ITOPF

PROMOTING EFFECTIVE SPILL RESPONSE

REVIEW

INCORPORATING 2021 DIRECTORS' REPORT AND ACCOUNTS

2021

Flushing oiled mangroves, Mauritius

Contents

Chairman's Statement

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

A year ago I said that "this pandemic will be a game-changer". When ITOPF's new financial year started on 20th February 2020, the full scale of the effect of COVID-19 on the lives and work of individuals and businesses worldwide was unforeseen. Now, reflecting on the year that has passed, my sincere sympathies are with those who have experienced loss and hardship as a result. What is clear is that the world we were in then is not the same as the world we find ourselves in now. If I contemplate just one attribute that has contributed to the survival of businesses during these extraordinary times, it would be 'agility'. We have needed to be agile, not only in responding to 'what' we can do in the face of ever-changing circumstances, but also about 'how' we are doing it. Our way of working has changed on a scale not envisaged before, and it has had to happen quickly.

Responding quickly and reacting to ever-changing circumstances are the 'hallmarks' of ITOPF's work and I am proud of the way in which the team has adapted to meet the challenges of the pandemic. From the moment ITOPF's Business Continuity Plan was activated on 16th March 2020, every member of the team has 'stepped up' to play his or her role to ensure the business of the organisation could continue uninterrupted. As this review highlights, the team was able to respond to new incidents, support P&I insurers with claims assessments, and facilitate preparedness activities, despite the challenges of the pandemic.

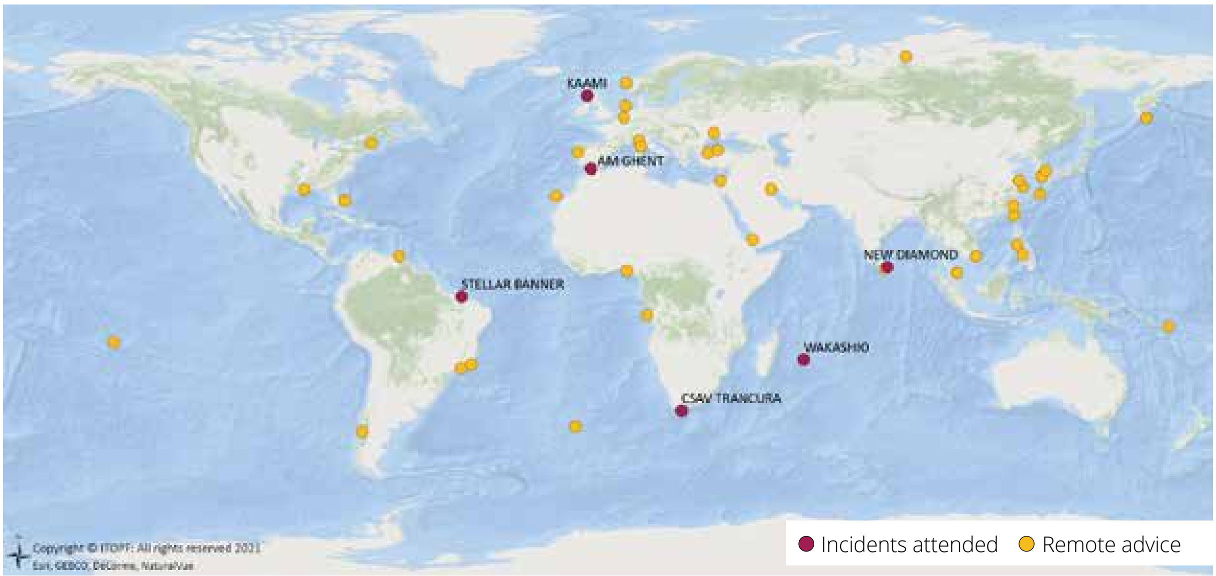
Technical Services

Spill Response

At the beginning of each year, ITOPF publishes its 'Annual Statistics' showing the number of accidental oil spills from tankers, and the total volume of oil spilt, in the previous year. It is the only database of its kind and holds data going back to 1970. The data from 2020 highlights, once again, the impressive decline in accidental oil spills, with no large spills and only three medium spills recorded over the entire year. The total volume amounted to just 1,000 tonnes, thereby maintaining the position as the lowest on record. Reflecting over the past 50 years, it is encouraging to see data verifying a 10-fold decrease in the number of oil spills from tankers and a 95% reduction in the volume of oil spilt. It is also interesting to see how the 'hot spots' for incidents over this period have steadily moved from Europe to the Far East, indicating the correlation of risk with the supply and demand for oil across the globe. Of course, no oil spill is acceptable and ITOPF's shipowners continue to focus on safety and environmental improvements to achieve our goal of zero incidents. However, should accidents happen, it is of comfort to the industry and governments worldwide to know that ITOPF is 'on hand' to provide its objective technical advice.

As a result of travel restrictions imposed due to COVID-19, ITOPF's Technical Team attended

Adapting to life under Covid



New incidents and remote advice cases for the 12 months to 20th February 2021

incidents on-site only in accordance with strict risk assessment procedures. Most incidents did not warrant on-site attendance and, in these cases, technical advice was provided remotely. Consequently, the number of incidents attended on site was lower than reported in previous years, but the number of cases in which remote advice was provided was higher.

The team attended six new incidents on site during the reporting period, as shown in the table on page 6. Only one of these involved a tanker. In five incidents, the oil spilt was bunker fuel, predominantly Very Low Sulphur Fuel Oil (VLSFO), and in one incident a container of plastic nurdles was spilt.

