REVIEW

INCORPORATING 2022 DIRECTORS' REPORT AND ACCOUNTS

PROMOTING EFFECTIVE SPILL RESPONSE

2022

Cover picture: Seabirds, Peruvian coastline

Contents

Chairman's Statement

Erik Hånell,
President & CEO
of Stena Bulk

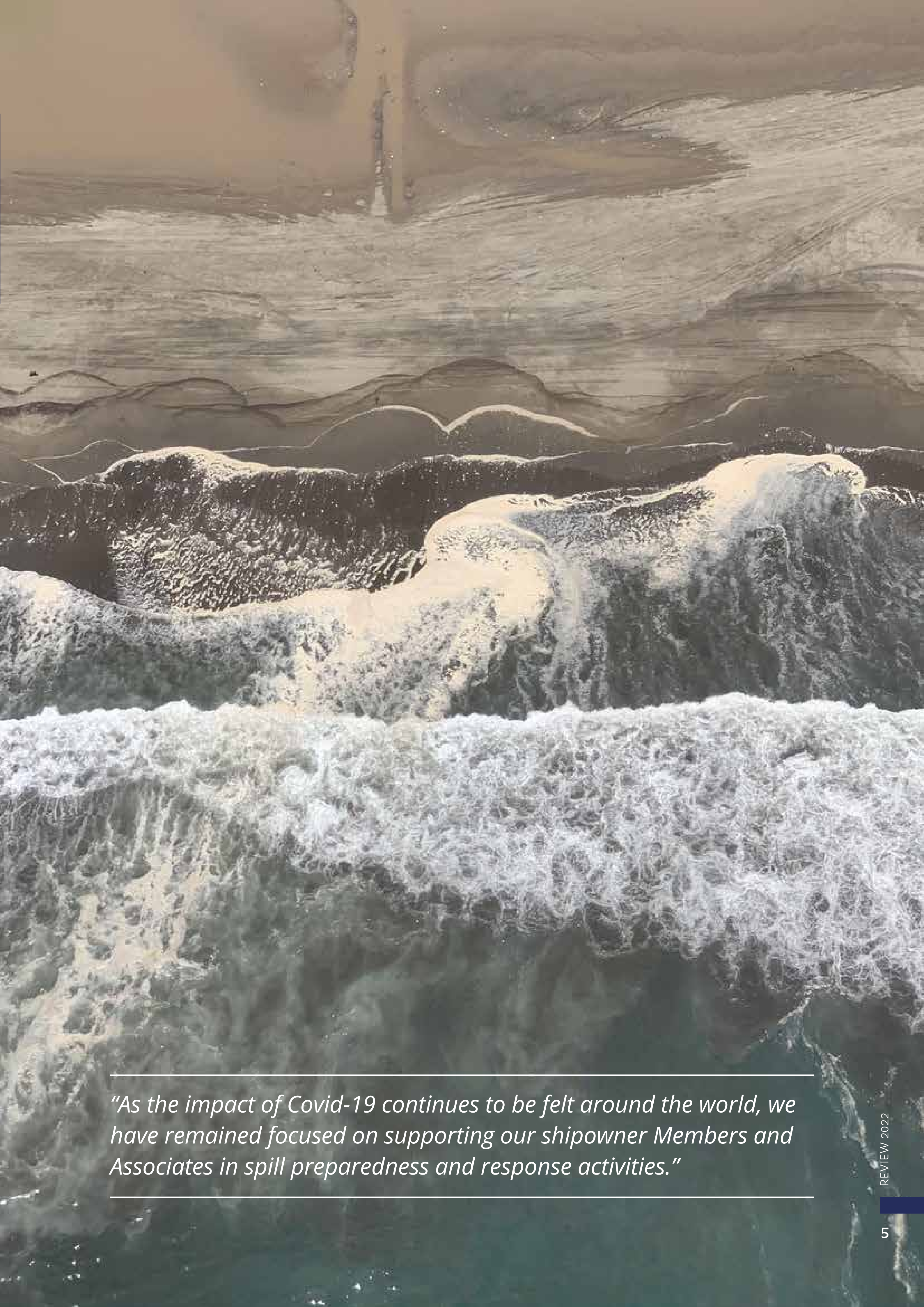
I am delighted to present ITOPF's Annual Report and Accounts for the financial year 2021/22. As the impact of Covid-19 continues to be felt around the world, we have remained focused on supporting our shipowner Members and Associates in spill preparedness and response activities, and promoting the wellbeing of our staff.

