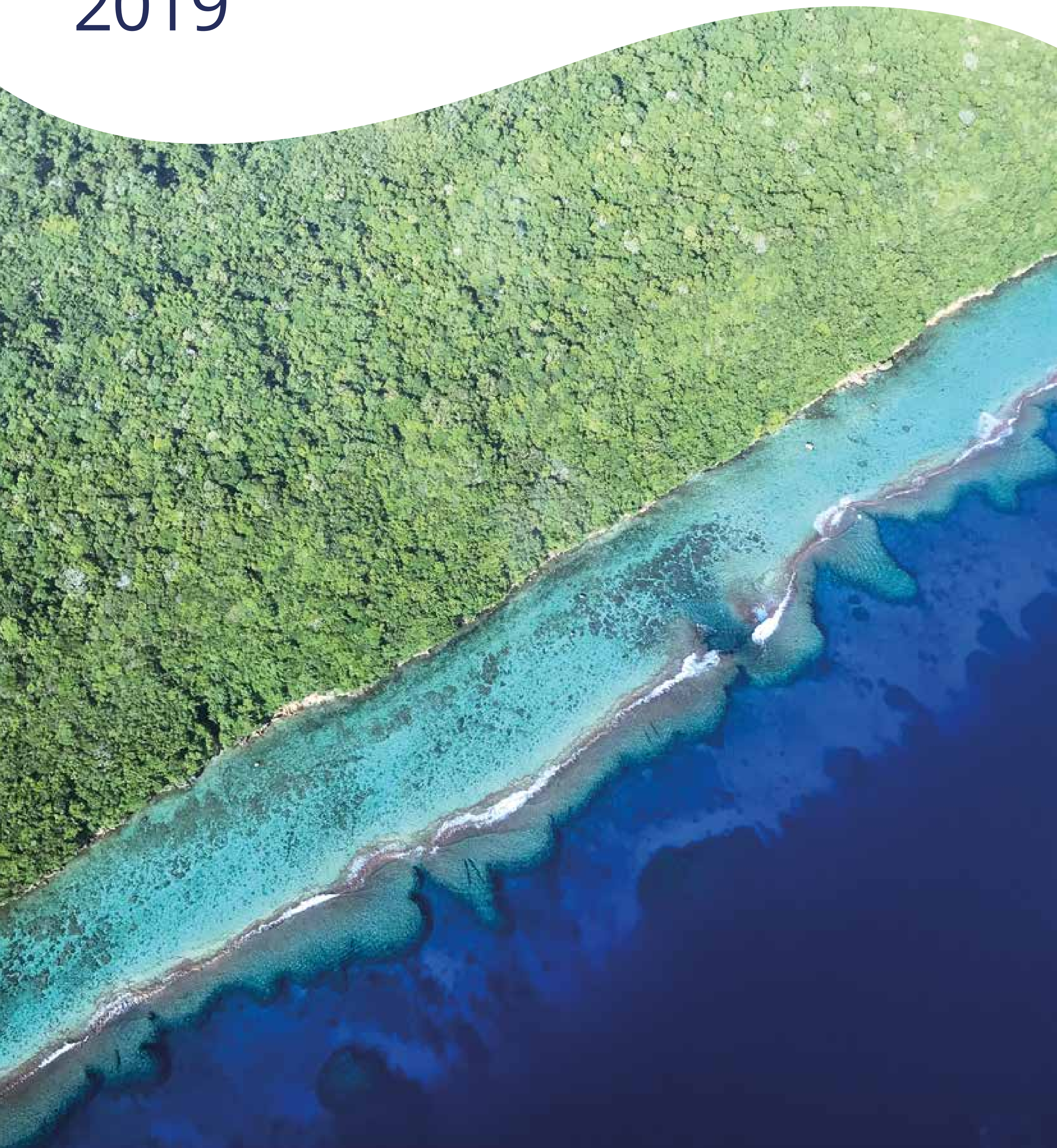
PROMOTING EFFECTIVE
SPILL RESPONSE

REVIEW

INCORPORATING 2019 DIRECTORS' REPORT AND ACCOUNTS

2019



Front cover: Solomon Islands

Contents

Chairman's Statement

Paddy Rodgers, ITOPF's outgoing Chairman

2018 marked ITOPF's 50th anniversary year and much of the period covered by this Annual Review was spent reflecting on the achievements of this remarkable organisation. Established as a not-for-profit organisation on Christmas Eve 1968, ITOPF has worked tirelessly since that time to improve preparedness and response to accidental spills of oil, chemicals and other substances from ships. Through the creation of ITOPF, shipowners and their P&I insurers have demonstrated their commitment to reducing damage caused by accidental pollution. The fact that today ITOPF is highly regarded worldwide for its rational and objective technical advice is proof of a legacy of 'practicing what it preaches'.

ITOPF's golden anniversary was marked by a series of celebrations, publications, sponsorships and awards, starting with a reception in March at an historic pub in London to mark the opening of Interspill, one of a trio of international oil spill response conferences. Instead of the normal newsletter, *Ocean Orbit*, a commemorative 50th anniversary publication was published, charting ITOPF's success across the decades. This story was brought to life by the astonishing talent of a sand artist during the anniversary dinner on 12th July at Drapers Hall, which culminated in the unveiling of the 'new', shortened name of ITOPF Limited, a new logo and a strapline 'Promoting effective spill response'. The dinner was, undoubtedly, the highlight of the year, bringing together some 200 of ITOPF's friends and colleagues, past and present. It was particularly significant that four of ITOPF's Chairmen, representing 32 of ITOPF's 50 years, cut the anniversary cake together. My thanks go to all the staff at ITOPF who worked so hard to guarantee a perfect evening.

2018 also saw ITOPF deservedly receiving two awards; a Special Certificate of Recognition from the IMO to acknowledge the contribution ITOPF has made to the maritime community, and the Lloyds List Award for the best Environmental Programme. This was a golden anniversary that will be remembered for many years to come.

Technical Services

Spill Response

The beginning of the year was marked by a continuation of the heavy commitment from technical staff in response to the tragic loss of MT SANCHI and her crew, which occurred in the South China Sea, on 6th January 2018. Up until mid-May, members of the technical team spent some 238 days on site assisting the Japanese authorities to clean the many outer-lying islands contaminated with bunker fuel from the sunken wreck.

Whilst the long-term downward trend in large oil spills from tankers continues, the same cannot be said of the number of incidents ITOPF gets called to annually, or of the number of days staff spend on site. In the last year staff, once again, provided support in connection with more non-tanker incidents than tanker incidents. Similarly, the trend towards spending more time on site in connection with smaller spill quantities is continuing.

ITOPF attended 13 new incidents up until the end of the financial reporting year on 20th February 2019, of which four involved tankers. Nine of these incidents resulted in a loss of heavy fuel oil and one resulted in a small spill of low sulphur