Shoreline clean-up activities, Mauritius

INCIDENTS ATTENDED ON-SITE BY ITOPF STAFF IN THE 12 MONTHS TO 20TH FEBRUARY, 2021

Date of incident	Name of ship	Size (GT)	Location	Product spilt	Vessel description	Vessel sub type
26/02/2020	STELLAR BANNER	151,596	BRAZIL	Bunker	Non-Tanker	Ore carrier
23/03/2020	KAAMI	2,715	UNITED KINGDOM	MGO/Lube oil/Other	Non-Tanker	General cargo ship
25/07/2020	WAKASHIO	101,932	MAURITIUS	VLSFO	Non-Tanker	Bulk carrier
18/08/2020	CSAV TRANCURA	96,628	SOUTH AFRICA	Plastic Pellets	Non-Tanker	Container ship
03/09/2020	NEW DIAMOND	160,079	SRI LANKA	VLSFO/ LSMGO	Tanker	Crude oil
12/02/2021	AM GHENT	51,265	GIBRALTAR	VLSFO	Non-Tanker	Bulk carrier

In addition, three incidents (which occurred prior to the reporting period) required on-site attendance, namely: MV GRANDE AMERICA (France, 2019); MV MSC SUSANNA (South Africa, 2018); and MV GOLDEN RAY (USA, 2019). Although the number of incidents attended on-site was lower in 2020, it is interesting to compare the number of days that the team spent in country. The complexity of some cases, combined with lengthy quarantine and testing requirements of different countries, led to some staff spending extended periods on site.

The MV WAKASHIO is a case in point. This high-profile incident occurred after the bulk carrier grounded on a reef in Mauritius at the end of July, spilling an estimated 1,000 MT of VLSFO. The oil spread along approximately 30km of coastline, affecting the mainland and several small islands, including an environmentally sensitive area of mangroves. The low viscosity of this new fuel caused it to penetrate the sediment and remobilise from other areas, but this property also meant that the oil was less 'sticky' than many conventional heavy fuel oils. (Interestingly, similar behaviour was observed during the response to the AM GHENT in Gibraltar.) Nevertheless, the sensitive nature of the habitats and the need to closely supervise the work of the clean-up contractors involved necessitated five members of the team rotating in and out of Mauritius almost continuously until the end of December, spending, in total, some 320 days on site.

An incident, which had the potential to be very serious if the cargo had spilt, thankfully did not materialise. The VLCC, NEW DIAMOND, whilst laden with approximately 277,564 MT of Kuwait Export crude oil, suffered an explosion and caught fire 35nm off the coast of Sri Lanka on 3rd September 2020. Attempts were made to suppress the fire, but the fire reignited several times and appeared to spread to the deck. ITOPF mobilised to Sri Lanka to provide technical support to the Sri Lankan authorities. Although COVID-19 quarantine restrictions prevented attendance in person at meetings, the team was able to undertake an aerial surveillance flight and provide trajectory modelling to response personnel whilst they were in country. The fire was eventually extinguished on 9th September. No cargo was lost but a small quantity of VLSFO spilt from the damaged fuel tanks.

Another incident resulting in an extended period on site is one that occurred during the last reporting period, in September 2019, when the Ro/Ro, GOLDEN RAY, grounded at the mouth of the Brunswick River in Georgia, USA. ITOPF's involvement in this reporting period was to provide technical support to the Unified Command in connection with the clean-up and subsequent complex cutting operation to remove the wreck. Since 20th February 2020, an additional 162 days were spent on site; this included a 10-week period covering Christmas and New Year to accommodate the first cut of the wreck and the new COVID-19 'lock-down' provisions affecting travel in/out of the UK.

Therefore, including COVID-19 restrictions, the total days spent attending incidents during this

Drums of oily waste, Mauritius

reporting period was more than 600 days, thus maintaining the upward trend in days on site despite the number of incidents being lower.

In addition to those incidents ITOPF attended on site, technical advice was provided remotely in response to a further 35 new incidents, seven of which involved tankers. In most cases, neither fuel nor cargo was spilt but, where a spill did arise, the substance spilt was oil of various types and grades, cement, refined vegetable oil, and plastic pellets (nurdles). Of note is ITOPF's support to IMO on FSO SAFER (Yemen) and FSO NABARIMA (Venezuela), as well as to IMO and the Israeli authorities in connection with the mystery spill of oil which occurred on 1st February 2021.

Damage Assessment and Claims

ITOPF's support to P&I insurers, their members, and claimants has continued uninterrupted throughout the reporting period. The team is working remotely and in much the same way as it was prior to any restrictions due to COVID-19.

The Technical Support Team work closely with the case handler/s to assess claims arising from some of the more significant incidents and they help to keep the claims assessment process 'on track'. MV WAKASHIO has given rise to a significant number of clean-up claims which, when combined with issues continuing to arise from assessments in the existing AGIA ZONI II case, goes some way to explaining the heavy workload and the extended period required to finalise the assessments. In addition, the team is continuing to process claims related to MT AGIA ZONI II (2017), MT DAWN KANCHIPURAM (2017), MV CSL VIRGINIA (2018) and MV GRANDE AMERICA (2019).

To ensure claims are assessed objectively, members of the team also undertake surveys, ideally together with the claimants, as this facilitates the understanding of the fate and effects of the substance spilt on local resources or activities. Monitoring programmes may also be put in place, particularly if a fishing ban is in place or particularly sensitive habitats are affected. ITOPF may be involved in these monitoring

Pressure washing port infrastructure, Gibraltar

programmes or may be asked to provide scientific comment on the results of studies that have been undertaken by others. By way of example, during 2020, the team provided comment on the technical merit of using bioremediation as part of an environmental damage claim relating to the MT DAWN KANCHIPURAM.