With the roll-out of the global vaccination programme, we began to return to some degree of pre-pandemic normality last year. This included providing face-to-face training, and meeting in-person with key stakeholders to re-establish relationships and social connections (when government restrictions allowed). But, like many organisations worldwide, we have also rethought the way we work. In September 2021 we introduced a hybrid working model where staff have the choice to split their time between working in the office and working at home. In tandem with our new working practices, we have committed to developing and defining the ITOPF company culture, of which more later.

To shape ITOPF's post-Covid world, the Board of Directors appointed Oli Beavon to replace Dr Karen Purnell as Managing Director on her retirement in December 2021. Karen had already begun a process of modernisation at ITOPF and handed the organisation over well-equipped to respond to the evolving needs of the future. The search for her successor began in January 2021, with Oli coming on board in September 2021. As a seasoned leader with a diverse background in petrochemicals, gas, oil and shipping, Oli has previous experience of implementing agile and hybrid working with a focus on workplace, human performance and culture.

The ITOPF team have shown their typical adaptability to the ever-changing circumstances of the last year and some of their highlights are presented below.

Right: Coastline, Peru



"As the impact of Covid-19 continues to be felt around the world, we have remained focused on supporting our shipowner Members and Associates in spill preparedness and response activities."

Technical Services

Spill Response

The Covid-19 pandemic continued to affect global travel throughout 2021 and staff were mobilised only in accordance with strict risk assessment procedures. The number of incidents attended is well below average, although the number of days spent on-site is not dramatically different from pre-Covid years. In order to deal with quarantine and isolation issues at home and abroad, staff were again required to spend up to eight weeks on-site as part of their rotation, rather than the pre-pandemic norm of three.

The incident that attracted most of our time in the past year was (and continues to be) X-PRESS PEARL, a containership that caught fire off Colombo, Sri Lanka. It received mass media attention and is another case concerning "nurdles". This is the fourth such incident that we have been involved with in recent times and the plastic pollutant is becoming a high-profile issue. Nurdles forms part of the focus within one of the newly formed Functional Groups at ITOPF. We are also part of the International Group of P&I Clubs (IGP&I) Plastic Nurdles Working Group and continue to gather and disseminate information on the topic.

In January 2022, over 1,500 cubic metres of Buzios crude oil was reported to have been spilled while a tanker was at an SBM near La Pampilla terminal in Peru. Tens of kilometres of sandy beaches and rocky shore were oiled, and a number of international entities called upon to assist. ITOPF was mobilised immediately and continues to assist all concerned in shaping the strategies for clean-up, including supporting the Peruvian Navy by being a member of the Technical Advisory Committee.

The provision of remote advice is at an unprecedented high, with 40 cases advised on during the reporting period.

Date of incident	Name of ship	Size (GT)	Location	Product spilt	Vessel description	Vessel sub type
20/05/2021	X-PRESS PEARL	31,629	SRI LANKA	Nurdles	Non-Tanker	Container ship
28/08/2021	SEA BIRD	4,337	GREECE	VLSFO, MGO	Non-Tanker	General cargo ship
15/01/2022	INCIDENT IN PERU	81,499	PERU	Crude oil	Tanker	Crude oil
16/02/2022	FELICITY ACE	60,118	PORTUGAL	VLSFO, LSMGO	Non-Tanker	Vehicle carrier

Incidents attended on-site by ITOPF staff in the 12 months to 20th February, 2022

