

THE CHARTERED INSTITUTE OF TRANSPORT IN THE UK
(A company limited by guarantee)

REPORT AND ACCOUNTS

30 SEPTEMBER 1996

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Registered in England No: 2629347
Registered Office: 80 Portland Place, London W1N 4DP
Registered Charity No: 1004963

THE CHARTERED INSTITUTE OF TRANSPORT IN THE UK

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER 1996

It is my privilege and pleasure to present to members of The Chartered Institute of Transport in the UK my Chairman's Report for the year ended 30th September 1996.

1996 has seen the conclusion of the Transport Debate initiated by Dr Brian Mawhinney when he was Secretary of State by the publication of the Government's Paper 'Transport - The Way Forward'. The paper is wide-ranging and there are many aspects of it which will command a broad measure of support, not least the emphasis on the role of public transport and on making the best of the transport infrastructure which we already have. But the opportunity to provide a blueprint for the future of transport, to articulate a comprehensive policy for meeting the needs of industry for a more efficient transport system and the desire of the individual for a reasonable degree of personal mobility, at acceptable social and environmental cost, appears to have been missed. In particular the lack of a development plan for transport, with specific targets for the provision of new and improved services and new infrastructure, must be a disappointment to the members of an Institute committed to the pursuit of excellence in the provision of transport services.

In the course of the year the Institute continued to forge links with other bodies with an interest in transport. Joint submissions on transport policy were made to the Government by a group of institutions led by the CIT. Discussion took place with The Institution of Highways and Transportation on the subject of amalgamation to form a joint body, but these were discontinued in the summer following a decision by the UK Council.

A number of the Institute's Local Sections have links with their IHT counterparts. It is to be hoped that these will develop, and that members will approach with open minds any future proposal for strengthening the Institute in association with other organisations with similar objectives.

The backbone of an Institute is the programme of lectures and other meetings and events related to transport at both national and section level. I hope to attend Local Section meetings as well as national lectures during my time as Chairman.

Lectures at national level in the past year have made a distinguished contribution to our activities. Roger Salmon, the Director of Passenger Rail Franchising, gave his Robert Reid lecture with the title 'The New Passenger Railway: Making it happen well'. No-one who heard the lecture can have failed to be impressed by his determination to set up a viable franchising system or by his belief that privatisation will lead to better passenger services. The Brancker lecture, 'Trends in World Aviation' was given by James Strong, Chief Executive of Qantas. After an amusing historical review of Qantas since its establishment, he went on to talk about what he saw as the inevitability of further aviation liberalisation, and his belief that alliances of the type that Qantas have with British Airways will have a major role to play in the future.

The Henry Spurrier lecture was given by Major General Martin White, who described the evolution of transport systems for the armed services since the Gulf War. The Frederick Speight lecture was given at Ipswich by Moir Lockhead, Chief Executive of FirstBus plc. His lecture 'Moving People into the New Millennium', described recent developments in the bus industry and stressed the contribution that could be made by a developing network of bus services.

The Philip Henman overseas lecture was given by Ted Butcher, Chairman, National Rail Corporation (Australia) Limited and the current Chairman of CIT Australia, entitled 'Rail's Role in Australia's Economy'. He said that the unification of five separate organisations into one national freight railway had resulted in major productivity improvements with investments in new technologies assisting efficient management of freight movements. The Reginald Grout lecture was given by Captain P Tsakos, who discussed the present state of the shipping industry and expressed his personal belief in the merits of less complex ships. Dr Brian Mawhinney, speaking as a Cabinet Minister without portfolio and not as Chairman of the Conservative Party, gave the Peter Allsebrook lecture in Belfast in April. As the former Secretary of State for Transport he was well able to set out Government's thinking on transport.

The final event of the Institute's year was the André Bénard lecture, given by Sir Alastair Morton on 30th September. Quite apart from what Sir Alastair told us about the Tunnel, the lecture was memorable for his description of the failure to use North Sea oil revenues to modernise our transport infrastructure, and so provide the springboard for future growth.

During the year the Institute continued its work on transport policy, and two notable reports were published. The first of these, 'Omnibus for All', was produced by a Working Party chaired by Sir Peter Baldwin. The report highlighted the need to promote better operating conditions if buses are to provide a more effective alternative to the private car, and to invest in cleaner and more accessible buses.

The second report, 'Better Public Transport for Cities', was written by a Working Party chaired by Jim Coates. The report analysed the case for investing in public transport, and stressed the need for new investment to be accompanied by measures to restrain use of the private car.