An issue of particular focus currently is the spillage of plastic pellets (nurdles), and ITOPF has advised on three such incidents in this reporting period alone. These pellets are used as a feedstock for the manufacture of plastic goods and are ubiquitous around the coastline in many parts of the world. They are harmful to wildlife if ingested and have the potential to cause reputational damage if they are spilt, especially given the concern more generally about plastics in the environment. However, they are extremely challenging to locate and remove and have given rise to expensive claims. Laboratory analysis to identify the source of these pellets is becoming more sophisticated and will be helpful to assign responsibility, as well as potentially leading to improvements in the packaging and stowage of these pellets.

Contingency Planning and Advisory

The last activity in support of Contingency Planning and Advisory that could be undertaken in person was a meeting in Algeria in mid-March 2020, in connection with the West MOPoCo project. This was a two-year project, funded by the EU, with the aim of strengthening collaboration in combatting oil and chemical spills in the Western Mediterranean region. ITOPF was heavily involved in this project, with some aspects requiring significant commitment from members of the team to ensure a good quality outcome. The HNS response manual and integrated digital support system (MIDSIS TROCS), providing key information on preparedness and response to chemical incidents, will be important tools for responders to use. Working collaboratively on this project also enabled ITOPF to strengthen relationships with government authorities in the region, and to maintain links with intergovernmental partners, such as REMPEC, HELCOM and parties to the Bonn Agreement.

ITOPF undertaking aerial surveillance, Sri Lanka

Thereafter, all contingency planning and advisory projects were rearranged to take place remotely to accommodate global restrictions on travel that were rapidly being imposed. This included several remote meetings and webinars to facilitate the important co-operation that takes place as part of the Global Initiative (GI) between industry and government on preparedness and response in the West African region (GI WACAF). In addition, staff contributed to several meetings to enhance preparedness in the Arctic through prediction of the behaviour of spilt oil using models.

Despite postponement of Singapore Maritime Week, finalisation of the Memorandum of Understanding between the Maritime and Port Authority (MPA) of Singapore and ITOPF was able to continue, and the MOU was signed on 24th October. This is the fourth time that the MOU has been renewed, marking some 13 years since its inception, and re-establishing the cooperative approach towards the assessment of oil spill response equipment and vessel rates claimed by the MPA in response to incidents.

The annual calendar of meetings in which ITOPF participates as Observers (IMO, IOPC Funds) or contributes its expertise (IPIECA, OSRL, IGP&I etc.) moved 'on-line', as it became clear that global restrictions were likely to last for some time, thus enabling business to continue more or less as normal.

Shoreline survey, USA

Operations to remove the wreck of a grounded car carrier, USA

Recovering nurdles, South Africa

Training and Education

A similar approach was adopted for the many training and education commitments that ITOPF fulfils around the world each year. Some of the conferences, workshops and training courses scheduled for spring 2020 were postponed until 2021, or cancelled, as the rapid response to the pandemic provided too little time to instigate alternative, remote methods of engagement. This included the largest of the triennial oil spill conferences, the International Oil Spill Conference (IOSC), which was scheduled to take place in New Orleans in May 2020; a decision was taken later in 2020 to hold the conference remotely in May 2021. Staff who had written papers, prepared training courses, or who were chairing sessions, participating in the exhibition, or contributing to plenary sessions, were invited to continue with their preparation and to take part in 2021. The Technical Director was also able to provide ITOPF's contribution to Oil Spill India in September, again remotely. The experience of sharing ITOPF's experience remotely, whilst not the optimum way to engage participants, nevertheless, provided opportunity to reach a larger number of international participants than if the event had taken place 'in person' and in one location.

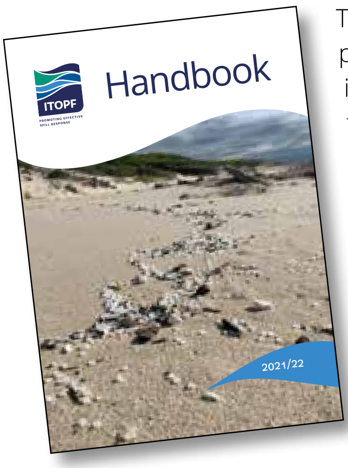
Another unanticipated benefit of the reduction in travel for the team was the chance to focus on internal training, especially for those Technical Advisers who had recently joined ITOPF. Once it became clear that COVID-19 restrictions were likely to persist for much of the year, ITOPF prepared a schedule of 'Thursday Training Sessions' in which past cases were reviewed and technical topics discussed, such as, aerial surveillance, biofuels, marine 'snow', 'herders' and different aspects of shoreline clean-up. Internal working groups also met to advance their work on chemical response, waste management, fisheries, and modelling/mapping.

20th February 2021 marked the 10th Anniversary of ITOPF's R&D Award. Up to this point, some £450,000 had been awarded to nine different projects. At the Board Meeting in 2019, ITOPF's Directors agreed to increase the value of the Award to £75,000 from 2021 to attract high quality research projects and to 'keep pace' with rising costs.

