



INSTITUTE OF  
CHARTERED  
SHIPBROKERS

# Annual Report 2016 / 17



# Contents

---

Notice of Annual General Meeting	2
Committees	
Controlling Council	4
Executive Council	6
Federation Council	7
Membership Committee	8
Education & Training Committee	9
Officers of the Institute	10
Senior Management of the Institute	11
Chairman's Report	12
Director's Report	14
Federation Council	18
Membership Committee	20
Education and Training Committee	22
Auditors' Report	24
Income Statement	26
Statement of Comprehensive Income	27
Statement of Financial Position	28
Statement of Cash Flows	29
Statement of Changes of Equity	30
Notes	31
Global Branch Network	43

The Institute of Chartered Shipbrokers (the Institute) is the professional body for commercial shipping worldwide. With the head office based in London, the Institute is responsible for promoting professionalism to the global shipping industry. Its network of shipping professionals is linked via a branch structure based throughout the world. The Royal Charters of 1920 and 1984 give it the authority as an examining body that sets and examines the robust, relevant and respected syllabus for membership. MICS and FICS are post nominals that demonstrate an individual's professional knowledge and business ethics based on the motto 'our word our bond.' Only Fellows of the Institute (FICS) are entitled to use the protected title 'chartered shipbroker'

## Notice of Annual General Meeting

The Annual General Meeting of the Institute of Chartered Shipbrokers will be held on Friday 20th October 2017 at Trinity House in London and will commence at 17:00.

### Agenda

1. President's welcome
2. To receive and consider the statement of accounts to 31st May 2017
3. To confirm the composition of Controlling Council 2017/18
4. To elect auditors
5. Any other business

*All members of the Institute are encouraged to attend the AGM.*

## Statement of Responsibilities of the Controlling Council

The Royal Charter and Bye-Laws require the Controlling Council to prepare financial statements for each financial year. The Controlling Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Institute and of the surplus or deficit of the Institute for that period. In preparing these financial statements the Controlling Council is required to;

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

The Controlling Council is responsible for keeping adequate accounting records that are sufficient to show and explain the Institute's transactions and disclose with reasonable accuracy at any time the financial position of the Institute and enable them to ensure that the financial statements comply with the Royal Charter and Bye-Laws. They are also responsible for safeguarding the assets of the Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Controlling Council

The Controlling Council is the ultimate decision making body of the Institute and is the representative body on behalf of all branches. It meets once per year and additionally in a smaller group as Executive Council, which exercises the full decision making authority of Controlling Council except the power of co-option.

## Controlling Council 2016/17

**Dr. Parakrama Dissanayake** FICS

**Bruce Ogilvy** FICS

**Michael Taliotis** FICS

**Theo Coliandris** FICS

**Capt. Richard Brook-Hart** FICS\*

**Andrew Dobson** FICS

**Karl Franz** FICS

**Susan Oatway** FICS

**Capt Nigel D'Souza** FICS\*

**Nick Vann** FICS#

**Rosen Kosturkov** FICS

**Dena Rantz** FICS

**Xanthos Kyriacou** FICS\*

**Demetris Constantinides** FICS#

**Luis Bernat** FICS

**Ernest Kinyua** FICS

**John Grange** FICS\*

**Catherine Jackson** FICS#

**Capt K P Rajagopal** FICS

**Marc Buchholz** FICS\*

**Hauke Pane** FICS#

**Natalia Margioli** FICS

**Y.K. Chan** FICS\*

**Joseph Chau** FICS#

**James Doyle** FICS

**Derek Dunne** FICS

**Spencer Barton-Hope** FICS

**Mike Harrison** FICS

President

Immediate Past President

Chairman

Vice Chairman

Immediate Past Chairman

Chairman Federation Council

Chairman Membership Committee

Chair Education & Training Committee

Australia/ New Zealand Branch

Australia/ New Zealand Branch

Bulgaria Branch

Canada Branch

Cyprus Branch

Cyprus Branch

Denmark Branch

East Africa Branch

East Anglia Branch (UK)

East Anglia Branch (UK)

East India Branch

Germany Branch

Germany Branch

Greece Branch

Hong Kong Branch

Hong Kong Branch

Humber Branch (UK)

Ireland Branch

Liverpool Branch (UK)

London Branch (UK)

**Capt. Peter Machado** FICS\*  
**Krishnan Subramaniam** FICS#  
**Ashok Gogia** FICS  
**Richard Booth** FICS  
**Capt. S.M.A. Mahmoodi** FICS  
**Emma Ritchie** MICS  
**Capt. Subhangshu Dutt** FICS\*  
**Punit Oza** FICS#  
**Natasha Flack-Vaughan** FICS\*  
**Eddy Neilson** FICS#  
**John Davey** FICS  
**Lalith Witanachchi** FICS \*  
**Anoma Ranasinghe** FICS#  
**Gertrude Ohene-Asienim** FICS

Middle East Branch  
 Middle East Branch  
 Mumbai Branch  
 North East of England Branch (UK)  
 Pakistan Branch  
 Scotland Branch  
 Singapore Branch  
 Singapore Branch  
 South Africa Branch  
 South Africa Branch  
 South Wales & the West Branch (UK)  
 Sri Lanka Branch  
 Sri Lanka Branch  
 West Africa Branch

(\*) Retired from Committee during 2016/17

(#) Joined Committee during 2016/17

## Auditors

Moore Stephens LLP is willing to continue in office. A resolution for their reappointment and authorising the Controlling Council to fix their remuneration will be submitted to the Annual General Meeting.

# Executive Council

The Executive Council normally meets up to four times a year and is tasked with processing all Institute matters on behalf of the Controlling Council.

## Executive Council 2016/17

<b>Dr. Parakrama Dissanayake</b> FICS	President
<b>Bruce Ogilvy</b> FICS	Immediate Past President
<b>Michael Taliotis</b> FICS	Chairman
<b>Theo Coliandris</b> FICS	Vice Chairman
<b>Capt. Richard Brook-Hart</b> FICS*	Immediate Past Chairman
<b>Andrew Dobson</b> FICS	Chairman Federation Council
<b>Karl Franz</b> FICS	Chairman Membership Committee
<b>Susan Oatway</b> FICS	Chair Education & Training Committee
<b>Dena Rantz</b> FICS	Canada Branch
<b>Luis Bernat</b> FICS	Denmark Branch
<b>Natalia Margioli</b> FICS	Greece Branch
<b>Y K Chan</b> FICS*	Hong Kong Branch
<b>Joe McGuffie</b> FICS#	Liverpool Branch
<b>Capt. Peter Machado</b> FICS*	Middle East Branch
<b>Capt Ashok Gogia</b> FICS #	Mumbai Branch
<b>Capt. Subhangshu Dutt</b> FICS*	Singapore Branch
<b>Punit Oza</b> FICS#	Singapore Branch
<b>Natasha Flack-Vaughan</b> FICS*	South Africa Branch
<b>Anoma Ranasinghe</b> FICS#	Sri Lanka Branch
<b>John Foord</b> FICS#	FONASBA President ex officio

(\*) Retired from Committee during 2016/17

(#) Joined Committee during 2016/17

# Federation Council

The Federation Council represents the interests of Company Members. It has established links with other industry bodies and with relevant UK government departments.

