PROMOTING EFFECTIVE
SPILL RESPONSE

REVIEW

INCORPORATING 2020 DIRECTORS' REPORT AND ACCOUNTS

2020

Front cover: Surveying oiled mangroves, Colombia

Contents

Chairman's Statement

ITOPF's new Chairman Erik Hånell, President & CEO of Stena Bulk

Risk managers describe a 'grey swan' as a "potentially very significant event that is considered unlikely to happen but still possible. Because there is a slight chance the event will occur it should be anticipated, particularly as it could shake up the world, economy, and stock market". I certainly did not expect to be writing my first statement as ITOPF's new Chairman reflecting on a world in the throes of the COVID-19 pandemic. This pandemic will be a game-changer and only time will tell how long the effects of this particular 'grey swan' will last.

Undoubtedly, those businesses that anticipated potential disruptions and had Business Continuity Plans in place will be best placed to manage the effects of COVID-19 on their business. There will also be important lessons to be learned, lessons that will improve preparedness for such events in the future. Parallels can be drawn with the work that ITOPF does to improve preparedness for accidental spills of oil or chemicals from ships. As highlighted in this publication, the team invests considerable time and effort promoting effective spill response and assisting countries around the world with their contingency planning. The shipping industry and governments strive to reduce the occurrence of spills, and ITOPF's statistics showing the sustained reduction in oil spills from tankers are testimony to this work. That said, maintaining a readiness to respond to the unexpected is important to ensure that scientific expertise and clean-up resources are available quickly in order to protect the marine environment.

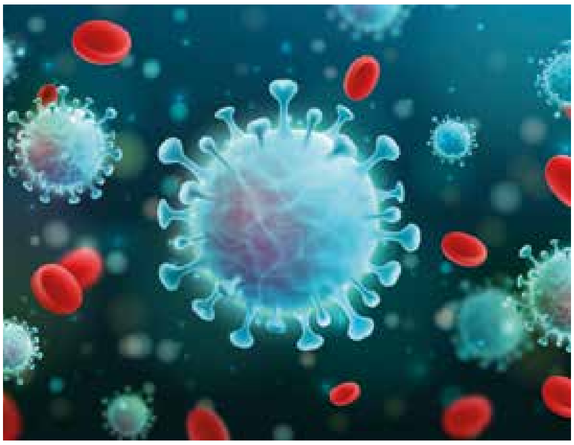
Technical Services

Spill Response

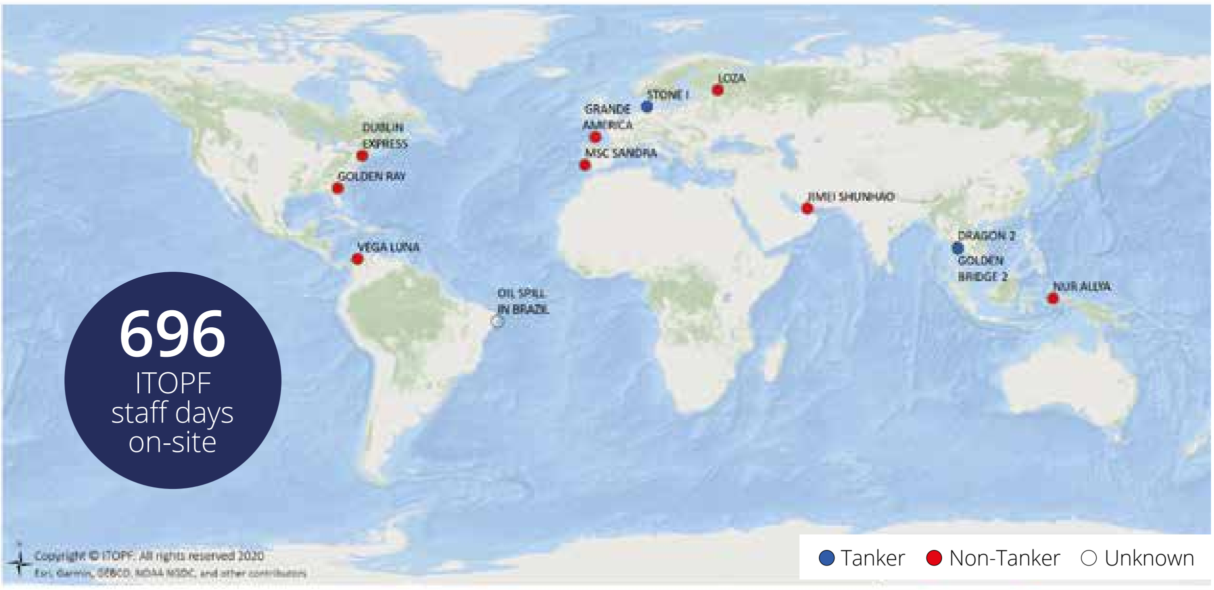
The number of incidents attended by the team in this reporting period is 12 and includes one significant incident where the source of the oil is, as yet, unknown. Three of the incidents (the latest three) involved tankers, two of which were less than 500 GT. With the exception of the unattributable spill, all the others originated from non-tankers, predominantly from bulk carriers and container ships. Two of the tanker incidents resulted in spills of various grades of low sulphur fuel oils being carried as cargo. Interestingly, the characteristics of these oils when spilled were not markedly different from their high sulphur derivatives.

The geographical spread of incidents is fairly wide and includes four in the Americas, three in the Far East, and three in Europe. Whilst the number of incidents attended and days on site is lower when compared with the same reporting period last year, the number of days on site is still in the top five since the year 2000, at 696. In fact, in April alone, ten members of the team spent 117 days on site assisting in connection with five separate incidents. This reinforces the fact that the size of a spill is not always a good indication of the complexity of issues that the team is often faced with; much depends on the location and political issues at play.

As predicted at the close of the last financial year, SOLOMON TRADER turned out to be an incident requiring significant ITOPF involvement, with almost 20% of the days spent on site during 2019 attributable to this incident. The primary reason for this was the remoteness of the oil spill, in the Solomon Islands. The challenges associated



COVID-19 pandemic will be a 'game changer'



Location of new incidents attended by ITOPF in the 12 months to 20th February, 2020

with logistics, communications and cultural issues certainly tested the resourcefulness of ITOPF's Technical Advisers and demonstrated the importance of having agreements to facilitate co-operation during response to such incidents. This case also provided an opportunity to strengthen the relationship with one of ITOPF's non-IG P&I insurers; in particular, to demonstrate the value of ITOPF's role as provider of objective technical advice to both government and industry partners.

