

4

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 2013**

	Page
Contents	1
Objectives and activities	2
President's Report	3 to 6
Trustees, Officers and Advisers	7 to 8
Trustees' Report	9 to 13
Independent Auditors' Report	14
Statement of Financial Activities	15
Balance Sheet	16
Notes to the Accounts	17 to 21

Registered office:
The Chartered Institute of Logistics and Transport
International Secretariat
Earlstrees Court
Earlstrees Road
Corby
Northants
NN17 4AX
United Kingdom

Incorporated by Royal Charter
Registered Charity No: 313376

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 2013**

Objectives and Activities

The objectives of the Chartered Institute of Logistics and Transport (CILT) are stated in our Royal Charter:

***“promote, encourage and co-ordinate the study and advancement
of the science and art of transport and logistics in all its forms”***

To this end 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 professional areas including;

- Freight transport
- Passenger transport
- International trade
- 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.

CILT also seeks 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.

CILT does 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' success

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
PRESIDENT'S REPORT
YEAR ENDED 31 DECEMBER 2013**

I am pleased to present my report on the activities and performance of the Chartered Institute of Logistics and Transport in 2013. This represents my first full year of office and I am most grateful for the support and advice I received from Alan Waller, the Past President, Paul Brooks, President-Elect (who has taken over chairmanship of International Management Committee) and our trustees. They have been an important resource for me. I also have the full support of Keith Newton, the Secretary General and his team and we have been engaged in active communication and sharing of ideas with Territories and Branches throughout 2013.

I delivered the vision and strategies on my 2-year term of office in Sri Lanka in June 2013 during the Annual Convention which was attended by over 130 delegates from 25 countries.

Three themes are to drive the activities of the Institute for now and for the future: **governance, capability and growth.**

Governance and performance

In 2013, continuous efforts were made to establish our governance and to provide assistance to branches in developing membership and in reinforcing support for growth. Supported by clearly defined process and requirements, we happily saw the transformation of Nigeria into a Territorial Organization with full responsibility on membership, education and training. The vetting process was elaborate with detail proposals submitted in the first instance by CILT Nigeria followed by face to face meetings and a three day visit by the Secretary General. Formally becoming a CILT Territorial Organization on 1 January 2014, the CILT family would come together to congratulate Nigeria's achievements at our next Annual Convention in Malacca.

We are continuing to reinforce CILT Kenya with a national board and branches in Nairobi and Mombasa. By getting the structure right, it is now possible to push ahead and develop meaningful partnerships with the logistics and transport sector.

Both our Secretary General and Graham Harrison are managing and rendering help to the new Board in UAE. We are pleased with the sustained interests on CILT membership. There was also active communication with CILT members in Bahrain and Bahrain Polytechnic who have expressed interest in setting up a CILT Branch. Further steps are being taken to reach out and to maintain the momentum for growth in the Middle East Region.

Ongoing discussions on CILT Egypt operations resulted in the election of a new Board under Abdel Rahman Awad in November 2013. The new Board has met several times and is working on the development of a strategic plan for 2014-2016.

Both CILT Hong Kong and CILT Ireland are supporting us on membership and education. The critical work for 2013 is to reinstate and upgrade the education and record system which would enhance our services on student registration and certification. This new registration database will go live in February 2014 and the education team will be helping the countries & training organisations to implement this successfully.

Capability

Education activities are gaining speed and we have completed internationalizing our Diploma programmes. We have embarked upon a programme of re-accrediting and expanding our training providers who deliver our qualifications. During the year, Jon Harris, our Professional Development Co-ordinator and the Secretary General visited over 20 training providers and conducted 15 accreditation exercises. By the end of 2013, we had over 40 accredited training providers.

Paul Brooks has taken over the chairmanship of the International Management Committee from Steve Rinsler. The Committee supports the Institute by reviewing the activities of the Institute in areas of education and training, membership development and strategic growth areas where we benefit from the suggestions and initiatives of IVPs.

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
PRESIDENT'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2013**

Two important committees, the **International Membership Standards Committee** chaired by IVP, Professor Becky Loo and the **International Education Standards Committee** chaired by IVP, Kevin Byrne met 4 and 5 times respectively in 2013. The work of these committees has enabled the Institute to look ahead on global developments and to refresh and upgrade our qualifications matching those with our membership standards.