ITOPF at a West MOPoCo contingency planning workshop, Algeria (Credit CNL)

Information and Publications

ITOPF had previously identified and budgeted for improvements in IT, data storage and telephony to take place in 2020, before the global restrictions relating to COVID-19 took effect. When ITOPF activated its Business Continuity Plan on 16th March 2020, staff quickly moved to remote working, with much greater reliance on remote communication tools. Consequently, these IT-related projects were 'fast-tracked', which meant that all staff have been able to work effectively no matter where they are located. Concurrently, ITOPF's IT security has been enhanced, which includes annual 'ethical penetration' testing, improved firewall security and 'anti-virus' software, 'two-factor' authentication, and regular IT security awareness modules for staff. Fortuitously, ITOPF's meeting rooms were equipped with improved audio-visual communications just prior to the COVID-19 restrictions taking effect, which will now support a much greater mix of office and home working once these restrictions are lifted.



The drafting of ITOPF's annual publications has proceeded in the same way as prior to the pandemic, with plenty of technical content, news, and statistics to report in the Handbook, the newsletter (*Ocean Orbit*) and the annual Oil Tanker Spill Statistics package. The only difference was that the quantity of publications distributed in 'hard copy' was reduced and circulation was achieved electronically and via the website.

In response to significant interest in the MV WAKASHIO incident, as well as potentially damaging misinformation from unreliable sources, ITOPF posted factual updates on the website and responded to some requests for information from the media. Visitors to ITOPF's website increased by approximately 6% on the previous year, attracting almost 210,000 users. At its peak, the web page hosting these updates on the MV WAKASHIO attracted over 1,000 visits a month. After the home page, the oil tanker spill statistics page continues to be the most popular, with most visitors being from the USA or Germany.

Administrative Matters

As of 20th February 2021, Membership tonnage stood at 459 million GT, representing an increase of 10 million GT (2%) compared with the previous financial year. Associate tonnage stood at 897 million GT as at the same date, representing an increase of 34 million GT (~4%). In terms of the number of ships entered with ITOPF, approximately 7% 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 small ships comprise the majority.

At its meeting on 2nd December 2020, the Board of Directors decided to increase the dues for the financial year 2021/22 to 0.47 of a UK penny per GT of Member tonnage plus a £20 Administration Fee per tanker, and 0.42 of a UK penny per GT of Associate tonnage. This preserves the proportion of income received at 40% from Members and 60% from Associates. It was agreed that a review of the Administration Fee and proportionality of income would be undertaken in preparation for setting the 2022/23 dues rate.

The increase in expenditure anticipated for 2021/22 is due primarily to realisation of recruitment and projects deferred from 2020, and a strategy to 'smooth' the fluctuation in dues rates over a 2-to-3-year timeframe. ITOPF operates on a not-for-profit basis and returns any surplus above a safe operating margin to its shipowners by adjusting the dues rate in each subsequent financial year. In years where no surplus has arisen and/or expenditure is greater, the dues rates need to rise to enable ITOPF to 'break even'. This reactionary approach can lead to fluctuation in the dues rate from one year to the next. Consequently, to manage this scenario better, budgeting for 2021/22, and thereafter, will be undertaken on a two-year planning horizon.

ITOPF's Articles of Association and the Terms of Reference for the Advisory Committee were amended at the AGM and Board Meeting respectively, on 2nd December, to enable meetings to be conducted remotely by video link. This was necessary due to restrictions resulting from COVID-19. Nevertheless, ITOPF's preference remains that, where possible, Members and Directors should be present at meetings in person.

The Advisory Committee met twice during 2020 to conduct the normal business of ITOPF (17th June and 30th September) and on two other occasions (12th August and 25th November), primarily to address matters relating to ITOPF's Retirement Benefit Scheme and budget for 2021/22. As regards the Retirement Benefit Scheme, following the 2020 Triennial Valuation, the Board took the decision on 2nd December 2020 to close the Defined Benefit (DB) pension scheme to future accrual and to new members on 31st March 2021, and to establish a Defined Contribution (DC) pension scheme on 1st April 2021. Appropriate consultation with trustees and employees was held in the lead up to this decision.

Board of Directors

There have been several changes of Director and Alternate Director serving on ITOPF's Board during the year, as detailed in the Directors' Report which accompanies my Statement. As the result of internal reorganisation or retirement, some Directors who served on ITOPF's Board for many years stood down; this included our Directors from Transpetro and Japan P&I Club, who together served for 21 years, as well as Directors from BP, Exxon and Eneos Ocean. In addition, long-serving Alternate Directors from Transpetro, Teekay, BP and Chevron stood down and they, collectively, acted for almost 30 years. The commitment made by Directors and their Alternates to the work of ITOPF cannot be understated. It is of critical importance to have senior executives from representative companies on ITOPF's Board as they lend considerable stature to support the acceptance of ITOPF in many circumstances. They also impart their wisdom and experience to steer the organisation in the direction it needs to go to maintain its position as the preeminent source of technical advice to shipowners, their P&I insurers, and governments worldwide.

I would like to express my sincere appreciation to those Directors and Alternates who retired during the year, especially to those who also served on the Advisory Committee. This has been an unusual year in which meetings have had to be held remotely and I am grateful for Directors' accommodation of the challenges that remote working sometimes present. I would also like to welcome our new (and returning) Directors and Alternates to the Board; I look forward to working with them and, hopefully, meeting them in person in 2021.