GRANDE AMERICA has proved to be an interesting case. As a result of fire, this container/Ro-Ro vessel sank in the Bay of Biscay in March 2019, at a depth of more than 4,600m, spilling a significant proportion of the 2,500 MT of oils on board. Strong relationships that ITOPF had established with the French authorities over the years facilitated free flow of information and enabled ITOPF to support the authorities with fate and trajectory modelling, and technical advice. The area was monitored for signs of oil for several months, but it wasn't until February of this year that oil from GRANDE AMERICA was confirmed to be coming ashore in Loire-Atlantique and ITOPF returned to site to support the response.

An excellent example of the value of ITOPF's investment in training and education was afforded by an opportunity to assist the Brazilian

Pressure washing an oiled shoreline, USA

Cleaning an oiled hull, Colombia

INCIDENTS ATTENDED ON-SITE BY ITOPF STAFF IN THE 12 MONTHS TO 20TH FEBRUARY, 2020

Date of incident	Name of ship	Size (GT)	Location	Product Spilt
12/03/2019	GRANDE AMERICA	56,642	FRANCE	BUNKER
26/03/2019	DUBLIN EXPRESS	46,009	USA	BUNKER
04/04/2019	MSC SANDRA	43,575	PORTUGAL	BUNKER
19/06/2019	LOZA	21,934	RUSSIA	BUNKER
21/08/2019	NUR ALLYA	30,089	INDONESIA	BUNKER
30/08/2019	VEGA LUNA	9,940	COLOMBIA	BUNKER
01/09/2019	BRAZIL MYSTERY SPILL		BRAZIL	UNKNOWN
08/09/2019	GOLDEN RAY	71,178	USA	BUNKER
28/10/2019	JIMEI SHUNHAO	58,098	UAE	BUNKER
21/11/2019	DRAGON 2*	334	THAILAND	FUEL (CARGO)
03/12/2019	GOLDEN BRIDGE 2*	98	THAILAND	FUEL (CARGO)
04/01/2020	STONE I*	23,248	DENMARK	FUEL (CARGO)

** Tank vessel*

authorities in their response to a serious incident from an unattributable source from September until the beginning of this year. The request for ITOPF's attendance came directly from the national environmental authority (IBAMA), after several years of relationship building. In ITOPF's 2016-20 Strategic Plan, Brazil was identified as a priority country, recognising that assistance with the establishment of good practices in relation to preparedness, response and compensation matters would be highly beneficial. Oil began coming ashore in the north-eastern states of Brazil in September, whilst ITOPF staff were in Brazil providing training. ITOPF was invited to join the multi-agency body established to manage large-scale environmental disasters (Grupo de Avaliação e Acompanhamento) and, in this role, helped to determine the scope and severity of the pollution and offered advice on the best methods for clean-up. Oil eventually stranded along at least 3,500km of coastline, making this incident the largest oil spill experienced in Brazil to date. Despite several attempts to hind-cast the oil trajectory, and the analysis of numerous samples, the source remains a mystery.

ITOPF would not normally attend unattributable incidents. However, in circumstances where the team's technical experience and objectivity can be provided for the 'greater good', shipowners and their insurers fully support their attendance without the need to seek reimbursement of costs. In total, the team spent over 100 days on site during 2019. A letter of thanks was received from the Admiral of the Brazilian Navy in which he noted that 'mere mention of ITOPF instilled credibility'; the Brazilian delegation to the IMO Pollution Prevention & Response Sub-Committee (PPR) gave a presentation in February 2020 in which they also gratefully acknowledged the support of ITOPF.

In addition to the cases listed in the table above, the team has provided technical support from the office in London in relation to a further 21 incidents, almost double that of actual mobilisations to site. Just over half of these cases involved tankers. The range of other types of vessel involved is broad and included an offshore vessel (FPSO), passenger vessel, livestock carrier and fishing vessel. The number of cases where ITOPF provides advice remotely varies considerably and usually reflects a desire to receive precautionary operational advice or claims support where on-site attendance is not always necessary.

Shoreline oiling from an unknown source in Brazil

ITOPF providing advice on-site in Brazil

Damage Assessment and Claims

The Technical Support Team and Technical Advisers have been especially busy on claims work during the year under review. Advice on the technical merit of claims has been sought by the P&I insurer and IOPC Funds in relation to 24 cases, 15 of which ITOPF attended on-site. Remote advice was sought on the other nine cases. As shown in the table below, some of the cases upon which the team is currently working occurred several years ago and illustrates the 'long-tail' that can arise, particularly for large or complex cases, or where supporting documentation is lacking.

The vast majority of claims analysed by ITOPF during the year concerned costs for clean-up/ preventative measures, which are the type of claim that ITOPF deals with most frequently. That said, the team also provided technical advice on claims relating to property damage, economic loss (including loss/damage to fisheries, mariculture and tourism sectors), and environmental damage. In some instances, ITOPF's advice has been sought by the P&I insurer to support ongoing litigation. Assessment of claims arising from incidents also forms an important part of the training of new technical staff as it provides valuable preparation for pollution-related issues that can arise from incidents.

Of the cases listed in the table below, AGIA ZONI II continues to require significant input from the team, with some 122 days spent assessing claims in this reporting period alone. Two ex-ITOPF colleagues have also formed part of the team working for the P&I insurer and IOPC Funds on this case. Other cases that necessitated significant resourcing are APL DENVER, CSL VIRGINIA and JIMEI SHUNHAO. P&I correspondents and surveyors provide invaluable assistance to ITOPF during the claims assessment process, especially with their local knowledge and language skills, and claims are often 'channelled' through local correspondents in the first instance.