ITOPF team at INTERSPILL, London, 2018

ITOPF Chairmen, past and present, at the 50th anniversary dinner

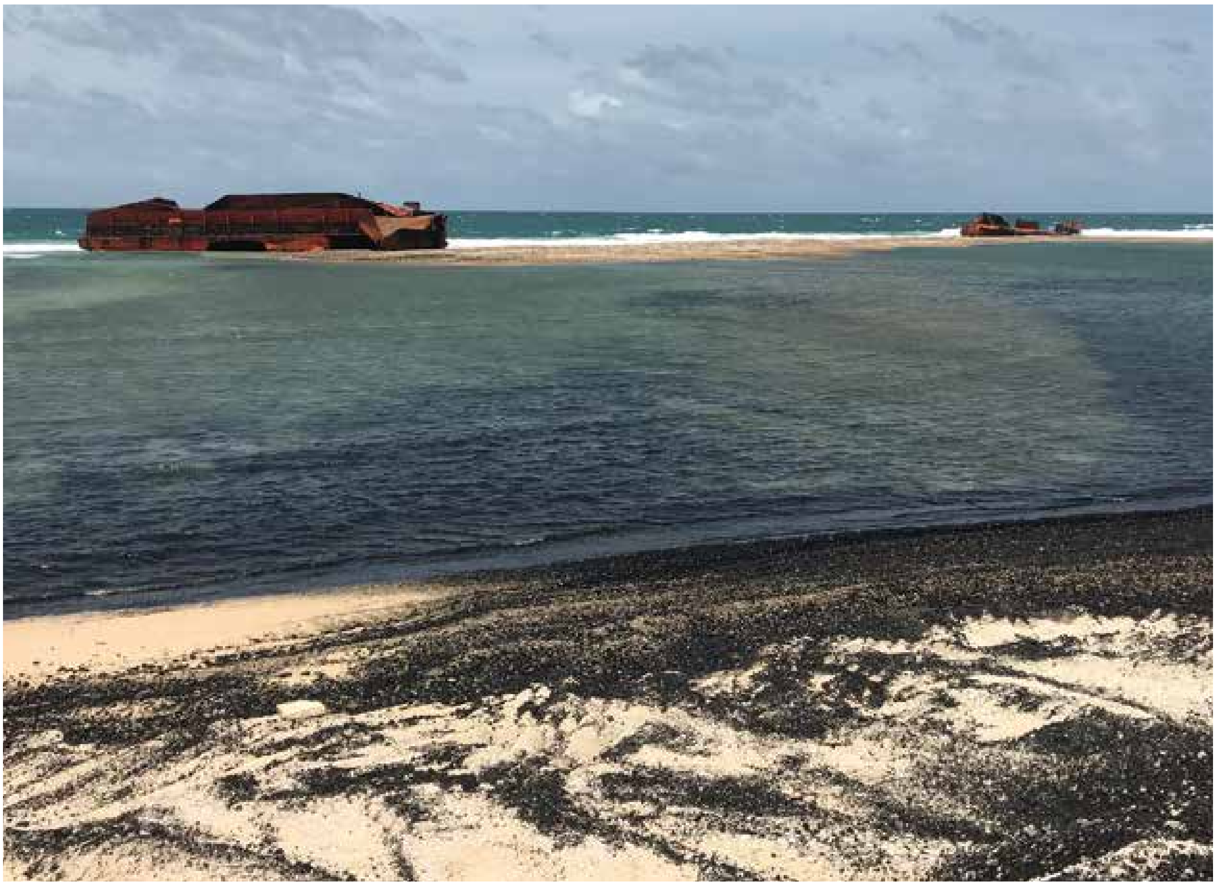
fuel oil (LSFO). Two of the remaining incidents involved a cargo of coal and base oil respectively, and one incident resulted in a spill of crude oil from a pipeline after a ship dragged anchor. The geographical spread of incidents was fairly wide-spread and included two in the USA, two in China and two in Indonesia. The incidents in the USA occurred sequentially, and in close proximity to each other, thus enabling the Senior Technical Adviser on site for the first incident to respond promptly to the second, which was convenient as both ships were insured by the same P&I Club.

As noted in earlier ITOPF reports, the quantity of oil spilt is not always a good indicator of the degree of complexity of the response to an incident. Factors such as remoteness, shoreline type and the approach taken by the authorities in the country affected, can have a significant bearing on the issues that ITOPF has to contend with on site and the duration of their involvement. This year, the time spent on site is almost 50% more than in previous years, despite the number of incidents and the volume of oil spilt being smaller.

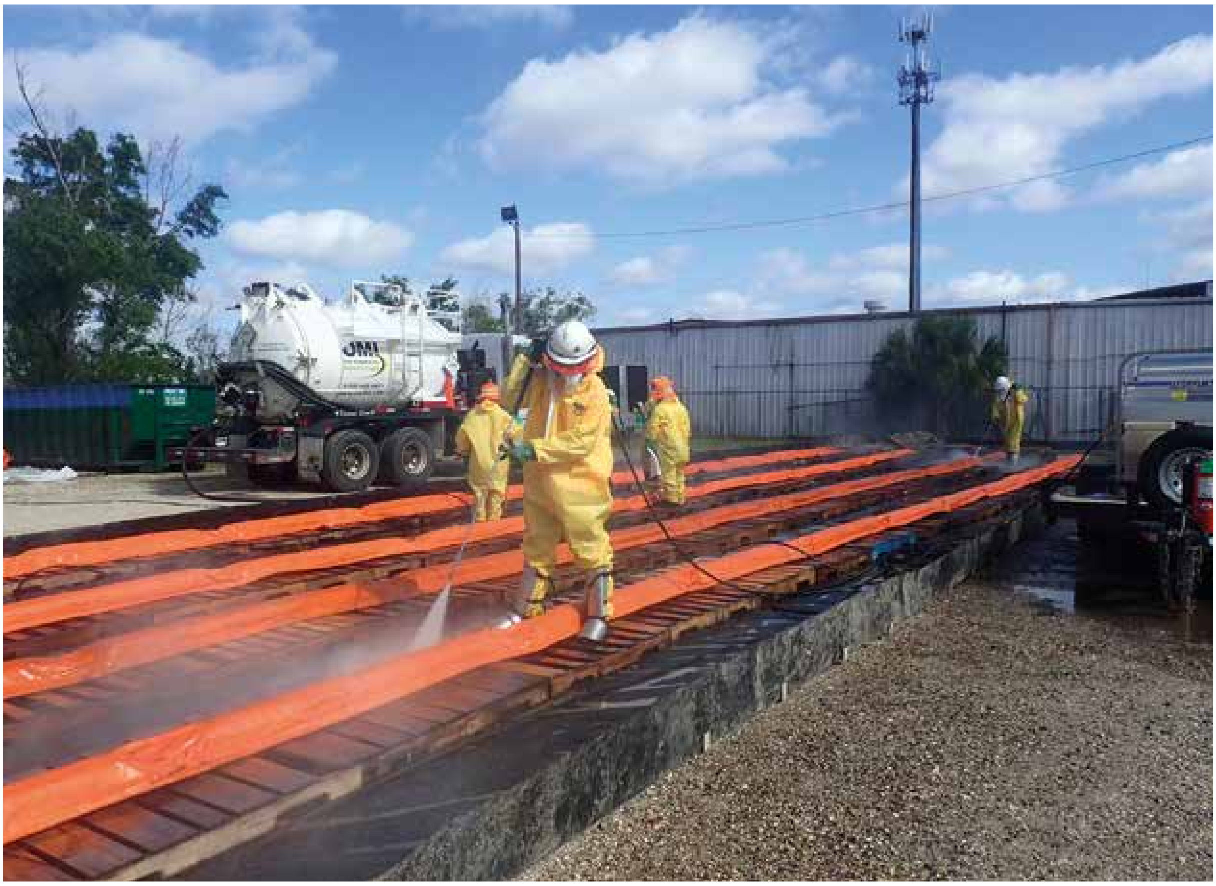
The collision between CSL VIRGINIA and ULYSSE off the coast of Corsica on 7th October resulted in approximately 500 MT of bunker fuel being spilt

Dr Karen Purnell receiving a Special Certificate of Recognition from IMO Secretary-General Kitack Lim (Photo: IMO)

Dr Karen Purnell and Richard Johnson receiving a Lloyd's List Global Award, pictured with reporter Anastassios Adamopoulos and event host Jon Culshaw



ITOPF attended one incident involving a cargo of coal during the period under review



ITOPF attended two incidents less than two weeks apart along the Mississippi River, USA

INCIDENTS ATTENDED ON-SITE BY ITOPF STAFF IN THE 12 MONTHS TO 20TH FEBRUARY, 2019

Date of incident	Name of ship	Size (GT)	Location	Product Spilt
04/03/2018	MORAZ	7,617	ISRAEL	BUNKER
30/03/2018	EVER JUDGER (pipeline)	44,060	INDONESIA	CRUDE
12/04/2018	PAC ANTARES	20,471	USA	BUNKER
22/04/2018	IVER EXPORTER*	29,289	USA	BUNKER
13/06/2018	SSL KOLKATA	9,956	INDIA	BUNKER/OTHER
22/06/2018	FIDELITY	5,395	CROATIA	BUNKER
23/06/2018	BOW JUBAIL*	23,196	THE NETHERLANDS	BUNKER
23/07/2018	MAKASSAR HIGHWAY	17,735	SWEDEN	BUNKER
29/07/2018	MARINE POWER 3022	3,141	INDONESIA	COAL
22/09/2018	APL LOS ANGELES	43,071	CHINA	BUNKER
07/10/2018	CSL VIRGINIA	54,592	FRANCE	BUNKER
24/12/2018	EL ZORRO*/ ELLINGTON*	8,539/ 17,235	CHINA	BASE OIL
04/02/2019	SOLOMON TRADER	38,779	SOLOMON ISLANDS	BUNKER