## Federation Council 2016/17

<b>Andrew Dobson</b> FICS	Chairman
<b>Steve Gillie</b> FICS	Vice Chairman
<b>Michael Crager</b> FICS	
<b>Richard Willis</b> FICS	
<b>Alan Platt</b> *	
<b>Alan Appleyard</b> FICS	
<b>Richard Sparkes</b>	
<b>Robert Churcher</b>	
<b>Sebastian Gardiner</b> FICS	
<b>John Grange</b> FICS	
<b>Andy Thorne</b>	
<b>Barry Stokes</b> FICS	
<b>Camilla Carlbom</b>	
<b>Paul Olvhoj</b> *	Co-opted
<b>Andrew Jamieson</b> MICS	Co-opted
<b>John Foord</b> FICS*	Co-opted FONASBA Representative
<b>John Good</b> FICS	Honorary Member
<b>Charles Stride</b> FICS	Honorary Member
<b>Dr. Parakrama Dissanayake</b> FICS	President ex officio
<b>Bruce Ogilvy</b> FICS	Immediate Past President ex officio
<b>Michael Taliotis</b> FICS	Chairman ex officio
<b>Theo Coliandris</b> FICS	Vice Chairman ex officio
<b>Capt. Richard Brook-Hart</b> FICS*	Immediate Past Chairman ex officio

(\*) Retired from Committee during 2016/17

(#) Joined Committee during 2016/17



# Membership Committee

The Membership Committee represents the interests of all Members and is responsible for making recommendations concerning Membership status to the Controlling Council in conjunction with the International Vetting Committee.

## Membership Committee 2016/17

<b>Karl Franz</b> FICS	Chairman
<b>Sarah Gilbert</b> MICS	
<b>Nikos Marmatsouris</b> FICS	
<b>S.Sankaran</b> FICS	
<b>Jon Berry</b> MICS	
<b>Manson Cheung</b> FICS	
<b>Austin Dooley</b> FICS	
<b>Gertrude Ohene-Asienim</b> FICS	
<b>William Macdonald</b> FICS	
<b>Dr. Parakrama Dissanayake</b> FICS	President ex officio
<b>Bruce Ogilvy</b> FICS	Immediate Past President ex officio
<b>Michael Taliotis</b> FICS	Chairman ex officio
<b>Theo Coliandris</b> FICS	Vice Chairman ex officio
<b>Capt. Richard Brook-Hart</b> FICS*	Immediate Past Chairman ex officio

(\*) Retired from Committee during 2016/17

(#) Joined Committee during 2016/17

# Education and Training Committee

The Education and Training Committee (ETC) is responsible for the provision of the Professional Qualification Examinations and for determining the contents and syllabus for the examinations. The Board of Examiners is appointed by the ETC and is responsible for reporting the conduct and results of examinations annually to the Controlling Council.

## Education and Training Committee 2016/17

<b>Susan Oatway</b> FICS	Chair
<b>Rob Gardner</b> FICS	
<b>Hilary Park</b> FICS	
<b>Simon Ward</b> FICS	
<b>Robert Watene</b> FICS	
<b>Capt. Suresh Bhardwaj</b> FICS	
<b>Guy Main</b> FICS	
<b>James Baker</b> FICS	
<b>K Prasad</b> FICS	
<b>Jonathan Challacombe</b> FICS	Co-opted
<b>Jagmeet Makkar</b> FICS	Co-opted
<b>Dr. Parakrama Dissanayake</b> FICS	President ex officio
<b>Bruce Ogilvy</b> FICS	Immediate Past President ex officio
<b>Michael Taliotis</b> FICS	Chairman ex officio
<b>Theo Coliandris</b> FICS	Vice Chairman ex officio
<b>Capt. Richard Brook-Hart</b> FICS*	Immediate Past Chairman ex officio

(\*) Retired from Committee during 2016/17

(#) Joined Committee during 2016/17

# Officers of the Institute

**Dr Parakrama Dissanayake** FICS

## **President**

Dr. Parakrama became President in 2016, a Maritime Economist, he is the Founding Secretary and was the Chairman of the Institute's Sri Lanka Branch. He is a University of Oxford, (UK) Business Alumni and a Fellow of Harvard Business School (USA) NORAD and JICA. Currently he serves as Chairman of the Sri Lanka Ports Authority.

**Bruce Ogilvy** FICS

## **Immediate Past President**

Bruce Ogilvy was President from 2014 to 2016. He has been an active member of the Institute of Chartered Shipbrokers for nearly 40 years having previously served as both Chairman of the London Branch and International Chairman of the Institute. He was also Chairman of the Institute of Chartered Shipbrokers Educational Fund.

**Michael Taliotis** FICS

## **Chairman**

Michael Taliotis became Chairman in November 2015. His involvement with the Institute started in 1996, when he became a member of the Institute. He has served on the Cyprus Branch Committee for more than 10 years and is a past Chairman of the Cyprus branch. In 2008 he founded Interchart Shipping Company Ltd, a shipbroking company in Limassol, which he has ran successfully since then.

**Theo Coliandris** FICS

## **Vice Chairman**

Theo Coliandris became Vice Chairman in November 2016. He qualified as an AICS in 1977 and took up a position on the South Wales branch management committee in 1995. He became treasurer of the branch and appointed Chairman from 1998-2000. He twinned the branch with Cyprus and initiated the merger with the West Country and Bristol and became Chairman of the combined branch in 2007.

# Senior Management of the Institute

Julie Lithgow

## Director

Julie Lithgow became Director in September 2011. She has spent the last 20 years working within the shipping industry for both charitable and commercial organisations. She is a Member of the Nautical Institute, WISTA and the World Ocean Council.

Robert Hill FICS

## Head of Membership

Robert Hill joined the Institute as Head of Membership in February 2015, after nearly 30 years mainly involved in liner shipping and port agency. Robert has worked in shipping in the UK, Germany and Australia as well as his home country of New Zealand. Robert has been a member of the Institute since 1996, branch secretary of the Australia/New Zealand branch for six years, has held the position of Chairman of the Membership Committee and was made a Fellow of the Institute in 2012.

Matt Gilbert

## Head of Business and Partnerships

Matt worked at Informa plc from 1999 - 2008 where he was Director of Lloyd's Maritime Academy, founded the Corporate Training business and was Founder/Director of IBC Global Academy. Since then he has been working as a consultant for international clients in shipping and ports, advising on education and training, management development, commercial strategy, marketing, institution and capacity building.

# Chairman's Report

---

Michael Taliotis FICS, International Chairman



*'Skillful pilots gain their reputation from storms and tempest'.* There is no doubt to me that there are very skilful pilots within the Institute's ranks. During another stormy year for shipping, the Institute has not only succeeded in securing only a marginal decrease in student numbers, but also to record an ever-growing number of members, while bolstering its recognition among other maritime organisations and governmental bodies.

---

The Institute's role and importance to the industry has been enhanced. Other industry organisations and governmental bodies have recognised the important role of our Institute, and we have become their preferred partner when seeking consultation in maritime education and training programmes and material. Joint projects with organisations including IMO, BIMCO, FONASBA, WISTA, Maritime UK and the International Group of P&I Clubs, are already in progress. Earlier this year our Institute and the China Department of Transport reached an agreement whereby the Institute will carry out, on their behalf, a maritime education and training programme.

What is even more impressive is that all these have been achieved under profoundly unfavourable market conditions and without adversely affecting the financials of the Institute. Quite to the contrary, the financial situation of the Institute has shown improvement, at a time where almost everybody else in shipping is struggling to maintain the previous year's displeasing figures. This achievement has been the

result of hard work, commitment and dedication of the members of the Councils and the various international committees as well as the head office staff; who have proven to be the skilful pilots of our Institute.

It is fulfilling to see the strategic plan, formulated two years ago, take shape as important developments in all disciplines; education, members' benefits and governance, materialise. The general consensus is that the objectives set are now embedded, and this gives strength and motivation to everybody involved to carry on the tireless work.

It is very heartening to see all sacrifices made for cost reduction, and all efforts for increased revenue to bear fruit. After a few years of negative results, mainly due to downturn in the market, we are pleased to be able to report success in the financial area.