The Institute will be continuing its work on transport policy, and I am delighted that Russell Sunderland has taken on the chairmanship of the Transport Policy Committee.

The year saw the continuation of arrangements with the Waterfront Partnership for the promotion of conferences on transport subjects. Conferences in the year covered a range of transport subjects as diverse as "Ro-Ro ferry Policy: Safety First", "Transport and the Disability Discrimination Act", "Integrated Passenger Transport", "Light Rapid Transport Systems", and "The European Union's Role in Formulating Air Transport Policy". This is an important extension of our work on transport policy issues.

The other main strand of our activities is education. The Institute needs to do all it can to attract young people embarking on a career in transport to seek membership by the traditional examination route. The year has seen considerable change in the CIT UK's education policy, with

plans developed for rationalisation of subject areas and assessment processes that will take us into the twenty-first century. Candidates will benefit from opportunities for improving their qualifications at all stages of their careers and there will be a strong framework for accrediting learning from other sources.

During the year a strong Planning Committee was established which submitted a five year plan for the years 1996/2001 with Council's approval for it being given at its meeting in June. This plan is to be updated on a rolling year by year basis and I am sure will form an increasingly important part in the way that the Institute administers its policies and affairs in future. One important point it emphasised was the need for a more aggressive marketing approach to the recruitment of new members. As a consequence of that a Marketing Committee has been established as a standing committee of Council, and has now started work.

For the greater part of the year on which I am reporting Sir Christopher Chataway was Chairman. I should like on behalf of all members to thank Sir Christopher for his wise guidance during his time as Chairman. I should also like to thank the Director-General, Richard Botwood and all other employees for their essential and highly valued contribution to the success of our Institute.

Transport issues, and our success or failure in addressing them, affect the lives of all of us. To have been asked to be UK Chairman of the Institute at a time when transport policies are under increasing scrutiny, and when a strong independent voice on transport policy is badly needed, is a great privilege. I hope that during my time as Chairman the Institute will continue its excellent work on transport policy and on training and education in the transport field, and I urge all members to participate in the activities of the Institute so as to ensure our continuing success.

R. Channing

Alastair Channing
January 1997

THE CHARTERED INSTITUTE OF TRANSPORT IN THE UK

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1996

The Directors present their Report and the audited accounts of the Company for the year ended 30 September 1996.

Directors' Responsibility Statement

The Directors are responsible, under the Companies Act 1985, for the preparation of financial statements for each accounting year which give a true and fair view of the state of affairs of the Company as at the end of the year and of the surplus or deficit for the year.

In preparing those financial statements the Directors 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; and prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. The Directors consider that they have complied fully with these requirements in preparing the financial statements on pages 10 to 18.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company at any time and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Company Objectives

The Company incorporates in the United Kingdom the members of The Chartered Institute of Transport. It provides for them a forum for the discussion of transport and logistics matters of interest to professional members. It stimulates debate in the UK on transport issues and policy. It offers qualifications and training in transport and logistics management.

Review

Activities and developments throughout the 1995/96 Institute year met these objectives. The national and regional programme of events and lectures, established to encourage debate and discussion on transport issues, attracted good attendance's in a large part due to the high quality of the speakers.

At 30 September 1996, overall membership figures for the UK and Europe were 10,280 - a small reduction on the 1995 year end figure.

The Institute has contributed positively to the Transport Policy Debate through the activities of its Transport Policy Committee. Under the Chairmanship for most of the year of Alastair Channing the committee submitted views on a number of issues as part of a remit to comment upon Transport Policy issues. Two major reports, the first entitled "Omnibus for All" prepared by a working party under the Chairmanship of Sir Peter Baldwin was published in February and the second entitled "Better Public Transport For Cities" prepared by a working party under the Chairmanship of Jim Coates C.B., was published in June.

Education and training remains a fundamental part of the Institute's activities, for the provision of training and educational courses from student level entry through to the professional qualification of full Chartered membership. To meet the changing demands of industry the Institute's examinations have been rationalised to make them more flexible. The subjects covered by the Certificate of Transport have been further expanded. Work on the accreditation of prior achievement (APA) has been carried forward and it is expected that this will form an important part of the way in which members will advance to Chartered status in future.

The Institute's improved range of publications continue to receive a wide measure of approval from members, all of this being assisted by a most cordial relationship with the publishers.

The National Youth Transport Competition was held for its sixth consecutive year and the third edition of Careers on the Move published. Grateful acknowledgement must be made for the generous level of sponsorship for these projects from the transport industry.

