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It gives me great pleasure to present my report for the year as part of the overall Trustees' Report. 2015 was a successful year for the Institute. Building on the legacy of being 'Stronger Together' put in place by our outgoing President Dr Dorothy Chan we have continued to make substantive progress under our 5 year strategy of building up Capability and Governance and in doing so put in place a growth agenda that places the Chartered Institute at the forefront of both voice and professional development across our 8 core sectors of activity.

The new brand has continued to unite the Institute in existing and new countries and our specialist initiatives of engaging globally on women's issues in our sectors of activity and young persons groups has delivered both membership growth and exciting programmes of development across both Africa and Asia.

As in previous years we have had changes in our officers both in the centre and across our territories and branches. I was absolutely delighted to welcome Kevin Byrne as President Elect and in taking on the Chairmanship of our International Management Committee (IMC) in its new strategic guise has already contributed to significant progress. In doing so he passed the baton of our Education Committee (IMESC) to Jan Steenberg (IVP UK) and we have a clear global education strategy that our Countries have welcomed and will drive the impact of our charitable and chartered status globally.

It is with sadness that we acknowledge the passing of Mr Fesshaye Girmay President of Ethiopia who passed away suddenly in August. Fesshaye was a delightful man who was always smiling and truly engaged with all the ideals of our Institute, he will be sadly missed. We also had the sad loss of Major Henry Imbula in December, a past President and major driver of creating education opportunities for many in Zambia.

We have individuals whom we gratefully acknowledge their tremendous contributions as they retire from key positions in the Institute. I would like to pay particular tribute to Steve Agg FCILT who retired at the end of 2015 from his role as Chief Executive of the UK. I had the privilege of working with Steve over his full 10 year tenure and he was always a supporter of strengthening the relationships in our International offering. Steve was instrumental in creating with the International team the new global branding that has resulted in a single face of the organization globally. We wish him well in his retirement.

### **Growth and performance**

Membership in the year between June 2014 and June 2015 grew by 6 % globally with the growth being strongest in the UK, Ireland, Nigeria and Malaysia. In 2015, we saw the establishment of a new branch in Ukraine and the elevation to territorial status of CILT China from the first day of the year. We undertook the development of new strategies for India and North America with a re-energized Africa Forum under the leadership of General Umaru Usman from Nigeria. It is essential for the long term sustainability of our Institute that our regional groups support one another and that our main territories support their close neighbouring branches as they develop with both guidance and resources.

We continue to invest in bringing our regional groups more closely together and are targeting partnerships in both Europe and South America that will allow members who are based in those regions or who are developing solutions there to access both professional networking and continuing professional development for themselves and their wider teams.

Overall our growth strategy has worked well in the planned development areas of Young Professionals and Women in Logistics and Transport. Our Young Professionals continue to engage quickly and easily with their peers and their events continue to attract both the younger professional and those who are somewhat more mature in equal measure. The YP committee continues to drive for new ways of making our Institute truly relevant for those under 35 and has a particularly appropriate focus on those just starting out in their career. I would like to recognise the work of both Elliott Price and Emma Ross in developing key relationships globally and it will be good to see our new technology platform joining together our YPs globally in 2016.

Aisha Ibrahim continues to lead Women in Logistics and Transport (WiLAT) in its growth agenda and continuing the amazing successes of 2014 has now formed WiLAT in 16 countries: Gambia, Ghana, Hong Kong, India, Ireland, Malaysia, Mauritius, Middle East, Nigeria, Pakistan, Singapore, South Africa, Sri Lanka, Tanzania, Uganda, and Zambia.

### **Capability**

Building on the work started in 2014 our International Membership Standards Committee issued a complete new set of guidelines at the International Convention in September. These guidelines ensure we have true global consistency in our application of professional standards as this upholds our Chartered status and allows member countries to act with confidence to ensure the leading position we have established in our sectors in nearly 100 years of activity will be maintained for the long term future.

The development of our global educational capability remains a primary focus and our International Education Standards Committee produced a strategy paper for the Convention to consider which was then discussed and built upon before being approved by the IMC and Council of Trustees for distribution.

Following agreement in 2014 to set up a Support Services Committee and consider further how we can support Territories and Branches to enhance their capability through our 'Branch-in-a box' capability strategy we have seen good progress in 2015. The strategy that called for the capability to enable local committees to form branches, deliver our charitable aims and uphold our Charter through the implementation of a standardized and efficient ways of working has been very successful. We are able to offer solutions for Territories and Branches containing membership information, financial process, audit measures and best practices guide. This has been built off a new web based platform which should enable us now to engage in global dialogues in both open and closed groups and allow members globally to access interest groups within and across their fields of expertise. This is an Institute of the 21<sup>st</sup> Century setting a standard for developing their strengths together.