Management and Staff

The Modernisation Project (reported in the 2020 Annual Review) highlighted a need for 'resilience' in the team to ensure ITOPF has capacity to focus on each of its five services and be proactive in building capability to respond to P&I risks of the future. During the year, ITOPF's structure and lines of reporting were reviewed to provide opportunity for senior members of the team to become more involved in projects through, for example, the creation of Functional Group Leads. In addition, resourcing of some of the technical and administrative functions was enhanced to allow senior management to re-focus on ITOPF's core services, strategy, and outreach. The appointment of a Company Secretary 'in house' will act to free the Managing Director to focus on being the 'ambassador' of ITOPF, with functional oversight of company governance, finance, pensions, and business risks, now moving into the wider role of the Company Secretary. Work on the Modernisation Project is continuing, although much of this is now being done remotely. The intention is to focus the output from these 'Strategic Initiatives' into ITOPF's 2020+ Strategy and progressively incorporate the new processes and ways of working into business as usual.

During the year in review I am pleased to report that no members of the team left ITOPF's employment. ITOPF welcomed three new members to the team: Daniela Haenle (HR Adviser); Sarah Grant (Office Administrator); and David Cooper (Company Secretary). Fortunately, Daniela and Sarah had worked for ITOPF previously, via an agency and, hence, the transition to becoming permanent employees during COVID-19 restrictions was straightforward. However, the interview and appointment process for David needed to take place in and around 'lockdown', and he has yet to meet many of the team in person. Recruitment to fill other vacancies was postponed because integration into the team would have been more difficult whilst COVID-19 restrictions remained in place. Consequently, at the year-

Dr Karen Purnell, ITOPF's outgoing Managing Director

end, ITOPF had vacancies for Technical Advisers, Technical Support Co-ordinator, Communications Officer, PA (Technical Team), and Office Assistant. These vacancies are a combination of positions that have become vacant and new positions. Recruitment to these positions will commence once COVID-19 restrictions have eased.

At its meeting on 2nd December, the Board also acknowledged Karen Purnell's desire to 'step down' as Managing Director of ITOPF on 31st December 2021. Karen will have served ITOPF in this role for 12 years, and been employed with ITOPF for some 27 years, starting as a Technical Adviser in 1994 and working her way through the ranks to become Managing Director in 2009. To allow good time for selection and hand-over in and around COVID-19 restrictions, the search for Karen's replacement has begun. Karen has prepared the organisation to take its next steps in line with the direction in which the Board wishes it to go. As such, I look forward to working with Karen and her successor in the lead up to the transition of leadership on 1st January 2022.

I mentioned at the outset that I am proud of the way in which the ITOPF team readily adapted to working remotely, and this report demonstrates how they have successfully delivered services to the maritime community despite COVID-19 restrictions. On occasion, this has come at significant personal cost, whereby members of the team have needed to remain on site for weeks or months at a time or, as in one instance, where they were required to isolate in a local hospital with the barest minimum of facilities. Behind the scenes, considerable work was necessary on the part of both technical and administrative team members to ensure, for example, that strict health and safety protocols for COVID-19 were in place, to arrange travel to the area when no scheduled flights were available, and to take on additional work to ensure the efficient operation of all ITOPF's functions and services. On behalf of ITOPF's Directors and shipowners, I'd like to acknowledge the commitment of the team during this most extraordinary of years and to thank them. I regret that I have not been able to meet many of the team in person during my first year as Chairman because of COVID-19 restrictions, but I plan to do so as soon as international travel becomes possible. In the meantime, I am grateful to Karen, Richard and David for keeping the ship well and truly on course during the turbulence caused by COVID-19.

Erik Hånell
Chairman

Directors' Report
for the year ended 20th February, 2021

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 2021, which show a surplus (after tax) of £2,609,012 (2020: deficit of £1,072,342) and a deficit carried forward amount of £1,185,595 (2020: £6,415,703 deficit). During the year the Company made charitable donations of £750 to Mind UK, £750 to The Mission to Seafarers, £500 to Rainbow Trust UK, £500 to RNLI UK and £142 to MacMillan Cancer Support UK (2020: £1,500 to St. Peter's Hospice, £200 to Prostate Cancer UK, £200 to the Rotary Club of Romsey Test Trust Fund, £180 to Seeing is Believing, £30 to The Mission to Seafarers and £21 to Shelter).

The Directors of the Company as at 20 February 2021 were:

Name	Position	Changes during the year ended 20th February, 2021	
		Appointment	Cessation
Erik Hånell	Director & Chairman		
Karen Jane Purnell	Managing Director		
Abdullah Ali Aldubaikhi	Director		
Sven Boss-Walker	Director	02/12/2020	
Billy Chiu	Director		
Clovis Garzia	Director		02/12/2020
Christen Guddal	Director		
Grahaeme Henderson	Director		
Keisuke Kobayashi	Director	02/12/2020	
Tomoyuki Koyama	Director		
Donald Richard Kurz	Director		
Kevin Mackay	Director		
Mark Francis Martecchini	Director		
Roderick Guy Mason	Director		02/12/2020
Anthony Paulson	Director		
Thomas Pinto	Director		
Sergey Popravko	Director		
Cory Quarles	Director		01/02/2021