That was not an easy task, especially under the current industry's adverse environment. We have made great headway financially, and I am most grateful to everyone for

playing their part in achieving this. The head office must be particularly commended for their contribution to this, as they were responsible for the operation, as well as the execution of decisions taken by the Committees and Councils. Our director and her team deserve our congratulations for such a great achievement. They continue to try to push our Institute upwards, from the redelivering on our biggest projects to finding ways to improve even the smallest processes. Their dedication, efforts and hard work have certainly not gone unnoticed.

Despite the success of last year, it remains essential to continue with strict budgetary control, and to further improve our long term financial health, while continuing the growth of the Institute.

Looking to the future, there are interesting developments in all committees. The important projects of the Education and Training Committee in regards to accreditation of Tutors, formalised Tutors' training, the MICS to FICS examination, and the review of the syllabus are thoroughly progressed, while new projects such as Target 60 (a project to bring our pass rates up globally) are already under thorough discussion.

Notwithstanding the above, last year's main projects of the Membership Committee, the pathway to membership, and the principles of membership and fellowship have been ratified, while a decision will be taken as to how to proceed with the development of the CPD project at the next Controlling Council meeting in Limassol. The Institute membership database will be upgraded by allowing members to post their skills and areas of expertise; this is expected to

become fully operational in the next few weeks. New projects are already under review, including a membership retention strategy, a mentoring programme, and the stimulation of the engagement of non-branch members.

The review of our Bye Laws is scheduled for discussion at the next Controlling Council, whereby a decision on this significant shift in the Institute's governance should be reached. This review could not have taken place at a better time, as the need to adapt to the dynamic environment that is our industry, is more profound than ever.

There is no doubt that the Institute is in a much better position than it had been a few years ago. This, however, should not allow for complacency. We remain careful and vigilant in our immediate future decision-making, to maintain our leading position in the industry and ensure that we will be ready for the upturn.

The Institute has been brought to a higher level, as a result of the collective efforts and hard work of a number of volunteers in the various Councils and Committees, supported by our head office team. I am very appreciative to the many members who devoted much of their spare time

to the Institute, whether at branch level or at senior committee level. I hope you feel rewarded from the achievements and proud of being members of this Institute.

We continue to raise our profile on the international shipping stage, and continue to enhance our role within the industry. This, coupled with improved financial stability, gives me confidence that our success will continue in the years ahead, especially with the upturn of the shipping market.

There is no doubt that the Institute is in a much better position than it had been a few years ago. This, however, should not allow for complacency.

# Director's Report

---

Julie Lithgow, Director



We have weathered the storm of the long downturn in our industry with a lot of 'belt tightening' and a fortuitous number of new initiatives and partnerships. We can report a small profit this year, helped by the sale of our Baltic Exchange shares and developing our consultancy service.

---

My annual director's report to our members usually emphasises the need for us to remain cautious and pragmatic, ensuring we don't over-extend the Institute financially or exceed staff capacity. I have become accustomed to saying 'no' to new ideas more than 'yes'.

Yet, I understand the need for your Institute to evolve and grow, even in the tough times. The importance of financially accessible education and qualifications is never more important than it is now. Despite continuing headwinds in global shipping, the conveyor belt (as TradeWinds calls us – which I take as a compliment) of young professionals who have passed their qualifying exams continues to deliver young talent to the industry. For those of us well versed in shipping cycles it provides comfort that the next generation continues to show faith in forging a career in commercial shipping, vital to ensuring a prosperous future for world trade.

This year more than 3,000 students sat around 5,000 exams and our Institute remains unique on many fronts – as a non-profit we can commit fully to our education

mission so that, regardless of background and location, everyone has the opportunity to become involved.

Our Institute also makes a bold promise that wherever a student is located we will organise a suitable local exam centre. This year for the first time we established centres in Harare, Stamford, Manassas, Dnepropetrovsk, Turku, Bogota and Dunkirk. In coming years we will invest to extend our international network of support into more new territories and reach new people through our developing cooperation with WISTA, BIMCO and other key bodies.

This global footprint is reflected in our prize winners who were announced in August, and who come from Canada, Greece, India, Ireland, Kenya, South Africa, Spain, UAE and across the UK.

The foundations of this global footprint, and that of all the activities of the Institute, rest with our branches. There were more branch activities this year than ever before (in fact, too many to list here), and I would like to congratulate our branch committee members on their enthusiasm and imagination.

During the year, the Institute grew its' international presence with the official launch of the Nigeria Chapter of the West Africa Branch, and other branches continued to expand within their regions.

The Middle East Branch held their first event in Muscat alongside many seminars and events in Dubai, and likewise the Australia and New Zealand Branch held a networking event in Brisbane.

Some branches tried innovative ways of interacting with members during the last year. East Anglia Branch held a river boat cruise instead of their traditional annual dinner, whilst other branches supported and became involved in various sporting activities such as golf, football, baseball, cricket and marathons. Sri Lanka's prize giving continues to be the most glamorous event in the Institute calendar.

East India, Cyprus and Canada branches held successful international or regional forums

attended by shipping professionals from the local and global shipping communities. South Wales and West Branch supported Plymouth University's IMO World Maritime Day seminar 'Shipping Indispensable to the World' and the Bulgaria Branch supported the

CIArb course on 'Introduction to Arbitration'. Ireland Branch held a full day seminar on 'Boxing Clever: A Full day workshop on Container and Cargo Issues' whilst Singapore launched a series of bi-monthly talks.

East Africa and South Africa continue to devote a lot of branch resources and time in running PREP courses for their students, and the examination results are testament to their efforts. The North East of England

Branch and the Humber Branch funded students to attend the Institutes' global PREP. In Germany the branch continues to push hard within the local shipping community to get our qualifications recognised.

The Greece and Liverpool branches hosted Institute committee meetings and the London & South East Branch hosted both Controlling Council and FONASBA in their city (and in the same week!). London also continues with their strong seminar programme include participation at biennial London International Shipping Week. Branches continued to develop local benefits for members such as Hong Kong Branch negotiated with the Hong Kong Maritime Museum that members can present their membership cards when visiting to receive a second ticket free.

During the past year the Institute signed a strategic agreement with China's Ministry of Transport and Shanghai International

Shipping Center to expand the delivery of our professional education services in China. The Institute also developed a new course in the Philippines and continued the training programme with the Taiwan International Ports Corporation.

## Branches remain the cornerstone of our Institute, and networking events whether social or educational are a vibrant part of membership life

The examination session in May covered over 105 examination centres worldwide. All these activities lay a strong foundation for the future development of the Institute going into the new membership year and beyond.

Branches remain the cornerstone of our Institute, and networking events whether social or educational are a vibrant part of membership life. I encourage all members



to get involved in their branch committees, to support local branch events and when travelling check if there are any branch events, as all members are welcome at all branch and Institute events worldwide.

The Institute's education team has had a busy year developing new initiatives with international partners and delivering on strategic projects, including a cooperation with WISTA which has resulted in 10 bursaries for young women around the world. These scholarships will be offered annually over the next 10 years to individuals nominated by WISTA International and will cover the Foundation Diploma programme at the Institute to enhance the educational opportunities for women in our industry.

In Manila visiting lecturers of the Institute have successfully delivered a number of commercial shipping courses in partnership with Magsaysay Learning Resources Inc. and plans are underway to market the Institute's qualifications beginning at Foundation Diploma level in subjects focused on local market needs.

In China, visiting experts from the Institute's examinations and tutor teams delivered specially devised 'Classical Shipping' courses to large groups of shipping professionals in Shanghai. The Institute has also reached agreement with the Chinese government on joint delivery of a local language variant of the popular 'Understanding Shipping' programme due for release in the coming year.

The Institute and Malta Maritime Forum signed a MoU aimed at furthering the provision of Institute qualifications in Malta with immediate effect. A number of other agreements are at the signing stage and the Institute continues to forge relationships with leading maritime organisations to broaden the availability of its high quality

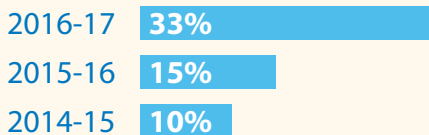
education programme worldwide.