### **2015 Convention**

The annual convention was held between 13 and 17 September in Dubai and for many it marked a real focus for the Institute's activity in the Middle East and a support for the re-launched UAE branch. The convention was attended by over 200 delegates and the convention was supported by the CEO Dubai Trade, Mahmood Al Bastaki and built on the 2014 convention where we had an integrated programme of global expert speakers and Institute activities and the sharing of best practice. For the first time the majority of the organisation was undertaken by the Secretary General Keith Newton with a central supporting team and I would like to thank Keith and the team for delivering with the aid of CILT UAE a really excellent event.

To recognize his contribution to the Institute, the Pegasus Award was given to retiring IVP Robin Dunlop of New Zealand who held the position of IVP for Australasia for 5 years and led the formation of the International Young Professional group as well as actively supporting the development of our International strategy.

The convention also provided the opportunity to present the Young Achiever Award to Isabella Austin from the UK. Certificates were also presented to CILT China a Territory and to CILT Ukraine, the newest Branch.

### **Institute at the Forefront of Policy**

Our Territories and Branches share the Institute's vision to be the first choice professional body for people in supply chain, logistics and transport and we are all working hard to offer better services to members and to advance new ideas for the industry. We have been delighted to see the level of engagement that many Territories and Branches have enjoyed with national governments across the globe. There have been policy initiatives in many countries and both the President and the Secretary General have been asked to contribute to this global debate; this is a true reflection of the standing of the Chartered Institute and something of which members should take pride.

During 2015, combining visits made by the President, President Elect, International Vice Presidents and Secretary General, we have visited members in China, Tanzania, Hong Kong, India, Ireland, Macao, Mauritius, Malaysia, New Zealand, North America, Pakistan, Oman, South Africa, Sri Lanka, the UAE and United Kingdom; we have also made exploratory visits to Cameroon, Thailand, Indonesia and Ethiopia. Our Secretary General also received visitors from Ukraine, Nigeria, Kenya, China, New Zealand, North America, Hong Kong, Pakistan and Mauritius.

**Moving faster, securely, to a new level of capability**

Our Stronger Together strapline has created a new platform for CILT members to focus globally on helping one another to achieve more. In many countries we are the first choice professional body in Supply Chain, Logistics and Transport with both government recognition and high level academic support. With the exciting developments across Logistics and Transport groups for WILAT and YPs as well as our ability to deploy best practice rapidly through our new technologies

The economic challenges globally over the last 5 years have meant that many of the more established economies have looked to global trade sales to continue their own growth. This has brought an exciting era for organisations such as CILT which support standards of excellence that are globally in demand.

We believe CILT is becoming globally more relevant as our education products are sold on 7 continents and our partners continue to develop new markets. We will continue to offer the education products developed by countries, once made available for all International markets and we will start to offer these in multiple languages.

**Looking Forward to 2016 and beyond**

2016 brings an Africa Forum conference held in Mauritius and our International Convention in Montreal in May. We also have our regular China convention to be held in October. All of these feature a 'regional' theme but carry an international speaker panel and are open to delegates across the world.

It is clear now that trade delegations from our representative governments value the connectivity that CILT brings and are starting to become regular attendees at our major regional and international conventions. It is the intention to keep developing both our regional and global offer and our connectivity with senior members, government ministers and key global stakeholders to increase both our reach and the depth of our activity.

The work as President of our Institute carries many privileges and connecting with our global family of 34 countries and representing over 33,000 fellow professionals is a great honour. I am constantly amazed by the level of passion and commitment that our volunteers give to our Institute and we will through these good offices succeed in achieving our goals. As we approach 100 years of activity the need to be vigilant in upholding standards professionally and through our education offering becomes ever more important.

**Paul Brooks  
President**

The trustees present their report and the audited financial statements for the year ended 31 December 2015. The financial statements comply with the Institute's Charter and Bye-laws, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102) which was effective from 1 January 2015.

### **Purpose**

Our Royal Charter states our purpose is to "promote, encourage and co-ordinate the study and advancement of the science and art of transport and logistics in all its forms".