Right: Manual clean-up of nurdles, Sri Lanka

Nurdle pollution has become a high-profile issue

Damage Assessment & Claims

ITOPF's support to P&I insurers, their members, the IOPC Funds and claimants has continued uninterrupted throughout the reporting period. The Technical Support Team work closely with their Technical Adviser colleagues to assess claims arising from clean-up activities and as a result of pollution damage, and to assist in keeping the claims assessment process on track. During this period, claims have been assessed for incidents for which ITOPF staff were on-site (SEA BIRD and X-PRESS PEARL), and working remotely (including EEMSLIFT HENDRIKA, ALASKABORG, ST MARY and A SYMPHONY). Work also continued for incidents arising in previous reporting periods: AGIA ZONI II (2017), CSL VIRGINIA (2018), GRANDE AMERICA (2019), WAKASHIO (2020), AM GHENT (2021) and the Israel mystery spill, also in 2021. For this latter incident, while the source of the pollution could not be confirmed, evidence suggested the oil derived from a tanker, allowing the IOPC Funds to provide compensation, for which ITOPF is assisting.

During the period under review, we also continued to advise on the monitoring of oil and debris released during the recovery of GOLDEN RAY, a car carrier which grounded at the mouth of the Brunswick River in Georgia, USA in 2019.

Contingency Planning & Advisory

Due to on-going travel restrictions, ITOPF's contingency planning and advisory assignments continued to take place remotely during the reporting period. From September – November 2021, we supported REMPEC's "National Assessment of the Level of Oil Spill Response Planning and Readiness Management for the Central and Eastern Mediterranean" project. This was an extension of the earlier WestMOPoCo project. ITOPF's involvement included facilitating four national online workshops for Croatia, Greece, Israel and Turkey.

ITOPF also participated in a task force convened by IPIECA to update RETOS – the Readiness Evaluation Tool for Oil Spills - and its associated guidance material. ITOPF joined IPIECA, ARPEL (the original developers of the tool) and other inter-governmental and industry partners in updating the 2008 publication "Assessment of Oil Spill Response Capabilities: A Proposed International Guide for Oil Spill Response Planning and Readiness Assessments" which forms the basis for RETOS assessments. The updated version of RETOS is expected to be available later in 2022.

ITOPF has continued to assist Liberia (through GI WACAF) in developing their first sensitivity map for inclusion in Liberia's National Oil Spill Contingency Plan (NOSCP).

Training & Education

At London International Shipping Week in September 2021, we launched the virtual reality training aid for aerial surveys. This assists users in understanding the basics of aircraft selection, survey routing, capturing photographic evidence and reporting. The tool has proved very popular and forms an integral part of our latest training programme. The new programme also features an interactive game and fully revised and rebranded training materials.

The programme was first used at a three-day training workshop with the Korea Coast Guard in December 2021. It has since been rolled out with a number of stakeholder training and awareness sessions, including visits from government officials (such as the Minister of Transport for Malaysia who visited our office in October 2021) and engagement with P&I Clubs in the UK and Singapore.

ITOPF led a national workshop on Claims and Compensation in Tallinn, Estonia in August 2021, working with the Ministry of Environment of Estonia and our key partners the IOPC Funds and the IG P&I. We have also supported activities organised by GI WACAF (the Global Initiative for West, Central and Southern Africa) and the Canadian Coastguard.

Information & Communications

To support our new ways of working, ITOPF installed docking stations in the office to allow staff to use their laptops at home, at their desk or while hot desking in a seamless fashion. The conference room has also been equipped with a state-of-the-art hybrid communication system to

We launched a VR training app for aerial surveys at London International Shipping Week in 2021 ensure meetings are effective regardless of the location of attendees.

For the teams on-site, we have rolled out a mobile shoreline survey application that has been used on nearly 7000 surveys, most notably in Sri Lanka. This enables data and photos to be automatically converted into PDF reports. More recently, a live 'dashboard' of key statistics and information on operations has been created to allow staff, surveyors, and insurers to view real-time progress.

During a hiatus in Covid restrictions, ITOPF was delighted to welcome colleagues from the maritime community to its Interactive Lunch & Learn event on 16th September, as part of London International Shipping Week. After months of meeting virtually, this was a great opportunity to reconnect in person with partners in the shipping world and raise awareness of our activities and latest developments.