To remain relevant the Institute continues to adapt and renew its delivery methods, platforms and how it engages with individuals and industry. 2016/17 saw a successful pilot series of 22 online tutorials on key shipping topics to support TutorShip distance learning students. A bespoke fast-track Advanced Diploma course was also delivered to the chartering and operations team of a tanker operator in the UK, with tutors delivering regular sessions in the client's workplace. The past year also saw a new revenue stream opened in consulting/advisory services, where the Institute delivered a feasibility study to an insurance association. Phase two of the project will conclude in the next financial year and total income over both project phases will exceed £80,000.

During 2016-17 there were 273 new members elected, 13 re-elected to membership, 52 members promoted to fellowship, one life member and five honorary fellows elected.

76% of the students eligible for membership after the April examinations are now members and 84% of those who completed their qualifying examinations in November 2016 went onto membership.

## Percentage of payments via [www.shipbrokers.org](http://www.shipbrokers.org)



When the 2016-17 annual membership subscription orders were available online, almost 5% of our total members paid their

membership subscriptions within eight hours of receiving the email notification. As more members are using our database, we'll be adding greater functionality specifically for members over the coming months.

In February and March 2017 we conducted a telephone campaign to remind members of outstanding subscription fees instead of the usual email reminder. As well as the tangible collection of membership payments, it was a very useful exercise to talk to members and check their contact details as some members had moved without updating their details with us and so were not receiving our correspondence or invoices.

During the year two new initiatives were launched in Shipping Network. Firstly the branch events calendar was introduced to help promote branch events and encourage members to attend them. There is also a new section to welcome and introduce new members.

The result of the UK European Union referendum, and the slow progress in Brexit negotiations continue to make our operating currency unsteady. Whilst volatility always makes planning more complicated, it does make the Institute examinations and membership more affordable to students globally.

Any removal of the right to work/live in the UK for citizens of other European countries will affect almost 50% of head office staff. We continue to reassure those staff whose employment rights may be affected (eventually) of the Institute's support and commitment to them.

Looking ahead to the next 12-24 months, we're feeling positive about the foundations

of your Institute. It was, as it has been for the last few years, financially challenging in many of our revenue streams.

There were significant efforts made to reduce expenditure across all areas, however we decided against any reduction in our November examination commitments. Any exam centres needing financial support to run the extra exam sessions were supported as were a number of tutor visits to centres with specific subject challenges. Support for students is our primary concern and as a result our student numbers stayed steady and there was only a small decline in overall examination numbers.

Looking ahead to the next 12-24 months, we're feeling positive about the foundations of your Institute. It was, as it has been for the last few years, financially challenging in many of our revenue streams.

Together with our committees and branches, we continue to weather the downturn with relative security ensuring there has been no decreases in our exam centre coverage or the need to increase education pricing significantly. In fact we have been able to engage more with our industry through new sectors, new regions and new co-operations.

We are pleased to be able to report to the members of our growth and development on our educational side and delighted to report the growth within our membership ranks. Both of these depend heavily, if not entirely, on the support of our branches and members, with the most vital link in this chain being the work of branch committee members. On behalf of the head office team, and the senior officers of the Institute, our wholehearted thanks to the many volunteers who ensure that the success of the Institute continues to endure and advance in promoting education, ethics and professionalism to our industry.

# Federation Council

---

Federation Council was founded in 1984 to represent company members and now is recognised as the UK trade body for Port Agents and Shipbrokers. It is authorised to take decisions on behalf of the Company Membership, except where those decisions would affect the overall policy of the Institute, in which case any proposal shall require ratification by Controlling Council. Federation Council is represented on Controlling Council and Executive Council by the Federation Council Chairman.

Federation is governed by a Council consisting of a Chairman, Vice Chairman and up to 13 elected Company Member representatives of which at least three of whom shall be Fellows of the Institute together with the elected Officers of the Institute. The members of the Council shall, so far as possible, fairly represent both the geographical spread and activities of the Company Members.

Federation Council represents Company Members and promotes and protects the interests of all shore based commercial shipping in consultation with a number of Government and industry consultative bodies, including HMRC, Department for Transport, Border Force, Maritime UK,

Maritime London, Maritime and Coastguard Agency and the UK Chamber of Shipping. It is also the recognised Government national contractor for certain sector specific shipping business activities controlled by HMRC (EUR1/ATR stamps) and Trinity House (Light Dues collectors). Additionally, Federation Council links with international organisations including FONASBA, ECASBA, BIMCO, Baltic Exchange, INTERTANKO and INTERCARGO.

During 2016-17 two new full company members were elected by Federation Council and as at 31st May 2017 company membership stood at 106 being 7 Affiliates, 5 Associates and 94 full members.



During the year Federation Council provided an important communication channel between company members and the Maritime and Coastguard Agency (MCA) during the introduction of CERS3 and based on company member feedback the MCA developed a light workbook more suitable to send to ships.

Federation Council is facilitating an employer led trailblazer group to develop a Port Agent Apprenticeship scheme in England. The Expression of Interest which included an open online consultation process, has been approved by the Department for Education. The trailblazer group are now starting to develop the apprenticeship standard and company members were recently invited to complete a questionnaire to assist identifying the required skills, attributes and knowledge for a port agent.

Federation Council traditional meets face to face twice per year however, the Council decided to replace the usual Spring Federation Council meeting with a series of seminars to provide tangible assistance to port agents managing the many and varied risks that they face in their day to day operations. Seminars were held in Newcastle, Liverpool

### Federation Council is facilitating an employer led trailblazer group to develop a Port Agent

---

and Tilbury during March and were free for company members. Speakers from ITIC, Marine Accident Investigation Branch (MAIB), Border Force and the MCA presented a wide range of advice and information for port agents.

In October 2016, Federation Council as the representative of Great Britain hosted the annual meeting of the Federation of National Associations of Ship Brokers and Agents (FONASBA) in London held in conjunction with the Institute's Controlling Council meeting and AGM. Delegates from a record 39 of its 55 member countries participated in a week of meetings. The programme also featured a joint seminar with the London & South East Branch of the Institute entitled "Are shipbrokers dodos, doomed to extinction?". At the close of the Council Meeting John Foord FICS of Great

Britain was elected the new President of FONASBA. The week closed with the Gala Dinner, held jointly with the Institute's Prize Giving ceremony, at the Mansion House in the City of London.

The Prize Giving Ceremony also included the presentation of the second FONASBA Young Ship Agent or Ship Broker Award to Tim Polson MICS of Australian Independent Shipbrokers.



# Membership Committee

---

The Membership Committee is appointed by Controlling Council and comprise of a Chairman and up to ten Fellows and Members, one whom shall be the Chairman of the International Vetting Committee. The Chairman of the Committee shall be a member of Controlling Council and Executive Council and shall report on the activities of the Membership Committee to the Council. The committee members shall be as far as possible representative of the membership. The Membership Committee is the primary focus for all professional membership and branch issues.

The Membership Committee shall make recommendations to Controlling Council in relation to the admission, promotion, re-admission, exclusion, removal and expulsion of the Membership and in the case of admission, promotion or re-election shall confirm that candidates meet the appropriate conditions, advising the Controlling Council of any exceptions which require its approval.

This Committee considers and recommends ways to promote the value of professional membership to the industry and to potential members. It endeavours to strengthen and increase the branch network globally and develop networking opportunities for members worldwide as well as enhancing added value benefits for members. The Membership Committee attempts to reduce the lapsed membership rate by strengthening the value of membership.