** Tank vessel*

from the CSL VIRGINIA. The oil stranded along an estimated 372km of coastline in the French Riviera, with the highest degree of contamination occurring in the high value tourist area of Var. The scale of the incident necessitated substantial technical support from the team, working with the French authorities on site almost continuously, only recently reaching a point where the shoreline clean-up operations are drawing to a close. This case was characterised by the conflation of a number of issues, namely: multiple sites of high environmental and economic sensitivity (e.g. protected areas, marine parks, high amenity areas – French and Italian Riviera); multi-national/ agency involvement (e.g. France, Monaco, Italy and EMSA); geographical extent of the contamination; challenges associated with shoreline clean-up and waste disposal; and pre-existing contamination from an historic incident. That said, the successful resolution of these issues reinforced ITOPF's relationship with the French authorities and drew sincere appreciation from the P&I Clubs involved in the case.

The incident involving SOLOMON TRADER, which occurred just at the close of this financial year, is already lining up to be another requiring significant ITOPF involvement. The challenges associated with this incident are not trivial, not least, because of its remoteness. Logistics, communications and cultural issues have tested the resourcefulness of ITOPF's Technical Advisers and have served to highlight, once again, the importance of having tried and tested national and regional preparedness plans.

The oil spill from the containership, SSL KOLKATA, was the second incident in recent years to have threatened the Sundarbans, a UNESCO World Heritage site, this time from the Indian coastline. The explosion, fire and subsequent grounding resulted in the loss of some oil and containers from the ship. The value of ITOPF's network of partners was highlighted as preparations were made to respond in an environment that was both remote and one that presented potential dangers from wildlife.

Having lost towage during bad weather, the small unmotorised barge, MARINE POWER 3022, touched bottom on a reef crest and subsequently broke apart off the coast of Indonesia. As a result, a large proportion of the cargo of coal spilt into a lagoon and on the shorelines of two villages;

coal was also located outside the reef crest in deeper waters. ITOPF developed a plan for the clean-up of the heaviest deposits of coal and recommended that an environmental monitoring programme be initiated in order to monitor poly-aromatic hydrocarbons (PAHs), heavy metals and suspended particles in the vicinity of the coral reef. An arrangement was reached with a cement works to use coal recovered during the clean-up as a fuel stock for the plant's power generators.

The collision between the oil/chemical tanker, EL ZORRO, and the LPG carrier, ELLINGTON, in the port of Zhapu, China on Christmas Eve resulted in the loss of base oil from a cargo tank on the EL ZORRO. The highly refined nature of the base oil, and the fact that it was transparent, meant that it was difficult to locate the oil and respond. Fortunately, the oil spill did not warrant clean-up, either on the shoreline or off-shore, and disruption to local amenities was minimal. Nevertheless, the incident raised an interesting question regarding the persistence of this oil and, hence, which compensation regime should be applied.

In addition to the cases listed in the table (overleaf), the team has provided technical support from the office in London in relation to a further 23 incidents, 78% involving non-tankers.

Damage Assessment and Claims

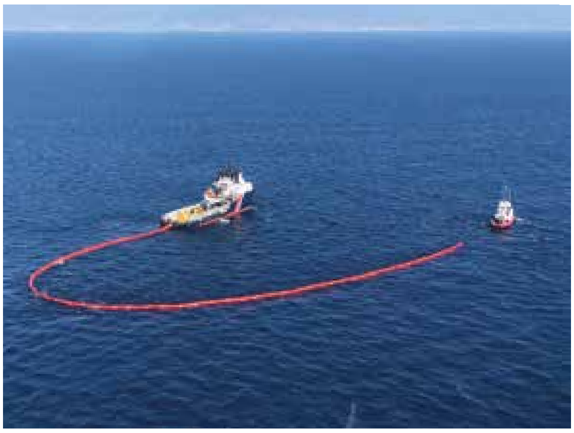
Evaluating the quantum of economic and environmental damage arising from incidents is an important service that ITOPF provides to shipowners, their insurers and claimants. The work is made easier if parties are able to work co-operatively to gather evidence in support of these claims and if costs can be documented electronically. That said, when the scale of the response has been substantial, the team can find itself immersed in claims assessments for many months, even years. The Technical Support Team works closely with colleagues to ensure that the response activities recommended by those who attended the case on site correlate closely with the costs appearing in the claims and are reasonable – a task that can be time-consuming and complex, especially if the information is not well presented or requires translation.

Although AGIA ZONI II occurred during the last reporting year, claims submitted in connection with this incident have required sizeable input from ITOPF to support the IOPC Funds to pay appropriate levels of compensation to claimants. Staff have been asked to assess 90% of the claims that comprise the €81 million submitted to date and have assisted the IOPC Funds to determine the quantum of interim payments to be made to assist some claimants. It is expected that ITOPF's involvement in this case will continue well into 2019.

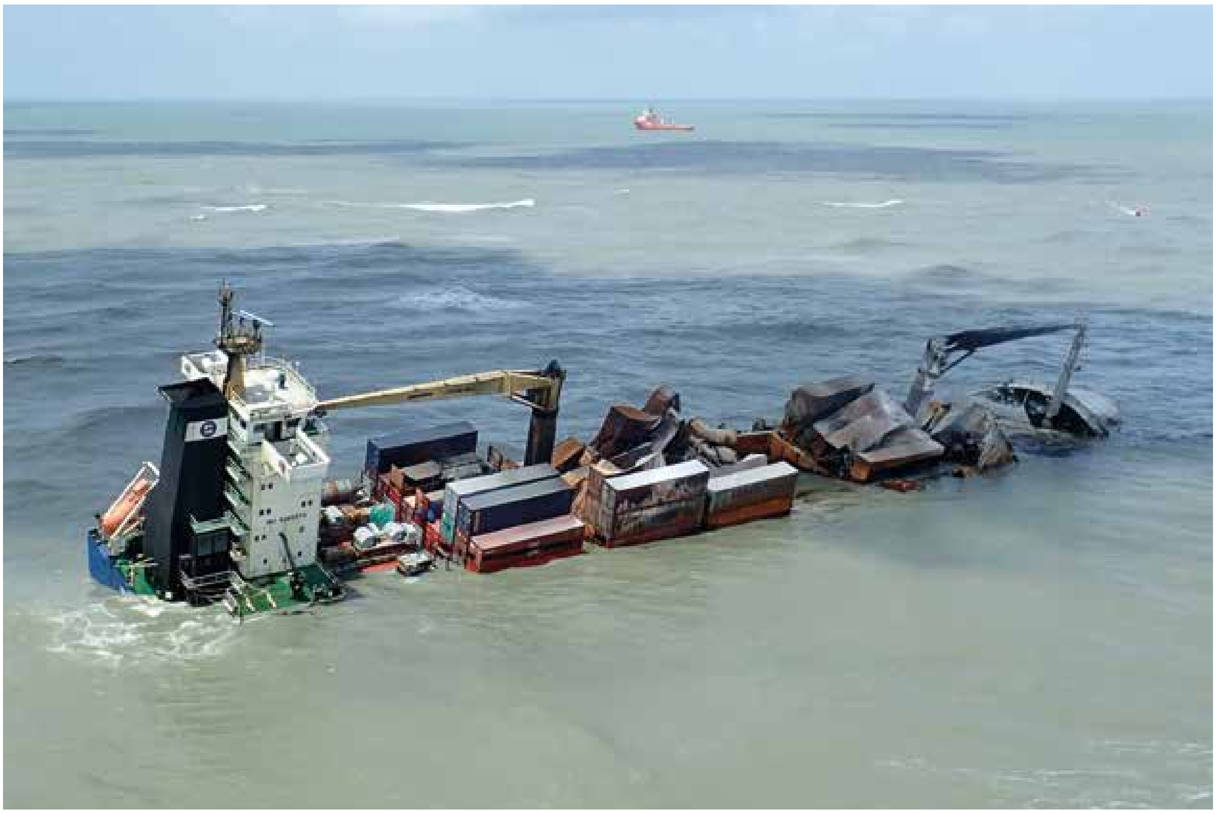
CSL VIRGINIA, mentioned earlier, generated a significant number of claims for costs associated with the response, tourism and the environment. The P&I Clubs established a Claims Submission Office (CSO) in Toulon and ITOPF has been working closely with this office to facilitate the prompt settlement of admissible claims.