This event also saw the launch of ITOPF's new five-minute promotional film, highlighting our role and experience. The film included a personal insight from one of the team on working as a spill responder, plus an external perspective from a P&I Club director stressing the importance of ITOPF's objectivity for an efficient spill response. The film was produced by Zinc Media as part of a project initiated by UK Maritime, and filmed with the assistance of the Harwich Haven Port Authority. It was screened at various events during the week, including the parliamentary cruise onboard HMS Albion during COP26 in Glasgow.

In order to assist with the delivery of creative media, ITOPF has now employed a full-time Communications Officer. This position is also charged with developing tools and techniques to enhance and raise awareness of ITOPF's activities, including digital communications management. Already new life has been injected into the ITOPF LinkedIn account and our following has increased to over 1600 followers (and counting...).

Administrative Matters

Membership tonnage at 20th February 2022 was 462 million GT which was 3 million (0.6%) higher than last year. Associate tonnage at 20th February 2022 was 902 million GT, an increase of 5 million GT (0.6%).

The Board decided to increase the dues for the year 2022/23 to 0.49 of a UK penny per GT of Member tonnage plus a £20 Administration Fee per tanker, and 0.44 of a UK penny per GT of Associate tonnage. After conducting a review on rates and the Administration Fee, the Board felt it appropriate to retain the method used previously.

Expenditure remained below budget during the year primarily due to the continued impact of Covid-19. As we emerged from the pandemic, we anticipated rising expenditure but have held the dues rate to a lower level of increase. Going forward, we will continue to look at a two-year planning horizon for the dues rates.

The Board Meeting was held on 30th November 2021 as a hybrid event with some Directors attending in person and others by audio-visual link. The Advisory Committee met twice in 2021 to conduct its normal business (16th June and 29th September) and on 29th October to review a proposal regarding the Retirement Benefits Scheme Funding Strategy.

The Retirement Benefits Scheme was closed to future accrual on 31st March 2021 and a new Defined Contribution Scheme introduced on 1st April 2021 which is open to all staff.

Board of Directors

There were several changes of Director and Alternate serving on ITOPF's Board during the year, as detailed in the Directors' Report which accompanies this Statement. One particularly significant change in Directorship was, of course, the retirement of Karen Purnell and appointment of Oli Beavon as Managing Director effective 1st January 2022.

As a result of internal re-structuring or retirement, long-standing Directors from Shell, Maersk and Thomas Miller stood down. We also saw changes in Directors from ExxonMobil / Seariver Maritime, BP and welcomed the return of representation from Steamship P&I.

One other notable change during this year was the addition of David Cooper who now heads up the Company Secretarial function previously outsourced to Reed Smith.

Management and Staff

In 2021 ITOPF undertook an exercise to review and refresh our company values. This was taken as a positive and inclusive first step towards developing the company culture. Following discussions with all staff, the values were launched in March 2021. These values demonstrate what ITOPF stands for and will be used to support recruitment, staff development and to ensure we have a positive and inclusive working culture.

- Collaboration – inspiring teamwork and cooperation to achieve the goal of effective spill response.
- Integrity – engendering trust in our work through honesty and scientific principles.
- Objectivity – providing unbiased, consistent advice to all who seek it.
- Respect – empowering a friendly, supportive culture that values diversity and the abilities and experience of all.
- Diligence – delivering our services to the highest standards of excellence, with skill and good judgement.

To help embed our core values, ITOPF commissioned an external provider to undertake work around equality, diversity and inclusion. This began with a review, refresh and update of ITOPF's policies on equal opportunities, harassment and bullying. It was followed with interactive workshops for all staff to provide a safe space for discussion and learning on these topics. More recently, we have held facilitated workshops on 'Courageous Conversations', to support a company culture of personal growth and development, openness and respect, in which feedback is a daily occurrence.

We have been delighted to welcome five new members to the team during this reporting period, in addition to our new Managing Director, Oli Beavon. These are: Rosalynd Wilson (Office Administrator); Jamie Stovin-Bradford (Technical Support Co-ordinator); Natálie Kirk (Technical Adviser), Amy Jewell (Technical Adviser), and Joe Lane (Communications Officer). Three employees left ITOPF during the year: Julke Brandt (Technical Adviser), Pauline Marchand (Senior Technical Support Coordinator) and Sarah Grant (Office Administrator).

