

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
ANNUAL REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 2016**

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PRESIDENT'S REPORT

2016 was a further successful year for the Institute in what could be described globally as a challenging set of circumstances for Europe and North America, although our growth and development in Africa and Asia continues apace. The continued exciting development of our women in logistics and transport movement (WiLAT) is really starting to create a growth platform that sets us apart professionally from many other global operational logistics and transport groups. Our 5 year strategy put in place at the start of 2015 has allowed the Institute to develop its Capability and Governance and in doing so supporting our countries in developing their growth agenda that will continue to place the Chartered Institute at the forefront of professional development across the core sectors of our activity.

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

As Kevin Byrne takes over as International President following two years of strong Chairmanship of our International Management Committee (IMC) leading the committee in its new direct management responsibility for volunteer members across the world. The work that Kevin has supported with Jan Steenberg (IVP UK) as chair of our Education and Standards Committee (IMESC) is starting to pay dividends in the development of new education products and consequential growth in sales which is seen coming through in the accounts.

This year we have had two very long serving individuals whom have led their countries in many positions that have stepped down. Firstly David Collenette from CILT North America who has been Country Chairman and President and one of our longest serving international vice president's and has been an advisor on policy to many international trustees over the years. Secondly David Cruttenden who is stepping down as President for CILT Zimbabwe after many years of service in a difficult economic and political environment and he leaves with membership on an upward trend and reputations enhanced. We gratefully acknowledge their tremendous contributions as they retire from these key positions in the Institute.

Growth and performance

Membership in the year between June 2015 and June 2016 grew by 2.5% globally with the growth being strongest in the UK, India, Nigeria, Mauritius, North America and Malaysia. Other countries saw membership numbers decline so the membership task remains a difficult challenge. It is essential for the long term sustainability of our Institute that our regional groups support one another and that our main territories support their close neighbouring branches as they develop with both guidance and resources.

The Africa Forum held in Mauritius in March was an outstanding success with the countries President and Prime Minister attending and addressing the event and several ministers attended throughout the 3 days of meetings, talks and seminars.

Similarly late in 2016 the 3rd China International Conference was held in Suining City with over 1500 delegates and 42 CILT International representatives from Australia, North America, Kazakhstan and The Gambia amongst many other countries. This was the largest CILT conference ever hosted and shows clearly the growth opportunity for CILT in China. Professor Wang Derong (President CILT China) and his team have put in place a strategy to grow through a corporate model engaging business by region with each business nominating an initial 20 senior members to become part of the Institute across China.

We continued in 2016 to invest in our regional coordinated activity and started to build a model of targeting South Africa (through the African Forum) and South Asia (led by Malaysia) as well as supporting Hong Kong in developing their capability to support our branches who do not have territorial support 'next door'. Our drive to support the growth in both professional networking and continuing professional development was a focus for all regions during the year and we have seen some good successes in the delivery of these initiatives.

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PRESIDENT'S REPORT (continued)

Our Young Professionals continue to deliver high quality events and each country has a plan to engaging more fully to bring these younger professionals closer to the heart of their strategies and this has been actively encouraged and supported by both the IMC and the Secretary General and his team.

Women in Logistics and Transport (WiLAT) continues to grow in both members and countries with 18 countries now fully operational and many new

Governance

The trustees have had a busy year supporting and advising countries through governance changes and new management structures; the majority of which have been hugely successful. We have however had a few highly visible challenges. Both Kenya and Uganda have been in dispute with the Trustees over their legal structures and in some cases their complete disregard for the laid down conditions of the Charter. The trustees take a very strong line in these cases and have been working with local residing councils and legal teams to ensure members in each country are fully aware of the situation. I would like to thank both the Hon Sec and Hon Solicitor for their advisory roles in supporting both the Trustees and each country to try and get these matters resolved amicably whilst ensuring our Institute and its integrity is fully protected for the benefit of all members.

Capability

Our capability building work continued apace with a clear focus on supporting the International Membership Standards Committee guidelines to deliver true global consistency in our application of professional standards.

The development of our global educational capability is a primary focus and our International Education Standards Committee remains committed to the strategy implemented in 2015 and we are starting to see the benefits of this as new country branches are established.

The 'Branch-in-a box' capability has now been put to good and active use with social media, web and our new document management system and templates used for country web developments in South Africa, Mauritius and Ukraine.

We remain committed to ensuring that we are able to offer solutions for Territories and Branches containing membership information, financial process, audit measures and best practice guides. These are being rolled out and improved and we would expect 2017 to be a year of sustained progress in the area. We remain an Institute of the 21st Century setting standards for development and the principle to work 'as one' therefore we will be Stronger Together.