### **Activities**

To achieve our purpose we provide knowledge on a worldwide basis to people entering, working and connected with the logistics and transport professions. Our members work in a number of areas including global supply chains, freight transport, passenger transport, international trade and infrastructure and planning. Their professional activities utilise multiple modes of transport, engage with commercial and public sector organisations and cross international borders. All of them play an important part in the design, implementation, operation and optimisation of networks and services for the time related positioning of resources. Our members gain knowledge by pursuing accredited professional educational programmes that lead, with appropriate management experience, to recognised professional qualifications.

We seek to:

- Supply excellent people throughout their career to our professions
- Share best practice with fellow professionals
- Support lifelong learning with continuing professional development
- Work with accredited educators and trainers to provide learning and practical research
- Promote holistic logistics and transport policy to shape our communities and economies

We do this by:

- Having stimulating meetings, lectures, exhibitions and visits
- Distributing useful information promptly in a variety of formats
- Building an international network and facilitating beneficial links between members
- Encouraging energetic young members
- Celebrating our members' successes

### **Financial Review**

The net expenditure for the year of £39,000 arose mainly from two contributory factors – the trustees' decision to assume responsibility for the annual convention in Dubai and an increased investment in the design and functionality of the CILT website. These two areas of cost were monitored throughout the year and risks assessed at regular stages. The inclusion of the Annual Convention in the results for the year increases both the reported income and costs of charitable activities. The other significant feature of the income and expenditure account is the increased investment in educational development and the improved resourcing of our education systems.

Despite challenging market conditions at certain points in the year, investments maintained income and capital growth in line with the appropriate benchmarks used by the trustees to assess performance.

### **Status and trustees meetings**

The Chartered Institute of Logistics and Transport (CILT) is an incorporated charity governed by its Royal Charter and Bye-laws. It is registered as a charity in England and Wales, registered number 313376. The trustees of CILT, appointed by the Council hold the following offices: President, two UK domiciled Vice Presidents, Honorary Secretary, Honorary Solicitor and Honorary Treasurer. The trustees must meet a minimum of once a year, but in practice meet at least quarterly. The governing documents of CILT are its Royal Charter and Bye-Laws. Changes to these documents require the approval of the Privy Council, subsequent to the agreement of the voting members of CILT. The Royal Charter was granted in 1926. The bye-laws were most recently revised in April 2010.

The supreme governing body of CILT is the Council, known as the **Council of Trustees (CoT)**, which comprises the President, the President-Elect, two International Vice Presidents resident in the UK, the Honorary Treasurer, Honorary Solicitor and Honorary Secretary. The CoT is chaired by the President.

CoT appoints the President and President-elect, each of whom serves a two year term of office and also approves the appointment of the International Vice-Presidents, who ordinarily serve a three year term, which the CoT may agree to extend.

The trustees maintain an up-to-date knowledge of the responsibilities of being a charity trustee and CILT carries indemnity insurance in respect of their role as trustees. CILT's liabilities are limited in the Charter and Bye laws to the level of £1 per member.

#### **Key Management Personnel**

The trustees consider the board of trustees and the senior management team (Secretary-General and Finance Director) comprise the key management personnel of CILT in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees expenses are disclosed in Note 5 to the accounts

#### **International Council**

International Council comprises representatives of the Territorial Organisations (TOs) and International Branches (IBs) established around the world. The International President chairs the International Council. It is the forum for the representatives of all members of CILT to;

- Develop CILT's global strategy
- Establish professional membership and ethical standards
- Establish international standards for professional education and continuing professional development
- Confirmation of the appointments of the Council of Trustees.

It meets once a year at CILT International Convention.

#### **International Management Committee (IMC)**

IMC is charged with implementing the strategy developed by the International Council and ensuring the effective administration of CILT's day-to-day business. IMC comprises the President and President-elect, the International Vice Presidents and the Honorary Officers. The Secretary-General is a non-voting member of IMC. IMC must meet a minimum of twice per year but in practice meets quarterly. IMC is chaired by the President-elect.

#### **International Audit Committee (IAC)**

IAC is charged with the oversight of CILT's activities to ensure they meet the requirements of charity law, financial management best practice and comply with statutory accounting requirements. It is also responsible for the management of CILT's funds and investments. IAC meets a minimum of twice per year in addition to meeting the CILT's auditors. In practice the meetings reflect the cycle of meetings of trustees and IMC. IAC is chaired by the Honorary Treasurer.

#### **The International Secretariat**

The CoT also appoints a Secretary General, who is the senior executive officer of CILT. The Secretary General is charged with managing the affairs of CILT and the Secretariat and is accountable to the CoT.