Earlier in 2021, ITOPF was successful in its application to become a sponsoring organisation for skilled workers from overseas. This will help us attract and recruit a more diverse workforce. We were pleased to receive confirmation that one of our team members was successful in applying for a work visa following ITOPF issuing a sponsor certificate under the scheme.

It just remains for me to thank all the team for their resilience and resourcefulness during another extraordinary year. I should like to reserve special thanks to Karen Purnell for her dedication and commitment to the organisation over nearly three decades and wish her a long and happy retirement. I look forward to working with Oli and the Executive Team on exciting new challenges and ventures in the year ahead.

Erik Hånell
29th June 2022

Right: Some of the ITOPF team at a training course at Cedre (Photo courtesy of Cedre)


ecosorb
ecosorb

Directors' Report

for the year ended 20th February, 2022

The Directors present their report and the audited financial statements for the year ended 20th February 2022.

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

Principal activity

ITOPF Limited (the "Company") is a company limited by guarantee; not having a share capital and incorporated in the United Kingdom. The Company provides technical services to its ship-owning Members and Associates, their P&I insurers, 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.

Results and dividends

The profit for the year, after taxation, amounted to £161,143 (2021 – £2,609,012) and a surplus carried forward amount of £2,692,972 (2021 – £1,185,595 deficit).

The Company is limited by guarantee and cannot distribute profits to members by way of dividend. (2021 – £nil).

Directors

The Directors who served during the year are shown overleaf.

Left: Oiled rock under water, Sweden

Name	Position	Changes during the year ended 20th February, 2022	
		Appointment	Cessation
Erik Hånell	Director & Chairman		
Karen Purnell	Managing Director		31/12/2021
Oliver Beavon	Managing Director	01/01/2022	
Abdullah Aldubaikhi	Director		
Jones Barros-Soares	Director		
Sven Boss-Walker	Director		30/11/2021
Billy Chiu	Director		
Christen Guddal	Director		
Claus Grønborg	Director	30/11/2021	
Grahaeme Henderson	Director		31/07/2021
Brian Horsburgh	Director	03/09/2021	31/07/2021
Lambros Klaoudatos	Director	30/11/2021	
Keisuke Kobayashi	Director		
Andre Kostelnik	Director	08/04/2021	
Tomoyuki Koyama	Director		
Donald Kurz	Director		
Kevin Mackay	Director		
Mark Martecchini	Director		
Anthony Paulson	Director		
Thomas Pinto	Director		
Sergey Popravko	Director		
Mark Ross	Director		
Alex Staring	Director		
Ryuichi Takebayashi	Director		
Hannes Thiede	Director		
Tommy Thomassen	Director		30/11/2021
Nikolas Tsakos	Director		
Sue Watkins	Director	30/11/2021	
Chao Wu	Director		30/06/2021
Lois Zabrocky	Director		
Mai Jin Zhu	Director		
Christopher Bastis	Alternate Director		
Andreas Bisbas	Alternate Director		
Ida Fredriksson	Alternate Director	30/11/2021	
Prashant Dighe	Alternate Director	08/04/2021	
Haruhisa Fujino	Alternate Director		
Mattias Hedqvist	Alternate Director		
Johan Jåwert	Alternate Director		30/11/2021

Name	Position	Changes during the year ended 20th February, 2022	
		Appointment	Cessation
Yury Malyshev	Alternate Director		
Tetsu Morita	Alternate Director		
Raildo Do Nascimento Junior	Alternate Director		
Kiyoshi Nogami	Alternate Director		
Barbara Pickering	Alternate Director	08/04/2021	
Nicholas Potter	Alternate Director	03/09/2021	31/07/2021
Nikolaus Schues	Alternate Director		
James D Small	Alternate Director		
Jane Sy	Alternate Director		
Roderick White	Alternate Director	30/11/2021	30/11/2021
Duo Xue Zhang	Alternate Director		

Since the year end Mark Martecchini and Abdullah Aldubaikhi resigned as Directors and Jane Sy as Alternate Director on 31 March 2022. Sergey Popravko resigned as a Director and Yury Malyshev as Alternate Director on 27 April 2022.