They met twice via videoconference and once face to face during 2016-17. The major project for the Membership Committee during 2016-17 was the development of the Pathway to Membership which was

Members will be required to sign up to the Principles of Membership and fellows will be required to sign up to the Principles of Fellowship which has additional requirements.

---

presented to Controlling Council in 2016 and accepted in principle. The Membership Committee is now preparing a guidance document to accompany the Pathway to Membership chart so that it can be rolled out to branches. In conjunction with the Pathway to Membership, the Committee also developed the Principles of Membership and Fellowship. Members will be required to sign up to the Principles of Membership and fellows will be required to sign up to the Principles of Fellowship which has additional requirements.





The Membership Committee proposed a number of membership retention strategies to be implemented at Head Office and branch level. There were also several recommendations for individual members to ensure that they are obtaining the maximum obligations and privileges from membership. Branches were advised of the recommendations and an article was published in *Shipping Network* to encourage members to make the most of their membership.

The Membership Committee has been closely following the developments in the Netherlands where members are working towards establishing a branch. The Committee is documenting the progress and creating a Developing Branch Model

which can then be used as a template for future branch development.

The Membership Committee has also started working on ways in which the Institute can support members whilst they are unemployed or temporarily out of the shipping industry, encouraging networking by allowing members to be associated with multiple branches and preparing a guideline for branches for vetting new member applications. These will be further developed and presented to Controlling Council in 2017.

# Education and Training Committee

---

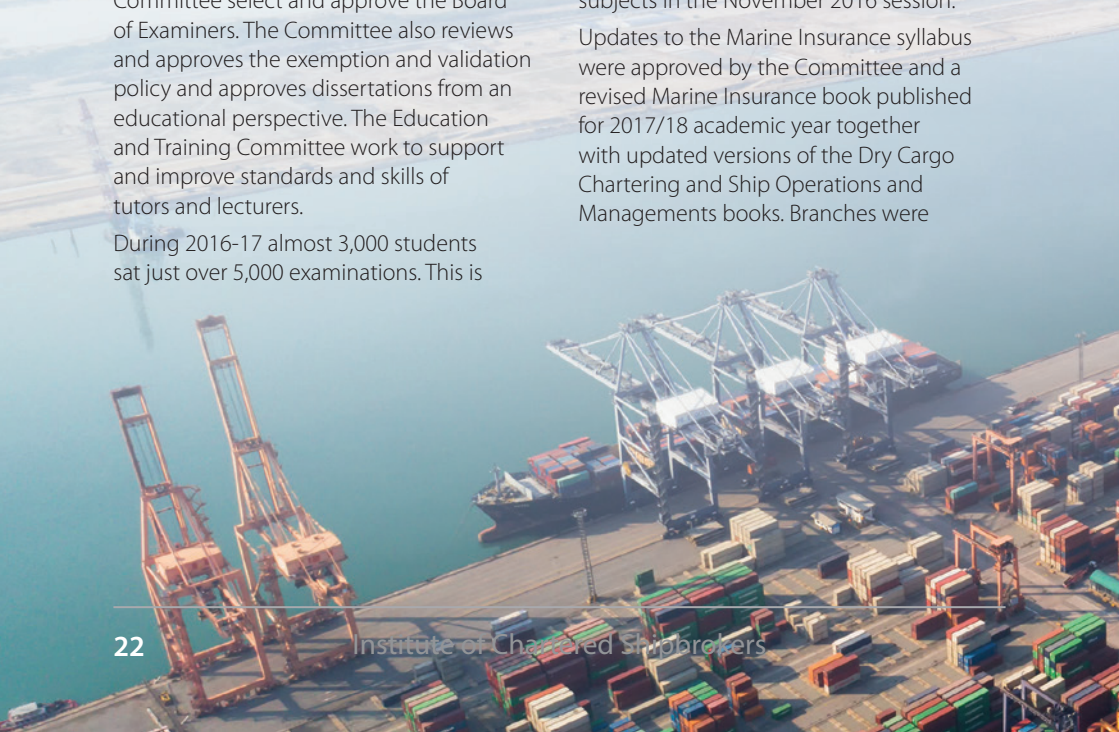
The Controlling Council appoint the Education and Training Committee and it comprises of not less than five Fellows and Members in addition to ex-officio officers. Members are to be knowledgeable on the delivery of education and training to professional bodies and its examination. The Chair of the Committee shall be a member of Controlling Council and Executive Council and shall report on the activities of the Education and Training Committee to the Council.

The primary role of the Committee is to offer advice and recommendations on all educational and examination matters. This Committee determine and approve the contents and syllabus for the professional qualifying examinations and ensure that the examinations are held in a professional and proper manner. They review the examination process and results. The Committee select and approve the Board of Examiners. The Committee also reviews and approves the exemption and validation policy and approves dissertations from an educational perspective. The Education and Training Committee work to support and improve standards and skills of tutors and lecturers.

During 2016-17 almost 3,000 students sat just over 5,000 examinations. This is

about the same number of students as the previous year but sitting less examination papers. Given the current market conditions, such a small decrease still shows the relevance and importance placed upon Institute examinations and qualifications. The Institute continue to hold two examination sessions per year and this was the first time that the Institute offered all 16 subjects in the November 2016 session.

Updates to the Marine Insurance syllabus were approved by the Committee and a revised Marine Insurance book published for 2017/18 academic year together with updated versions of the Dry Cargo Chartering and Ship Operations and Managements books. Branches were





encouraged to take part in book reviews and syllabus changes via discussion forums or subject groups.

The Education and Training Committee are working to produce a guide and template to assist with technical drafting of the syllabus in order that consistency can be improved across subjects and improve clarity. However, there is some work to be undertaken before the technical guide, to ensure all examiners have the same expectations of knowledge from students within each subject.

The Education and Training Committee are developing a MICS to FICS examination which will form part of the new Pathway to Membership developed by the Membership Committee.

**The Education and Training Committee are developing a MICS to FICS examination which will form part of the new Pathway to Membership developed by the Membership Committee.**

---

The Committee has proposed a tutor accreditation plan and a Train-the-Trainer programme. These are designed to improve standards of all Institute tutors (whether Tutorship, ITC or branches) thus better supporting student achievement.

*Understanding Shipping* is a course that has been successfully delivered in a couple of branches and now the Education and Training Committee has developed a plan to launch the course globally within the next 12 months.

The Education and Training Committee has been asked to develop the Controlling Council initiative Target 60, whereby the branches are set a target of 60% pass rate. The committee are now considering how they can help the branches reach this target.





# Independent Auditors' Report to the Members of The Institute of Chartered Shipbrokers

## Report on the Financial Statements

We have audited the accompanying financial statements of The Institute of Chartered Shipbrokers which are set out on pages 26 to 42, and comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash flows and Statement of Changes in Equity and related notes for the year ended 31 May 2017. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Members of the Institute, as a body, in accordance with our terms of engagement. Our audit work has been undertaken so that we might state to the Institute's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone

other than the Institute and the Institute's Members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the Controlling Council and Auditors**

As explained more fully in the Statement of Responsibilities of the Controlling Council set out on page 3, the Controlling Council is responsible for the preparation of financial statements that give a true and fair view in accordance with the Royal Charter and Bye-Laws and applicable United Kingdom Accounting Standards (Generally Accepted Accounting Practice), and for such internal control as the Controlling Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to audit and express an opinion on the financial statements in accordance with International Standards on Auditing (UK and Ireland). Those

standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to The Institute of Chartered Shipbrokers' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Controlling Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently

materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of The Institute of Chartered Shipbrokers as at 31 May 2017, and of its financial performance and its cash flows for the year then ended in accordance with the Royal Charter and Bye-Laws and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

---

Moore Stephens LLP  
Statutory Auditor  
150 Aldersgate Street  
London EC1A 4AB



The Institute of Chartered Shipbrokers  
**Income Statement**  
for the year ended 31 May 2017