The incident involving the chemical tanker, BOW JUBAIL, in the Port of Rotterdam was the second

Shoreline clean-up operations in Greece following the AGIA ZONI II spill



At-sea response operations following the bunker spill from CSL VIRGINIA



SSL KOLKATA casualty, India

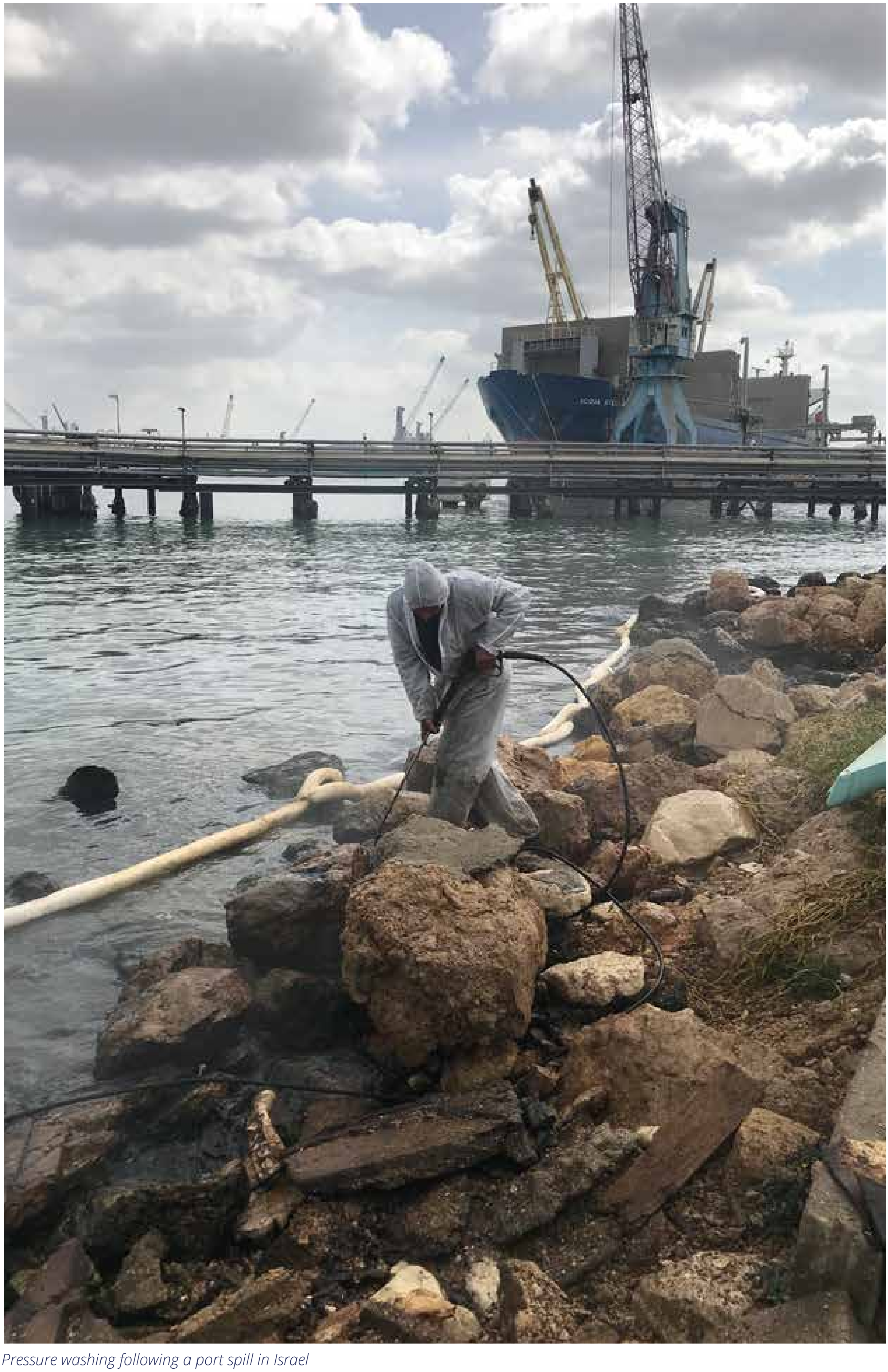
to utilise RESPONSECON; a recently introduced contract providing standard terms and conditions that is offered by the International Group of P&I Clubs. A clause in this contract also provides that tariffs for resources can be agreed at a later stage and that up to 20% of the invoice may be disputed by the paying party. A contract necessitating the 'real-time' assessment of costs as they are incurred will require careful management if the balance between objective technical advice on response methods and cost recovery is to be maintained.

Contingency Planning and Advisory

ITOPF's support of contingency planning and advisory assignments builds lasting relationships with government agencies, maritime organisations and industry, and serves to develop in-house expertise. These projects enable best practice to be shared outside of spills, during the preparedness phase rather than response phase of any real incident.

Preparedness activities are planned in specific parts of the world according to ITOPF's strategic focus and whether they provide opportunity to engender good relationships with intergovernmental bodies or partners in key disciplines. A good example of this was ITOPF's support to a national contingency planning workshop organised by government agencies in Brazil in November. Another example is the contribution to the development of a UK National Standard for Marine Oil Spill Response Providers. The Standard, which will take effect in the autumn of 2019, aims to ensure that contractors responding in UK waters are sufficiently competent to undertake the range of tasks commonly encountered during an incident. The UK Maritime & Coastguard Agency (MCA) expressed appreciation that ITOPF's extensive experience had been lent to the consultation.

During the year, the team contributed to several national and regional events falling under the IMO/IPIECA Global Initiative (GI) programme, particularly those taking place in West Africa (WACAF), Southeast Asia (GI-SEA), and a national event in China (GI-China). The aim of the GI programme is to provide a framework to support countries to build national structures and capability for oil spill preparedness and response worldwide, with particular focus on developing countries and regions.



Pressure washing following a port spill in Israel

Included under this heading of ITOPF's services is the large body of work that ITOPF does freely as a member of the many working groups established by UN organisations, like UNEP, UNDP, IMO; the IOPC Funds, World Maritime University and many other national and regional resource trustee or scientific/research establishments. It is work such as this that allows ITOPF to develop and maintain the all-important relationships that pay dividends during an actual incident. By way of example, a visit in September to the European Maritime and Safety Agency (EMSA) in Portugal by a member of the Technical Support Team served to highlight the value in sharing experience using drones to survey areas that may be affected by oil or chemicals following an incident, particularly in remote or dangerous environments. This visit was timely given the establishment of ITOPF's internal working group 'Up in the Air' and EMSA's recent decision to add Remote Pilot Aircraft Systems (RPAS) to their network of response vessels.

Training and Education

At the Board Meeting held in November, ITOPF's Technical Director showed the importance of having a team that can flex according to unpredictable workload caused by incidents or claims assessment deadlines. In spite of an increase in time spent on these two key services, the team has been able to fulfil training and education commitments around the world, more or less as intended.