The Directors due to retire by rotation at the next Annual General Meeting in accordance with the Articles of Association are Jones Barros-Soares, Keisuke Kobayashi, Andre Kostelnik, Donald Kurz, Kevin Mackay, Mark Ross, Lois Zabrocky and Mai Jin Zhu. The retiring Directors are eligible to offer themselves for reappointment.

Disclosure of information to auditor

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

G D COOPER
Secretary
29th June 2022

Directors' Responsibilities Statement
for the year ended 20th February, 2022

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 accounting 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.

Independent Auditor's Report
to the Members of ITOPF Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 20th February 2022 and of its profit 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.

We have audited the financial statements of ITOPF Limited ("the Company") for the year ended 20 February 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 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. 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.

Other Companies Act 2006 reporting

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 has been prepared in accordance with applicable legal requirements.

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 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 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and industry, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax. The Company is also subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery and employment.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue, management bias in accounting estimates and the adoption of inappropriate accounting policies.

Audit procedures performed by the Company engagement team included:

- inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

GARETH M JONES
Senior Statutory Auditor
For and on behalf of BDO LLP, Statutory Auditor
London, UK
16th August, 2022

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, 2022

	Note	2022 £	2021 £
Turnover		6,371,675	5,618,740
Administrative expenses		(6,125,879)	(2,852,642)
Operating profit		245,796	2,766,098
Interest receivable and similar income		-	5,668
Interest payable and similar charges	*5*	(83,977)	(161,040)
Profit before tax		161,819	2,610,726
Taxation		(676)	(1,714)
Profit for the financial year		161,143	2,609,012
Other comprehensive income for the year			
Actuarial gain on the pension scheme	*9*	3,717,424	2,621,096
Total comprehensive income for the year		3,878,567	5,230,108

The notes on pages 24 to 33 form part of these financial statements.

Statement of Financial Position
as at 20th February, 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible fixed assets	6		317,360		290,846
Current assets					
Stocks		8,715		8,473	
Debtors	7	615,827		626,659	
Cash and cash equivalents		3,491,749		3,185,034	
		4,116,291		3,820,166	
Creditors: amounts falling due within one year	8	(937,984)		(790,089)	
Net current assets			3,178,307		3,030,077
Total assets less current liabilities			3,495,667		3,320,923
Pension liability	9		(802,695)		(4,506,518)
Net assets/(liabilities)			2,692,972		(1,185,595)
Capital and reserves					
Profit and loss account			2,692,972		(1,185,595)
Accumulated revenue surplus/(deficit)			2,692,972		(1,185,595)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Erik Hånell
Director
29th June 2022

The notes on pages 24 to 33 form part of these financial statements.

Notes to the Financial Statements
for the year ended 20th February, 2022

1 General information

ITOPF Limited is a private company limited by guarantee, incorporated in the United Kingdom. The address of its registered office is 1 Oliver's Yard, 55 City Road, London, EC1Y 1DT.

Under the Articles 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 2022 there were 8,575 members (2021 – 8,412).

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values have been rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

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 surplus carried forward at the year-end. Cash flows in the first quarter have been strong following the normal pattern and therefore the going concern basis of preparation is considered to be the appropriate basis.

The Directors consider that whilst it is prudent to recognise the ongoing COVID-19 pandemic may still negatively impact the business, this is unlikely to be significant. However whilst not anticipated, it could disrupt operations and adversely impact Members and Associates Gross Tonnage figures, and costs, which the Directors consider to be the key sensitivities related to cash flows required for working capital purposes. The Company has developed and implemented strategic and operational plans to strengthen its resilience, with the key focus on revenues, and cost control.

