

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
ANNUAL REPORT AND ACCOUNTS
9 MONTHS ENDED 30 SEPTEMBER 2018

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PRESIDENT'S REPORT

It has been a privilege and a great pleasure to complete a second year as the President of our great Institute. May I thank all those who supported me in my various travels and taskings over this period. It was very gratifying. It has been my sincere aspiration that I might leave the Institute in a very slightly better condition than when I first took up office; only time will reveal the veracity of this entreaty!

As we rapidly approach the year of our Centenary, 2019, we can feel justified that the institute remains very much fit for purpose and continues to add value for members, be they individual or, in some places, corporate members. Of course, I have said repeatedly that we must answer the needs and expectations of our current and potential members and remain relevant to all of them at all stages of their careers. In essence, we are their partners for life.

I am especially heartened with the progress and success of our WILAT and Next Generation forums and to that end, the Trustees have gone to some length to assist by promulgating forum protocols and guidance documents and it behoves all of us to become familiar with them. They have been written in the best interests of our future development and with succession planning in mind. It is right and proper that both groups are in a position to make a worthwhile contribution to their national councils by serving as council members.

In this fast-moving world there is no business more open to transformation than the profession of logistics in all its manifestations, we sit still at our peril. We can look back with pride on a century of solid service and education within our industry but already we are planning for the challenges that will face us in our second century. A vibrant membership is vital to our very existence and we must take on board the successful practices of those regions which succeed in growing membership year on year.

As we enter 2019 it is already apparent that all countries within our family are embracing the Centenary with enthusiasm and that national celebratory events will be held in all corners during the year. The highlight will be, without doubt, the International Convention in Manchester in June and a maximum effort turnout is highly likely from all parts of the world and this is to be encouraged.

In a very real sense, 2018 has been a very busy year in its own right: we had a successful African Forum in Abuja in March with 350 delegates, we held our annual convention in Wroclaw, Poland for the first time and later we had the colourful Malaysian Convocation, followed by the 5th Logistics Conference in Changsha in China. During the June Convention it was a great pleasure to welcome Poland into our large family, as the 35th member.

In addition to attending these listed events, I had the pleasure of attending WILAT events in Sri Lanka and Hong Kong, another conference in Khorgos on the Kazakhstan-Chinese border, not forgetting the awards dinner in Christchurch, New Zealand. I even had the opportunity to drop in and see the Australian IVP on a stopover in Perth. During my time in office I wanted to meet as many of the members as possible and, with some good very fortune, for the most part managed to do just that.

Behind the scenes of the Institute, as it were, is the permanent personnel lead by the Secretary General, Keith Newton, who all deserve our great esteem. Their unswerving dedication to the operation of the Institute is invaluable. As a team, the work done is remarkable and incredibly diverse in nature. What is significant is that the staff are all part-timers and yet the service they give is seamless and continuous and of the highest order. Outsiders are amazed that this is the situation and that so much of the success of our Institute is made possible through the myriad volunteers in all parts of the world.

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PRESIDENT'S REPORT (continued)

For me it has been a great privilege and pleasure to wear the presidential Chain of Office in so many places and I shall look back on the period with great fondness, having renewed so many old friendships and made so many new friends also. My successor as President, Sir Peter Hendy, will have a busy time and I wish him well during the year; he will be ably supported for 2019 by Dato Ts Radzak Malek, the President Elect who will take office during 2020. The future is unwritten, and the thought of the unknown can be daunting, but I have every confidence in the future leadership and direction of our great Institute as we embrace the next 100 years. The future is ours.

Kevin Byrne
President

CILT International
Chartered Institute of Logistics and Transport

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TRUSTEES' REPORT

The trustees present their report and the audited financial statements for the 9 months period ended 30 September 2018.

The financial statements comply with the Institute's Charter and Byelaws, 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 2016.

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 position for the period was a small unrestricted fund net contribution before investment gains of £5k (2017 deficit £14k). The organisation has a total of £225k (£216k) of unrestricted funds, which is within the reserves policy target.

Educational income for the 9-month period to the end of September was £285k which is a slight increase on 2017 when pro-rated for the year to £380k (2017 - £368k) from which a contribution of £55k (9 months) – pro-rated £73k was derived (2017 - £88k). However, the combination of the move of the financial processes from CILT Ireland to CILT UK in June 2018, giving a slower collection of debt initially, and the change in the year-end resulted in a lower net income in August & September that was expected to be recovered in the first quarter of the new financial year. Education income continues to grow at the 3% level per annum. Subscription and fees income slightly decreased to £117k (£118k) - the bulk of subscriptions are collected in the first 6 months of each financial year. Governance costs were £71k compared to the full year in 2017 of £123k. Secretarial, presidential and VP costs £95k (2017 - £106k) as more investment was made in development support for education and branches in India and Africa. More administrative and marketing support was brought in as workloads centrally increased.