2016 Convention

The annual convention was held between 10 and 15 May in Montreal and it was a delight to be back in Canada and to support the development of CILT North America. There were some challenges over attaining visa's due to a rather restrictive process in Canada, mainly focused on African and South Asian delegates, which was disappointing. In the end the convention was attended by around 195 delegates with a number of global expert speakers including Sir Peter Hendy, and Institute activities and the sharing of best practice. The organisation of the event by CILT North America was faultless and every attending delegate endorsed the quality of location, speakers and delegate engagement.

The convention also provided the opportunity to present the Young Achiever Award to Nhah Tran from CILT Australia.

Once again the Malaysian Convocation was a highlight of 2016 with over 1,000 people attending and over 650 receiving their certificates. This year we also went to Jakarta for the Indonesian convocation as this was held at an adjoining weekend to the visit to Kuala Lumpur. The convocations were very different in maturity and numbers but high there was a high energy at both events.

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PRESIDENT'S REPORT (continued)

Institute at the Forefront of Policy

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

During 2016, combining visits made by the President, President Elect, International Vice Presidents and the Secretariat we have visited members in China, Hong Kong, Ireland, Macao, Mauritius, Malaysia, North America, Pakistan, Oman, South Africa, Sri Lanka, Indonesia, Poland, the UAE and United Kingdom. We have also made exploratory visits to Cameroon, Kazakhstan, Thailand, and Saudi Arabia. Our Secretary General also received visitors from Ukraine, Singapore, Nigeria, Kenya, China, North America, Hong Kong, Pakistan and Mauritius.

Moving faster, securely, to a new level of capability

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

The economic challenges globally over the last 5 years have meant that many of the more established economies have looked to global trade sales to continue their own growth. This has brought an exciting era for organisations such as CILT which support standards of excellence that are globally in demand. We have seen demand for our qualifications increase substantially and revenue from qualifications followed this rise in demand with education income up from £227k in 2015 to £312k in 2016

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

Looking Forward to 2017 and beyond

Kevin Byrne's thoughts as our new International President as he begins his first year.

I would like to take a moment to share with you my thoughts about the Institute and our goals for the next two years and beyond.

The Institute today is a strong, outward looking organisation. Our educational suite continues to help industry professionals at all levels to grow. But our true strength is our membership. Our collective knowledge, experience and skills form an invaluable resource, sought out and relied upon by governments and professionals the world over.

Individual Membership

This strength cannot be taken for granted. There are countries where the Institute has so far fallen short of its potential, and this must not be allowed to continue. We must redouble our efforts to expand, seeking to understand the unique demands, opportunities and challenges these regions face. We must learn to address them effectively and efficiently, and ensure our help is widely accessible. Only then will our Institute grow the way it has in other countries, becoming the same keystone membership organisation in the logistics and transport industry it is around the world.

Furthermore, we must ensure we remain relevant to those already in our family. Continuing to offer professional development for all our members not only enables us to grow personally, but is vital to the future of the Institute.

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PRESIDENT'S REPORT (continued)

Corporate Membership

Although a diverse organisation, professionally and geographically, we must do more to ensure all sectors are represented, be that road, rail, maritime or aviation, planning or delivery. Widening our membership and deepening our understanding improves not only ourselves but our ability to help others. Our UK territory has been very successful in this regard. Their policy of engaging with the top fifty national companies has paid dividends and is a practice I would see replicated throughout the Institute.

Women and Young Professionals

As I said in my mission statement we must not just enable today's leaders but nurture tomorrow's. Therefore, I want to see every council reporting to the 2017 Convention that there is a least one Young Professional on their National Council. However, we must not just ask ourselves what we can teach our younger members, but what we can learn from them. Engagement with social media and other platforms, as well as technology in general is critical to anyone working within our industry. We must look to harness these emerging skillsets to ensure we remain effective and relevant in a changing world

Diversification of our Institute means not just a balanced age range, but a balanced gender ratio. I am greatly encouraged by the excellent work of WiLAT and urge all branches and territories to study the positive changes they are making. Learning from and building on their experiences and achievements will help our organisation better reflect the world in which it exists.

Our Strategy, Business Plans and our Brand

Our international identity has been enhanced considerably since the universal adoption of our unique logo in Dublin some years ago. We must ensure we gain traction on our global reputation and increase our political co-operation. By staying true to our values, relying on our strengths and listening to the individual needs of our members, their colleagues and the organisations they work with, we can ensure we engage not as lobbyists but as partners and trusted advisors.