Significant support is provided by certain territorial organisations, namely;

- CILT(UK) which provides finance, treasury, company secretary, legal and marketing services
- CILT Ireland which administers education activities worldwide.
- CILT Hong Kong which manages the administration of membership worldwide.

The other principal officer is the Director of Finance, who is the Director of Finance of CILT(UK). In this capacity, he reports to the Secretary-General and attends meetings of the IMC and IAC.

### **The International Family**

CILT has members working in more than 100 countries. There are like minded organisations formed by our members in over 30 countries. These are either territorial organisations or branches formally recognised by the Council of Trustees. They are responsible for representing the interests of CILT and its members in the relevant territory.

The delegated powers and responsibilities of the Territorial Organisations are set out in CILT's bye-laws. These organisations are legally and financially independent of CILT. However, the trustees retain the power to withdraw recognition should the conduct of the territorial organisation be in breach of, or inconsistent with, CILT's Royal Charter and Bye-laws.

Institute Branches are established by resolution of the Council of Trustees, which will determine the nature and extent of any delegation of powers on a case-by-case basis, with the Secretary-General having oversight of their activities. Both the Territorial Organisations and CILT Branches may use the word "*Chartered*" in their name and use the international brand and logo of CILT, subject to the Bye-laws.

### **Public Benefit**

In setting the objectives, planning the activities, and reporting on the performance of the charity the trustees have given careful consideration to the Charity Commission guidance on public benefit. Efficient logistics and transport operations have a positive impact on all our communities. Mobility facilitates trade, provides access to services and improves communications. By disseminating knowledge about logistics and transport we have a constructive influence on communities, business and social activities.

We also ensure our members, and the communities we serve, are more aware of the responsibilities our professions bear for the environmental impact of logistics and transport activities and the contribution we can make to sustainable development – maximising efficiency to minimise carbon footprint and costs.

At the end of 2015 there were 3,000 registered students studying CILT International Professional qualifications, short courses, endorsed programmes and other training associated with CILT. In addition, CILT supports Aspire, a careers foundation which provides financial support to those who would otherwise be unable to access professional development education in Logistics and Transport. Aspire is administered as part of CILT(UK).

### **Trustees' Responsibilities Statement**

The trustees are responsible for the preparation of financial statements for each accounting year that give a true and fair view of the state of financial affairs of CILT as of the end of the year, and of the result for the year.

In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that CILT will continue in business.

The trustees consider that they have complied fully with these requirements in preparing the financial statements on pages 12 to 20. The trustees have responsibility for ensuring that CILT keeps accounting records which disclose with reasonable accuracy the financial position of CILT at any time and which enable them to ensure that the financial statements comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The trustees have

general responsibility for taking such steps reasonably open to them to safeguard the assets of CILT and to prevent and detect fraud and other irregularities. The trustees have taken all the necessary steps to make us aware, as trustees, of any relevant audit information and to establish that the auditors are aware of the information.

#### **Risk Management**

CILT's strategic review has produced a plan setting out the major opportunities available to the charity and the risks to which it is exposed. The Trustees monitor progress against the strategic objectives set out in the plan that is reviewed annually. As part of this process, the Trustees have implemented a risk management strategy that comprises:

- A biannual review of the risks which CILT may face;
- The establishment of systems and procedures to mitigate identified risks; and
- The implementation of procedures designed to minimise any potential impact on CILT should any of those risks materialise.

The Trustees consider that their policies are sufficient to manage and provide for CILT if adverse conditions were to occur.

#### **Reserves Policy and Unrestricted Funds**

Unrestricted funds, represented by the General Fund, are those utilised by the trustees without specific conditions imposed upon them except for the imperative that they are used for the furtherance of CILT's charitable objectives. These funds represent the free reserves of the charity. The trustees have considered the appropriate level of free reserves together with the incidence of costs within the General Fund.

The trustees have decided that free reserves will be targeted to fall within an acceptable operating range of a minimum of the equivalent of six month's annual expenditure and a maximum of the equivalent of two years' annual expenditure as disclosed in the latest audited accounts.

The current level of £225,000 falls just outside operating range above but given the nature of exceptional items of expenditure which have fallen within 2015 the trustees consider this level of free reserves to be sufficient for the continuing operations of the charity. The trustees note that the level of free reserves are instantly convertible into cash should the needs of the charity require this, and that annual approved budgets are geared towards operating within the prescribed range.

#### **Website**

The trustees are responsible for the corporate and financial information included on the CILT website.