Investment returns were in line with the benchmarks set for the investment strategy.

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TRUSTEES' REPORT (continued)

Achievements, measures of success & plans & strategies

During the year the Trustees met to consider plans for the centenary year and began to build a strategy entitled "2019 and Beyond". This reflects on the risks facing the organisation as a membership organisation in the coming years and how the value of membership is changing and being challenged in many countries. It also began to review the opportunities for the organisation in becoming relevant to a wider, diverse membership and developing its education products on a global scale. Governance documents for Forums, such as the Young Professionals and Women in Logistics and Transport, were completed to align and guide management at a branch, regional & global level.

Membership numbers increased slightly driven principally again by Sri Lanka (40% membership growth), Nigeria (11% growth) and Malaysia (8% growth) but in many countries fell back or stayed the same. Ireland and the UK particularly saw membership decline in tough markets. Financial targets were met or exceeded with education income again increasing. Our initiative in Central Asia and China saw increased activity and profile in Kazakhstan and China with a joint CILT conference in Khorgos on the border between the two countries in early September 2018.

In June, we successfully held our International Convention in Poland with over 200 delegates and excellent organisation by our hosts, CILT Poland. CILT Poland has been in existence operating as part of CILT (UK) but was accepted as a functioning branch at the convention. In operating, it continues to manage its membership & membership services through CILT (UK), a new model for potential new branches that enables efficiency and shared services.

Status and trustees' meeting

The Chartered Institute of Logistics and Transport (CILT) is an incorporated charity governed by its Royal Charter and Byelaws. 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 Byelaws. 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 byelaws 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 President chairs the CoT.

CoT appoints the President and President-elect, each of whom serves a two-year term of office and 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 Byelaws 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. The remuneration for the Secretary General is set at the annual budget review and agreed by both the IAC and IMC. Remuneration rates remained at previous year's levels. All trustees give of their time freely and no trustee received remuneration in the year.

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TRUSTEES' REPORT (continued)

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. The President-elect chairs IMC.

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. The Honorary Treasurer chairs IAC.

International Education Sub Committee (IESC)

The IESC is the governing body for education internationally ensuring the aims and objectives of the organisation in creating programmes and materials to deliver training and education in logistics and transport in global markets. It is responsible for setting standards on education including ensuring accreditation, moderation, examination and certification standards meeting defined & appropriate quality standards. A Trustee chairs the IESC and this currently is Jan Steenberg.

International Membership Sub Committee (IMSC)

The IMSC is the governing body for membership standards internationally. It ensures that membership standards are defined and adhered to globally. Individual membership questions on interpretation and on adherence to standards can be referred to the IMSC. The Membership Guidelines document is the reference document for the organisation.

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 and legal services
- CILT Ireland, which administered education finance activities worldwide until June 2018 when it transferred to CILT (UK).
- 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.

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TRUSTEES' REPORT (continued)

The International Family

CILT has members working in more than 100 countries. There are like-minded organisations formed by our members in 35 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 byelaws. 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 Byelaws.

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 Byelaws.

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 September 2018 there were 2,500 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 that 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 13 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 2016) (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.

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TRUSTEES' REPORT (continued)

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.

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 year-end general fund balance is £225k, which represents > 6 months of the budgeted 2018 annual expenditure, and the trustees consider this level of reserves to be sufficient for the continuing operations of the charity. The trustees note that over 90% of the investments held can be realised into liquid funds within 24 hours.

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 Byelaws 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:

Kevin Byrne
Alan Jones
Rupert Nichols
David Pugh
Stephen Rinsler
Jan Steenberg

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TRUSTEES' REPORT (continued)

Officers

The following officers have served during the year:

President	Kevin Byrne	Ireland
Chair of IMC & IVP	Radzak Malek	Malaysia
International VPs	Jan Steenberg	UK
	Alan Jones	UK
	Neville Binning	Australia
	Romesh David	Sri Lanka
	Gilles Legault	Canada
	Sunny Ho	Hong Kong
	Francis Ehiguese	Nigeria
	Finbarr Cleary	Ireland
	Teete Owusu	Chair Africa Forum
Honorary Solicitor	Rupert Nichols	
Honorary Treasurer	David Pugh	
Honorary Secretary	Stephen Rinsler	
Secretary General	Keith Newton	
Director of Finance	Andrew Weatherill	

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

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TRUSTEES' REPORT (continued)