The Directors have conducted stress tests on the Members and Associate Gross Tonnage and cost assumptions included in the Company's cash projections for a period of at least 12 months from the date of approval of these financial statements. These incorporate a reduction in cash flows of over 15% for the next twelve months. Based on the Company's operations in 2022 and through to the date of approval of these financial statements, the Company has not experienced any significant decline in its trading or financial performance. The Directors consider the aforementioned strategic and operational plans to be reasonable and adequate to allow the Company to generate sufficient working capital and cash flows to continue in operational existence. Whilst these assumptions have been incorporated into the cash projections, the Directors are optimistic that the impact on the Company will not be as severe as this, based on external indicators.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'administrative expenses'.

2.4 Turnover

Turnover includes Members and Associate 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.

2.5 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.7 Pensions

Defined contribution pension plan

The Company commenced operating a defined contribution plan for its employees on 1 April 2021. A defined contribution plan is a pension plan under which the Company pays contributions of between

9–30% into the scheme. Once the contributions have been paid the Company has no further payment obligations.

Defined benefit pension plan
The Company operated a defined benefit plan for employees. This was closed to future accrual on 31 March 2021. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependant upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is different to a defined contribution plan.

The liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in the statement of comprehensive income as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and
b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the statement of comprehensive income as a 'finance expense'.

2.8 Taxation
Tax is recognised in the statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.9 Property, plant and equipment
Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:
Fixtures and fittings: –15.0% per annum on a diminishing balance basis
Computer equipment: –33.3% per annum on a straight line basis

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.10 Revaluation of tangible fixed 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.

2.11 Stocks

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

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.12 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.

2.13 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.

2.14 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.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a Director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

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 9.

4 Employees

The average monthly number of employees, including the Managing Director, during the year was as follows:

	2022	2021
Technical and information staff	22	23
Administration	14	12
	36	35

5 Interest payable and similar charges

	2022 £	2021 £
Net return on pension scheme (note 12)	83,977	161,040

6 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 21st February 2021	494,583	1,077,407	1,571,990
Additions	12,272	197,224	209,496
Disposals	(1,068)	(7,393)	(8,461)
At 20th February 2022	505,787	1,267,238	1,773,025
Depreciation			
At 21st February 2021	357,462	923,682	1,281,144
Charge for the year	21,238	161,744	182,982
Disposals	(1,068)	(7,393)	(8,461)
At 20th February 2022	377,632	1,078,033	1,455,665
Net book value			
At 20th February, 2022	128,155	189,205	317,360
At 20th February, 2021	137,121	153,725	290,846

For insurance purposes, on 21 January 2020, external valuers, Gurr-Johns, revalued ITOPF's Books and Manuscripts at £347,500 (2015: £329,500). This valuation was based on replacement in the retail or second-hand market with items of a similar nature, age, condition and quality and will be performed every 5 years.

7 Debtors

	2022 £	2021 £
Trade debtors	140,852	126,418
Other debtors	122,558	215,942
Prepayments and accrued income	352,417	284,299
	615,827	626,659

8 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	184,490	134,084
Corporation tax	676	1,714
Other taxation and social security	66,301	122,380
Other creditors	426	565
Accruals and deferred income	686,091	531,346
	937,984	790,089

9 Pension commitments

The Company operated a funded defined benefit pension scheme providing benefits based on final pensionable pay during the year. 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 1 January 2020, showed that on an ongoing basis the value of the scheme liabilities was £28,793,000 allowing for projected future earnings increases, and the market value of the scheme's assets was £29,786,000. The market value of the assets represents 103% of the accrued liabilities.

The most recent actuarial valuation of the scheme on FRS 102 assumptions was carried out on 20 February 2022 by an independent actuary. The fair value of the scheme's assets valued as at this date was £36,074,779 (2021 – £33,165,967), 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 £36,877,475 (2021 – £37,672,485), 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 £802,695 (2021 – £4,506,518).