#### **Endowment Funds**

In November 2002 The Charity Commissioners for England and Wales approved a new endowment fund for CILT. Like its predecessors income from the fund is used in the furtherance of CILT's principal charity objective of education. Further details are set out in Note 10 to the accounts. Investec Wealth and Investment have managed CILT's investments since September 2011.

#### **Investment Power and Policy**

Our Royal Charter or Bye-laws do not restrict CILT's investment powers. We have granted discretionary powers to the investment manager, Investec Wealth and Investment.

The investments are classified as fixed assets and are held to provide income to CILT with medium risk. To achieve this objective the fund manager now holds two diversified portfolios of suitable investments. Changes in the investment portfolio are set out in Note 7 to the accounts.

#### **Auditors**

A resolution to reappoint Mazars LLP as auditors will be proposed at the forthcoming Annual General Meeting.



**Trustees**

The following trustees have served during the year:

Paul Brooks  
Jan Steenberg  
Stephen Rinsler  
Rupert Nichols  
David Pugh  
Kevin Byrne  
Bernard Auton

**Officers**

The following officers have served during the year:

President	Paul Brooks	UK
International VPs	Jan Steenberg	UK
	Bernard Auton	UK
	Robin Dunlop	New Zealand
	Amal Kumarage	Sri Lanka
	David Collenette	Canada
	Becky Loo	Hong Kong
	Radzak Malek	Malaysia
	Ibrahim Jibril	Nigeria
Honorary Solicitor	Rupert Nichols	
Honorary Treasurer	David Pugh	
Honorary Secretary	Stephen Rinsler	
Secretary General	Keith Newton	
Director of Finance	Duncan Snook	

**Advisors**

Auditors	Mazars LLP 90 Victoria Street Bristol, BS1 6DP
Bankers	Barclays Bank plc 8 Market Place, Kettering, Northants
Investment Managers	Investec Wealth and Investment Limited 2 Gresham Street, London
Solicitors	Stone King LLP 16 St John's Lane, London

**Registered office and principal address:**

The Chartered Institute of Logistics and Transport  
Earlstrees Court  
Earlstrees Road  
Corby  
Northants  
NN17 4AX  
United Kingdom

**Membership of Governing Groups**

The membership of the governing group for the forthcoming year is as follows:

<b>Name</b>	<b>Designation</b>	<b>Country</b>	<b>Group(s)</b>
Paul Brooks	President	UK	CoT (Chair), IMC, IAC (non voting)
Kevin Byrne	President Elect	IRL	CoT, IMC (Chair)
David Pugh	Honorary Treasurer	UK	CoT, IMC, IAC (Chair)
Rupert Nichols	Honorary Solicitor	UK	CoT, IMC, IAC
Stephen Rinsler	Honorary Secretary	UK	CoT, IMC, IAC (non voting)
Jan Steenberg	IVP	UK	CoT, IMC
Bernard Auton	IVP	UK	CoT, IMC
Neville Binning	IVP	AUS	IMC
David Collenette	IVP	CAN	IMC
Radzak Malek	IVP	ML	IMC
Becky Loo	IVP	HK	IMC
Ibrahim Jibril	IVP	NIG	IMC
Umaru Usman	IVP	NIG	IMC
Finbarr Cleary	IVP	IRL	IMC
Aisha Ali Ibrahim	WiLAT Convenor	NIG	IMC
Elliot Price	IYP Convenor	AUS	IMC
Monique Kack-North	Growth Ambassador	CAN	IMC (non voting)
Mike Pestereff	Audit Committee	UK	IAC
Graham Harrison	Audit Committee	UK	IAC
Kevin Richardson	UK CEO	UK	IMC (non voting)
Duncan Snook	Director of Finance	UK	IMC, IAC (both non voting)
Keith Newton	Secretary-General	UK	CoT, IMC, IAC (all non voting)

**By order of the trustees**

**Stephen Rinsler  
Secretary to the trustees**

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT  
ANNUAL REPORT AND ACCOUNTS  
YEAR ENDED 31 DECEMBER 2015  
INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT**

**FINAL DRAFT**

We have audited the financial statements of The Chartered Institute of Logistics and Transport for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Charities SORP (FRS 102).

**Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the charity's trustees as a body. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2015 and of its incoming resources and application of resources, 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 Charities Act 2011.

