.

The online delivery model for courses has received much positive feedback from delegates.

However, with EU Exit drawing closer it was clear from the outset that meetings had to be re-established to facilitate a better two-way dialogue on the subject. Based on the lessons learnt by the Secretariat, the regional consultants re-established their meetings using either Teams or Zoom.

Additionally, in early summer and early autumn two separate series of seminars on the main aspects of EU Exit and the new procedures were held in all the regions. It was gratifying to note that approximately 500 Members attended each series of meetings. Further meetings were added to deal with specific local issues.

In late quarter 3 and all of quarter 4, problems at the major ports were highlighted and the local Consultants were heavily engaged in bringing the impacts on the Membership to the attention of the port operators.

Training and Education

The COVID-19 emergency forced a complete halt to all classroom training activity from mid-March until the end of the year. This resulted in the postponement of approximately 30 BTEC and one-day Introduction courses, plus the cancellation of approximately 35 Dangerous Goods and Air Cargo Security courses, affecting more than 100 delegates.

Work began on an alternative delivery option for Freight Forwarding and Customs courses but sadly, the result of the emergency meant some

delegates were either being placed on furlough or losing employment.

By the beginning of June BIFA trainers were ready to introduce the new online Customs and Freight Forwarding Essentials training.

Following the trial and successful introduction of the Essentials 'Live' training, delivered via Zoom, to replace the one-day introduction courses, work continued to convert the existing BTEC course content for digital delivery.

The first 4-day BTEC 'Live' course was underway by early July, delivered via Zoom, following approval being granted by the accreditation body, Pearson Education.

The online Customs Declaration Training was unaffected by the COVID-19 crisis and remained available throughout 2020.

Classroom-based Air Cargo Security Training was also suspended from mid-March but the online version has remained available throughout the year.

Towards the end of 2020, BIFA embarked on a new project to introduce an online training course being developed in relation to the introduction of the Customs Declaration Service (CDS) which should be available by summer 2021.

As expected, a huge demand for customs-related training was experienced; and BIFA trainers went from zero courses in April to never being

so busy at the end of the year. The online delivery model for courses has received much positive feedback from delegates.

Like training, the Young Forwarder Network (YFN), launched in 2019, came to an abrupt stop and was re-launched at the end of May as the 'Virtual' Young Forwarder Network. YFN Members recognised the value in the network and felt it was important to keep communicating in times of difficulty.

In 2020, the YFN held 15 virtual events including port tours, quizzes, bite-sized training, and heard from many fabulous speakers who have supported the initiative. Attendee numbers at each event averaged around 50. The YFN has its own committee, which was expanded to 13 members, that plans the annual calendar and helps facilitate the events.

2020 saw a marked decline in the number of youngsters starting the International Freight Forwarding apprenticeships as a result of the pandemic, with the disruption caused to colleges and businesses meaning that many apprenticeships were unable to start or continue, with new starts down by approximately 66 percent.

Nevertheless, the surge in demand for customs-trained staff led to BIFA stating that whilst forwarding businesses have many difficult commercial decisions to make, shelving apprenticeships should not be one of them.

BIFA also pointed out to Members that finance should not be an issue, as extra funding was made available in the Autumn as part of the government's support scheme for training and apprenticeships, with businesses being offered £2,000 for every new under-24 apprentice they hire.

Communications

Via the BIFAlink magazine, the website, the fortnightly eNewsletter, and the training eNewsletter, as well as through various social media channels, BIFA endeavoured to keep Members apprised of association and industry news affecting their operations. The trade association's monthly magazine, BIFAlink, continued to be delivered to BIFA Members and other interested parties at the beginning of each month in both print and digital formats. BIFA continued to achieve good coverage in the global media with articles being seen regularly in both trade and business press.

While the 2019 Freight Service Awards ceremony luncheon was held in January 2020, the 2020 Awards competition was taken online, with the entry process and judging all taking place remotely.