Of significance is the work of the **Global Market Development Task Force** under the leadership of President-Elect Paul Brooks which produced our international brand. This has kept our Institute busy throughout 2013 and has allowed us to hit the news with launching celebrations and recognition.

Sharing our growth

We will continue to grow and enhance our core activities in education, training and membership promotion. In support of these goals, we have identified important growth areas where time and resources were committed during 2013 to reinforce our growth action plans.

For North America, Paul Brooks and I participated in their annual retreat on 27 August to consider how best membership in North America could be developed and what the strategy road map for CILT NA should be. We met a team of young and dedicated members who are committed to developing CILT. Strengths, weaknesses, opportunities and threats have been identified and there will be more discussions during 2014 on the way forward. While attending the retreat, we had the pleasure of meeting Hazem Ghonima and presented him with the Honorary Fellowship award. In India, the Task Group under Paul Brooks, IVP Saliya Senanayake and the Secretary General has adopted a project management approach with a Project Board to develop membership growth activities and to build links with corporates and training providers. This is seen to be the most effective way to systematically develop CILT activities throughout India. The plan is to establish centres in six cities. These centres will be manned and the initial sources of funding would be from the Institute and from local corporates.

China CILT has initiated steps to becoming a Territorial Organization. The main hurdle is the recruitment of individual members in China and how to sustain their interests in Institute activities after obtaining their qualifications. The growth in economic activities in China means that there would be a strong demand for professional expertise in supply chain, traffic and transport management and the Institute is well placed to support professional initiatives in this vast territory.

Interest in our Institute continues and during 2013, a group of CILT members in Macao has established an organizing committee with the view to establishing a Branch of the Institute in 2014. To support this initiative, three meetings took place in Macao and several visits were made to the government officials there by the President.

Our growth strategy also embodies special areas in **Young Professionals Committee** and **Women in Logistics and Transport**. Stephen Chan, the Convenor of Young Professionals Committee maintained an active dialogue with young members who have impressed us with their spontaneity, openness and determination to be achievers. Aspire continues to help students globally with financial assistance in pursuing studies. We see a strong synergy between the Young Professionals Committee and our latest initiative to establish the CILT International Alumni Group led by former President Richard Hunt. With vast personal experience and extensive professional connection, our alumni would be able to help and to mentor our young professionals. The Alumni Group met 5 times in 2013 and they are ready to share their plans at the 2014 Annual Convention.

Attracting most attention during the Sri Lanka Annual Convention is the global launching of Women in Logistics and Transport (WiLAT). We welcomed Aisha Ibrahim as our global WiLAT Convenor and immediately following the Convention, Aisha has established Regional Co-ordinators as contact persons of the regions to plan and support WiLAT groups in their region. Together, they would be responsible for marketing and branding of WiLAT activities.

WiLAT is formed within the Chartered Institute of Logistics and Transport to promote the industry to female members and to sustain their developments. Our Global Group will be planning for activities

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
PRESIDENT'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2013**

leading to our 2014 Annual Convention. Although women breaking barriers is the main conversation, the important message, however, is that the group in CILT is established as an inclusive group, not exclusive. Our global mission is simple, it is to encourage the participation of women in our profession in all parts of the world, to bring together those who support talent and career development of women and to provide mentoring opportunities.

Following Nigeria which was the first CILT branch to set up WiLAT, we have WiLATs in Hong Kong, Ghana, Malaysia, Middle East, Pakistan, South Africa, Sri Lanka, Uganda and Zambia.

Launching of new logo

One of the most important tasks accomplished during the year by the Global Market Development Task Group is the launching of the new logo for the Institute. Official launching of the logo took place on 16 September 2013 in a successful launching ceremony and conference hosted by CILT Ireland. There was wide coverage in the press and the rationale for changes is also well received.

Moving towards the next century, our new logo identity portrays an image of global leadership, professionalism, diversity, energy and unity which signifies our spirit and mission of growing **stronger together**. The colours: gold, cream and purple are chosen to project a noble image matching our Chartered status and heritage. We have the arrows to signify movements, direction and energy, reflecting our wide scope in different sectors, aviation, ports, roads, rail, transport and supply chain.