	Note	2017		2016	
<b>Income</b>		£	£	£	£
Subscriptions – Individuals			295,287		279,309
Subscriptions – Companies			94,317		91,993
Student Registration & Examination Income			588,983		555,473
Book Income			264,240		296,212
TutorShip & Training Courses			180,663		211,571
Investment Income & Interest			8,215		9,690
Miscellaneous Activities			18,750		741
Management Fees – Trinity House	15		47,214		46,517
Fonasba			54,204		-
			<b>1,551,873</b>		<b>1,491,506</b>
<b>Expenditure</b>					
Salaries & Employer's Charges	4	653,561		678,659	
Tutorship Costs		167,757		194,881	
Education Costs		130,828		123,037	
Office Occupation Costs		96,241		91,323	
Communications Costs		82,951		90,535	
Printing & Stationery		15,939		21,350	
Travelling & Meeting Costs		163,260		118,154	
Office Equipment & Computers		53,585		48,227	
Subscription, Professional Fees		16,284		15,106	
Publication of Institute Journals		57,893		62,391	
Miscellaneous Activities		26,307		7,011	
Depreciation	5	22,181		28,180	
Audit Fees		17,000		17,281	
Bank Charges & Interest		22,736		17,984	
VAT Unrecoverable		64,506		63,674	
Foreign Exchange Gain/(Loss)		(5,555)		10,842	
			<b>(1,585,474)</b>		<b>(1,588,635)</b>
Profit on sale of investments	7		63,808		
Operating Profit/Deficit before Taxation			<b>30,207</b>		<b>(97,129)</b>
Tax Charge	17		(9,557)		-
Operating Profit/(Deficit) after Taxation	12		<b>20,650</b>		<b>(97,129)</b>

The notes on pages 31 to 42 form part of these financial statements

The Institute of Chartered Shipbrokers  
**Statement of Comprehensive Income**  
for the year ended 31 May 2017

	Note	2017	2016
		£	£
Profit/(Loss) for the financial year		20,650	(97,129)
Revaluation of Heritage Assets (unrealised)	8	-	-
<b>Total Comprehensive Income for the Year</b>		<b>20,650</b>	<b>(97,129)</b>

The notes on pages 31 to 42 form part of these financial statements

The Institute of Chartered Shipbrokers  
Statement of Financial Position as at 31 May 2017

	Note	2017		2016	
		£	£	£	£
<b>Non Current Assets</b>					
Fixed Assets - Intangible	5		37,157		40,205
Investments - Tangible	5		26,524		13,508
Investments	7		-		356
Heritage Assets	8		38,700		38,700
			<b>102,381</b>		<b>92,769</b>
<b>Current Assets</b>					
Inventory	6	104,007		158,091	
Sundry Debtors & Prepayments	10	134,043		109,569	
Amounts due from Related Parties	16	80,578		28,315	
Cash at Bank		520,368		349,315	
Cash in Hand		390		1,755	
Deferred Tax		-		9,496	
<b>Long Term Loan:</b>					
ICS Educational Fund	9	100,000		100,000	
		<b>939,386</b>		<b>756,541</b>	
<b>Less: Current Liabilities</b>					
Sundry Creditors	11	389,244		300,321	
Amounts due to Related Parties	16	137,753		64,426	
Corporation Tax	17	9,557			
		<b>536,554</b>		<b>364,747</b>	
<b>Net Current Assets</b>			<b>402,832</b>		<b>391,794</b>
<b>Net Assets</b>			<b>505,213</b>		<b>484,563</b>
<i>Represented by:</i>					
<b>Accumulated Fund</b>	12		466,513		445,863
<b>Revaluation Reserve</b>	13		38,700		38,700
			<b>505,213</b>		<b>484,563</b>

The notes on pages 31 to 42 form part of these financial statements

Director  
*J. Lithgow*

President  
*Dr. Parakrama Dissanayake FICS*

Chairman  
*M. Taliotis*

The Institute of Chartered Shipbrokers  
Statement of Cash Flows for the year ended 31 May 2017

	2016	2015
	£	£
<b>Cash flows from operating activities</b>		
<b>Operating Profit/(loss) before taxation &amp; adjustments</b>	<b>30,207</b>	<b>(97,129)</b>
Adjustments for:		
Depreciation	22,181	28,180
Investment Income & Interest	(8,215)	(9,690)
(Increase)/Decrease in inventory	54,084	(19,010)
Increase in sundry debtors and prepayments	(76,738)	(1,725)
Increase in creditors	171,746	85,644
Profit from sale of investments	(63,808)	-
<b>Net cash from/(used in) in operating activities</b>	<b>129,457</b>	<b>(13,730)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(32,148)	(15,150)
Interest income received	495	710
Dividend received	7,720	8,980
Proceeds from disposal of investments	64,164	-
<b>Net cash from/(used) in investing activities</b>	<b>40,231</b>	<b>(5,460)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>169,688</b>	<b>(19,190)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>351,070</b>	<b>370,260</b>
<b>Cash and cash equivalents at the end of year</b>	<b>520,758</b>	<b>351,070</b>

The notes on pages 31 to 42 form part of these financial statements

The Institute of Chartered Shipbrokers  
Statement of Changes in Equity for the year ended 31 May 2017

---

	Accumulated Fund	Revaluation Reserve	Total Equity
	£'000	£'000	£'000
<b>Balance at 31 May 2015</b>	<b>542,992</b>	<b>38,700</b>	<b>581,692</b>
Total comprehensive income for the year	(97,129)	-	(97,129)
<b>Balance as 31 May 2016</b>	<b>445,863</b>	<b>38,700</b>	<b>484,563</b>
Total comprehensive income for the year	20,650	-	20,650
<b>Balance as 31 May 2017</b>	<b>466,513</b>	<b>38,700</b>	<b>505,213</b>

The notes on pages 31 to 42 form part of these financial statements

## NOTES

### 1. General Information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the Institute's transactions are denominated. They comprise the financial statements of the Institute drawn up for the period ended 31 May 2017. Except where otherwise indicated, all financial information is presented in GBP.

The Institute of Chartered Shipbrokers (ICS) is a professional body for all members of the commercial shipping industry worldwide. It is both incorporated and domiciled in England and Wales. The address of its registered office is 85 Gracechurch Street, London, EC3V 0AA.

### 2. Summary of Significant Accounting Policies/ Basis of Preparation

The following principle accounting policies have been applied:

#### Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'). The Institute is not subject to the Companies Act 2006.

All activities included in these Financial Statements are continuing.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the entity's accounting policies (see note 3). The amounts used in the financial statements are presented to the nearest pound.

#### Income

Subscriptions for branches are recognised in the income statement on an accruals basis while individual member subscriptions are on a receipt basis. Any subscriptions received for the year 2017/18 have been excluded from the income statement and carried forward as deferred income as at 31 May 2017. Examination, registration fees and tutorship fees are also recognised on a receipts basis. TutorShip fees provided to corporate third parties are recognised on an accruals basis. Management fees are recognised on an accruals basis.

#### Foreign currencies

Transactions in foreign currencies are converted into sterling at rates ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the financial reporting date. All differences on exchange are dealt with in the income statement.



## NOTES (Continued)

### *Summary of Significant Accounting Policies/ Basis of Preparation (continued)*

#### Operating leases

Operating lease rentals are charged to income in equal amounts over the lease term.

#### Pension contributions

Pension contributions to the defined contribution scheme are charged to the income statement in the period to which they relate.

#### Tangible & Intangible assets

Tangible & intangible fixed assets are stated at cost less accumulated depreciation/ amortisation. Depreciation is provided on fixed assets at rates/years estimated to write off the assets over their expected useful lives. The following rates/years have been used:

Computer Equipment	25% per annum on a straight line basis
Software/Database Development	5 years
Fixture and Fittings	3-5 years
Office Equipment	3-5 years

#### Investments

Investments are stated at cost less amount written off and represent holdings in companies which the Institute intends to retain for the foreseeable future.