Contingency Planning and Advisory

Contingency planning and advisory assignments facilitate lasting relationships with government agencies, maritime organisations and industry, as well as developing in-house expertise. Such work also maintains ITOPF's profile and reputation and enables the transmission of key messages during the preparedness, rather than response, stages of incidents. Preparedness activities are proactively planned and budgeted for in specific parts of the world depending on, for example, the level of risk versus preparedness, or because they afford an opportunity to build relationships with intergovernmental bodies and/or industry partners. Many other projects are opportunity-driven, but are only accepted if they accord with ITOPF's strategy or are for the "greater good."

One such project is WestMOPoCo (Western Mediterranean Region Marine Oil & HNS Pollution Cooperation Project). This is a two-year project, funded by the European Union and ending in 2020, which aims to strengthen collaboration in combating oil and chemical pollution in the western Mediterranean. It involves seven

Year of incident	2014	2015	2016	2017	2018	2019
Number of cases for which claims advice provided	1	1	2	4	3	4
Name of vessel	NYK THEMIS	MARATHASSA	TS TAIPEI TRIDENT STAR	AGIA ZONI II APL DENVER GOLDEN TRADER II DAWN KANCHIPURAM	CSL VIRGINIA APL LOS ANGELES EL ZORRO	MSC SANDRA JIMEI SHUNHAO LOZA GRANDE AMERICA

ITOPF investigating an oiled shoreline, Indonesia

countries (Algeria, France, Italy, Malta, Morocco, Spain and Tunisia) and is supported by three Secretariats (REMPEC, the OSPAR/Bonn Agreement and HELCOM) and, in addition to ITOPF, two other institutes (CEDRE and ISPRA). The project is divided into six work packages and ITOPF has committed 140 days from January 2019 to December 2020. ITOPF's involvement includes work to update decision support tools (including writing of the 'Marine HNS Response Manual', in collaboration with CEDRE and ISPRA), reviewing national contingency plans (through workshops and written recommendations), and providing training to enhance co-operation and preparedness within the region. The 'kick-off' meeting took place in March and, since then, the team has undertaken significant work to progress this project with more to follow during 2020.

ITOPF was also invited to facilitate a workshop on *'Operationalising National Oil Spill Contingency Planning: Strengthening national and local level cooperation'* in Nairobi in May. The workshop was attended by representatives of national and local government from Kenya, Uganda, Tanzania, Zanzibar, Mozambique, Lebanon and Iraq with presenters from Norway (National Coastal Administration and Skein Municipality), IMO, ITOPF and UNEP (Geneva). The team reported that the level of engagement was high, and several participants planned to request ITOPF's help with their national contingency plans, for both shipping and oil exploration/production activities.

Other workshops and training courses undertaken during this reporting period, and geared towards improving preparedness, took place in Côte d'Ivoire, Namibia and Angola, Nigeria, Cambodia, Malaysia, and Vietnam. In relation to the latter course, the IMO Training Co-ordinator wrote to thank ITOPF, saying that they had 'never seen such high ratings given to a workshop facilitator/presenter'.

ITOPF's advisory work is multi-faceted and includes contributing to projects initiated by IMO (and its various sub-committees and regional offices), the IOPC Funds, national agencies and other technical partners of ITOPF. Of note during this reporting period is work that ITOPF has undertaken to establish Memoranda of Understanding (MoU) on rates for response equipment and/or co-operation during incidents. Staff have also provided comments to assist the Pollution, Preparedness & Response Subcommittee of IMO (PPR) with its work to assess the implications of a spill of heavy fuel oil in the Arctic, and to ensure the guidelines produced by this committee are realistic.

Shoreline clean-up, Oman


Cleaning oiled boom, USA

Training and Education

The practical, 'hands-on' experience gained by ITOPF staff through attending incidents on-site means that they are often asked to speak at conferences, seminars and workshops all over the world. It is important that the challenges of response are conveyed from the perspective of first-hand knowledge as this imparts credibility and passion into the education delivered. Shipowners and their insurers support this work, largely done free of charge, because they can see the value of sharing lessons learned; clearly it is in the interest of all parties to discover ways to minimise damage caused by spills.

In a similar way to the Contingency Planning and Advisory projects, the training assignments accepted by the team are prioritised according to the opportunity to build relationships and reach key audiences, especially in 'high-risk' countries. Some of these assignments are mainly 'outreach' in their nature, highlighting the work that ITOPF does to promote effective response to shipowners/ship-managers, P&I insurers, government agencies, to name just a few. Other assignments form part of a structured conference programme and/or regular training events and are sometimes undertaken alongside our established 'partners', such as the IOPC Funds, IMO, IGP&I Clubs and IPIECA (particularly, through the Global Initiative programme). During the year, the team has spoken at events organised in all regions of the world, ranging from conferences in Australia, Japan, Singapore, USA and Croatia, to training courses for the Canadian Coast Guard, seminars in London for 30 visiting naval cadets from the Danish Navy and in Mexico for national government agencies, and sharing experience of crisis response, addressing critical challenges such as cyber-attacks, security threats and political instability.

Frequently, these 'introductions' result in subsequent invitations to assist with specific training and/or exercises. A good example of the benefit of these training opportunities, particularly those that build on lessons learned from real incidents, is the invitation ITOPF received to provide training on claims and compensation at a workshop in September organised by the Marine Department of Malaysia; this was arranged to provide greater understanding of the liability and compensation regimes in the aftermath of the APL DENVER incident in 2017. A letter of appreciation from the Director General expressed the intention to build on this co-operation further, by developing a Memorandum of Understanding between ITOPF and the Government of Malaysia on response tariffs.

The winner of the 2019 ITOPF R&D Award was the Norwegian research organisation, SINTEF, for a project on the characterisation of low sulphur fuel oils (LSFO). This project is timely given the IMO 2020 regulations, which came into effect in January, limiting the sulphur content of fuel oils. ITOPF's R&D Award will help to fund a one-year study to document the weathering properties and behaviour of LSFOs when spilled at sea. The project is also funded by the Canadian government "Multi-partner Oil Spill Research Initiative program" (MPRI) and the Norwegian Coastal Administration (NCA), thus providing additional value by strengthening relationships and sharing scientific knowledge.