As you will be aware, it is now incumbent on all councils to provide business plans to the Secretariat in order to promote self-reliance, sustainability and expansion. As an organisation, we must ensure we meet the same high standards we seek to project around the world.

Part of the work laying the foundations for a prosperous and sustainable future is to encourage and engage with talent wherever we see it. Today's Members are tomorrow's Fellows, but we must not leave succession planning for another day, nor allow our member base to become imbalanced. We must encourage the brightest and best to involve themselves further in our organisation, becoming Fellows and taking on the responsibility of leading our Institute into the future.

Convention 2017

One of the highlights of the CILT calendar is the Annual Convention. This year we head to Macao, and I look forward to meeting many of you and sharing experiences in such a vibrant place.

Reflective of the changing nature of our industry, the Convention is being organised around the theme 'Smart Journey, Belt and Road'. I am excited to hear first-hand how technology continues to change not only what we do, but how we think about things.

We are a diverse family and we have strength in numbers. Meeting together creates one of the few truly global conversations in the logistics and transport industry, and a unique opportunity to exchange ideas and share best practice. I hope you are all able to attend.

The Future

Over our first 100 years, we as an Institute have been on a remarkable journey. We can be proud of our achievements and our successes. In the decades to come we must stay true to these ideals, grow to encompass more countries, continue to set the industry standard in education and qualifications, and remain the first choice for all transport and logistics professionals the world over.

Paul Brooks
President 2015-16

Kevin Byrne
President 2017-18

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TRUSTEES' REPORT

The trustees present their report and the audited financial statements for the year ended 31 December 2016. The financial statements comply with the Institute's Charter and Bye-laws, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102) which was effective from 1 January 2016.

Purpose

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

Activities

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

We seek to:

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

We do this by:

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

Financial Review

The net deficit for the year was £49k (2015 deficit £39k). This included the effects of additional costs and unrecovered income for the support provided to the annual convention in Dubai in 2015, together with a write off of support for the cancelled 2017 Africa forum, which together totalled £27k.

Educational income increased 38% to £313k (2015 - £178k) from which a contribution of £55k was derived (£50k). Subscription and fees income increased 17% to £116k (£99k). Governance costs increased to £99k from £81k. Secretarial, presidential and VP costs reduced to £99k from £110k.

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

Status and trustees meetings

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

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TRUSTEES' REPORT (continued)

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

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

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

Key Management Personnel

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

International Council

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

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

It meets once a year at CILT International Convention.

International Management Committee (IMC)

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

International Audit Committee (IAC)

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

The International Secretariat

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

Significant support is provided by certain territorial organisations, namely;

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

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TRUSTEES' REPORT (continued)

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

The International Family

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

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

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

Public Benefit

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

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

At the end of 2016 there were 3,000 registered students studying CILT International Professional qualifications, short courses, endorsed programmes and other training associated with CILT. In addition, CILT supports Aspire, a careers foundation which provides financial support to those who would otherwise be unable to access professional development education in Logistics and Transport. Aspire is administered as part of CILT(UK).

Trustees' Responsibilities Statement

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

In preparing those financial statements the trustees are required to:

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

The trustees consider that they have complied fully with these requirements in preparing the financial statements on pages 12 to 20. The trustees have responsibility for ensuring that CILT keeps accounting records which disclose with reasonable accuracy the financial position of CILT at any time and which enable them to ensure that the financial statements comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The trustees have

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TRUSTEES' REPORT (continued)

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

Risk Management

CILT's strategic review has produced a plan setting out the major opportunities available to the charity and the risks to which it is exposed. The Trustees monitor progress against the strategic objectives set out in the plan that is reviewed annually.

Reserves Policy and Unrestricted Funds

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

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

The year end general fund balance is £209k which represents ~ 5.5 months of the budgeted 2017 annual expenditure and the trustees consider this level of reserves to be sufficient for the continuing operations of the charity. The trustees note that the over 90% of the investments of held are able to be realised into liquid funds within 24 hours.