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Mazars LLP  
Chartered Accountants and Statutory Auditor  
90 Victoria Street, Bristol, BS1 6DP

Mazars LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT  
 ANNUAL REPORT AND ACCOUNTS  
 YEAR ENDED 31 DECEMBER 2015  
 STATEMENT OF FINANCIAL ACTIVITIES  
 (including Income and Expenditure Account)

FINAL DRAFT

	Note	Unrestricted Funds 2015	Endowment Funds 2015	Total Funds 2015	Unrestricted Funds 2014	Endowment Funds 2014	Total Funds 2014
<b>Income and endowments from:</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Charitable activities	2	401	-	401	344	-	344
Investments	3	10	13	23	9	12	21
<b>Total</b>		<u>411</u>	<u>13</u>	<u>424</u>	<u>353</u>	<u>12</u>	<u>365</u>
<b>Expenditure on:</b>							
Raising funds	4	2	3	5	2	3	5
Charitable activities	5	454	16	470	341	3	344
<b>Total</b>		<u>456</u>	<u>19</u>	<u>475</u>	<u>343</u>	<u>6</u>	<u>349</u>
Net gains on investments		6	6	12	10	15	25
<b>Net (expenditure)/income</b>		<u>(39)</u>	<u>-</u>	<u>(39)</u>	<u>20</u>	<u>21</u>	<u>41</u>
<b>Reconciliation of funds</b>							
Funds bought forward 1 January 2015		264	508	772	244	487	731
Funds carried forward 31 December 2015		<u>225</u>	<u>508</u>	<u>733</u>	<u>264</u>	<u>508</u>	<u>772</u>

The notes on pages 13 to 20 form part of these accounts.  
 The income relates to continuing activities.

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT  
ANNUAL REPORT AND ACCOUNTS  
YEAR ENDED 31 DECEMBER 2015  
BALANCE SHEET**

**FINAL DRAFT**

	<b>Notes</b>	<b>2015 £000</b>	<b>2014 £000</b>
<b>Fixed assets</b>			
Investments	<b>7</b>	<u>761</u>	<u>754</u>
<b>Current assets</b>			
Debtors	<b>8</b>	43	17
Cash at bank and in hand		<u>9</u>	<u>107</u>
		<u>52</u>	<u>124</u>
<b>Current liabilities</b>			
Creditors falling due within one year	<b>9</b>	(80)	(106)
		<u>(80)</u>	<u>(106)</u>
<b>Total assets less current liabilities</b>		(28)	18
		<u>733</u>	<u>772</u>
Endowment funds	<b>10</b>	508	508
Unrestricted income funds	<b>11</b>	225	264
	<b>12</b>	<u>733</u>	<u>772</u>

The notes on pages 13 to 20 form part of these accounts

Signed on behalf of the trustees on

**Paul Brooks**  
President

**David Pugh**  
Honorary Treasurer

**1. Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the charity's financial statements are as follows:

**Basis of preparation**

The financial statements have been prepared in accordance with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The date of adoption of FRS 102 was 1 January 2014 and it is reflected in the comparative figures.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**Reconciliation with previous Generally Accepted Accounting Practice (GAAP)**

In preparing the financial statements the trustees have considered whether in applying the accounting policies required by the Charities SORP (FRS 102) and FRS 102 for the first time the restatement of comparative items was required. The trustees did not consider that any restatements were required.

In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income is provided with the net income under previous GAAP adjusted for the presentation of investment gains as a component of reported income:

**Reconciliation of reported net income:**

	£000
Net income as previously stated	16
Adjustment for gains on investments now treated as a component of net income	25
2014 net income as restated	<u>41</u>

**Preparation of the financial statements on a going concern basis**

The financial statements have been prepared on the basis that the charity is a going concern. The trustees consider that there are no material uncertainties on the charity's ability to continue its activities for the foreseeable future. They have approved a detailed income and expenditure budget for 2016, the charity has a regular stream of income and its reserves policy means that it will be able to meet its obligations and have sufficient time to mitigate against any unforeseen circumstances.

**Income**

Fees are taken into account when received and fees in advance are carried forward. Other turnover is based on receipts from services invoiced. Interest receivable on funds held on deposit is included when receivable and the amount can be measured reliably. This is normally when the charity is notified of the interest paid.

**Expenditure**

All expenditure is recognised in the Statement of Financial Activities on the accruals basis and has been classified under headings that aggregate all costs related to the category. Cost headings include the irrecoverable VAT attributable to that particular activity.

**Investments**

Investments held as fixed assets are a form of basic financial instrument and are initially recognised at their transaction value and subsequently stated at their fair value at the balance sheet date using the closing quoted market price. Income arising from investments is recognised as it arises and allocated to the appropriate fund on a proportionate basis agreed by the trustees. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year, again allocated to the appropriate fund on a proportionate basis agreed by the trustees. The charity does not acquire options, derivatives or other complex financial instruments.