Exercise to test national contingency plan, Côte d'Ivoire

Transboundary oil spill response exercise, Namibia

Information and Publications

ITOPF's information and publications are important ways to aid 'knowledge transfer', internally and externally. The films and publications that ITOPF produces each year are often used by the team to supplement the training that is delivered in person. A project to update the series of Technical Information Papers (TIPs) was initiated in 2019, with the help of an ex-ITOPF colleague, and the Technical Services Brochure has been translated into French, Japanese, Mandarin, Spanish and Portuguese during the period in review. The 'Special Edition' of ITOPF's Oil Tanker Spill Statistics, issued in January to mark the 50th anniversary of collecting this data, came complete with a new 'infographic' showing the key trends over 50 years. This publication is very popular and, this year, received many compliments about the value of the information and its presentation.

Due to its popularity, a complimentary DVD of ITOPF's film series 'Response to Marine Oil Spills' is now being included with the newly updated IMO OPRC Model training course material, thus ensuring that 'best practice' is conveyed to responders worldwide.

The change of website domain from .com to .org (reported last year) attracted an increase in visitors rather than the potential decrease, which was originally feared when making the switch.

The Information, Communication and Education (ICE) team at ITOPF is always keen to work with technical members of the team to develop new and exciting ways of facilitating 'knowledge transfer' or to aid the team's ability to work remotely. This might range from quizzes and virtual reality exercises during training courses, to webinars and on-line training tools, or mobile 'apps' and web-based GIS systems to improve surveying when 'in the field'.

Administrative Matters

As of 20th February 2020, Membership tonnage stood at 449 million GT, representing an increase of 17 million GT (4%) compared with the previous financial year. Associate tonnage stood at 863 million GT as at the same date, representing an increase of 29 million GT (~3%). In terms of the number of ships entered with ITOPF, approximately 6% are attributable to insurers who are not part of the International Group of P&I Clubs. Income received in respect of that tonnage remains less than 2% as the majority comprises small ships.

At its meeting on 5th November 2019, the Board of Directors decided to maintain the dues for the year 2020/2021 at 0.42 of a UK penny per GT of Member tonnage plus a £20 Administration Fee per tanker, and 0.38 of a UK penny per GT of Associate tonnage. This conserves the proportion of income received at 1/3rd Members and 2/3rd Associates.

The Board approved minor changes to the Terms of Reference of the Advisory Committee to remove reference to the Company's old name and replace with 'ITOPF Limited'. Directors also agreed to include wording to reflect their desire to promote diversity of Board directors when considering nominations.

Mr Peter Michelmore was appointed Company Secretary following Ms Samantha Roberts' resignation earlier in the year. The Board of Directors agreed that the role of Company Secretary would transition to become an internal appointment during 2020 and that Mr Michelmore would facilitate the 'hand-over'.

The Advisory Committee met twice during the year, on 12th June and 18th September. Aside from routine administrative tasks, management issues and reporting items, the main items addressed by the Advisory Committee concerned ITOPF's Chairmanship; health & safety; cyber security; feedback from a stakeholder survey; staff engagement and retention; ITOPF's organisational model and structure; and appointment of an independent pension trustee.

ITOPF Board of Directors, November 2019

Board of Directors

There have been a number of changes of Directors and Alternates serving on ITOPF's Board during the course of the year, as detailed in the Directors' Report which accompanies my Chairman's Statement.

Mr Paddy Rodgers had been a Director of ITOPF since November 2011 and Chairman since 2014. During his tenure, he brought challenge and charisma to the role, seeking to probe the thinking of ITOPF's management and Board, to dare ITOPF to be the best that it could be. I am appreciative of the work that Mr Rodgers did to reflect on ITOPF's 50-year history and prepare it to face the challenges of the future. ITOPF is fortunate to have the support of Directors who bring high-level company representation and a wealth of expertise to facilitate the governance and business of the Company. This experience is given freely, and I am conscious of the valuable contributions made by all our Directors and Alternates, both those who have retired and those who have joined during the course of the year. In particular, I'd like to acknowledge the contribution of Mr Jonathan Hare, who was a Director or Alternate Director of ITOPF for almost 14 years and served both on the Board and Advisory Committee during this time. He was a strong advocate of ITOPF's work and gave his wise counsel to inform many decisions made at these meetings.

Management and Staff

Reflection last year upon ITOPF's 50-year history, and contemplation of its role in the future, led Management to begin an important 'Modernisation Project' during the year in review. Working alongside a consultant, a series of interviews and workshops with the team resulted in the establishment of several workstreams intended to ensure that ITOPF would remain at the 'top of its game'. Some workstreams are focused on ITOPF's internal processes (such as IT, databases and systems), whereas others are more strategic in nature, and are focused on company culture, strategy, resourcing and structure. Preparation was also made during 2019 to lay the foundation for refreshing ITOPF's 5-year Strategic Plan. Two surveys were undertaken: the first amongst ITOPF's external stakeholders, and the second amongst the staff at ITOPF. Later in the year, Board Directors took part in a ½-day strategy workshop in Shanghai, during which they highlighted external factors that could impact on ITOPF's 'world' in the future, and for which it should be prepared. Taken together, the findings of these projects and surveys provide clear and exciting direction for development during 2020 and beyond.

Five employees left ITOPF during the year: Nicky Cariglia (Senior Technical Adviser); Claire Keogh (HR & Pensions Administrator); Terry Goodchild (Receptionist and Events Co-ordinator); Afshan