Website

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

Endowment Funds

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

Investment Power and Policy

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

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

Auditors

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

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TRUSTEES' REPORT (continued)

Trustees

The following trustees have served during the year:

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

Officers

The following officers have served during the year:

President	Paul Brooks	UK
International VPs	Jan Steenberg	UK
	Bernard Auton	UK
	Neville Binning	Australia
	Romesh David	Sri Lanka
	David Collenette	Canada (term of office completed 31 May 2016)
	Gilles Legault	Canada (term of office started 1 June 2016)
	Becky Loo	Hong Kong (term of office completed 31 May 2016)
	Sunny Ho	Hong Kong (term of office started 1 June 2016)
	Radzak Malek	Malaysia
	Ibrahim Jibril	Nigeria
	Umara Usman	Nigeria
	Finbar Cleary	Ireland
Honorary Solicitor	Rupert Nichols	
Honorary Treasurer	David Pugh	
Honorary Secretary	Stephen Rinsler	
Secretary General	Keith Newton	
Director of Finance	Duncan Snook (resigned 4 October 2016)	
	Andrew Weatherill (appointed 4 October 2016)	

Advisors

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

Registered office and principal address:

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

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TRUSTEES' REPORT (continued)

Membership of Governing Groups

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

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

By order of the trustees

Stephen Rinsler
Secretary to the trustees
11 May 2017

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

We have audited the financial statements of The Chartered Institute of Logistics and Transport for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Charities SORP (FRS 102).

Respective responsibilities of trustees and auditor

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

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the charity's trustees as a body. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

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

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

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

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**STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)**

	Note	Unrestricted Funds 2016	Endowment Funds 2016	Total Funds 2016	Unrestricted Funds 2015	Endowment Funds 2015	Total Funds 2015
Income and endowments from:		£000	£000	£000	£000	£000	£000
Charitable activities	2	410	-	410	401	-	401
Investments	3	9	14	23	10	13	23
Total income		419	14	433	411	13	424
Expenditure on:							
Raising funds	4	2	4	6	2	3	5
Charitable activities	5	466	23	489	454	16	470
Total expenditure		468	27	495	456	19	475
Net Contribution / (deficit)		(49)	(13)	(62)	(45)	(6)	(51)
Net gains on investments		33	47	80	6	6	12
Net (expenditure)/income		(16)	34	18	(39)	-	(39)
Reconciliation of funds							
Funds bought forward 1 January 2016		225	508	733	264	508	772
Funds carried forward 31 December 2016		209	542	751	225	508	733

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

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BALANCE SHEET

	Notes	2016 £000	2015 £000
Fixed assets			
Investments	7	<u>836</u>	<u>761</u>
Current assets			
Debtors	8	9	43
Cash at bank and in hand		<u>50</u>	<u>9</u>
		<u>59</u>	<u>52</u>
Current liabilities			
Creditors falling due within one year	9	(144)	(80)
		<u>(144)</u>	<u>(80)</u>
Current assets less current liabilities		(85)	(28)
Total assets less current liabilities		<u>751</u>	<u>733</u>
Endowment funds	10	542	508
Unrestricted income funds	11	209	225
	12	<u>751</u>	<u>733</u>

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

Signed on behalf of the trustees on 11 May 2017

Stephen Rinsler
President

David Pugh
Honorary Treasurer

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NOTES TO THE ACCOUNTS

1. Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

The financial statements have been prepared on the basis that the charity is a going concern. The trustees consider that there are no material uncertainties on the charity's ability to continue its activities for the foreseeable future. They have approved a detailed income and expenditure budget for 2017, the charity has a regular stream of income and its reserves policy means that it will be able to meet its obligations and have sufficient time to mitigate against any unforeseen circumstances.

Income

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

Expenditure

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

Investments

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

Fund accounting

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

Expenditure

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

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Debtors and accrued income

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

Cash at bank and in hand

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

Foreign currencies

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

Creditors and provisions

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

Financial instruments

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

2. Income from Charitable Activities

	Unrestricted Funds 2016	Endowment Funds 2016	Total Funds 2016	Unrestricted Funds 2015	Endowment Funds 2015	Total Funds 2015
	£000	£000	£000	£000	£000	£000
Subscriptions and fees	116	-	116	99	-	99
Education	313	-	313	227	-	227
Annual convention	(19)	-	(19)	75	-	75
	<u>410</u>	<u>-</u>	<u>410</u>	<u>401</u>	<u>-</u>	<u>401</u>

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

3. Income from Investments

	Unrestricted Funds 2016	Endowment Funds 2016	Total Funds 2016	Unrestricted Funds 2015	Endowment Funds 2015	Total Funds 2015
	£000	£000	£000	£000	£000	£000
Income from managed portfolio	<u>9</u>	<u>14</u>	<u>23</u>	<u>10</u>	<u>13</u>	<u>23</u>