Clearly, the fact that there are significantly fewer major oil spills occurring today is, of course, good news. That said, this fact means that 'hands-on' experience of dealing with major incidents and the response techniques that can mitigate the effects of a large crude oil spill is becoming less and less. A case in point is knowledge of effective application of chemical dispersants. The last significant incident in which dispersants were used was the Deepwater Horizon in the USA, although the focus in this incident was on the sub-surface application of dispersants. To maintain expertise in this important response strategy, ITOPF is co-sponsoring a multi-agency research project in the Netherlands, through the 2018 R&D Award. This one-year project aims to build on our knowledge of different dispersant mechanisms and to use the data to calibrate a dispersion model that will allow response planners to evaluate the pros and cons of using dispersant in different scenarios. In addition, training provided by ITOPF in September served as a useful reminder for UK regulators of the need to consider the effectiveness of dispersants on different types of oil.

Conducting realistic exercises and drills is important in order to put contingency plans to the test. ITOPF provides support to many such activities, with particular focus on regional exercises. During this reporting period, the team has supported industry and government exercises in Croatia, UK, Panama, Sweden, Netherlands, Turkey and Brazil.

Sharing ITOPF's experience of lessons learnt from responding to incidents at the many seminars, conferences and workshops attended remains a very effective way of reaching a large audience and promoting best practice. Staff presented at more than 30 such events worldwide during the course of the year, meeting and teaching many hundreds of attendees from a range of different backgrounds.

Supporting a national contingency planning workshop in Brazil, November 2018

Presenting to students at the World Maritime University, February 2019

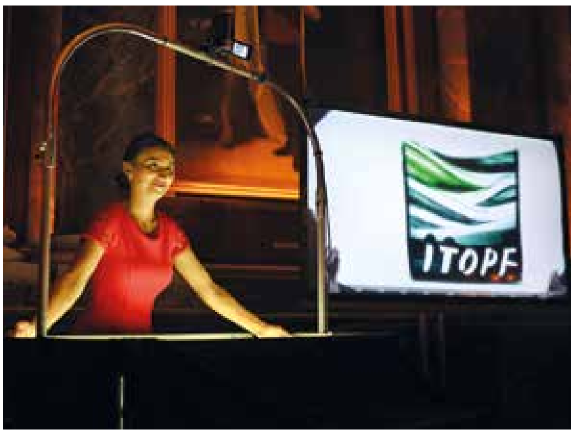
Information and Publications

The re-branding, timed to coincide with ITOPF's 50th anniversary in July, was a resounding success. The team chose the new logo, style and colours, which the Information and Communications Team worked to transpose to the website, publications, presentations and other materials, enabling their launch the morning after the anniversary dinner. The website now includes a timeline illustrating ITOPF's 50-year success story in words and pictures. In addition, ITOPF's website domain was changed from .com to .org to reflect the not-for-profit basis upon which ITOPF operates better. Feedback from stakeholders has been very positive.

The annual ITOPF Statistics publication remains an important source of information on oil spills from tankers. It is published in January each year and is often reproduced or quoted by different media, thereby serving to inform readers about the initiatives being taken by tanker owners to continuously 'push the boundaries' when working towards the goal of zero oil pollution incidents. This year, ITOPF has provided data to several media houses, including the Financial Times.

Administrative Matters

As at 20th February 2019, Membership tonnage stood at 432 million GT, representing an increase of 3 million GT (0.7%) compared with the previous financial year. Associate tonnage stood at 834 million GT as at the same date, representing an increase of 24 million GT (~3%). Sanctions against Iran resulted in ITOPF being unable to enter, as Members, approximately 7 million GT and a smaller amount in respect of Iranian Associate tonnage.



Unveiling of ITOPF's new logo at the 50th anniversary dinner

At its meeting on 8th November 2018, the Board of Directors set the dues for the year 2019/2020 at 0.42 of a UK penny per GT of Member tonnage plus a £20 Administration Fee per tanker, and 0.38 of a UK penny per GT of Associate tonnage. This maintains the proportion of income received at 1/3rd Members and 2/3rd Associates.

At the EGM held on 13th June, Members approved the change of name from 'The International Tanker Owners Pollution Federation Limited', to ' ITOPF Limited'. The Registrar of Companies for England and Wales certified the name change on 12th July 2018. Changes were made to the Articles of Association to remove references to the old name and 'Federation'. A change was also made to enable the Chairman to exercise discretion to allow for the vacation of board positions in the event of a change in circumstances of a Director or corporation, or because of repeated non-attendance at meetings.

The 15-year lease granted to ITOPF on part of the 4th floor of 1 Oliver's Yard expired on 29th September 2018. Negotiations were concluded on a new 5-year lease just after the period covered by this report, on 6th March 2019.

The Advisory Committee met twice during the year, on 13th June and 25th September. Aside from routine administrative tasks, management issues and reporting items, the main items addressed by the Advisory Committee concerned Health & Safety; Business Risk Matrix; relative 'standing' of non-International Group P&I insurers; strategy; staff retention and recruitment; GDPR; renewal of the lease on 1 Oliver's Yard; and ITOPF meeting structure and papers.

Board of Directors

As reflected in the Directors' Report, the following Directors were appointed during the course of the year in review: Messrs Abdullah Aldubaihki, Jens Jensen, Tomoyuki Koyama, Roderick (Guy) Mason, Anthony Paulson and Cory Quarles. The following Alternate Directors were also appointed: Messrs Haruhisa Fujino and Johan Jåwert. Capt. Gregory Ferrone and Ms Caroline Mcleod were reappointed as Alternate Directors. Five Directors: Ms Theresa Gunnlaugsson, Ms Carol Howle and

ITOPF Board of Directors, November 2018

Messrs Ibrahim Al-Omar, Stefano Rosina and Colin Williams, and two Alternates: Messrs Anthony Paulson and Jan Sonesson, retired during the course of the year.

The Directors due to retire by rotation at the next Annual General Meeting in accordance with the Articles of Association are Messrs Clovis Garzia, Donald Kurz, Kevin Mackay, Mark Ross, Hiroaki Sawabe, Dr Grahaeme Henderson and Capt. Mai Jin Zhu. The retiring Directors are eligible for reappointment.

The value of the wisdom and guidance provided in support of ITOPF's work by those represented on the Board cannot be understated. I thank all Directors and Alternates who have either retired or joined the Board during the course of the year for their contribution and make particular reference to Mr. Colin Williams. Mr. Williams has served on ITOPF's Board for some 17 years bringing his extensive knowledge of the P&I 'world' and his pragmatic view to inform many discussions.

Management and Staff

The Risk Management Handbook received endorsement from the Board at its meeting on 8th November. This Handbook provides the process to be followed by all employees to engender a culture of safe working practices and marks the culmination of significant input from both staff and Directors since 2017. Safety messages are reinforced through internal training, such as the Personal Risk Assessment Briefings (PRAB), where staff are encouraged to relay their experiences in a non-judgemental environment.

ITOPF, and its pension scheme, is compliant with the new GDPR Regulations, which came into force on 25th May. A new Data Protection Policy was approved by the Advisory Committee in June and both employees and external contacts were provided with a Privacy Statement. All staff have received initial training on the new regulations and e-learning modules have subsequently been provided to ensure staff remain current in their knowledge and obligations.

ITOPF's Management met during the course of the year to review the Business Risks Matrix. The five most important risks were discussed at the Board Meeting on 8th November, namely: i) funding model disrupted; ii) maintaining relevance; iii) succession planning; iv) fatality, kidnap, serious injury; and v) business continuity (i.e. ability to carry out services as normal). Whilst important, Directors agreed that the likelihood of a disruption to ITOPF's funding model was low and Management's focus should be directed towards the other four risks. Another risk on ITOPF's 'radar' is the implications associated with Brexit. The most significant effect is likely to be upon attracting and retaining staff who have residency in the EU or who are EU nationals. ITOPF's Management has initiated measures to support employees with their application for 'settled status' pending the final outcome of Brexit.

There have been some changes amongst staff during the year: Dr Nicola Beer (Senior Technical Adviser); Anne Reglain, Dr Nancy Wong, Dr Ann Zhang (Technical Advisers); Iain Harrison (Senior Technical Support Co-ordinator); Chris Pavey (IT Systems Manager); and Claire Gorringe (Technical Team Secretary) have left ITOPF – some to take up new positions, some to travel, and some to seek a better work/life balance. Three new Technical Advisers (Lauren Fear, Dr Angela Pinzon-Espinosa and Dr Conor Bolas) will join the team in spring 2019. Interviews will be held around the same time to fill subsequent vacancies. Afshan Prisaca accepted a one-year appointment as Technical Team Secretary and Alan Smith will join ITOPF as IT Systems Manager in April 2019.