ITOPF team at the Great British Beach Clean

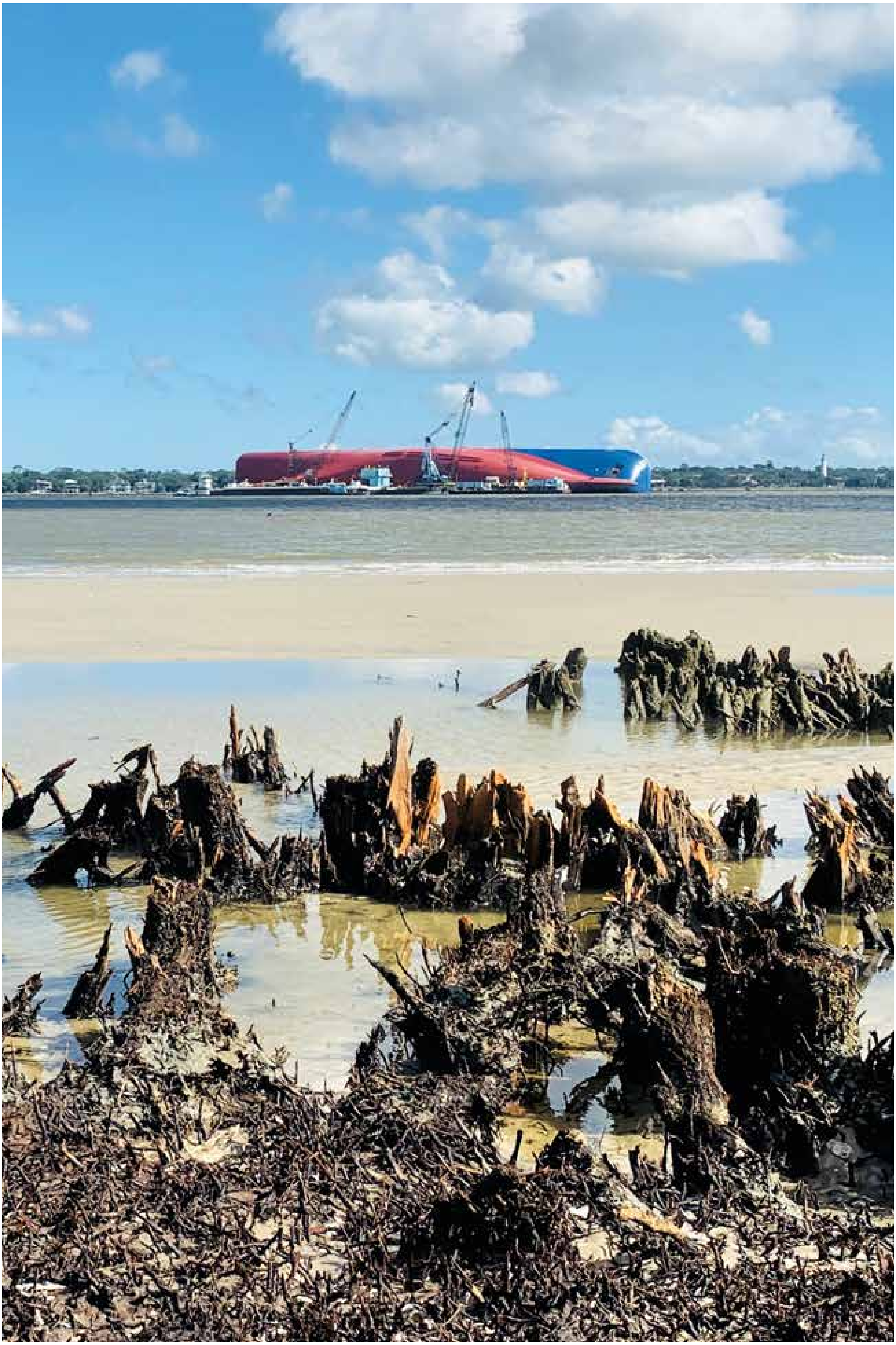
Prisaca (Technical Team Secretary) and Natalie Boyle (HR & Pensions Administrator – maternity cover). Eight new team members joined ITOPF: six new Technical Advisers (Lauren Fear, Dr Angela Pinzon-Espinosa, Dr Conor Bolas, Andrew LeMasurier, Susannah Domaille (formerly Technical Support Co-ordinator) and Thomas Sturgeon); Christopher Black (Technical Support Co-ordinator) and Alan Smith (IT Systems Manager). At the year-end vacancies existed for a second Technical Support Co-ordinator, an HR & Pensions Administrator and two administrative roles. Recruitment for these positions will commence once COVID-19 'lock-down' measures have eased.

Two members of the team were promoted to 'senior' during the course of the year: David Campion (Senior Technical Adviser) and Deborah McKendrick (Senior Information Officer). Amanda Howarth (Finance & Pensions Manager) became a Fellow of the Chartered Institute of Management Accountants (CIMA) and, last but not least, Miguel Patel (Senior Technical Adviser) and Duarte Soares (Technical Adviser) became parents for the first time. Congratulations!

Whereas the year began with Brexit being 'top of the agenda', the end of the year under review brought a new and significantly greater challenge in the form of COVID-19; not just for ITOPF but for businesses and economies worldwide. Fortunately, ITOPF's funding model is strong, and IGP&I Club Directors have recently reasserted the value that they place on ITOPF's services, whether delivered on site or remotely. During these unprecedented times, staff have proven that they can work almost as effectively from home as in the office. Contributions to training courses, contingency planning workshops, drafting groups and responding to incidents have all been possible, no matter whether in the UK or globally, through enhanced use of technology, often reaching a wider audience. Time will tell what the long-term ramifications of disruption due to COVID-19 will be, but, embracing what is being referred to as the 'new normal' is likely to require lessons to be learned from having to work differently during this period. The work that ITOPF has begun on 'modernising' its internal processes and strategic thinking will undoubtedly help it to achieve that important balance between utilising technology to work remotely and the invaluable interaction that can only come through meeting face-to-face.

During my seven years on the Board, I have come to regard ITOPF as a professional and highly regarded team of people, who work tirelessly to make a positive difference to the environment in which we, as a shipping industry, work. I am delighted to have been elected ITOPF's Chairman and I look forward to working with Dr Karen Purnell as Managing Director and with Richard Johnson as Technical Director and the team to ensure ITOPF's vision for 2020 and beyond can be realised.

Erik Hånell
Chairman



Grounded car carrier, Georgia, USA

Directors' Report
for the year ended 20th February, 2020

ITOPF Limited (the Company) is a company limited by guarantee; not having a share capital and incorporated in the United Kingdom. The Company provides technical services to its shipowning Members and Associates, their P&I insurers, and others in relation to ship-source spills of oil or chemicals, including advice on response, damage assessment and the analysis of claims for compensation; contingency planning and advisory work; and training and information. Owners and bareboat charterers of ships other than tankers are entitled to become Associates of the Company and so to benefit from the Company's technical services on a similar basis to its tanker owner Members.