**Fund accounting**

Unrestricted funds are charitable funds without any specified purpose and can be used in accordance with the charity's objects. The Endowment fund is used for the specific purpose of advancing education in the fields of logistics and transport by the provision of funds for educational purposes.

**Expenditure**

All expenditure is recognised in the Statement of Financial Activities on the accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Costs of generating funds are resources used by the charity to provide membership services, including costs relating to the Director General and Vice Presidents, and other business costs. The apportionment and allocation of costs under governance costs follow recommendations included in the SORP. Cost headings include the irrecoverable VAT attributable to that particular activity.

**Debtors and accrued income**

Debtors and accrued income are recognised where the charity has a reasonable expectation of realising an amount due from a past event where that amount can be measured or estimated reliably. Debtors and accrued income are normally recognised at their realised amount.

**Cash at bank and in hand**

Cash at bank and in hand includes cash and short term bank deposits.

**Foreign currencies**

Foreign currency transactions are translated at an average rate for the day. Assets and liabilities, expressed in foreign currencies, are translated at the rates of exchange prevailing at the balance sheet date. Exchange gains or losses are charged or credited to the Statement of Financial Activities

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

**Financial instruments**

The charity only has financial assets of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Income from Charitable Activities

	Unrestricted Funds 2015	Endowment Funds 2015	Total Funds 2015	Unrestricted Funds 2014	Endowment Funds 2014	Total Funds 2014
	£000	£000	£000	£000	£000	£000
Subscriptions and fees	99	-	99	84	-	84
Education	227	-	227	260	-	260
Annual convention	75	-	75	-	-	-
	<u>401</u>	<u>-</u>	<u>401</u>	<u>344</u>	<u>-</u>	<u>344</u>

Income generated from subscriptions and activities with territorial organisations and branches, are accounted for in the United Kingdom and receivable in sterling. The Annual Convention was organised centrally for the first time due to operational issues in the original host country. From 2016 onwards the organising of the convention, and financial responsibility thereof, reverts to the territory that has successfully applied to host the event.

3. Income from Investments

	Unrestricted Funds 2015	Endowment Funds 2015	Total Funds 2015	Unrestricted Funds 2014	Endowment Funds 2014	Total Funds 2014
	£000	£000	£000	£000	£000	£000
Income from managed portfolio	<u>10</u>	<u>13</u>	<u>23</u>	<u>9</u>	<u>12</u>	<u>21</u>

The investment portfolio is managed by Investec Wealth and Investment Limited. Details of the valuation, asset allocation and the analysis between unrestricted funds and endowment funds are contained within note 7.

4. Cost of Raising Funds

	Unrestricted Funds 2015	Endowment Funds 2015	Total Funds 2015	Unrestricted Funds 2014	Endowment Funds 2014	Total Funds 2014
	£000	£000	£000	£000	£000	£000
Investment management fees	<u>2</u>	<u>3</u>	<u>5</u>	<u>2</u>	<u>3</u>	<u>5</u>



5. Cost of Charitable Activities

	Unrestricted Funds 2015	Endowment Funds 2015	Total Funds 2015	Unrestricted Funds 2014	Endowment Funds 2014	Total Funds 2014
	£000	£000	£000	£000	£000	£000
<b>Membership and fees:</b>						
Secretariat and member administration	95	-	95	86	-	96
Presidential and VP activity	16	-	16	20	-	20
<b>Education:</b>						
Moderation fees	33	-	33	29	-	29
Accreditation and examination	24	-	24	24	-	24
Development	121	-	121	110	-	110
Awards	-	16	16	-	3	3
<b>Annual convention:</b>						
Operating costs	84	-	84	-	-	-
<b>Governance:</b>						
Communications and website	31	-	31	24	-	24
Audit	4	-	4	4	-	4
Secretarial support	28	-	28	21	-	21
Finance, governance and marketing support	9	-	9	9	-	9
Governance support to territories and branches	9	-	9	14	-	14
	<u>454</u>	<u>16</u>	<u>470</u>	<u>341</u>	<u>3</u>	<u>344</u>

A total of £8,994 (2014: £22,606) in expenses was reimbursed to 4 trustees (2014: 6) for travel and subsistence for governance and development activities. None of the trustees received any remuneration in the year (2014: none). The trustees are considered to be key management personnel.

Included within resources expended are costs in respect of services from CILT UK, CILT Hong Kong and CILT Ireland totalling £40,216 (2014: £41,070).