Several members of the team became parents during 2018: Alex Hunt (Technical Team Manager), Annabelle Nicolas-Kopec (Senior Technical

Technical staff receiving helicopter underwater escape training

ITOPF team preparing to climb the O2 on its annual staff 'away day'

Adviser) and Claire Keogh (HR & Pensions Administrator) each welcomed 'new additions' to their families. Annabelle and Karen Young (Membership Secretary) have since returned to work following the birth of their babies, and we welcomed Natalie Boyle on a one-year contract as maternity cover for Claire Keogh.

Several new policies and practices designed to facilitate a better work/life balance have been introduced by ITOPF recently, and staff have welcomed these. Nevertheless, a certain amount of change in any organisation is inevitable and provides opportunity for new ideas, as well as different team dynamics.

This is my last Annual Review as ITOPF's Chairman as I will retire from ITOPF's Board at its meeting in November 2019. During the five years that I have served as Chairman, I have attained a greater appreciation of the value of this unique, not-for-profit organisation. Its staff are truly dedicated to applying objective, science-based rationale to protect the marine environment. I am constantly impressed by their commitment and pragmatism when faced with highly charged, complex issues in the aftermath of an incident. Shipowners and their P&I insurers can be reassured that ITOPF is perfectly positioned, with a dynamic workforce, excellent leadership and an experienced Board, to face the challenges of the future. I wish them all the very best.

PADDY RODGERS
Chairman

Directors’ Report

for the year ended 20th February, 2019

ITOPF Limited (the Company) is a company limited by guarantee and not having a share capital. The registered office and principal place of business is located at 1 Oliver’s Yard, 55 City Road, London EC1Y 1HQ. The Company provides technical services to its tanker owner Members and others in relation to ship-source spills of oil or chemicals, including: advice on response, damage assessment and the analysis of claims for compensation; contingency planning and advisory work; and training and information. Owners and bareboat charterers of ships other than tankers are entitled to become Associates of the Company and so to benefit from the Company’s technical services on a similar basis to its tanker owner Members.

A Statement by the Chairman containing a report on the activities of the Federation during the year under review accompanies this Report. The Directors accept and endorse the Chairman’s Statement.

The Directors present the audited accounts of the Company for the year ended 20th February, 2019, which show a deficit (after tax) of £298,081 (2018: £370,105 deficit) and a deficit carried forward amount of £2,167,142 (2018: £5,254,487 deficit). During the year ITOPF made charitable donations of £1,500 to Shelter; £600 to MacMillian Cancer Support; £500 to each of Mercy Ships and Marine Conservation Society; £220 to Prevention of Blindness; £200 to Prostate Cancer and £180 to Seeing is believing (2018: £1,000 to each of Mercy Ships and Shelter; £250 to the National Maritime Museum; £180 to Seeing is believing and £100 to the Sailors Society).

The Directors of ITOPF as at 20th February, 2019 were:

Name	Position	Changes during the year ended 20 February, 2019	
		Appointment	Cessation
Patrick Rodgers	Chairman		
Karen Jane Purnell	Managing Director		
Abdullah Ali Aldubaikhi	Director	08/11/18	
Ibrahim Abdulrahman Al-Omar	Director		13/06/18
Billy Chiu	Director		
Clovis Garzia	Director		
Theresa Caraway Gunnlaugsson	Director		08/11/18
Erik Hanell	Director		
Jonathan Hare	Director		
Grahaeme Henderson	Director		
Carol Lee Howle	Director		08/11/18
Christian Michael Ingerslev	Director		
Jens Martin Arveschoug Jensen	Director	08/11/18	
Tomoyuki Koyama	Director	08/11/18	
Donald Richard Kurz	Director		
Kevin Mackay	Director		
Roderick Guy Mason	Director	08/11/18	

Name	Position	Changes during the year ended 20 February, 2019	
		Appointment	Cessation
Mark Francis Martecchini	Director		
Anthony Paulson	Director	08/11/18	
Sergey Popravko	Director		
Cory Emil Quarles	Director	08/11/18	
Stefano Rosina	Director		08/11/18
Mark Howard Ross	Director		
Hiroaki Sawabe	Director		
Kazuyoshi Takayama	Director		
Hannes Kristian Thiede	Director		
Colin Peter Williams	Director		08/11/18
Chao Wu	Director		
Mai Jin Zhu	Director		
Keizo Atsumi	Alternate Director		
Christopher George Bastis	Alternate Director		
Luiz José Dos Santos Cabral	Alternate Director		
Philip Michael Davies	Alternate Director		
Gregory John Ferrone	Alternate Director		08/11/18
Gregory John Ferrone	Alternate Director	08/11/18	
Haruhisa Fujino	Alternate Director	08/11/18	
Christen Guddal	Alternate Director		
Brian Robert Horsburgh	Alternate Director		
Johan Jåwert	Alternate Director	28/09/18	
Hiroshi Kikegawa	Alternate Director		
Caroline Margaret Mcleod	Alternate Director		08/11/18
Caroline Margaret Mcleod	Alternate Director	08/11/18	
Igor Pankov	Alternate Director		
Anthony Paulson	Alternate Director		08/11/18
Ingvild Saether	Alternate Director		
Nikolaus Hans Schues	Alternate Director		
Jan Hugo Erik Sonesson	Alternate Director		28/09/18
Jane Sy	Alternate Director		
Tommy Thomassen	Alternate Director		
Duo Xue Zhang	Alternate Director		

The Directors due to retire by rotation at the next Annual General Meeting in accordance with the Articles of Association are Clovis Garzia, Grahaeme Henderson, Donald Kurz, Mark Ross, Hiroaki Sawabe, Mai Jin Zhu and Kevin Mackay. The retiring Directors are eligible to offer themselves for reappointment.

Directors' confirmation

Each of the persons who are directors at the time when this Report is approved has confirmed that:

(a) so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

This Report has been prepared in accordance with the small companies' regime of the Companies Act 2006.

By Order of the Board

SAMANTHA ROBERTS
Secretary
ITOPF Limited
Registered number 944863
12th June, 2019

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards, including *Financial Reporting Standard 102*, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). 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 the affairs of the company and of the profit or loss 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 estimates that are reasonable and prudent; and
- 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 corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ for legislation in other jurisdictions.

Auditor's Report

Independent Auditor's Report to the Members of ITOPF Limited (A Company Limited by Guarantee).

Opinion

We have audited the financial statements of ITOPF Limited ("the Company") for the year ended 20th February 2019 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 20th February, 2019 and of its deficit 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 which the ISAs (UK) require us to report to you where:

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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: 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.

CASSIE FORMAN-KOTSAPA
Senior Statutory Auditor
For and on behalf of BDO LLP, Statutory Auditor
150 Aldersgate Street
London EC1A 4AB
2nd July, 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income
for the year ended 20th February, 2019

	Note	2019 £	2018 £
Turnover	*4*	6,003,075	5,627,462
Administrative expenses	*6*	(6,106,884)	(5,856,706)
Operating deficit		(103,809)	(229,244)
Net interest and similar income and charges	*5*	(189,040)	(136,275)
Revenue deficit on ordinary activities before taxation		(292,849)	(365,519)
Taxation	*9*	(5,232)	(4,586)
Revenue deficit on ordinary activities after taxation	*10*	(298,081)	(370,105)
Other comprehensive income			
Actuarial gain/(loss) on the pension scheme	*16*	3,385,426	(1,395,598)
Total comprehensive income/(loss) for the year		3,087,345	(1,765,703)

The notes on pages 24 to 33 are an integral part of these financial statements.