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

The Directors present the audited accounts of the Company for the year ended 20 February, 2020, which show a deficit (after tax) of £1,072,342 (2019: £298,081 deficit) and a deficit carried forward amount of £6,415,703 (2019: £2,167,142 deficit). During the year the Company made charitable donations of £21 to Shelter, £180 to Seeing is Believing, £200 to Prostate Cancer UK, £30 to The Mission to Seafarers, £1,500 to St. Peter's Hospice and £200 to The Rotary Club of Romsey Test Trust Fund (2019: £1,500 to Shelter; £600 to MacMillian Cancer Support; £500 to each of Mercy Ships and Marine Conservation Society; £220 to Prevention of Blindness; £200 to Prostate Cancer and £180 to the Sailors Society).

The Directors of ITOPF as at 20th February, 2020 were:

Name	Position	Changes during the year ended 20th February, 2020	
		Appointment	Cessation
Erik Hånell	Director & Chairman		
Karen Jane Purnell	Managing Director		
Abdullah Ali Aldubaikhi	Director		
Billy Chiu	Director		
Clovis Garzia	Director		
Christen Guddal	Director	05/11/19	
Jonathan Hare	Director		05/11/19
Grahaeme Henderson	Director		
Christian Michael Ingerslev	Director		05/11/19
Jens Martin Arveschoug Jensen	Director		30/08/19
Tomoyuki Koyama	Director		
Donald Richard Kurz	Director		
Kevin Mackay	Director		
Mark Francis Martecchini	Director		
Roderick Guy Mason	Director		
Anthony Paulson	Director		
Thomas Pinto	Director	05/11/19	

Name	Position	Changes during the year ended 20th February, 2020	
		Appointment	Cessation
Sergey Popravko	Director		
Cory Quarles	Director		
Patrick Rodgers	Director		05/11/19
Mark Howard Ross	Director		
Hiroaki Sawabe	Director		
Alex Staring	Director	05/11/19	
Kazuyoshi Takayama	Director		
Hannes Kristian Thiede	Director		
Tommy Thomassen	Director	05/11/19	
Nikolas Tsakos	Director	05/11/19	
Chao Wu	Director		
Lois Zabrocky	Director	05/11/19	
Mai Jin Zhu	Director		
Keizo Atsumi	Alternate Director		24/09/19
Christopher George Bastis	Alternate Director	05/11/19	05/11/19
Andreas Bisbas	Alternate Director	05/11/19	
Luiz José Dos Santos Cabral	Alternate Director		
Philip Michael Davies	Alternate Director		
Jonathan Evans	Alternate Director	05/11/19	
Gregory John Ferrone	Alternate Director		
Haruhisa Fujino	Alternate Director		
Christen Guddal	Alternate Director		05/11/19
Mattias Hedqvist	Alternate Director	05/11/19	
Brian Robert Horsburgh	Alternate Director		
Johan Jåwert	Alternate Director		
Hiroshi Kikegawa	Alternate Director		
Yury Malyshev	Alternate Director	05/11/19	
Caroline Margaret Mcleod	Alternate Director		
Kiyoshi Nogami	Alternate Director	05/11/19	
Nicholas Potter	Alternate Director	05/11/19	
Ingvild Saether	Alternate Director		
Nikolaus Hans Schues	Alternate Director		
James D Small	Alternate Director	05/11/19	
Jane Sy	Alternate Director		
Tommy Thomassen	Alternate Director		05/11/19
Duo Xue Zhang	Alternate Director		

Erik Hånell was appointed Chairman on 05/11/19 on the retirement of Patrick Rodgers. Since the year end Kazuyoshi Takayama resigned as a Director on 31/03/20 and on the same date Kiyoshi Nogami ceased to be an Alternate Director. In addition, on 22/05/20, Hiroaki Sawabe resigned as a Director and on the same date Hiroshi Kikegawa ceased to be an Alternate Director.

The Directors due to retire by rotation at the next Annual General Meeting in accordance with the Articles of Association are Abdullah Aldubaikhi, Billy Chiu, Tomoyuki Koyama, Mark Martecchini, Guy Mason, Cory Quarles, Hannes Thiede and Chao Wu. The retiring Directors are eligible to offer themselves for reappointment.

Brexit

The Directors continue to monitor developments on Brexit and currently do not expect Brexit to have a material impact on the Company's business.

Going concern

Taking into consideration the potential impact of COVID-19, the Directors have, at the time of approving the financial statements, an expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 2 of the Notes to the Financial Statements.

Directors' confirmation

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

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

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

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

By Order of the Board

PETER G MICHELMORE OBE
Secretary
ITOPF Limited
Registered number 944863
24th June, 2020

Statement of Directors’ Responsibilities

The Directors are responsible for preparing the Directors’ Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including *Financial Reporting Standard 102*, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ for legislation in other jurisdictions.

Auditor's Report

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

Opinion

We have audited the financial statements of ITOPF Limited ("the Company") for the year ended 20th February 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including *Financial Reporting Standard 102* The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 20th February, 2020 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

CASSIE FORMAN-KOTSAPA
Senior Statutory Auditor
For and on behalf of BDO LLP, Statutory Auditor
London, UK
6th July, 2020

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

Statement of Comprehensive Income

for the year ended 20th February, 2020

	Note	2020 £	2019 £
Turnover	*4*	5,461,974	6,003,075
Administrative expenses	*6*	(6,411,527)	(6,106,884)
Operating deficit		(949,553)	(103,809)
Net interest and similar income and charges	*5*	(115,909)	(189,040)
Revenue deficit on ordinary activities before taxation		(1,065,462)	(292,849)
Taxation	*9*	(6,880)	(5,232)
Revenue deficit on ordinary activities after taxation	*10*	(1,072,342)	(298,081)
Other comprehensive income			
Actuarial (loss)/gain on the pension scheme	*16*	(3,176,219)	3,385,426
Total comprehensive (loss)/income for the year		(4,248,561)	3,087,345

The notes on pages 26 to 36 form part of these financial statements.