Plans for a freight forwarder village at the 2020 Multimodal event were scuppered when the organisers were forced to postpone the event until 2021.

Report of the Board of Directors

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The Association is the primary representational body of the international freight services industry 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
R Morley
F Osborn
S Parker
S Stevenson
J Stubbings
R Windsor
S Oud
C Hogg

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
30 March 2021



Report of the Independent Auditors

We have audited the financial statements of British International Freight Association (the ‘company’) for the year ended 31 December 2020 which comprise the income and expenditure account, the balance sheet and notes to the financial statements, including 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 2020 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

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 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 this gives rise to 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 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.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence;
- identified laws and regulations were communicated within the audit team regularly

and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation
- reading the minutes of meetings of the board of directors;
- enquiring of management as to actual and potential litigation and claims
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more

removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

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

30 March 2021

Income & Expenditure Account

For the year ended 31 December 2020

	2020 £	2019 £
Income	2,544,674	2,516,839
Cost of sales	(534,333)	(672,549)
Gross surplus	2,010,341	1,844,290
Administrative expenses	(1,436,233)	(1,443,906)
Other operating income	9,860	-
Operating surplus	583,968	400,384
Interest receivable and similar income	2,753	5,085
Surplus before taxation	586,721	405,469
Tax on surplus	(112,994)	(74,432)
Surplus for the financial year	473,727	331,037

Balance Sheet

As at the year ended 31 December 2020

	Note	2020 £	2019 £
Fixed Assets			
Intangible assets	3	30,128	53,894
Tangible assets	4	360,414	394,274
Investments	5	2	2
		390,544	448,170
Current Assets			
Debtors	6	259,290	227,905
Cash at bank and in hand		2,001,270	1,689,586
		2,260,560	1,917,491
Creditors			
Amounts falling due within one year	7	(617,538)	(804,770)
		1,643,022	1,112,721
Net Current Assets			
		1,643,022	1,112,721
Total Assets			
Less current liabilities		2,033,566	1,560,891
		(28,607)	(29,659)
Provisions for liabilities			
		2,004,959	1,531,232
Net assets			
		2,004,959	1,531,232
Reserves			
Income and expenditure account		2,004,959	1,531,232
		2,004,959	1,531,232
Members' funds			
		2,004,959	1,531,232

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime under FRS102 section 1A.

The financial statements were approved by the board of directors and authorised for issue on 30 March 2021 and are signed on its behalf by:

Robert Keen

BIFA Director General

Company Registration No. 00391973

Notes to the Financial Statements

For the year ended 31 December 2020

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:

Software

Over 10 years

Training materials

33.33% on cost

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 and cash equivalents 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.

1.9 Taxation

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.

1.10 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.

1.11 Retirement benefits

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

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Notes to the Financial Statements...continued

For the year ended 31 December 2020

2. Employees

The average monthly number of persons (including directors) employed by the company during the year was 15 (2019:15).

3. Intangible Fixed Assets			
	Computer Software £	Training materials £	Total £
Cost			
At 1 January 2020 and 31 December 2020	37,660	60,000	97,660
Amortisation and impairment			
At 1 January 2020	-	43,766	43,766
Amortisation charged for the year	7,532	16,234	23,766
At 31 December 2020	7,532	60,000	67,532
Carrying amount			
At 31 December 2020	30,128	-	30,128
At 31 December 2019	37,660	16,234	53,894
4. Tangible Fixed Assets			
	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 January 2020	506,976	394,335	901,311
Additions	-	18,526	18,526
Disposals	-	(3,251)	(3,251)
At 31 December 2020	506,976	409,610	916,586
Depreciation and impairment			
At 1 January 2020	325,976	181,061	507,037
Depreciation charged in the year	3,500	48,886	52,386
Eliminated in respect of disposals	-	(3,251)	(3,251)
At 31 December 2020	329,476	226,696	556,172
Carrying amount			
At 31 December 2020	177,500	182,914	360,414
At 31 December 2019	181,000	213,274	394,274