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

4. Cost of Raising Funds

	Unrestricted Funds 2016	Endowment Funds 2016	Total Funds 2016	Unrestricted Funds 2015	Endowment Funds 2015	Total Funds 2015
	£000	£000	£000	£000	£000	£000
Investment management fees	2	4	6	2	3	5

5. Cost of Charitable Activities

	Unrestricted Funds 2016	Endowment Funds 2016	Total Funds 2016	Unrestricted Funds 2015	Endowment Funds 2015	Total Funds 2015
	£000	£000	£000	£000	£000	£000
Membership and fees:						
Secretariat and member administration	83	-	83	95	-	95
Presidential and VP activity	15	-	15	16	-	16
Total:	98	-	98	111	-	111
Education:						
Moderation fees	56	-	56	33	-	33
Accreditation and examination	80	-	80	24	-	24
Development	123	-	123	121	-	121
Awards		23	23	-	16	16
Total:	259	23	282	178	-	194
Annual convention:						
Operating costs	10	-	10	84	-	84
Total:	10	-	10	84	-	84
Governance:						
Communications and website	43	-	43	31	-	31
Audit	6	-	6	4	-	4
Secretarial support	31	-	31	28	-	28
Finance, governance and marketing support	9	-	9	9	-	9
Governance support to territories and branches	10	-	10	9	-	9
Total:	99	-	99	81	-	81
	466	23	489	454	16	470

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A total of £11,014 (2015: £8,994) in expenses was reimbursed to 4 trustees (2015: 4) for travel and subsistence for governance and development activities. None of the trustees received any remuneration in the year (2015: none). The trustees are considered to be key management personnel.

Included within resources expended are costs in respect of services from CILT UK, CILT Hong Kong and CILT Ireland totalling £40,266 (2015: £40,216).

CILT does not employ staff, but does enter into contracts with individuals for Secretary-General services, Professional Development services and Secretarial Support services. Included within resources expended are fees and expenses in respect of these contracts totalling £211,790 (2015: £201,493). The Secretary-General is considered to be key management personnel.

6. Taxation

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

7. Investments

	2016	2015
Cost or valuation:	£000	£000
At 1 January 2016	761	754
Additions	24	141
Disposals	(23)	(173)
Management Charges	(6)	(5)
Net investment gains	80	44
At 31 December 2016	836	761
Historical cost at 31 December 2016	690	615

The segregated funds are managed on a discretionary basis and are held to provide an income and capital investment return for CILT. The asset allocation of the portfolio at 31 December 2015 was:-

	£000	
UK Equities	392	(48%)
Fixed Interest	135	(17%)
Overseas Equities	189	(23%)
Property	48	(6%)
Infrastructure & Cash	51	(6%)

All the investments were quoted on recognised stock exchanges. At 31 December 2016 there were 6 investments each of which exceeded 5% of the portfolio value. They were:-

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

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NOTES TO THE ACCOUNTS (continued)

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

	2016	2015
	£000	£000
General Fund	343	312
Endowment Fund	493	449
Total at 31 December 2016	<u>836</u>	<u>761</u>

8. Debtors

	2016	2015
	£000	£000
Accrued income	9	43
Prepayments	0	-
	<u>9</u>	<u>43</u>

9. Creditors: Amounts falling due within one year

	2016	2015
	£000	£000
Other	112	66
Accruals	32	14
	<u>144</u>	<u>80</u>

10. Endowment Fund

The movements during the year were:

	£000
Balance at 1 January 2016	508
Statement of Financial Activities	<u>34</u>
Balance at 31 December 2016	<u>542</u>

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

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

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NOTES TO THE ACCOUNTS (continued)

11. Unrestricted income funds

The movements during the year were as follows:

	£000
Balance at 1 January 2016	225
Statement of Financial Activities	(16)
Balance at 31 December 2016	<u>209</u>

12. Analysis of net assets between funds

	Unrestricted Funds General £000	Restricted Funds Endowment £000	Total Funds £000
Investments	343	493	836
Net assets/(liabilities)	(134)	49	(85)
Net assets at 31 December 2016	<u>209</u>	<u>542</u>	<u>751</u>

13. Collaboration with territorial organisations

CILT holds the Royal Charter and has worldwide membership through a number of territorial organisations and branches of more than 30,000 professionals and students connected with the logistics and transport industries. Set out below are the territorial organisations which provided specific administrative duties on behalf of CILT in the year to 31 December 2016.

	2016 £000	2015 £000
CILT UK (finance and governance)	9	9
CILT Ireland (education)	27	27
CILT Hong Kong (membership)	4	4
	<u>40</u>	<u>40</u>