	2022 £	2021 £
Present value of plan liabilities	(802, 695)	(4,506,518)
Net pension scheme liability	(802, 695)	(4,506,518)

The amounts recognised in the statement of comprehensive income are as follows:

	2022 £	2021 £
Current service cost	103,686	1,933,936
Administration costs	2,634	14,749
Past service costs including curtailments	-	(4,262,752)
Interest on the net defined benefit liability	83,977	161,040
Total recognised in the statement of comprehensive income	190,297	(2,153,027)
Actual return on scheme assets – gains	3,349,103	494,852
Less: amounts included in net interest on the net defined benefit liability	(625,965)	(554,045)
Actuarial gains	994,286	2,680,289
Remeasurement gain recognised in other comprehensive income	3,717,424	2,621,096

Reconciliation of fair value of plan liabilities were as follows:

	2022 £	2021 £
Present value of defined benefit obligation at beginning of year	37,672,485	42,266,983
Benefits paid including expenses	(617,166)	(408,083)
Current service costs	103,686	2,007,239
Administration costs	2,634	14,749
Interest cost	709,942	715,085
Remeasurement gains and (losses) – Actuarial gains	994,266	(2,680,289)
Employee contributions	180	19,553
Past service costs including curtailments	-	(4,262,752)
Closing defined benefit obligation	38,866,027	37,672,485

Reconciliation of fair value of plan assets were as follows:

	2022 £	2021 £
Fair value of scheme assets at beginning of year	33,165,966	32,590,857
Interest income	625,965	554,045
Remeasurement gains and (losses)		
– Return on scheme assets excluding interest income	2,723,138	(59,193)
Contributions by employer	176,696	468,787
Employee contributions	180	19,553
Benefits paid including expenses	(617,166)	(408,083)
Fair value of scheme assets at end of year	36,074,779	33,165,966

As part of the closure of the defined benefit pension scheme, the Company agreed to pay an additional £250,000 into the Scheme.

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

	2022 %	2021 %
Discount rate	2.30	1.90
Future salary increases	5.60	5.40
Pension in payment increases - RPI	3.60	3.30
Consumer price index (CPI) inflation		
– pre 2030	2.60	2.40
– post 2030	3.60	3.40
Inflation assumption - RPI	3.60	3.40
Mortality rates		
– for a male aged 65 now	23.4	23.4
– at 65 for a male aged 45 now	24.9	24.9
– for a female aged 65 now	25.0	24.9
– at 65 for a female member aged 45 now	26.6	26.6

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

	2022 %	2021 %
UK Equities-Linked Inflation-Linked Gilts	4.8%	5.7%
Overseas Equities–Linked Inflation–Linked Gilts	26.2%	33.4%
Credit Investment Fund	20.0%	13.8%
Diversified Growth	18.4%	18.5%
Real LDI	14.9%	12.8%
Nominal LDI	4.8%	6.5%
Insured annuities	0.1%	0.1%
Cash	0.2%	0.0%
Other	10.6%	9.2%

10 Commitments under operating leases

At 20th February 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	354,759	354,759
Later than 1 year and not later than 5 years	177,383	532,142
	532,142	886,901

On 6 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 to be the Net Effective Rent which takes into consideration an 11-month rent free discount.

11 Controlling party

The Company does not have a controlling party.

Annual General Meeting

The Annual General Meeting of ITOPF Limited will be held at DL/78, 78 Charlotte Street, London, W1T 4QS on 16th November 2022 at 12.30 pm for the following purposes:

1 To receive the Accounts of the Company for the financial year ended 20th February 2022 and Reports of the Directors and of the Auditors.

2 To appoint Directors.

3 To reappoint the Auditors and to authorise the Directors to fix their remuneration.

By Order of the Board

G D COOPER
Secretary
29th June, 2022

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

Notes:

1 A corporation which is a Member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as a 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 them. A proxy must be a duly authorised representative of a Member.

3 Pleases note that should you wish to attend in person, you are required to register your attendance at companysec@itopf.org by 14th October 2022. Only registered attendees will be guaranteed access to this Meeting.

Printed in the UK on FSC-certified paperstock containing 100% recycled material

ITOPF Limited

1 Oliver's Yard, 55 City Road, London EC1Y 1DT, UK
Registered Office – No. 944863

Tel: +44 (0)20 7566 6999
24hr: +44 (0)20 7566 6998
Email: central@itopf.org
Web: www.itopf.org