Notes to the Financial Statements...continued

For the year ended 31 December 2020

5. Fixed Asset Investments

	2020 £	2019 £
Shares in group undertakings and participating interests	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		Shares in group undertakings £
Cost or valuation		
At 1 January 2020 & 31 December 2020		2
Carrying amount		
At 31 December 2020		2
At 31 December 2019		2

6. Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	159,382	95,290
Other debtors	99,908	132,615
	259,290	227,905

7. Creditors

	2020 £	2019 £
Amounts falling due within one year:		
Trade creditors	115,812	30,041
Corporation tax	119,685	48,466
Other taxation and social security	84,462	107,594
Other creditors	297,579	618,669
	617,538	804,770

Notes to the Financial Statements...continued

For the year ended 31 December 2020

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:

	2020 £	2019 £
	6,714	3,853

10. Related Party Transactions

The Directors are considered the key management personnel, their remuneration was as follows:

	2020 £	2019 £
Aggregate compensation	296,076	295,439

During the year 3 (2019: 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 2020

	2020 £	2020 £	2019 £	2019 £
Income				
Subscriptions		1,488,336		1,428,728
FIATA Sales		15,955		15,431
Education and training		880,148		907,211
Application fees		27,925		21,093
Events and sundry sales		132,310		144,376
		2,544,674		2,516,839
Cost of Sales				
Wages and salaries	189,533		217,986	
Social security costs	20,512		23,977	
Staff pension costs defined contribution	11,157		11,526	
Permanent health insurance	3,138		5,152	
Private health insurance	1,778		2,467	
Education and training	188,262		311,756	
Events	108,673		99,685	
Training development	11,280		-	
		(534,333)		(672,549)
Gross surplus	79.00%	2,010,341	73.28%	1,844,290
Other operating income				
Government grants		9,860		-