CILT does not employ staff, but does enter into contracts with individuals for Secretary-General services, Professional Development services and Secretarial Support services. Included within resources expended are fees and expenses in respect of these contracts totalling £201,493 (2014: £161,109). The Secretary-General is considered to be key management personnel.

6. Taxation

CILT is a charity and as such is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes.

7. Investments

	Quoted Investments	Short term deposits	2015	2014
Cost or valuation:	£000	£000	£000	£000
At 1 January 2015	751	3	754	734
Additions	131	10	141	129
Disposals	(173)	-	(173)	(133)
Management Charges	-	(5)	(5)	(5)
Net investment gains	44	-	44	29
<b>At 31 December 2015</b>	<b>753</b>	<b>8</b>	<b>761</b>	<b>754</b>
<b>Historical cost at 31 December 2015</b>	<b>607</b>	<b>8</b>	<b>615</b>	<b>609</b>

The segregated funds are managed on a discretionary basis and are held to provide an income and capital investment return for CILT. The asset allocation of the portfolio at 31 December 2014 was:-

	£000	
UK Equities	377	(50%)
Fixed Interest	130	(17%)
Overseas Equities	166	(22%)
Property	54	(7%)
Infrastructure	26	(3%)
Cash	8	(1%)

All the investments were quoted on recognised stock exchanges. At 31 December 2015 there were 7 investments each of which exceeded 5% of the portfolio value. They were:-

Threadneedle Investment UK Equity  
 Capita Financial Lindsell Train UK Equity  
 Invesco Fund Managers IP Income  
 Artemis Fund Managers Income  
 Jupiter UT Managers UK Special Situations  
 M and G Investment Management Recovery Sterling Income  
 Vanguard Funds S and P

The fund manager has consolidated the General and Endowment Funds. Thus providing total investment funds which allows individual investments at a level which improves the opportunity to maximise individual investment choices whilst reducing overall transaction costs. The financial integrity of General and Endowment funds has been maintained by setting a mechanism for the dividing the value of investments based of the respective value of portfolios. This was last set in January 2013. At this time Endowment Funds represented 59% of total investments and General Funds 41%. These percentages have also been used to determine the apportionment of Investment Income as well as losses and gains. The investments attributed to the individual funds are as follows:

	2015 £000	2014 £000
General Fund	312	309
Endowment Fund	449	445
Total at 31 December 2014	761	754

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NOTES TO THE ACCOUNTS (continued)**

**FINAL DRAFT**

**8. Debtors**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Accrued income	43	13
Prepayments	-	4
	<u><b>43</b></u>	<u><b>17</b></u>

**9. Creditors: Amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Other	66	65
Accruals	14	41
	<u><b>80</b></u>	<u><b>106</b></u>

**10. Endowment Fund**

The movements during the year were:

	<b>£000</b>
Balance at 1 January 2015	508
Statement of Financial Activities	-
	<u><b>508</b></u>

On 5 November 2002 The Charity Commissioners for England and Wales approved a new endowment fund for CILT, the Education and Endowment Fund. The object of the fund is to advance education in the field of transport and logistics by the provision of scholarships and prizes, lectures, libraries and such other educational facilities and activities as shall be considered appropriate by the trustees.

The fund was established to give CILT more flexibility in the use of the resources available from endowments, both past and present, while continuing to respect the wishes of past donors. It is managed by CILT's trustees and the Audit and Finance Committee which in turn is advised on awards and prizes by a specialist sub-committee.

**11. Unrestricted income funds**

The movements during the year were as follows:

	<b>£000</b>
Balance at 1 January 2015	264
Statement of Financial Activities	(39)
	<u><b>225</b></u>

12. Analysis of net assets between funds

	Unrestricted Funds General £000	Restricted Funds Endowment £000	Total Funds £000
Investments	312	449	761
Net liabilities	(87)	59	(28)
<b>Net assets at 31 December 2015</b>	<b>225</b>	<b>508</b>	<b>733</b>

13. Collaboration with territorial organisations

CILT holds the Royal Charter and has worldwide membership through a number of territorial organisations and branches of more than 30,000 professionals and students connected with the logistics and transport industries. Set out below are the territorial organisations which provided specific administrative duties on behalf of CILT in the year to 31 December 2015.

	2015 £000	2014 £000
CILT UK (finance, governance and marketing)	9	9
CILT Ireland (education)	27	28
CILT Hong Kong (membership)	4	4
	<b>40</b>	<b>41</b>