Statement of Financial Position
at 20th February, 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Property, plant and equipment	*12*		259,548		222,041
Current assets					
Stocks	*13*	8,478		8,767	
Trade and other debtors	*14*	560,777		410,040	
Cash and cash equivalents		3,083,014		3,601,772	
		3,652,269		4,020,579	
Current liabilities					
Trade and other creditors	*15*	(651,396)		(587,574)	
Net current assets			3,000,873		3,433,005
Net assets excluding pension liability			3,260,421		3,655,046
Pension liability	*16*		(9,676,124)		(5,822,188)
Net assets including pension liability			(6,415,703)		(2,167,142)
Accumulated revenue deficit	*10*		(6,415,703)		(2,167,142)

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

The financial statements were approved by the Board of Directors and authorised for issue on 17th June 2020 and were signed on its behalf by:

Erik Hånell
Director

The notes on pages 26 to 36 form part of these financial statements.

Statement of Changes in Equity
for the year ended 20th February, 2020

	Accumulated revenue (deficit) £
Balance at 20th February 2018	(5,254,487)
Comprehensive income:	
Revenue deficit on ordinary activities after taxation	(298,081)
Other comprehensive income:	
Actuarial gain on the pension scheme	3,385,426
Balance at 20th February 2019	(2,167,142)
Comprehensive income:	
Revenue deficit on ordinary activities after taxation	(1,072,342)
Other comprehensive income:	
Actuarial loss on the pension scheme	(3,176,219)
Balance at 20th February 2020	**(6,415,703)**

The notes on pages 26 to 36 form part of these financial statements.

Statement of Cash Flows
for the year ended 20th February, 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Deficit before tax		(1,065,462)	(292,849)
Adjustments for:			
Depreciation	*12*	114,994	96,012
Interest income	*5*	(31,919)	(23,555)
Interest expense	*5*	147,828	212,595
Decrease in stocks	*13*	289	337
(Increase)/Decrease in debtors	*14*	(150,738)	81,700
Increase/(Decrease) in creditors	*15*	62,174	(4,224)
FRS102 additional pension cost of service	*16*	529,889	853,009
Taxation paid	*9*	(5,232)	(4,586)
Net cash (used in)/generated from operating activities		(398,177)	918,439
Cash flows from investing activities			
Purchase of property, plant and equipment	*12*	(152,500)	(108,147)
Interest received	*5*	31,919	23,555
Net cash flow used in investing activities		(120,582)	(84,592)
Net change in cash and cash equivalents		(518,758)	833,847
Cash and cash equivalents at the start of the year		3,601,772	2,767,925
Cash and cash equivalents at end of the year		3,083,014	3,601,772

The notes on pages 26 to 36 form part of these financial statements.

Notes to the Financial Statements

1 Members' guarantee

Under the Articles of Association each Member is committed, in the event of the Company being wound up whilst it is a Member, or within one year thereafter, to contribute a sum not exceeding £5. At 20 February, 2020 there were 8,328 Members (2019: 8,060).

2 Accounting policies

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

Basis of preparation

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

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

The Directors consider it prudent to acknowledge the ongoing COVID-19 pandemic, the duration and potential impact of which on the Company's primary business activities cannot be accurately determined at the current date. Nonetheless, Directors recognise that COVID-19 has the potential to negatively affect the Company, particularly if the pandemic were to become protracted or extreme. The occurrence of these circumstances, whilst not anticipated, could disrupt operations and adversely impact Members' and Associates' Gross Tonnage figures, and costs, which the Directors consider to be the key sensitivities related to cash flows required for working capital purposes.

The Directors are closely monitoring all aspects of the Company's operations to mitigate the impacts of the COVID-19 pandemic. The Company has developed and implemented strategic and operational plans to strengthen its resilience to COVID-19, with the key focus on revenues, and cost control, in light of the external forecasts indicating downward pressure on seaborne trade for the remainder of 2020.

The Directors have conducted stress tests on the Members' and Associates' Gross Tonnage and cost assumptions included in the Company's cash projections for a period of at least 12 months from the date of approval of these financial statements. These incorporate a reduction in cash flows of over 15% over the next twelve months. Based on the Company's operations in 2020 and through to the date of approval of these financial statements, the Company has not yet experienced a significant decline in its trading or financial performance. The Directors consider the aforementioned strategic and operational plans to be reasonable and adequate to allow the Company to generate sufficient working capital and cash flows to continue in operational existence. Whilst these assumptions have been incorporated into the cash projections, the Directors are optimistic that the impact on the Company will not be as severe as this, based on external indicators.

Foreign currencies

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

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

Turnover

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

Leases

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

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

Fixed assets and depreciation

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

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

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

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

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

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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

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

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

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

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

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

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

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

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

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

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

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

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

Trade debtors

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

Cash and cash equivalents

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

Trade creditors

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

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

Pensions

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

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

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

3 Critical accounting estimates and judgements

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

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

Defined benefit pension scheme

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

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

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

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

4 Turnover

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

	2020 £	2019 £
By activity		
Membership dues	1,839,858	2,004,158
Membership administration fees	276,944	270,334
Associates dues	3,215,588	3,505,930
Royalties	6,420	7,684
Cost recoveries and other income	123,164	214,969
	5,461,974	6,003,075

5 Net interest and similar income and charges

	2020 £	2019 £
Bank interest	31,919	23,555
Net return on pension scheme (*Note 16*)	(147,828)	(212,595)
	(115,909)	(189,040)

6 Administrative expenses

	2020	2019
	£	£
Salaries and other employment costs (*Note 8*)	4,048,429	4,198,024
Auditor’s remuneration – statutory audit fees	20,500	14,400
Auditor’s remuneration – Corporation Tax fee	5,750	3,700
Professional fees	416,288	350,630
Property lease rentals payable	354,565	139,833
Depreciation of tangible fixed assets (*Note 12*)	114,994	96,012
Technical information and publications	95,300	90,456
Raising awareness	67,318	141,470
Research and development awards	90,152	42,145
Other administrative expenses	1,198,232	1,030,214
	6,411,527	6,106,884

7 Remuneration of Directors

The emoluments of the Chairman were £Nil (2019: £Nil) and the emoluments of the highest paid Director were £277,308 (2019: £250,687); none of the other 28 Directors (2019: 26) received any emoluments in respect of services rendered to the Company (2019: £Nil). One Director is entitled to benefits under a defined benefit pension scheme (2019: one). No Directors are entitled to benefits under defined contribution schemes.