Why are we changing the logo is the question asked. Our members are unanimous that we need a truly global brand, a logo which will reflect not only the importance of charter and our heritage, but also our membership and professional qualities and our direction on education and training.

The new brand demonstrates our commitment to grow internationally. We will continue to provide a platform for sharing best practices and adding values to business. Launching of the new logo in different countries will continue into 2014.

2013 Convention

The successful and well attended Annual Convention held between 2 and 6 June 2013 in Sri Lanka was the highlight of the year. Alan Waller, our Past President received his Honorary Fellow witnessed by an audience of over 130 delegates. The event also carried a special meaning for Sri Lanka CILT which became a Territorial Organization on 1 January 2013. With a rapidly developing economy, we saw strong interest in transport and logistics support and the young persons who joined us and participated enthusiastically at the conference was an encouraging sight. The superb organization efforts demonstrated by CILT Sri Lanka and the strong leadership under Romesh David speak for the success. I am confident that CILT Sri Lanka will grow to be the leading professional group in the country.

To recognize contributions to the Institute, the Pegasus Medal was given to IVP Derek Bell who has served for 3 years with great dedication and commitment. The Convention also provided the opportunity to present a Branch Certificate to Fesshaye Girmay Abrha from Ethiopia and the Young Achiever Awards to two winners: Nishantha Fernando from Sri Lanka and Leigh Williams from Australia.

African Forum

The African Forum hosted by CILT Uganda held on 5-7 March 2013 was again a key event for the countries across Africa. The value generated by this annual function has gone beyond education and training and allows countries to meet face to face in an important occasion to share developments goals. CILTs in Africa are also pulling resources to support the IVP office in Africa and the expanding CILT activities in Africa is the outcome of years of hard work and determination to deliver results. The Honorary International Ambassador Award which was given to Dr. Harrison Mwakymbe, Minister for Transport in Tanzania showed the gaining importance and opportunities for our members in African countries.

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
PRESIDENT'S REPORT (continued)
YEAR ENDED 31 DECEMBER 2013**

Creation of Long Term Value

Near to the end of the year, Paul Brooks, Keith Newton and I have embarked on a review of our corporate strategy, a review which aims to bring the Institute forward over the next 5 years. The strategy of enabling our major Territorial Organizations to participate actively in the running of our operations is proving a successful collaboration model and to be able to run our international operations as a global team involving our vice presidents is a key to reinforcing our regional presence and growth. We will engage our Trustees, International Vice Presidents and Presidents of Territories and Branches to contribute to the review and this work will continue into 2014 and will be the major focus.

Our task to extend the art and science of logistics and transport knowledge throughout the world relies on the commitments and capabilities of our Territories and Branches. We continue to roll out Delegation Agreements through Territories and Branches. The establishment of new branches now involves an elaborate process of examining the adequacy of the management structure in place, services to be provided to members, record keeping and the financial and auditing arrangements. The purpose is to ensure that Branches, upon their establishment would be able to function effectively and will have the capability to grow. We are therefore looking beyond the initial 3 years. Following Ethiopia, the 31st member in the family, we will see the registration of a new Branch in Macao and possibly Bahrain in 2014.

We aim to be a long-term source of global best practices and this necessitates us in monitoring and partnership with others in the industry. Although we have a lean secretariat, we have managed to work together with Territories and Branches effectively through teleconferences and occasional visits. 4 e-newsletters were issued in 2013 and during the year, there were 5 meetings of the International Management Committee, 4 meetings of the International Audit Committee and 5 meetings of the Council of Trustees. In addition, the President, President Elect and the Secretary General have frequent dialogues to ensure that activities are aligned.

As always, face to face meetings and visits allow us to meet a bigger group of local CILT members. During 2013, combining visits made by the President, President Elect, International Vice Presidents and Secretary General, we have visited members in Bahrain, China, Ghana, Hong Kong, India, Ireland, Malaysia, North America, Nigeria, Pakistan, Singapore, Sri Lanka, Tanzania, Uganda and UAE.