Statement of Financial Position

at 20th February, 2019

	Note		2019		2018
		£	£	£	£
Fixed assets					
Property, plant and equipment	*12*		222,041		209,906
			222,041		209,906
Current assets					
Stocks	*13*	8,767		9,104	
Trade and other debtors	*14*	410,040		491,739	
Cash and cash equivalents		3,601,772		2,767,925	
		4,020,579		3,268,768	
Current liabilities					
Trade and other creditors	*15*	(587,574)		(591,151)	
Net current assets			3,433,005		2,677,617
Net assets excluding pension liability			3,655,046		2,887,523
Pension liability	*16*		(5,822,188)		(8,142,010)
Net assets including pension liability			(2,167,142)		(5,254,487)
Accumulated revenue deficit	*10*		(2,167,142)		(5,254,487)

These financial statements have been prepared in accordance with the small companies regime of the Companies Act 2006.

These financial statements were approved by the Board of Directors on 12th June, 2019 and were signed on its behalf by:

P. RODGERS
12th June, 2019

The notes on pages 24 to 33 are an integral part of these financial statements.

Statement of Changes of Equity
for the year ended 20th February, 2019

	Accumulated revenue (deficit) £
Balance at 21st February 2017	(3,488,784)
Comprehensive income:	
Revenue deficit on ordinary activities after taxation	(370,105)
Other comprehensive income:	
Actuarial loss on the pension scheme	(1,395,598)
Balance at 20th February 2018	(5,254,487)
Comprehensive income:	
Revenue deficit on ordinary activities after taxation	(298,081)
Other comprehensive income:	
Actuarial gain on the pension scheme	3,385,426
Balance at 20th February 2019	**(2,167,142)**

The notes on pages 24 to 33 are an integral part of these financial statements.

Statement of Cash Flows
for the year ended 20th February, 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Deficit before tax		(292,849)	(365,519)
Adjustments for:			
Depreciation	*12*	96,012	86,510
Interest income	*5*	(23,555)	(17,994)
Interest expense	*5*	212,595	154,269
Decrease in stocks	*13*	337	86
Decrease/(increase) in debtors	*14*	81,700	(11,671)
Decrease in creditors	*15*	(4,224)	(33,810)
FRS102 additional pension cost of service	*16*	853,009	463,698
Taxation paid	*9*	(4,586)	(3,571)
Net cash generated from operating activities		918,439	271,998
Cash flows from investing activities			
Purchase of property, plant and equipment	*12*	(108,147)	(117,035)
Movement on disposals		-	2,634
Interest received	*5*	23,555	17,994
Net cash flow used in investing activities		(84,592)	(96,407)
Net change in cash and cash equivalents		833,847	175,591
Cash and cash equivalents at the start of the year		2,767,925	2,592,334
Cash and cash equivalents at the end of the year		3,601,772	2,767,925

The notes on pages 24 to 33 are an integral part of these financial statements.

Notes to the Financial Statements

1 Members' guarantee

Under the Memorandum of Association each Member is committed, in the event of the company being wound up whilst it is a Member, or within one year thereafter, to contribute a sum not exceeding £5. At 20th February, 2019 there were 8,060 Members (2018: 7,871).

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the *Financial Reporting Standard 102* issued by the Financial Reporting Council.

The financial statements have been prepared on the going concern basis which contemplates the realisation of assets and the settlement of liabilities in the ordinary course of business. The company has an accumulated deficit carried forward at the year-end as a result of the defined benefit scheme liability. This liability is not expected to crystallise in the foreseeable future and therefore the going concern basis of preparation is considered to be the appropriate basis.

Foreign currencies

The company has a presentation currency of Pounds Sterling (GBP) and has determined that Pounds Sterling is its functional currency, as this is the currency of the economic environment in which the company predominantly operates.

Transactions in currencies other than GBP are recorded using the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the reporting date and the gains or losses on translation are included in the result for the year.

Turnover

Turnover includes Members and Associates Dues and Members Administration Fees. Members and Associate Dues are paid annually and comprise a set annual charge per gross tonnage. Members Administration Fee is a set fee per Member tanker paid annually. The level of Dues per gross tonne for each respective class (Members and Associates) and the Members Administration Fees are fixed by the Board at the Annual Board of Directors Meeting. Both Members and Associate Dues and Members Administration Fees are accounted for on an accruals basis.

Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

For leases accounted for as 'operating leases', the rental payments are charged to the Statement of comprehensive income on a straight-line basis over the life of the lease.

Fixed assets and depreciation

Computer equipment and fixtures and fittings are stated at cost less accumulated depreciation and any recognised impairment losses.

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Computer equipment:	33.3% per annum on a straight line basis
Furniture and fittings:	15% per annum on a diminishing balance basis

Books, manuscripts, pictures and artwork are not depreciated on the basis that their expected residual value exceeds their cost.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period if there are indicators of change. The carrying amount of an asset is written down immediately to its recoverable amount if the asset's carrying amount is assessed as greater than its estimated recoverable amount.

Impairment of non-financial assets

At each reporting date, the company reviews the carrying amounts of its property, plant and equipment, 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).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Stocks

Stocks represent the value of publications held for free distribution as part of the service provided by the company and are stated at cost. Cost comprises the printing and production cost of the publication and is determined using the first-in, first-out ('FIFO') method.

Financial assets and liabilities

Financial instruments are recognised on the Company's Statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at their transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below. Financing transaction are measured at the present value of their future cash flows, discounted at a market rate of interest for a similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102. All financial instruments held by the company have been classified as basic.

At the end of each reporting period, debt instruments classified as basic are measured at amortised cost using the effective interest rate method.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Impairment of financial assets

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be estimated reliably. The criteria that the company uses to determine that there is objective evidence of an impairment loss include:

i. significant financial difficulty of the obligor;
ii. a breach of contract, such as a default or delinquency in payments;
iii. the company, for economic or legal reasons relating to the debtor's financial difficulty, granting to the debtor a concession that the lender would not otherwise consider;
iv. it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

As an initial step the company assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced to the present value of estimated future cash flows and the amount of the loss is recognised in the Statement of Comprehensive Income. Where the investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

In the case of financial assets measured at cost, the impairment loss will be the difference between the asset's carrying amount and the best estimate of the sales price that would be achieved at the reporting date.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Statement of comprehensive income.

Trade debtors

Trade debtors are amounts due primarily from P&I Clubs in respect of technical services provided to them by ITOPF. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowances for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks which are readily convertible, being those with original maturities of three months or less.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less. If not, they are presented as creditors falling due after one year.

Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Pensions

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised immediately in other comprehensive income. All costs related to the defined benefit plan are recognised in the Statement of comprehensive income within employee benefit costs.

The retirement benefit obligation recognised in the Statement of Financial Position represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

3 Critical accounting estimates and judgements

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Defined benefit pension scheme

The present value of the defined benefit pension depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension include the discount rate.

Any changes in these assumptions will have an effect on the carrying amount of pension and other post-employment benefits.

After taking appropriate professional advice, management determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits are to be paid and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions relevant to the defined benefit pension and other post-employment benefit obligations are based in part on current market conditions. Additional disclosures concerning these obligations are given in note 16.

4 Turnover

Turnover represents Membership dues, Membership administration fees, Associate dues and cost recoveries for services rendered to third parties, net of Value Added Tax.

	2019 £	2018 £
By activity		
Membership dues	2,004,158	2,098,580
Membership administration fees	270,334	266,451
Associate dues	3,505.930	3,086,867
Royalties	7,684	8,540
Cost recoveries and other income	214,969	167,024
	6,003,075	5,627,462

5 Net interest and similar income and charges

	2019 £	2018 £
Bank interest	23,555	17,994
Net return on pension scheme (*Note 16*)	(212,595)	(154,269)
	(189,040)	(136,275)

6 Administrative expenses

	2019 £	2018 £
Salaries and other employment costs (*Note 8*)	4,198,024	3,934,261
Auditor's remuneration – statutory audit fees	14,400	14,700
Auditor's remuneration – corporation tax fee	3,700	3,100
Professional fees	350,630	395,343
Property lease rentals payable	139,833	212,563
Depreciation of tangible fixed assets (*Note 12*)	96,012	86,510
Technical information and publications	90,456	95,747
Raising awareness	141,470	114,073
Research and development awards	42,145	36,988
Other administrative expenses	1,030,214	963,421
	6,106,884	5,856,706

7 Remuneration of Directors

The emoluments of the Chairman were £nil (2018: £nil) and the emoluments of the highest paid Director were £250,687 (2018: £236,676); none of the other 26 Directors (2018: 25) received any emoluments in respect of services rendered to the company (2018: £nil). One Director is entitled to benefits under a defined benefit pension scheme (2018: one). No Directors are entitled to benefits under defined contribution schemes.