Membership of Governing Groups

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

Name	Designation	Country	Group(s)
Sir Peter Hendy	President	UK	CoT (Chair), IMC, IAC (non-voting)
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
Alan Jones	IVP	UK	CoT, IMC
Romesh David	IVP	SL	IMC
Gilles Legault	IVP	NA	IMC
Sunny Ho	IVP	HK	IMC
Neville Binning	IVP	AUS	IMC
Radzak Malek	President Elect, Chair IMC	ML	IMC
Francis Ehiguese	IVP	NIG	IMC
Teete Owusu	Chair Africa Forum	GHANA	IMC
Finbarr Cleary	IVP	IRL	IMC
Aisha Ali Ibrahim	WiLAT Convenor	NIG	IMC
Elliot Price	IYP Convenor	AUS	IMC
Mike Pestereff	Audit Committee	UK	IAC
Graham Harrison	Audit Committee	UK	IAC
Harriet Leung	HK Executive Manager	HK	IMC (non-voting)
Kevin Richardson	UK CEO	UK	IMC (non-voting)
Abi Sofian	Malaysia SG	Malaysia	IMC (non-voting)
Andrew Weatherill	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
 xx XXXXXXX 2019

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**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT**

Opinion

We have audited the financial statements of The Chartered Institute of Logistics and Transport (the 'charity') for the period ended 30 September 2018 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2018 and of its income and expenditure for the period 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustee's 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 we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT (continued)

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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.

Signed:

Mazars LLP Chartered Accountants and Statutory Auditor

90 Victoria Street

Bristol

BS1 6DP

Date:

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STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)

	Note	Unrestricted Funds 2018	Endowment Funds 2018	Total Funds 2018	Unrestricted Funds 2017	Endowment Funds 2017	Total Funds 2017
Income and endowments from:		£000	£000	£000	£000	£000	£000
Charitable activities	2	402	-	402	487	-	487
Investments	3	7	10	16	10	14	24
Total income		409	9	418	497	14	511
Expenditure on:							
Raising funds	4	2	2	4	2	4	6
Charitable activities	5	402	19	421	509	12	520
Total expenditure		404	21	425	511	16	526
Net Contribution / (deficit)		5	(11)	(6)	(14)	(2)	(15)
Net gains on investments		4	6	10	21	30	51
Net (expenditure)/income		9	(5)	4	7	28	36
Reconciliation of funds							
Funds brought forward 1 January 2018		216	560	776	209	532	741
Funds carried forward 30 September 2018		225	555	780	216	560	776

The notes on pages 15 to 20 form part of these accounts.
The income relates to continuing activities.

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BALANCE SHEET

	Notes	2018 £000	2017 £000
Fixed assets			
Investments	7	<u>812</u>	<u>806</u>
Current assets			
Debtors	8	31	8
Cash at bank and in hand		<u>2</u>	<u>47</u>
		<u>33</u>	<u>55</u>
Current liabilities			
Creditors falling due within one year	9	(65)	(85)
		<u>(65)</u>	<u>(85)</u>
Current assets less current liabilities		(32)	(30)
Total assets less current liabilities		<u>780</u>	<u>776</u>
Endowment funds	10	555	560
Unrestricted income funds	11	225	216
	12	<u>780</u>	<u>776</u>

The notes on pages 15 to 20 form part of these accounts

Signed on behalf of the trustees on xx Xxxxxx 2019

Stephen Rinsler
Honorary Secretary

David Pugh
Honorary Treasurer

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
ANNUAL REPORT AND ACCOUNTS
9 MONTHS ENDED 30 SEPTEMBER 2018

NOTES TO THE ACCOUNTS

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 2016) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

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 2018, 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 any irrecoverable VAT attributable to that particular activity.

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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 2018	Endowment Funds 2018	Total Funds 2018	Unrestricted Funds 2017	Endowment Funds 2017	Total Funds 2017
	£000	£000	£000	£000	£000	£000
Subscriptions and fees	117	-	117	118	-	118
Education	285	-	285	368	-	368
Annual convention	0	-	0	1	-	1
	<u>402</u>	<u>-</u>	<u>402</u>	<u>487</u>	<u>-</u>	<u>487</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 2017 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 2018	Endowment Funds 2018	Total Funds 2018	Unrestricted Funds 2017	Endowment Funds 2017	Total Funds 2017
	£000	£000	£000	£000	£000	£000
Income from managed portfolio	<u>7</u>	<u>9</u>	<u>16</u>	<u>10</u>	<u>14</u>	<u>24</u>

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NOTES TO THE ACCOUNTS (continued)

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 2018	Endowment Funds 2018	Total Funds 2018	Unrestricted Funds 2017	Endowment Funds 2017	Total Funds 2017
	£000	£000	£000	£000	£000	£000
Investment management fees	2	2	4	2	4	6