Computerisation of the library catalogue system was successfully concluded during the year. Upgrading of the office computerisation was commenced with the introduction of a number of PC's which are to form part of a linked system following which an improved membership records package will be installed.

The Directors of the Company serve without remuneration. They are listed in full after this Report.

Accounts

The Company's Constitution does not permit the distribution of profit. The accounts for the year show an increase in the General Fund for the year of £46,136 (1995, £70,190).


The Accounts have been prepared this year in accordance with the Statement of Recommended Practice issued by the Charity Commission in October 1995. As a result a new statement, the Statement of Financial Activities, has been introduced and the funds of Sections have been fully consolidated in the Balance Sheet, together with their movements during the year which are included in the General Fund.

Fixed Assets

Details of the additions to fixed assets during the year are shown in Note 5.

Auditors

The auditors, Price Waterhouse, have indicated their willingness to continue in office and the resolution concerning their reappointment will be proposed at the Annual General Meeting.


By order of the Board
M H Bowack
Secretary

2 } January 1997

THE CHARTERED INSTITUTE OF TRANSPORT IN THE UK

DIRECTORS WHO SERVED DURING THE YEAR

| | Appointed | Retired |
|-------------------------------------|-----------|---------|
| T M D Bevan | 15.7.91 | 30.9.96 |
| G G Blakey | 1.10.94 | |
| G R Byers | 1.10.93 | |
| R A Channing | 22.11.95 | |
| The Rt Hon Sir Christopher Chataway | 13.6.94 | |
| J A Cleary | 15.7.91 | |
| D Hyde | 1.10.93 | |
| Sir Alastair Morton | 1.10.91 | 30.9.96 |
| M N Pestereff | 1.10.95 | |
| J Taplin | 1.10.94 | |
| B M Tellwright | 1.10.92 | 30.9.96 |
| W G Thomas OBE | 1.10.92 | |
| M D Woods | 1.10.95 | |

OFFICERS WHO SERVED DURING THE YEAR

| | |
|--------------------------------------|---|
| Hon President | HRH The Princess Royal |
| Chairman | The Rt Hon Sir Christopher Chataway |
| Chairman - elect | R A Channing |
| Immediate Past Chairman | Sir Alastair Morton |
| Hon Treasurer | M N Pestereff |
| Directors | as set out above |
| Director - General | R P Botwood |
| Director of Education | S Gross |
| Director of Finance & Administration | M H Bowack |
| Director of Membership Services | A M J Pomeroy (until 22.10.95) J M Weatherly (from 23.10.95) |
| Company Secretary | C M Clayden (until 14.6.96) M H Bowack (from 14.6.96) |

ADVISERS

| | |
|--------------|---------------------------|
| Auditors | Price Waterhouse |
| Bankers | National Westminster Bank |
| Solicitors | Coudert Bros |
| Stockbrokers | Henderson Crosthwaite Ltd |

REPORT OF THE AUDITORS TO THE MEMBERS OF THE CHARTERED INSTITUTE OF TRANSPORT IN THE UK

We have audited the financial statements on pages 10 to 18 which have been prepared under the historical cost convention, as modified by the revaluation of investments, and the accounting policies set out on page 12.

Respective responsibilities of directors and auditors

As described on page 5 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 1996 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse
Price Waterhouse

Chartered Accountants and
Registered Auditors

Date: *23 January 1997*

Southwark Towers
32 London Bridge Street
London
SE1 9SY

STATEMENT

Income and Expenditure

Incoming Resources

Subscriptions and fees
Professional Activities
Examinations and Training
Rental income
Dividends and interest
Donations and bequests
Total

Resources Used

Professional Activities
Examinations and Training
Publications
Total

Net incoming / (outgoing) resources
before transfers

Transfers between Funds

Net Incoming Resources

Other recognised gains and losses

Gains and (losses) on investments:

Realised
Unrealised

INCREASE IN FUNDS DURING THE YEAR

Funds brought forward, 1 October 1995

Funds carried forward, 30 September 1996

PROFIT AND LOSS ACCOUNT : A separate Profit and Loss Account is provided for all relevant transactions