Conclusion

Our Institute has maintained our relevance for nearly 100 years through education and training, sharing best practices and adding value to business. Our vision is to be recognized globally as the first choice professional body for the Supply Chain, Logistics and Transport, enabling growth within the profession, professional development, reputation and membership. With growing global representation through 31 Territories and Branches, our Institute would be stronger and this would be achieved through promoting our interests together.

I would like to thank you all for your counsel, all our members for their hard work and selfless contributions and all our partners in education and training for their consistent support.

In closing, I look forward to seeing all of you at our next Annual Convention in Malacca hosted by CILT Malaysia.



**Dr Dorothy Chan FCILT
President
9 April 2014**

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
OFFICERS AND ADVISERS
YEAR ENDED 31 DECEMBER 2013**

Trustees

The following trustees have served during the year:

Dr Dorothy Chan	(term of office ends December 2014)
Paul Brooks	(term of office ends December 2014)
Jan Steenberg	(appointed June 2013, term of office ends May 2016)
Stephen Rinsler	(term of office ends December 2015)
Rupert Nichols	(reappointed June 2013, term of office ends May 2016)
Graham Harrison	(term of office ends May 2014)
Derek Bell	(term of office ended May 2013)

Officers

The following officers have served during the year:

President	Dr Dorothy Chan	
International VPs	Derek Bell	UK (to May 2013)
	Jan Steenberg	UK (from June 2013)
	Robin Dunlop	New Zealand
	Kevin Byrne	Ireland
	Hon David Collenette PC	Canada
	Professor Becky Loo	Hong Kong
	Dr Emurwon Olupot	Uganda
	Paul Brooks	UK
	Radzak Malek	Malaysia
	Saliya Senanayake	Sri Lanka
Honorary Solicitor	Rupert Nichols	
Honorary Treasurer	Graham Harrison	
Honorary Secretary	Stephen Rinsler	
Secretary General	Keith Newton	
Director of Finance	Richard Ebbage	(to 6 January 2014)
	Duncan Snook	(from 6 January 2014)

Advisers

Auditors	Mazars LLP Clifton Down House, Beaufort Buildings, Clifton, Bristol
Bankers	Barclays Bank plc 8 Market Place, Kettering, Northants
Investment Managers	Investec Wealth and Investment Limited 2 Gresham Street, London
Solicitors	Stone King Sewell LLP 16 St John's Lane, London

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
OFFICERS AND ADVISERS (continued)
YEAR ENDED 31 DECEMBER 2013**

Membership of Governing Committees 2014

Name	Designation	Country	COT	IMC	IAC
Dorothy Chan	President	HK	Chair	X	NV
Paul Brooks	IVP	UK	X	Chair	
Graham Harrison	Honorary Treasurer	UK	X	X	Chair
Rupert Nichols	Honorary Solicitor	UK	X	X	X
Stephen Rinsler	Honorary Secretary	UK	X	X	NV
Jan Steenberg	IVP	UK	X	X	
Kevin Byrne	IVP	IRL		X	
David Collenette	IVP	CAN		X	
Robin Dunlop	IVP	NZ		X	
Becky Loo	IVP	HK		X	
Emurwon Olupot	IVP	UG		X	
Saliya Senanayake	IVP	SL		X	
Radzak Malek	IVP	ML		X	
Mike Pestereff	Audit Committee	UK			X
Stephen Chan	Young Manager Representative	HK		NV	
Steve Agg	CEO	UK		NV	
Duncan Snook	Director of Finance	UK		NV	NV
Keith Newton	Secretary General	UK	NV	NV	NV

Key:

COT	Council of Trustees
IMC	International Management Committee
IAC	International Audit Committee
X	Voting Committee Member
NV	Non voting Committee Member

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT TRUSTEES' REPORT YEAR ENDED 31 DECEMBER 2013

The trustees present their report and the audited accounts of CILT for the year ended 31 December 2013. The trustees have adopted the provisions of the 2005 Statement of Recommended Practice "Accounting and Reporting by Charities" in preparing the annual report and accounts of the charity. CILT's constitution does not permit the distribution of any surplus.