5. Cost of Charitable Activities

	Unrestricted Funds 2018	Endowment Funds 2018	Total Funds 2018	Unrestricted Funds 2017	Endowment Funds 2017	Total Funds 2017
	£000	£000	£000	£000	£000	£000
Membership and fees:						
Secretariat and member administration	60	-	60	81	-	81
Presidential and VP activity	35	-	35	25	-	25
Total:	95	-	95	106	-	106
Education:						
Moderation fees	56	-	56	56	-	55
Accreditation and examination	63	-	63	88	-	88
Development	111	-	111	136	-	136
Awards		19	19		12	12
Total:	230	19	249	280	12	292
Annual convention:						
Operating costs	6	-	6	0	-	0
Total:	6	-	6	0	-	0
Governance:						
Communications and website	25	-	25	66	-	66
Audit	8	-	8	5	-	5
Secretarial support	34	-	34	42	-	42
Finance, governance and marketing support	3	-	3	9	-	9
Governance support to territories and branches	1	-	1	1	-	1
Total:	71	-	71	123	-	123
	402	19	421	509	12	521

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NOTES TO THE ACCOUNTS (continued)

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 £160,305 (2017: £224,020).

6. Key Management Personnel

There were 6 individuals considered to be key management personnel during the year (2017: 6) and these include the trustees and senior management team (Secretary General and Finance Director). Total remuneration to key management personnel during the year was £47,790 (2017: £63,855).

7. Investments

	2018	2017
Cost or valuation:	£000	£000
At 1 January 2018	806	836
Additions	110	81
Disposals	(101)	(164)
Management Charges	(4)	(6)
Net investment gains	1	59
At 31 December 2018	812	806
Historical cost at 31 December 2018	598	596

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 30 September 2018 was:-

	£000	
UK Equities	374	(46%)
Fixed Interest	128	(16%)
Overseas Equities	212	(26%)
Property	42	(5%)
Infrastructure	41	(5%)
Cash	15	(2%)

All the investments were quoted on recognised stock exchanges. At 30 September 2018 there were 7 investments each of which exceeded 5% of the portfolio value. They were:

Threadneedle Inves UK Equity Income Z GBP Dis	7.71%
Jupiter UT Mngrs UK Special Situations I Inc	7.34%
Vanguard Funds Plc S&P 500 Ucits Etf Inc GBP	7.26%
Artemis Fd Mngrs Income Institutional Inc	7.18%
Link Fund Sol Ltd LF Lindsell Train UK Eqty	5.26%
Quilter Invest Ltd Merian UK Alpha U1 GBP Dis	5.17%
Ishares Core FTSE 100 Ucits Etf GBP	5.02%

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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 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:

	2018	2017
	£000	£000
General Fund	333	330
Endowment Fund	479	476
Total at 30 September 2018	<u>812</u>	<u>806</u>

8. Debtors

	2018	2017
	£000	£000
Accrued income	6	8
Prepayments	25	0
	<u>31</u>	<u>8</u>

9. Creditors: Amounts falling due within one year

	2018	2017
	£000	£000
Trade Creditors	22	33
Accruals	43	52
	<u>65</u>	<u>85</u>

10. Funds

Funds	Balance bf	Income	Expenditure	Gains & Losses	Balance cf
	£000	£000	£000	£000	£000
Unrestricted	216	409	(404)	4	225
Endowment	560	10	(21)	6	555
Total	<u>776</u>	<u>419</u>	<u>(425)</u>	<u>10</u>	<u>780</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.

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NOTES TO THE ACCOUNTS (continued)

11. Analysis of net assets between funds

	Unrestricted Funds General £000	Restricted Funds Endowment £000	Total Funds £000
Investments	333	479	812
Net (liabilities)/assets	(108)	76	(32)
Net assets at 31 December 2018	225	555	780

12. Related Party Transactions

Within resources expended is a total of £7,416 (2017: £8,971) of expenses reimbursed to 5 trustees (2017: 5) for travel & subsistence for governance and development activities. None of the trustees received any remuneration during the year (2017: none).

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 have provided specific administrative duties on behalf of CILT in the period ended 30 September 2018. These amounts are included within resources expended.

	2018 £000	2017 £000
CILT UK (finance, governance, licence)	56	9
CILT Ireland (education)	13	26
CILT Hong Kong (membership)	3	4
	72	39

Included within creditors, are the following amounts owed at the year-end in relation to these services:

	2018 £000	2017 £000
CILT UK (finance and governance)	-	1
CILT Ireland (education)	-	13
CILT Hong Kong (membership)	-	-
	-	14

13. 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.