Name	Position	Changes during the year ended 20th February, 2021	
		Appointment	Cessation
Mark Howard Ross	Director		
Hiroaki Sawabe	Director		25/05/2020
Jones Barros Soares	Director	02/12/2020	
Alex Staring	Director		
Kazuyoshi Takayama	Director		31/03/2020
Ryuichi Takebashi	Director	02/12/2020	
Hannes Kristian Thiede	Director		
Tommy Thomassen	Director		
Nikolas Tsakos	Director		
Chao Wu	Director		
Lois Zabrocky	Director		
Mai Jin Zhu	Director		
Kiyoshi Nogami	Director	02/12/2020	
Christopher George Bastis	Alternate Director		
Andreas Bisbas	Alternate Director		
Raildo Do Nascimento Junior	Alternate Director	02/12/2020	
Luiz José Dos Santos Cabral	Alternate Director		02/12/2020
Philip Michael Davies	Alternate Director		02/06/2020
Prashant Sudhakar Dighe	Alternate Director	02/12/2020	01/02/2021
Jonathan Evans	Alternate Director		30/06/2020
Gregory John Ferrone	Alternate Director		01/09/2020
Haruhisa Fujino	Alternate Director		
Mattias Hedqvist	Alternate Director		
Brian Robert Horsburgh	Alternate Director		
Johan Jåwert	Alternate Director		
Hiroshi Kikegawa	Alternate Director		25/05/2020
Yury Malyshev	Alternate Director		
Caroline Margaret Mcleod	Alternate Director		02/12/2020
Kiyoshi Nogami	Alternate Director		31/03/2020
Tetsu Morita	Alternate Director	02/12/2020	
Nicholas Potter	Alternate Director		
Ingvild Saether	Alternate Director		10/06/2020
Nikolaus Hans Schues	Alternate Director		
James D Small	Alternate Director		
Jane Sy	Alternate Director		
Roderick White	Alternate Director	02/12/2020	
Duo Xue Zhang	Alternate Director		

Since the year end, Andre Kostelnik was appointed a director on 8 April 2021 and on the same date Prashant Dighe and Barbara Pickering became Alternate Directors.

The Directors due to retire by rotation at the next Annual General Meeting in accordance with the Articles of Association are Christen Guddal, Erik Hånell, Tony Paulson, Thomas Pinto, Sergey Popravko, Alex Staring, Tommy Thomassen and Nicholas Tsakos. The retiring Directors are eligible to offer themselves for reappointment.

Covid-19 considerations

The Directors have considered factors related specifically to COVID-19 and are satisfied that the Company is a going concern.

Going concern

Taking into consideration the 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 2.2 of the Notes to the Financial Statements.

The United Kingdom's exit from the European Union

Brexit has not had a material impact on the Company's operations so far in 2021 and the Directors do not expect the new arrangement between the UK and the EU to have a material impact on the Company's business.

Disclosure of information to auditor

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

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

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

By Order of the Board

DAVID COOPER
Secretary
ITOPF Limited
Registered number 00944863
16th June, 2021

Statement of Directors' Responsibilities
for the year ended 20th February, 2021

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

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

Independent Auditor's Report

to the Members of ITOPF Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 20 February 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of ITOPF Limited ("the Company") for the year ended 20 February 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We 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.

Independence

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

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

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Audit procedures performed by the Company engagement team included:

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

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

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

Use of our report

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

CASSIE FORMAN-KOTSAPA
Senior Statutory Auditor
For and on behalf of BDO LLP, Statutory Auditor
London, UK
28th June, 2021

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, 2021

	Note	2021 £	2020 £
Turnover	*4*	5,618,740	5,461,974
Administrative expenses	*5*	(2,852,642)	(6,411,527)
Operating surplus/(deficit)		2,766,098	(949,553)
Interest receivable and similar income	*8*	5,668	31,919
Interest payable and similar charges	*9*	(161,040)	(147,828)
Revenue surplus/(deficit) on ordinary activities before taxation		2,610,726	(1,065,462)
Taxation	*10*	(1,714)	(6,880)
Revenue surplus/(deficit) on ordinary activities after taxation	*17*	2,609,012	(1,072,342)
Other comprehensive income			
Actuarial gain/(loss) on the pension scheme	*15*	2,621,096	(3,176,219)
Total comprehensive income/(loss) for the year		5,230,108	(4,248,561)

The notes on pages 26 to 37 form part of these financial statements.

Statement of Financial Position
as at 20th February, 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Property, plant and equipment	*11*		290,846		259,548
Current assets					
Stocks	*12*	8,473		8,478	
Debtors	*13*	626,659		560,777	
Cash and cash equivalents		3,185,034		3,083,014	
		3,820,166		3,652,269	
Creditors: amounts falling due within one year	*14*	(790,089)		(651,396)	
Net current assets			3,030,077		3,000,873
Total assets less current liabilities			3,320,923		3,260,421
Pension liability	*15*		(4,506,518)		(9,676,124)
Net liabilities			(1,185,595)		(6,415,703)
Capital and reserves					
Profit and loss account	*17*		(1,185,595)		(6,415,703)
Accumulated revenue deficit			(1,185,595)		(6,415,703)

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16th June, 2021.

Erik Hånell
Director

The notes on pages 26 to 37 form part of these financial statements.

Statement of Changes in Equity
for the year ended 20th February, 2021

	Profit and loss account £	Total equity £
Balance at 20th February 2019	(2,167,142)	(2,167,142)
Comprehensive income:		
Revenue deficit on ordinary activities after taxation	(1,072,342)	(1,072,342)
Other comprehensive income:		
Actuarial loss on the pension scheme	(3,176,219)	(3,176,219)
Balance at 20th February 2020	(6,415,703)	(6,415,703)
Comprehensive income:		
Revenue surplus on ordinary activities after taxation	2,609,012	2,609,012
Other comprehensive income:		
Actuarial gain on the pension scheme	2,621,096	2,621,096
Balance at 20th February 2021	(1,185,595)	(1,185,595)

The notes on pages 26 to 37 form part of these financial statements.