Status and trustees meetings

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, are the persons who from time to time 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 objectives and activities on page 2, the President's Report on pages 3 to 6 and the information on Officers and Advisers on pages 7 and 8 form part of this report.

The governing documents of CILT are its Royal Charter and Bye-Laws. Changes to these documents require the approval of the Privy Council, subsequent to the agreement of the voting members of CILT.

The Royal Charter was granted in 1926. The bye-laws were most recently revised in April 2010.

The supreme governing body of CILT is the Council, known as the Council of Trustees, which comprises the President, the President-Elect, two International Vice Presidents resident in the UK, the Honorary Treasurer, Honorary Solicitor and Honorary Secretary and the Chairmen of the three standing committees of CILT, namely the International Council, the International Management Committee and the International Audit Committee.

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

The trustees maintain an up-to-date knowledge of the responsibilities of being a charity trustee and have to confirm receipt of a written statement of such duties and responsibilities. This process includes the review of statements issued by the Charity Commission.

The trustees serve without remuneration. 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.

Financial Review

Incoming resources have increased by 12% overall, largely due to a significant increase in educational and professional development activity. This increased activity has led to a planned investment in our educational administration which shows as an increase in professional development costs in this year. The investment is largely contained within 2013 and has been considered as vital alongside the development of the new global brand and identity, successfully launched in the autumn.

These two factors mean that the general fund has borne the cost of our investment in CILT's future with outgoing resources for the year of £52,000 which after attributable investment gains of £38,000, reduces to £14,000. The Endowment Funds have had another successful year enjoying income and capital returns above the applicable benchmarks and targets.

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
TRUSTEES' REPORT (continued)
YEAR ENDED 31 DECEMBER 2013**

Standing Committees of CILT

The International Committee is known as the International Council and comprises representatives of the Territorial Organisations (TO) and CILT Branches (IB) established around the world. The International President chairs the International Council. It is the international forum for representation of all members of CILT;

- Development of CILT's global strategy
- Establishment of professional membership and ethical standards
- Establishing 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.

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

The International Audit Committee (IAC) is charged with the oversight of CILT's activities to ensure they meet the requirements of Charity Law, financial management best practice and statutory accounting requirements. It is also responsible for the investment management of CILT's funds and disposition of the Restricted Funds. The IAC meets minimum of twice per year in addition to meeting the CILT's auditors, in practice the meetings reflect the cycle of meetings of trustees and IMC.

The International Secretariat

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

Significant support is provided by certain territorial organisations, namely;

- CILT United Kingdom, which provides finance, treasury, company secretary and legal services, hosts CILT International web-site and provides Marketing support
- CILT Ireland, which administers Professional Education activities worldwide.
- CILT Hong Kong, which manages the administration of Professional Membership worldwide.

The other principal officer appointed by the Council of Trustees is the Director of Finance, who is the Finance Director of CILT in the UK. In this capacity, he reports to the Secretary-General and attends meetings of the International Management Committee and International Audit Committee.

The International Family

CILT has members working in more than 100 countries.

There are like minded organisations formed by our members in various 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 CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT TRUSTEES' REPORT (continued) YEAR ENDED 31 DECEMBER 2013

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 Council of Trustees retains 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.

CILT 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 competent Logistics and Transport we have a constructive influence on our 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.

In 2013 there were more than 1,200 students studying CILT International Professional qualifications. There were also many thousand pursuing 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 in UK.

Risk Management

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

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

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

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 surplus (or deficit) for the year.

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
TRUSTEES' REPORT (continued)
YEAR ENDED 31 DECEMBER 2013**

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 15 to 21.

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 1993.

The Trustees have general responsibility for taking such steps reasonably open to them to safeguard the assets of CILT and to prevent and detect fraud and other irregularities.

The Trustees have taken all the necessary steps to make us aware, as Trustees, of any relevant audit information and to establish that the auditors are aware of the information. As far as the Trustees are aware there is no relevant audit information of which CILT's auditors are unaware.

Reserves Policy and Unrestricted Funds

Unrestricted funds, or free reserves, are necessary as they enable CILT to fulfil its charitable objectives. The minimum value of Unrestricted Funds, being funds expendable at the discretion of the Council, shall be equivalent to not less than one year's annual expenditure and not more than two years annual expenditure as disclosed in the latest annual accounts, or budget of CILT, whichever is the more recently agreed document.