The Notes on pages 12 to 18 form part of these accounts

THE CHARTERED INSTITUTE OF TRANSPORT IN THE UK

BALANCE SHEET AT 30 SEPTEMBER 1996

| | Notes | 1996 £ | Restated (Note 2) 1995 £ |
|--|-------|------------------|-----------------------------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 5 | 184,960 | 122,079 |
| Investments | 6 | <u>1,118,431</u> | <u>946,559</u> |
| | | <u>1,303,391</u> | <u>1,068,638</u> |
| CURRENT ASSETS | | | |
| Stocks | | 1,673 | 1,752 |
| Debtors | 7 | 58,970 | 87,457 |
| Cash | | <u>191,967</u> | <u>278,103</u> |
| | | 252,610 | 367,312 |
| CREDITORS | | | |
| amounts falling due within one year | 8 | <u>(296,064)</u> | <u>(338,816)</u> |
| NET CURRENT (LIABILITIES)/ ASSETS | | <u>(43,454)</u> | <u>28,496</u> |
| NET ASSETS | | <u>1,259,937</u> | <u>1,097,134</u> |
| Represented by: | | | |
| Unrestricted Funds | 9 | 829,839 | 699,949 |
| Endowment Funds | 10 | <u>430,098</u> | <u>397,185</u> |
| | | <u>1,259,937</u> | <u>1,097,134</u> |

The Notes on pages 12 to 18 form part of these accounts.

Approved by the Board on 23 January 1997.

R A Channing - Chairman

M N Pestereff - Honorary Treasurer

R. A. Channing
M N Pestereff

THE CHARTERED INSTITUTE OF TRANSPORT IN THE UK

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1996

1. ACCOUNTING POLICIES

- a) The accounts, which reflect the transactions of the Company (including local Sections), have been prepared under the historical cost convention, as modified by the revaluation of investments, in accordance with applicable accounting standards.
- b) Subscriptions and fees are taken into account as received with subscriptions in advance being carried forward. Other turnover is based on services invoiced.
- c) Tangible fixed assets are stated at cost. Depreciation is provided by equal instalments to write off fixed assets over their respective useful lives. The rates for depreciation/amortisation are as follows:
 - Leasehold property - straight line over remainder of lease
 - Other assets - straight line over four to ten years
- d) Investments are stated at market value. Unrealised gains or losses on the revaluation of General Fund investments are taken directly to a Revaluation Reserve. Gains or losses on the revaluation of specific fund investments are taken directly to the relevant Funds.
- e) Stock represents merchandise for sale and is valued at the lower of cost and estimated net realisable value.
- f) A contributory money purchase pension scheme is in operation and is open to all employees. Company contributions are either six or ten per cent of the employees salary. Pension costs are charged when incurred.
- g) The Company has charitable status (charity number 1004963) and therefore its income and property are exempt from all direct taxes.

THE CHARTERED INSTITUTE OF TRANSPORT IN THE UK

NOTES TO THE ACCOUNTS (Continued)

2. PREPARATION OF ACCOUNTS

As a registered Charity, the accounts have been prepared in accordance with the Statement of Recommended Practice issued by the Charity Commission in October 1995.

In complying for the first time with these requirements, the accounts prepared at 30 September 1995 have been restated. The significant changes are set out below with more detailed analysis contained elsewhere within the Notes to the Accounts.

- a) Statement of Financial Activities. The Statement analyses the total movements on all Funds during the year. It incorporates the Profit and Loss Account in the General Fund.
- b) Balance Sheet. Funds and Reserves are grouped within either Unrestricted or Endowment Funds. Unrestricted Funds, which include the General Fund, are those expendable at the discretion of the Directors. Endowment Funds, which include the Library Fund and the Awards Funds, have been donated to endow the Library, lectures, to provide prizes for performance in the Institute examinations, or research into transport activities.
- c) Sections. The accumulated Funds of Sections are consolidated within the General Fund with the annual movement included in the Statement of Financial Activities. Previously these Funds were referred to in a Note to the Accounts and were held by the Sections as cash balances and amounts held on deposit which were previously included within the Company's Other creditors.
- d) Awards Funds. These funds are included within Endowment Funds. These are held in trust on behalf of the Awards Funds. They are represented by investments held by the Company's stockbrokers.

3. PROFIT AND LOSS ACCOUNT

The profit or loss for the year is represented by the movements during the year shown as the General Fund within the Statement of Financial Activities. The profit or loss of Sections for the year is now included. For the year ended 30 September 1995 the retained profit for the year is restated as:

| | | 1995 |
|--------------------------------------|----------|---------------|
| As reported | £ | £ |
| Professional Activities of Sections: | | 60,698 |
| Income | 45,450 | |
| less: Expenditure | (35,958) | |
| Profit | | 9,492 |
| Restated | | <u>70,190</u> |

THE CHARTERED INSTITUTE OF TRANSPORT IN THE UK

NOTES TO THE ACCOUNTS (Continued)