Schedule Of Administrative Expenses

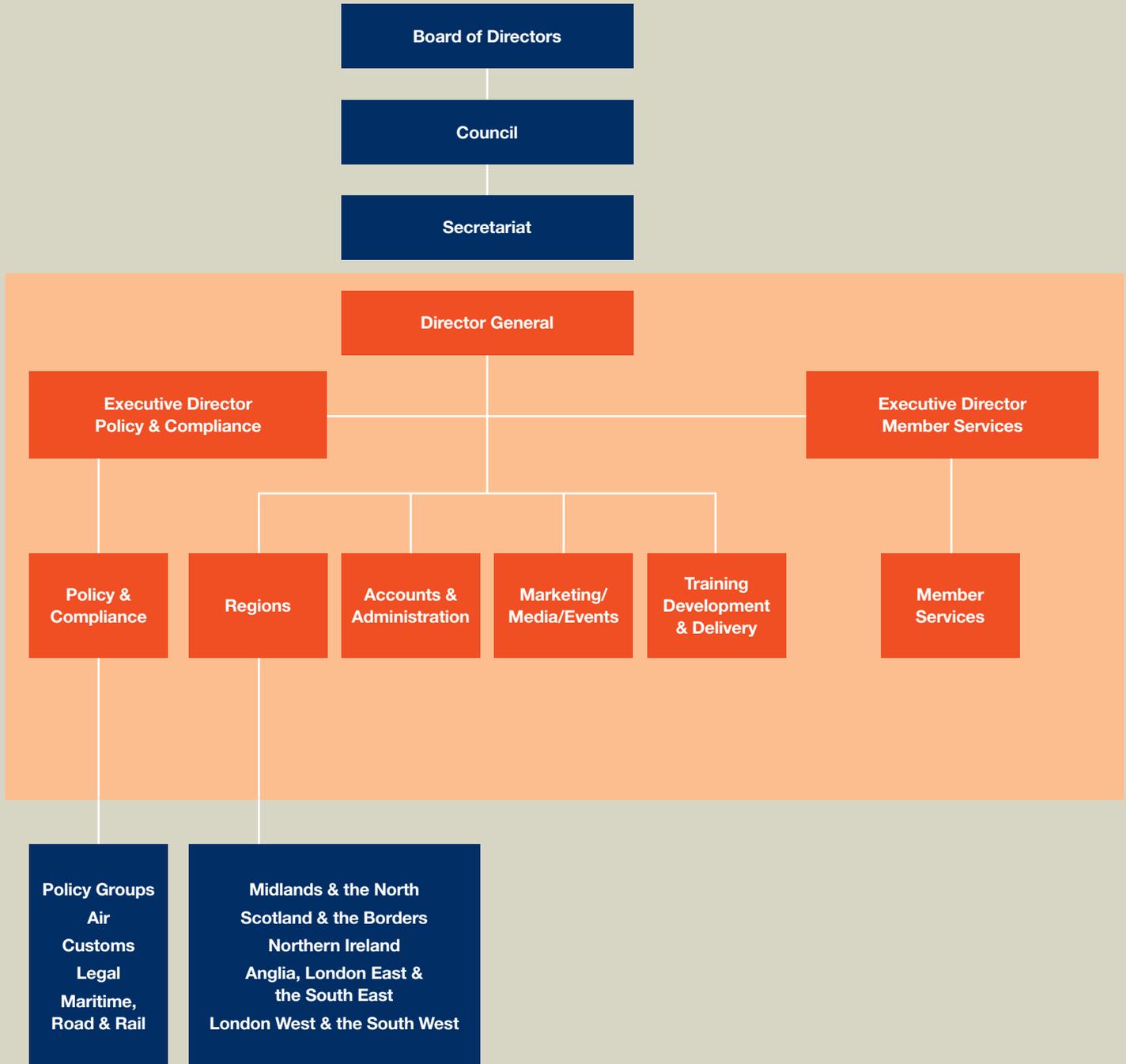
For The Year Ended 31 December 2020

Administrative expenses	2020 £	2020 £	2019 £	2019 £
Wages and salaries	594,643		487,438	
Social security costs	72,605		58,537	
Staff pension costs defined contribution	36,407		32,378	
Redundancy costs - staff	20,000		-	
Permanent health insurance	14,041		10,228	
Private health insurance	13,355		7,848	
Rates	22,685		21,029	
Power, light and heat	5,858		6,383	
Property repairs and maintenance	36,320		51,290	
Premises insurance	9,732		9,256	
Computer running costs	42,539		43,293	
Legal and professional fees	19,475		14,718	
Consultancy fees	22,629		15,759	
Accountancy	11,183		9,948	
Annual report	5,658		5,386	
Audit fees	15,735		15,200	
Board expenses	-		11,009	
Central secretariat costs	47,843		74,963	
Policy groups	3,314		20,694	
International representation	113,750		203,445	
Northern England	2,662		14,148	
Northern Ireland	61,416		63,624	
Scotland	27,469		34,448	
South of England	273		17,409	
South East	53,164		49,491	
Bank charges	2,757		2,733	
Bad and doubtful debts	2,000		108	
Printing and stationery	10,641		17,829	
Advertising	26,488		23,454	
Telecommunications	3,946		2,940	
Sundry expenses	4,227		9,395	
BIFAlink	57,266		54,132	
Amortisation	23,766		23,766	
Depreciation	52,386		31,627	
		1,436,233		1,443,906
Operating surplus		583,968		400,384
Interest receivable and similar income				
Bank interest received	2,753		5,085	
		2,753		5,085
Surplus before taxation	23.06%	586,721	16.11%	405,469



BRITISH INTERNATIONAL
FREIGHT ASSOCIATION

BIFA Organisation & Secretariat Structure Chart



British International
Freight Association

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