Any excess variance of 10% or more arising from comparison of the calculated reserves with the then present level of unrestricted funds shall be corrected by CILT over a period of three years. The policy will be reviewed from time to time to take particular account of changes to Unrestricted Funds caused by fluctuations in financial markets.

Although the current level of free reserves has fallen below this target level, the future operations and budgets of CILT are geared to comply with the policy within the period of correction outlined above. In considering reserves the trustees consider that the level of reserves available is sufficient for the continuing operations of the charity.

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
TRUSTEES' REPORT (continued)
YEAR ENDED 31 DECEMBER 2013**

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; education. Further details are set out in Note 9 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 investment powers to the portfolio 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 6 to the accounts.

Auditors

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

By order of the trustees



**Stephen Rinsler
Secretary to the trustees
9 April 2014**

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

We have audited the financial statements of The Chartered Institute of Logistics and Transport for the year ended 31 December 2013 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).

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, 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 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 2013 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

On behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Clifton Down House, Beaufort Buildings, Clifton, Bristol, BS8 4AN

Date 21/5/14

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

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2013**

	Note	Unrestricted Funds £000	Endowment Funds £000	Total Funds £000	2012 £000
Incoming resources					
From generated funds:-					
Subscriptions and fees		97	-	97	99
Investment income		8	12	20	16
From charitable activities:-					
Professional development		169	-	169	143
Other income		3	-	3	
Total incoming resources	2	277	12	289	258
Resources expended					
Cost of generating funds:-					
Subscriptions and fees		162	-	162	92
Investment management costs		2	3	5	3
On charitable activities:-					
Professional development	3	109	2	111	80
Governance costs	4	56	-	56	52
Total resources expended	5	329	5	334	227
Net (outgoing)/incoming resources for the year before other recognised gains and losses		(52)	7	(45)	31
Other recognised gains and losses					
Gains on investment assets:	6	38	58	96	49
Net movement in funds		(14)	65	51	80
Reconciliation of funds					
Funds bought forward 1 January 2013		258	422	680	600
Funds carried forward 31 December 2013	11	244	487	731	680

The notes on pages 17 to 21 form part of these accounts.
The income relates to continuing activities.

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
BALANCE SHEET
31 DECEMBER 2013**

	Notes	2013 £000	2012 £000
Fixed assets			
Investments	6	<u>734</u>	<u>541</u>
Current assets			
Debtors	7	24	14
Cash at bank and in hand		<u>46</u>	<u>187</u>
		<u>70</u>	<u>201</u>
Current liabilities			
Creditors falling due within one year	8	(73)	(62)
		<u>(73)</u>	<u>(62)</u>
Total assets less current liabilities			
		(3)	139
		<u>731</u>	<u>680</u>
Endowment funds	9	487	422
Unrestricted income funds	10	244	258
	11	<u>731</u>	<u>680</u>

The notes on pages 17 to 21 form part of these accounts

Signed on behalf of the trustees on 9 April 2014

Dr D Chan
President



G Harrison
Honorary Treasurer



**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
NOTES TO THE ACCOUNTS
31 DECEMBER 2013**

1. Accounting policies

Basis of preparation

The accounts, which reflect the transactions of CILT, have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with applicable accounting standards. The financial statements follow the Charities Act 1993 and the recommendations in the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued by the Charity Commission in March 2005.

Incoming resources

Fees are taken into account when received and fees in advance are carried forward. Other turnover is based on receipts from services invoiced.

Collaboration with territorial organisations

Certain administrative and support services are provided to CILT by territorial organisations at agreed fees. Details of the fees are set out in Note 12 to the accounts.

Investments

Investments are stated at market value. All realised or unrealised gains or losses on the revaluation of fund investments are taken directly to the relevant funds.

Funds

Unrestricted funds are available for any charitable purpose within CILT's objects. Endowment funds are funds to be retained for the benefit of CILT as capital.