8 Staff numbers and costs

The average number of persons employed by the company (including the Managing Director) during the year, analysed by category, was as follows:

	Number of employees	
	2019	2018
Technical and information staff	22	21
Administration	12	13
	34	34

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£	£
Wages and salaries	2,323,772	2,224,304
Social security costs	270,727	257,658
Pension costs (*Note 16*)	1,603,525	1,452,299
	4,198,024	3,934,261

9 Taxation

The Company is subject to United Kingdom corporation tax on the interest received from investments and on book and video royalties. The charge for the year represents UK Corporation Tax at 19% (2018: 20%/19%) on this income.

As a mutual trading association, ITOPF is not liable to corporation tax on any surplus profit to the extent to which it arises directly from members' subscriptions. All other sources of income fall within the charge to corporation tax.

	2019	2018
	£	£
Current Corporation Tax charge for the year:		
Revenue deficit before tax	(292,849)	(365,519)
Expected tax charge at 19%	(55,641)	(69,839)
Deficit above, not subject to UK Corporation Tax	60,874	74,425
Current Corporation Tax charge for the year	5,232	4,586

10 Reserves

	2019 £	2018 £
Revenue deficit brought forward	(5,254,487)	(3,488,784)
Revenue deficit for the year	(298,081)	(370,105)
Actuarial gain/(loss) for the year (*Note 16*)	3,385,426	(1,395,598)
Accumulated revenue deficit	(2,167,142)	(5,254,487)

11 Commitments

The minimum future lease rentals payable under non-cancellable operating leases for land and buildings are as follows:

	2019 £	2018 £
Less than 1 year	422,414	121,000
Within 2 to 5 years	1,230,384	-
	1,652,798	121,000

On 6th March 2019, ITOPF extended the operating lease, on the existing rented property to replace the expiring lease, by 5 years. ITOPF elected for the annual rent payable to be the Net Effective Rent which takes into consideration an 11-month rent free discount.

12 Property, plant and equipment

	Computer Equipment £	Furniture & Fittings £	Total £
Cost			
At beginning of year	717,730	440,566	1,158,296
Additions	78,950	29,197	108,147
Disposals	-	(5,731)	(5,731)
At end of year	796,680	464,032	1,260,712
Depreciation			
At beginning of year	647,819	300,571	948,390
Disposals	-	(5,731)	(5,731)
Charge for year	71,804	24,208	96,012
At end of year	719,623	319,048	1,038,671
Net book value			
At 20th February, 2019	**77,057**	**144,984**	**222,041**
At 20th February, 2018	69,911	139,995	209,906

For insurance purposes, on 14th July 2015, external valuers, Gurr-Johns, revalued ITOPF's Books and Manuscripts at £329,500 (2010: £331,600). This valuation was based on replacement in the retail or secondhand market with items of a similar nature, age, condition and quality.

13 Stocks

Stocks represent the value of publications held in stock valued at the lower of cost and net realisable value.

14 Trade and other debtors

	2019 £	2018 £
Trade debtors	48,274	72,011
Other debtors including VAT	101,024	86,188
Prepayments and accrued income	260,742	333,540
	410,040	491,739

15 Trade and other creditors

	2019 £	2018 £
Trade creditors	122,569	114,449
Other taxes and social security	97,035	100,504
Other creditors	890	1,716
Corporation Tax	5,232	4,586
Accruals and deferred income	361,848	369,896
	587,574	591,151

16 Pensions

The company operates a funded defined benefit pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company.

The contributions are determined by a qualified actuary on the basis of actuarial valuations. The most recent full actuarial valuation, as at 1st January 2017, showed that on an ongoing basis the value of the scheme liabilities was £23,542,000 allowing for projected future earnings increases, and the market value of the scheme's assets was £23,321,000. The market value of the assets represents 99% of the accrued liabilities.

The principal assumptions used in the valuation were that the investment returns will be less than salary inflation by 1.75% per annum and will exceed future pension increases by 0.4% per annum for benefits accrued after 5th April 1997, and 0.9% for benefits accrued before 6th April 1997. The Projected Unit Method was used to determine the value of the liabilities and the Standard Contribution Rate.

The most recent actuarial valuation of the scheme on FRS102 assumptions was carried out on 20th February, 2019 by an independent actuary. The fair value of the scheme's assets valued as at this date was £26,997,648 (2018: £24,923,130), which is not intended to be realised in the short term and may be subject to significant change before being realised. The present value of the scheme's liabilities on the same date was £32,819,836 (2018: £33,065,140), which was derived from cash flow projections over long periods and is thus inherently uncertain. The result of these valuations gave rise to a net pension liability of £5,822,188 (2018: net pension liability £8,142,010).

The major assumptions used by the actuary were:

	At 20.02.19	At 20.02.18
Discount rate	2.8%	2.8%
Aggregate long-term expected rate of return on assets	2.8%	2.8%
Rate of increase in salaries	5.6%	5.6%
Inflation assumption RPI	3.6%	3.6%
Inflation assumption CPI	2.6%	2.6%
Rate of increase in pensions in payment (Limited Price Indexation)	3.4%	3.4%

Expected contributions paid during the year following disclosure date:

	£
Expected contributions paid during the year following the disclosure date (i.e. 21st February, 2019 – 20th February, 2020)	751,000

The aggregate assets of the defined benefit scheme are comprised as follows:

	2019 %	2018 %
Bonds	36.7	37.6
GARS	31.8	34.3
Cash	5.0	2.6
Insured liability	0.2	0.2
Liability driven investments	26.3	25.3
	100.0	100.0

Reconciliation of the opening and closing balances of the fair value of assets:

	2019 £
Fair value of scheme assets at beginning of year	24,923,130
Interest income	690,811
Return on scheme assets (excluding interest income)	986,495
Contributions (Employer)	750,516
Contributions (Employee)	77,612
Benefits paid	(430,916)
Fair value of scheme assets at end of year	26,997,648

Actual return on scheme assets:

	2019 £	2018 £
Actual return on scheme assets	1,677,306	221,737

Net defined benefit pension scheme liability:

	2019 £
Defined benefit obligation at beginning of year	(8,142,010)
Actuarial gain for the year	3,385,426
Current service cost	(1,603,525)
Finance cost	(212,595)
Contribution paid	750,516
Defined benefit obligation at end of year	(5,822,188)

Total expense recognised in the income statement:

	2019 £	2018 £
Current service cost	1,603,525	1,452,299
Interest cost	903,406	823,952
Interest income	(690,811)	(669,683)
Total profit and loss charge	1,816,120	1,606,568

Total amounts recognised in other comprehensive income:

	2019 £	2018 £
Actuarial gain/(loss) on scheme liability	2,398,931	(947,652)
Actuarial gain/(loss) on scheme assets	986,495	(447,946)
Actuarial gain/(loss) for the year	3,385,426	(1,395,598)

Annual General Meeting

The Annual General Meeting of ITOPF Limited will be held at Grand Kempinski Hotel, Lujiazui Ring Road 1288, 200120 Shanghai, on 5th November, 2019 at 8.30am for the following purposes:

1 To receive the Accounts of the Federation for the financial year ended 20th February, 2019, and Reports of the Directors and of the Auditors.

2 To appoint Directors.

3 To reappoint the Auditors and authorise the Directors to fix the Auditor's remuneration.

By Order of the Board

SAMANTHA ROBERTS
Secretary
12th June, 2019

Registered Office:
1 Oliver's Yard
55 City Road
London EC1Y 1HQ
Registered in England No. 944863

Notes:

1 A corporation which is a Member of the ITOPF may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as the representative of such corporation at the Meeting.

2 A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy must be a duly authorised representative of a Member.

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