#### Heritage Assets

The Institute's Library and Presentations are stated at professional valuations as set out in Note 8 to the Financial Statements. The assets are not depreciated but revaluated every 3 years.

#### Inventory

Inventory comprises new book publications and is stated at the lower of cost or net realisable value on a first in first out basis. The amount of inventories recognised as an expense during the period will be the cost of sales and any amounts written off as unsellable items.

#### Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans to related parties and investments.

## NOTES (Continued)

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

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

### 3. Critical Accounting Estimates and Judgements

In the application of the Institute's accounting policies, which are described in note 2, management are required to make judgments, estimates and assumptions which affect the amounts reported for assets and liabilities as at the period end date and the amounts reported for revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, the nature of the estimation means that actual outcomes could differ from these estimates.

Due to the Institute's simple nature of operations since incorporation, the members consider there to be no critical judgments, estimates and assumptions used in the preparation of these financial statements.

### 4. Salaries and Employer's Charges

	2017		2016
	£		£
Wages and salaries	533,014		569,034
Social security costs	57,489		59,372
Pension costs	23,450		22,150
Recruitment cost	11,860		3,680
Contractors	22,947		6,840
Other	4,801		17,582
	653,561		678,659
Average number of employees (full/part time) during the year.	14		17

Key management remuneration (included in above) for 2017 is £308,155 (2016: £256,070). The foregoing is inclusive of employer pension contributions for 2017 of £14,177 (2016: £13,176).

## NOTES (Continued)

### 5. Tangible & Intangible Assets

#### Intangible Assets

Software & Database Development	£
<b>Cost:</b>	
As at 1 June 2016	55,942
Additions	10,175
Disposals	-
As at 31 May 2017	<b>66,117</b>
<b>Depreciation:</b>	
As at 1 June 2016	15,737
Charge for the year	13,223
Disposals	-
As at 31 May 2017	<b>28,960</b>
<b>Net Book Value</b>	
As at 31 May 2016	40,205
As at 31 May 2017	<b>37,157</b>

## NOTES (Continued)

### Tangible Assets

Computer Equipment	£
<b>Cost:</b>	
As at 1 June 2016	202,443
Additions	4,589
Disposals	(137,585)
As at 31 May 2017	<b>69,447</b>
<b>Depreciation:</b>	
As at 1 June 2016	195,091
Charge for the year	5,954
Disposals	(137,585)
As at 31 May 2017	<b>63,460</b>
<b>Net Book Value</b>	
As at 31 May 2016	7,352
As at 31 May 2017	5,987

## NOTES (Continued)

<b>Fixtures &amp; Fittings</b>	<b>£</b>
<b>Cost:</b>	
As at 1 June 2016	8,870
Additions	17,384
Disposals	-
As at 31 May 2017	<b>26,254</b>
<b>Depreciation:</b>	
As at 1 June 2016	2,713
Charge for the year	3,004
Disposals	-
As at 31 May 2017	<b>5,717</b>
<b>Net Book Value</b>	
As at 31 May 2016	6,157
As at 31 May 2017	<b>20,537</b>

## NOTES (Continued)

<b>Leasehold</b>	£
<b>Cost:</b>	
As at 1 June 2016	54,600
Additions	-
Disposals	-
As at 31 May 2017	<b>54,600</b>
<b>Depreciation:</b>	
As at 1 June 2016	54,600
Charge for the year	-
Disposals	-
As at 31 May 2017	<b>54,600</b>
<b>Net Book Value</b>	
As at 31 May 2016	-
As at 31 May 2017	-

## Total Tangible Assets

<b>Net Book Value:</b>	£
As at 31 May 2016	<b>13,508</b>
As at 31 May 2017	<b>26,524</b>

## NOTES (Continued)

### 6. Inventory

Inventory consists of the in-house production of our course books and work books at a direct cost of £104,007 (2016: £158,091).

### 7. Investments

	2017		2016
	£		£
Baltic Exchange Ltd			
400 Ordinary Shares	-		356

During the year the Institute disposed of 400 shares in the Baltic Exchange Ltd for a consideration of £64,164.

### 8. Heritage

	2017		2016
	£		£
Institute Library Valuation undertaken by the Executive Council in May 2013	2,500		2,500
Oil Painting 'S.S. Great Western' External professional valuation undertaken in 2015	15,000		15,000
Rose Bowl <i>Donated by Mrs F. A. Eldridge in memory of the late F. Eldridge, a former Fellow of the Institute</i> External professional valuation undertaken in 2015	1,200		1,200
Marine Model <i>Presented by Hain S. S. Co. – Model of 'M. V. Trelyon'</i> External professional valuation undertaken in 2015	20,000		20,000
	38,700		38,700

## NOTES (Continued)

### 9. Loan to the Institute of Chartered Shipbrokers Educational Fund

On the 25 March 2010 it was agreed the non-interest bearing loan should be on a permanent basis for an unlimited period on the provision that if the Institute of Chartered Shipbrokers Educational Trust Fund ceases to operate, the £100,000 loan will be returned to the ICS.

This loan has not been discounted on the grounds that the difference between the present value of the proceeds and the redemption amount at maturity is not material.

### 10. Sundry Debtors and Prepayments

	2017		2016
	£		£
Prepayments and accrued income	58,150		86,143
VAT and other debtors	75,893		23,426
	134,043		109,569

### 11. Sundry Creditors

	2017		2016
	£		£
Trade creditors	66,974		99,053
Accruals	75,094		62,256
Deferred Income	211,528		110,457
Other creditors	32,541		13,304
Other taxes and social security	3,107		15,251
	389,244		300,321

### 12. Accumulated

	2017		2016
	£		£
Opening Balance at 1 June	445,863		542,992
Operating profit/(deficit) after taxation for the year	20,650		(97,129)
Closing Balance at 31 May	466,513		445,863



## NOTES (Continued)

### 13. Revaluation Reserve

	2017		2016
	£		£
Opening Balance at 1 June	38,700		38,700
Movement in the year	-		-
Closing Balance at 31 May	38,700		38,700

### 14. Operating Lease Commitments

At 31 May 2017, the Institute had annual commitments under non-cancellable leases as set out below:

	Land and Buildings			Other		
	2017		2016	2017		2016
	£		£	£		£
Within one year	52,500		52,500	5,090		5,944
Between two and five years	210,000		210,000	14,868		2,674
More than five years	52,500		107,589	-		-

The operating lease relating to rental of premises is for the period from 20 June 2013 to 19 June 2023 with a break clause in Aug 2017. The annual cost is £52,500.

### 15. Trinity House Scheme

The Institute has provided administration, supervision and monitoring of light dues services since 1993 under an agreement with Trinity House and other general lighthouse authorities. Under the terms of the agreement Institute Company Members act as UK Light Due Collectors and the Institute receives management fees in respect of administering the Scheme.

Current arrangements are undertaken via an agreement dated 13 March 2008 with a term of 10 years ending 31 March 2018.

The Institute received an annual management fee of £40,714 (2016:£39,897).

## NOTES (Continued)

### 16. Related Party Transactions

The Institute received an annual management fee of £6,500 (2016: £6,500) for administration duties on behalf of The ICS Educational Fund, which is a related party due to Members of the Institute's Controlling Council and Executive Council sitting on the Board of Trustees for The ICS Educational Fund. There are no outstanding balances owed or due.