8 Staff numbers and costs

	2020	2019
	£	£
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	2,414,519	2,323,772
Social security costs	288,080	270,727
Pension costs (*Note 16*)	1,345,830	1,603,525
	4,048,429	4,198,024

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

	Number of employees	
	2020	2019
Technical and information staff	21	22
Administration	14	12
	35	34

9 Taxation

The Company is subject to United Kingdom Corporation Tax on the interest received from investments and on book and video royalties. The charge for the year represents UK Corporation Tax at 19% (2019: 19%) on this income.

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

	2020 £	2019 £
Current Corporation Tax charge for the year:		
Revenue deficit before tax	(1,065,462)	(292,849)
Expected tax charge at 19% (2019: 19%)	(202,438)	(55,641)
Deficit above, not subject to UK Corporation Tax	209,318	60,874
Current Corporation Tax charge for the year	6,880	5,232

10 Reserves

	2020 £	2019 £
Revenue deficit brought forward	(2,167,142)	(5,254,487)
Revenue deficit for the year	(1,072,342)	(298,081)
Actuarial (loss)/gain for the year (*Note 16*)	(3,176,219)	3,385,426
Accumulated revenue deficit	(6,415,703)	(2,167,142)

11 Commitments

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

	2020 £	2019 £
Less than 1 year	354,759	422,414
Within 2 to 5 years	851,459	1,230,384
	1,206,218	1,652,798

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

12 Property, plant and equipment

	Computer Equipment £	Furniture & Fittings £	Total £
Cost			
At beginning of year	796,680	464,032	1,260,712
Additions	114,841	37,659	152,500
Disposals	(7,281)	(11,089)	(18,370)
At end of the year	904,240	490,602	1,394,842
Depreciation			
At beginning of year	719,623	319,048	1,038,671
Charge for the year	89,020	25,974	114,994
Disposals	(7,281)	(11,089)	(18,370)
At end of the year	801,362	333,932	1,135,294
Net book value			
At 20th February, 2020	102,878	156,670	259,548
At 20th February, 2019	77,057	144,984	222,041

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

13 Stocks

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

14 Trade and other debtors

	2020 £	2019 £
Trade debtors	58,179	48,274
Other debtors including VAT	107,146	101,024
Prepayments and accrued income	395,452	260,742
	560,777	410,040

15 Trade and other creditors

	2020	2019
	£	£
Trade creditors	123,318	122,569
Other taxes and social security	108,329	97,035
Other creditors	1,575	890
Corporation Tax	6,880	5,232
Accruals and deferred income	411,294	361,848
	651,396	587,574

16 Pensions

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

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

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

The most recent actuarial valuation of the scheme on FRS 102 assumptions was carried out on 20 February, 2020 by an independent actuary. The fair value of the scheme's assets valued as at this date was £32,590,858 (2019: £26,997,648), which is not intended to be realised in the short term and may be subject to significant change before being realised. The present value of the scheme's liabilities on the same date was £42,266,983 (2019: £32,819,836), which was derived from cash flow projections over long periods and is thus inherently uncertain. The result of these valuations gave rise to a net pension liability of £9,676,124 (2019: net pension liability £5,822,188).

The major assumptions used by the actuary were:

	2020	2019
	%	%
Discount rate	1.7	2.8
Aggregate long-term expected rate of return on assets	1.7	2.8
Rate of increase in salaries	5.3	5.6
Inflation assumption RPI	3.3	3.6
Inflation assumption CPI	2.3	2.6
Rate of increase in pensions in payment (Limited Price Indexation)	3.2	3.4

Expected contributions paid during the year following disclosure date:

	£
Expected contributions paid during the year following the disclosure date (i.e. 21st February, 2020 – 20th February, 2021)	1,535,000

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

	2020 %	2019 %
Bonds	39.1	36.7
GARS	17.9	31.8
Cash	1.3	5.0
Insured annuities	0.1	0.2
Liability driven investments	22.2	26.3
Credit Investment Fund	10.1	-
Other	9.2	-
	100.0	100.0

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

	2020 £	2019 £
Fair value of scheme assets at beginning of year	26,997,648	24,923,130
Interest income	747,925	690,811
Return on scheme assets (excluding interest income)	4,443,264	986,495
Contributions (Employer)	815,941	750,516
Contributions (Employee)	83,450	77,612
Benefits paid	(497,369)	(430,916)
Fair value of scheme assets at end of the year	32,590,858	26,997,648

Actual return on scheme assets:

	2020 £	2019 £
Actual return on scheme assets	5,191,189	1,677,306

Net defined benefit pension scheme liability:

	2020 £	2019 £
Defined benefit obligation at beginning of the year	(5,822,188)	(8,142,010)
Actuarial (loss)/gain for the year	(3,176,219)	3,385,426
Current service cost	(1,345,830)	(1,603,525)
Finance cost	(147,828)	(212,595)
Contribution paid	815,941	750,516
Defined benefit obligation at end of the year	(9,676,124)	(5,822,188)

Total expense recognised in the income statement:

	2020 £	2019 £
Current service cost	1,345,830	1,603,525
Interest cost	895,753	903,406
Interest income	(747,925)	(690,811)
Total profit and loss charge	1,493,658	1,816,120

Total amounts recognised in other comprehensive income:

	2020 £	2019 £
Actuarial (loss)/gain on scheme liability	(7,619,483)	2,398,931
Actuarial gain on scheme assets	4,443,264	986,495
Actuarial (loss)/gain for the year	(3,176,219)	3,385,426

17 Subsequent events

Other than matters referred to in note 2 relating to the potential impact of COVID-19, there are no significant events subsequent to the reporting date which are outside of the Company's normal trading activities.

Annual General Meeting

The Annual General Meeting of ITOPF Limited will be held on 2nd December, 2020 at 8.30am for the following purposes:

1 To receive the Accounts of the Federation for the financial year ended 20th February, 2020, and Reports of the Directors and of the Auditors.

2 To appoint Directors.

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

Due to uncertainty regarding COVID-19 restrictions, the venue for the Annual General Meeting will be announced at a later date.

By Order of the Board

PETER G MICHELMORE OBE
Secretary
24th June, 2020

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

Notes:

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

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

ITOPF Limited

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

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