Statement of Cash Flows
for the year ended 20th February, 2021

	2021 £	2020 £
Cash flows from operating activities		
Surplus/(deficit) before tax	2,610,726	(1,065,462)
Adjustments for:		
Depreciation of tangible assets	145,850	114,994
Interest income	(5,668)	(31,919)
Interest expense	161,040	147,828
Decrease in stocks	5	289
Increase in debtors	(65,883)	(150,738)
Increase in creditors	143,859	62,174
Taxation paid	(6,880)	(5,232)
FRS102 additional pension cost of service	(2,709,549)	529,889
Net cash generated from/(used in) operating activities	273,500	(398,177)
Cash flows from investing activities		
Purchase of tangible fixed assets	(177,148)	(152,500)
Interest received	5,668	31,919
Net cash used in investing activities	(171,480)	(120,581)
Net increase/(decrease) in cash and cash equivalents	102,020	(518,758)
Cash and cash equivalents at beginning of year	3,083,014	3,601,772
Cash and cash equivalents at the end of year	3,185,034	3,083,014
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,185,034	3,083,014

The notes on pages 26 to 37 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 2021 there were 8,412 members (2020: 8,328).

2 Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis which contemplates the realisation of assets and the settlement of liabilities in the ordinary course of business. The Company has an accumulated 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 2021.

The Directors have conducted stress tests on the Members and Associate Gross Tonnage and cost assumptions included in the Company's cash projections for a period of at least 12 months from the date of approval of these financial statements. These incorporate a reduction in cash flows of over 15% for the next twelve months. Based on the Company's operations in 2021 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.

2.3 Foreign currency translation

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

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

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

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

2.4 Turnover

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

2.5 Operating leases

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

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

2.6 Interest income

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

2.7 Property, plant and equipment

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

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

Depreciation is provided on the following basis:

Computer equipment:	33.3% per annum on a straight line basis
Fixtures 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 assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

2.8 Revaluation of tangible fixed assets

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

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

2.9 Stocks

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

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

2.10 Debtors

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

2.11 Cash and cash equivalents

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

2.12 Financial instruments

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

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

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

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

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

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

2.13 Creditors

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

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

2.14 Pensions

Defined contribution pension plan

The Company commenced operating a defined contribution plan for its employees on 1 April 2021. A defined contribution plan is a pension plan under which the Company pays contributions of between 9-30% into the scheme. Once the contributions have been paid the Company has no further payment obligations.

Defined benefit pension plan

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

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

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

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

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

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

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

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

2.15 Taxation

Tax is recognised in the statement of comprehensive income on interest and royalties.

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

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

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

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

Defined benefit pension scheme

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

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

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

Other key assumptions relevant to the defined benefit pension and other post-employment benefit obligations are based in part on current market conditions. Additional disclosures concerning these obligations are given in note 15.

Property, plant and equipment

- Assessment of the carrying amount of the assets to determine whether there is an indication that the assets have suffered an impairment loss; and
- Estimate of the anticipated useful economic life of the assets and their residual value for the purpose of establishing the Company's depreciation policy.

4 Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
By activity		
Membership dues	1,900,006	1,839,858
Membership administration fees	282,686	276,944
Associates dues	3,339,654	3,215,588
Royalties	5,995	6,420
Cost recoveries and other income	90,399	123,164
	5,618,740	5,461,974

5 Administrative expenses

The administrative expenses is stated after charging/(crediting):

	2021 £	2020 £
Salaries and other employment costs (*Note 6*)	4,917,374	4,048,429
Auditor's remuneration:		
– statutory audit fees	25,000	20,500
– Corporation Tax fee	3,500	5,750
Professional fees	645,282	416,288
Property lease rentals payable	355,537	354,565
Depreciation of property, plant and equipment (*Note 11*)	145,850	114,994
Technical information and publications	62,057	95,300
Raising awareness	2,656	67,318
Research and development awards	25,074	90,152
Curtailment gain (*Note 15*)	(4,262,752)	-
Other administrative expenses	933,064	1,198,231
	2,852,642	6,411,527

6 Employees

	2021 £	2020 £
Wages and salaries	2,655,266	2,414,519
Social security costs	313,423	288,080
Pension costs (*Note 15*)	1,948,685	1,345,830
	4,917,374	4,048,429

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

	Number of employees	
	2021	2020
Technical and information staff	23	21
Administration	12	14
	35	35

7 Directors' remuneration

The emoluments of the chairman were £Nil (2020: £Nil) and the emoluments of the highest paid Director were £270,561 (2020: £277,308); none of the other 30 Directors (2020: 28) received any emoluments in respect of services rendered to the company (2020: £Nil). One Director is entitled to benefits under a defined benefit pension scheme (2020: one). No Directors are entitled to benefits under defined contribution schemes.

8 Interest receivable and similar income

	2021 £	2020 £
Bank interest	5,668	31,919

9 Interest payable and similar charges

	2021 £	2020 £
Net return on pension scheme (*Note 15*)	161,040	147,828

10 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% (2020: 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 member's subscriptions. All other sources of income fall within the charge to corporation tax.