	2017		2016
	£		£
<b>Amount Due from Related Parties (Branches)</b>			
Receivables	80,578		25,587
Receivables (Other)	-		2,728
	<b>80,578</b>		<b>28,315</b>

	2017		2016
	£		£
<b>Amount Due to Related Parties</b>			
Owed to Branches	137,753		16,185
Deferred Income – Trinity House	-		33,750
			14,491
	<b>137,753</b>		<b>64,426</b>

## NOTES (Continued)

### 17. Corporation Tax

The Institute is chargeable to Corporation Tax on investment income at 20% (2015: 20%) and at 4.03% (2015: 4.03%) on any surplus arising, excluding the investment income.

	2017		2016
	£		£
Current tax:			
United Kingdom corporation tax based on the operating deficit for the year, as adjusted for taxation purposes	-		-
Current tax charge in the year	-		-

The effective rate of tax is lower than the small Companies rate of corporation tax in the UK (20%). The differences are explained below:

	£		£
Operating Deficit before Taxation			(97,129)

Operating (deficit)/profit multiplied by small Companies' rate of corporation tax in the UK of 20%			(19,426)
Disallowed items			119
Short-term timing differences			(271)
Capital Allowances (in excess) of Depreciation			1,822
Non taxable proportion			15,296
Losses carried forward /(carried back)			4,256
Exempt Dividend Income			(1,796)
Current tax charge in the year	-		-

The Institute has unrecognised UK taxable losses carried forward of £120,159 (2015:£98,880) to be utilised against future UK taxable profits.

# Global Branch Network

---

## AUSTRALIA AND NEW ZEALAND

PO Box 80  
Yarra Glen  
Victoria 3775  
Australia  
Chairman: Nick Vann FICS  
Secretary: Bill Macdonald FICS

## BULGARIA

Nikola Vaptsarov Naval Academy  
73 Vasil Drumev Street  
Varna 9026  
Bulgaria  
Chairman: Rosen Kosturkov FICS  
Secretary: Vihren Zahariev FICS

## CANADA

100-1111 West Hastings Street  
Vancouver BC  
V6E 2J3  
Canada  
Chairman: Dena Rantz FICS  
Secretary: Daryl Raibl MICS

## CYPRUS

Columbia House  
Spyrou Kyprianou Avenue  
4042 Limassol  
Cyprus  
Chairman: Demetris Constantinides FICS  
Secretary: Stavros Fokas Kavalierakis FICS

## DENMARK

c/o Nicopia Shipping  
Femoegade, 4  
Nykoebing Falster DK 4800  
Denmark  
Chairman: Luis Bernat FICS  
Secretary: Allan Houtved FICS

## EAST AFRICA

Aspects Centre (Ganjoni) 1st Floor  
Off Archbishop Makarios Road  
Opposite Bake N'Bite Bakery  
PO Box 2095-80100, Mombasa, Kenya  
Chairman: Robert Watene FICS  
Secretary: Elijah Ndungu FICS

## EAST INDIA

Indian Chamber Building 2nd Floor  
6 Esplanade  
Chennai, Tamilnadu 600 108  
India  
Chairman: Capt. V. Ganeshyam FICS  
Secretary: M.Sayeeraman FICS

## GERMANY

Berliner Platz 1  
D-21680 Stade  
Germany  
Chairman: Hauke Pane FICS  
Secretary: Sabine Etheridge

## GREECE

1 Platonas & 18 Sotiros Dios Str.  
Piraeus 18535  
Greece  
Chairman: Nikos Tsavlis FICS  
Secretary: Natalia Margioli FICS

## HONG KONG

c/o ABC Shipping (Hong Kong) Ltd  
Attn: Cheung Shun Man (Manson)  
Room 1104, 11 Floor  
299 Queen's Road Central  
Sheung Wan  
Hong Kong  
Chairman: Joseph Chau FICS  
Secretary: Rakesh Sethi MICS

## Global Branch Network (Continued)

---

### IRELAND

19, Aylesbury Clonmacken  
Ennis Road  
Limerick  
Ireland  
Chairman: Sean McCabe FICS  
Secretary: Hilary Park FICS

### MIDDLE EAST

PO Box 9204, ESO No.26, 7th Floor  
Dubai World Trade Centre (Sheikh Rashid  
Tower)  
Dubai  
United Arab Emirates  
Chairman: Krishnan Subramaniam FICS  
Secretary: Krishna Prasad, FICS

### MUMBAI

c/o Samsara Group  
101/102 Technopolis Knowledge Park  
Mahakali Caves Road  
Chakala, Andheri(E)  
Mumbai 400 093  
India  
Chairman: Capt G K Sarkari FICS  
Secretary: Ashok Jain FICS

### PAKISTAN

'M' International Service (PVT) Ltd  
'Mariners Fairway'  
43, Timber Pond, Keamari  
PO Box 4668  
Karachi 75620  
Pakistan  
Chairman: Capt Khalil-ur-Rahman FICS  
Secretary: Capt S M A Mahmoodi FICS

### SINGAPORE

6 Raffles Quay  
#15-00 Suite 3  
Singapore 048580  
Chairman: Capt. Subhangshu Dutt FICS  
Secretary: Elaine Yu MICS

### SOUTH AFRICA

Suite 302, 3rd Floor Cowey Park  
91 Problem Mkhize Road (Cowey Road)  
Berea  
PO Box 6005, Durban 4000  
South Africa  
Chairman: Eddy Neilson FICS  
Secretary: Alica Kleingeld

### SRI LANKA

275/75, Prof Stanley Wijesundara Mawatha,  
Off Bauddhaloka  
Mawatha, Colombo 07  
Sri Lanka  
Chairman: Anoma Ranasinghe FICS  
Secretary: Shamalee Premasiri MICS

### WEST AFRICA

c/o Oil & Marine Agencies  
Second Floor, Atlantic Plaza Building  
Community 1  
P.O. Box SC 441 Tema  
Ghana  
Chairman: Fred Asiedu-Dartey FICS  
Secretary: Gibson A. Keteku MICS

### United Kingdom

#### **EAST ANGLIA**

Grange Shipping Ltd  
Ordnance House  
1 Garrison Lane  
Felixstowe, Suffolk  
IP11 7SH  
Chairman: Catherine Jackson FICS  
Secretary: John Grange FICS

#### **HUMBER**

c/o 85 Gracechurch Street  
London  
EC3V 0AA  
Chairman: James Doyle FICS  
Secretary: c/o Institute of Chartered  
Shipbrokers Head Office

#### **LIVERPOOL**

9 Kinloss Road  
Greasby  
Wirral  
CH49 3PS  
Chairman: Alyson Loughlin FICS  
Secretary: Roy Cooke FICS

#### **LONDON & SOUTH EAST BRANCH**

3 Caldecote Close  
Rainham  
Gillingham  
ME8 8TP  
Chairman: Marianna Vitazkova FICS  
Secretary: Mike Harrison FICS

#### **NORTH EAST OF ENGLAND**

39, Highbury Avenue  
Tollesby  
Middlesbrough  
TS5 7PP  
Chairman: Richard Booth FICS  
Secretary: Brian Livingstone FICS

#### **SCOTLAND**

c/o Seletar Shipping Ltd  
Cairnie House  
Prince Charles Wharf  
Dundee  
Scotland DD1 3NA  
Chairman: Emma Ritchie MICS  
Secretary: Graeme Nimmo FICS

#### **SOUTH WALES & THE WEST**

71 Rhyd-y-Penau Road  
Cardiff  
South Glamorgan  
CF23 6PZ  
Chairman: Jonathan Challacombe FICS  
Secretary: James Coliandris

For further information and support, visit:  
[www.ics.org.uk](http://www.ics.org.uk)



Institute of Chartered Shipbrokers, 85 Gracechurch Street, London, EC3V 0AA, UK

Tel: +44 (0)20 7623 1111 Email: [enquiries@ics.org.uk](mailto:enquiries@ics.org.uk) [www.ics.org.uk](http://www.ics.org.uk)

© Institute of Chartered Shipbrokers 2017