Resources expended

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

2. Incoming resources

The incoming resources of CILT, generated from subscriptions and activities with territorial organisations and branches, are all accounted for in the United Kingdom. All incoming resources are receivable in sterling.

3. Professional development

Professional development costs are costs incurred in assessment of members, moderation, education and the developing and issuing of qualifications.

	2013	2012
	£000	£000
Moderation fees	32	25
Accreditation and exam costs	12	6
Development	60	42
Awards (endowment fund)	2	2
Other	5	5
	<u>111</u>	<u>80</u>

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
NOTES TO THE ACCOUNTS (continued)
31 DECEMBER 2013

4. Governance costs

Governance costs includes expenditure incurred in respect of the Annual Council meeting, meetings of the International management Board, the Council of Trustees, secretarial support, governance support to territories and branches.

	2013	2012
	£000	£000
Meetings costs and expenses	20	13
Audit Costs	4	3
Secretarial support	17	22
Finance, governance and marketing support	8	6
Governance support to territories and branches	7	8
	<u>56</u>	<u>52</u>

A total of £12,102 (2012: £5,555) in expenses was reimbursed to 7 trustees (2012: 3) for travel and subsistence. No trustees received any remuneration in the year (2012: none).

5. Total resources expended

Included within resources expended are costs in respect of services from CILT UK, CILT Hong Kong and CILT Ireland totalling £25,500 (2012: £16,667).

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 £140,275 (2012: £135,356).

6. Investments

	Quoted	Short term	2013	2012
	Investments	deposits		
Cost or valuation:	£000	£000	£000	£000
At 1 January 2013	539	2	541	495
Additions	140	20	160	129
Disposals	(58)	-	(58)	(129)
Management Charges	-	(5)	(5)	(3)
Net unrealised investment gains	96	-	96	49
	<u>717</u>	<u>17</u>	<u>734</u>	<u>541</u>
At 31 December 2013				
Historical cost at 31 December 2013	566	17	583	473

The segregated funds are managed on a discretionary basis and are held to provide an investment return for CILT. In January 2013 the trustees invested a further £100,000 from cash holdings which was allocated to general fund.

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
NOTES TO THE ACCOUNTS (continued)
31 DECEMBER 2013**

The asset allocation of the portfolios at 31 December 2013 was:-

	£000	
UK Equities	373	50.8%
Fixed Interest	118	16.1%
Overseas Equities	159	21.7%
Property	43	5.8%
Infrastructure	24	3.2%
Cash	17	2.4%

All the investments were quoted on recognised stock exchanges. At 31 December 2013 there were 7 investments each of which exceeded 5% of the portfolio value. They were:-

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

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:

	2013	2012
	£000	£000
General Fund	301	162
Endowment Fund	433	379
Total at 31 December 2013	<u>734</u>	<u>541</u>

7. Debtors

	2013	2012
	£000	£000
Accrued income	17	10
Other debtors	7	4
	<u>24</u>	<u>14</u>

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
NOTES TO THE ACCOUNTS (continued)
31 DECEMBER 2013**

8. Creditors: Amounts falling due within one year

	2013	2012
	£000	£000
Other	22	9
Accruals	51	53
	<u>73</u>	<u>62</u>

9. Endowment Fund

The movements during the year were:

	£000
Balance at 1 January 2013	422
Statement of Financial Activities	<u>65</u>
Balance at 31 December 2013	<u>487</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.

10. Unrestricted income funds

The movements during the year were as follows:

	£000
Balances at 1 January 2013	258
Statement of Financial Activities	<u>(14)</u>
Balances at 31 December 2013	<u>244</u>

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT
NOTES TO THE ACCOUNTS (continued)
31 DECEMBER 2013**

11. Analysis of net assets between funds

	Unrestricted Funds General £000	Restricted Funds Endowment £000	Total Funds £000
Investments	301	433	734
Current assets	16	54	70
Current liabilities	(73)	-	(73)
Net assets at 31 December 2013	244	487	731

12. 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 2013.

	2013 £000	2012 £000
CILT UK (finance, governance and marketing)	9	6
CILT Ireland (respect of professional development)	13	5
CILT Hong Kong (membership)	4	4
CILT Australia (marketing and communication)	-	2
	26	17