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	1,714	6,880
Total current tax	1,714	6,880

Factors affecting tax charge for the year

The tax assessed for the year is £1,714 (2020: £6,880) the standard rate of corporation tax in the UK is 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Revenue surplus/(deficit) before tax	2,610,726	(1,065,462)
Revenue surplus/(deficit) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	496,038	(202,438)
Effects of:		
Deficit above, not subject to UK corporation tax	-	209,318
Exempt income	(494,324)	-
Total tax charge for the year	1,714	6,880

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11 Property, plant and equipment

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 21st February 2020	490,602	904,240	1,394,842
Additions	3,981	173,167	177,148
At 20th February 2021	494,583	1,077,407	1,571,990
Depreciation			
At 21st February 2020	333,932	801,362	1,135,294
Charge for the year	23,530	122,320	145,850
At 20th February 2021	357,462	923,682	1,281,144
Net book value			
At 20th February, 2021	137,121	153,725	290,846
At 20th February, 2020	156,670	102,878	259,548

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.

12 Stocks

	2021 £	2020 £
Publications	8,473	8,478

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

13 Debtors

	2021 £	2020 £
Trade debtors	126,418	58,179
Other debtors	215,942	107,146
Prepayments and accrued income	284,299	395,452
	626,659	560,777

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	134,084	123,318
Corporation tax	1,714	6,880
Other taxation and social security	122,380	108,329
Other creditors	565	1,575
Accruals and deferred income	531,346	411,294
	790,089	651,396

15 Pension commitments

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

The contributions are determined by a qualified actuary on the basis of actuarial valuations. The most recent full actuarial valuation, as at 1 January 2020, showed that on an ongoing basis the value of the scheme liabilities was £28,793,000 allowing for projected future earnings increases, and the market value of the scheme's assets was £29,786,000. The market value of the assets represents 103% of the accrued liabilities.

The most recent actuarial valuation of the scheme on FRS 102 assumptions was carried out on 20 February 2021 by an independent actuary. The fair value of the scheme's assets valued as at this date was £33,165,967 (2020: £32,590,859), 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 £37,672,485 (2020: £42,266,983), 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 £4,506,518 (2020: £9,676,124).

During the year the Company closed the Scheme to future accruals from 31 March 2021. At that date active members would become deferred members. Active members at the closure date will receive revaluation in line with RPI inflation capped at 5% p.a. This curtailment has led to a decrease in the Scheme's liabilities of £4,262,752 at the reporting date.

Changes in the present value of the defined benefit obligation:

	2021 £	2020 £
At the beginning of the year	42,266,983	32,819,836
Current service cost	2,007,239	1,319,744
Administration costs	14,749	26,086
Interest cost	715,085	895,753
Actuarial (gains) and losses	(2,680,289)	7,619,483
Employee contributions	19,553	83,450
Benefits paid including expenses	(408,083)	(497,369)
Past service costs including curtailments	(4,262,752)	-
At the end of the year	37,672,485	42,266,983

Changes in the fair value of assets:

	2021 £	2020 £
At the beginning of the year	32,590,858	26,997,648
Interest income	554,045	747,925
Return on scheme assets excluding interest income	(59,193)	4,443,264
Contributions by employer	468,787	815,941
Employee contributions	19,553	83,450
Benefits paid including expenses	(408,083)	(497,369)
At the end of the year	33,165,967	32,590,859

	2021 £	2020 £
Fair value of scheme assets	33,165,967	32,590,859
Present value of defined benefit obligation	(37,672,485)	(42,266,983)
Defined benefit liability recognised in statement of financial position	(4,506,518)	(9,676,124)

The amounts recognised in profit or loss are as follows:

	2021 £	2020 £
Current service cost	2,007,239	1,319,744
Administration expenses	14,749	26,086
Past service costs including curtailments	(4,262,752)	-
Interest on the net defined benefit liability	161,040	147,828
Total recognised in the statement of comprehensive income	(2,079,724)	1,493,658
Actual return on scheme assets - gains	495,348	5,191,189
Less: amounts included in net interest on the net defined benefit liability	(554,045)	(747,925)
Return on scheme assets excluding interest income	(59,193)	4,443,264
Actuarial gains and (losses)	2,680,289	(7,619,483)
Remeasurement gain recognised in other comprehensive income	2,562,399	1,267,045

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

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

	2021 %	2020 %
Discount rate	1.90	1.70
Future salary increases	5.40	5.30
Pension in payment increases - RPI	3.30	3.20
Consumer price index (CPI) inflation		
– pre 2030	2.40	2.30
– post 2030	3.40	2.30
Inflation assumption - RPI	3.40	3.30
Mortality rates		
– for a male aged 65 now	23.4	22.8
– at 65 for a male aged 45 now	24.9	24.5
– for a female aged 65 now	24.9	24.5
– at 65 for a female member aged 45 now	26.6	26.3

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

	2021 %	2020 %
Bonds	39.1	39.1
GARS	18.5	17.9
Cash	0.0	1.3
Insured annuities	0.1	0.1
Liability driven investments	19.3	22.2
Credit Investment Fund	13.8	10.1
Other	9.2	9.3
	100.0	100.0

16 Commitments under operating leases

At 20th February 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	354,759	354,759
Later than 1 year and not later than 5 years	532,142	851,459
	886,901	1,206,218

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

17 Reserves

The company's capital and reserves are as follows:

Profit and loss account
The profit and loss account represents cumulative revenue deficits or losses, net of dividends paid and other adjustments.

18 Post balance sheet events

Other than matters noted in the Directors' Report and note 2.14, there are no significant events subsequent to the reporting date which are outside of the Company's normal trading activities that should be disclosed.

19 Controlling party

The Company does not have a controlling party.

Annual General Meeting

The Annual General Meeting of ITOPF Limited will be held on 30th November 2021 at 8.30am for the following purposes:

1 To receive the Accounts of the Federation for the financial year ended 20th February 2021, 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

G D COOPER
Secretary
16th 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.

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ITOPF Limited

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