The increase in the General Fund (Profit) for the year of £48,773, 1995 £70,190, is stated after charging/(crediting):

| | 1996 £ | 1995 £ |
|--|------------------|------------------|
| Income from Investments | | |
| Interest receivable | (25,264) | (14,759) |
| Depreciation | (20,552) | (24,772) |
| Amortisation | 42,424 | 35,901 |
| Auditors remuneration | 4,059 | 3,156 |
| Management Fee from The Chartered Institute of Transport | 10,102 | 10,102 |
| | <u>(115,473)</u> | <u>(125,132)</u> |
| Staff costs: | | |
| Salaries | | |
| Social security costs | 452,686 | 404,045 |
| Other pension costs | 45,528 | 41,201 |
| | <u>29,251</u> | <u>21,624</u> |
| | <u>527,465</u> | <u>466,870</u> |

The average number of employees was 22, 1995 21.

The number of employees whose emoluments exceeded £40,000 in the following bands was:

£40,000 to £49,999

£50,000 to £59,999

| | 1996 | 1995 |
|--|------|------|
| | 1 | - |
| | 1 | 1 |

4. RESOURCES USED

The resources used during the year are analysed as:

| | Professional Activities £ | Examinations & Training £ | Publications £ | Total £ | Restated (Note 2) 1995 £ |
|-------------------------------|---------------------------------|---------------------------------|-------------------|------------------|-----------------------------------|
| Direct staff costs | 159,780 | 122,335 | 20,445 | 302,560 | 247,938 |
| Other direct costs | 280,779 | 176,704 | 65,549 | 523,032 | 485,399 |
| Depreciation and amortisation | 20,901 | 24,463 | 1,835 | 47,199 | 39,614 |
| Support costs | 170,781 | 130,674 | 21,995 | 323,450 | 328,006 |
| Total | <u>632,241</u> | <u>454,176</u> | <u>109,824</u> | <u>1,196,241</u> | <u>1,100,957</u> |
| of which charged to: | | | | | |
| Unrestricted Funds: | | | | | |
| General | 618,514 | 441,320 | 108,515 | 1,168,349 | 1,086,682 |
| Other | 10,160 | 7,775 | 1,309 | 19,244 | 3,956 |
| Endowment Funds | 3,567 | 5,081 | - | 8,648 | 10,319 |
| | <u>632,241</u> | <u>454,176</u> | <u>109,824</u> | <u>1,196,241</u> | <u>1,100,957</u> |

Costs, including depreciation, have been allocated to activities where they are specifically identifiable. Support costs are based on the proportion of direct staff costs of each activity to the total.

THE CHARTERED INSTITUTE OF TRANSPORT IN THE UK

NOTES TO THE ACCOUNTS (Continued)

5. TANGIBLE FIXED ASSETS

| <u>Cost</u> | Short Leasehold Property £ | Computer and other assets £ | Total assets £ |
|----------------------------------|-------------------------------------|--------------------------------------|----------------------|
| Balance at 1 October 1995 | 91,531 | 233,979 | 325,510 |
| Additions | 36,378 | 72,986 | 109,364 |
| Disposals | - | (34,510) | (34,510) |
| Balance at 30 September 1996 | <u>127,909</u> | <u>272,455</u> | <u>400,364</u> |
| <u>Amortisation/depreciation</u> | | | |
| Balance at 1 October 1995 | 26,440 | 176,991 | 203,431 |
| Disposals | - | (34,510) | (34,510) |
| Charge for the year | 4,059 | 42,424 | 46,483 |
| Balance at 30 September 1996 | <u>30,499</u> | <u>184,905</u> | <u>215,404</u> |
| <u>Net Book Value</u> | | | |
| 30 September 1996 | <u>97,410</u> | <u>87,550</u> | <u>184,960</u> |
| 30 September 1995 | <u>65,091</u> | <u>56,988</u> | <u>122,079</u> |

The value of the leasehold property is substantially in excess of its book amount. The Company owns 85% of the lease and The Chartered Institute of Transport owns the remaining 15%.

6. INVESTMENTS

| | <u>Investments</u> £ | Leasehold Redemption Policy £ | <u>Total</u> £ |
|-------------------------------------|-------------------------|--|-------------------|
| Balance at 1 October 1995, reported | 716,696 | 13,923 | 730,619 |
| Awards Funds (see Note 2) | 215,940 | - | 215,940 |
| Balance at 1 October 1995, restated | <u>932,636</u> | <u>13,923</u> | <u>946,559</u> |
| Additions | 186,831 | 221 | 187,052 |
| Increase in market/redemption value | 67,799 | 54 | 67,853 |
| Disposals | (68,835) | (14,198) | (83,033) |
| Balance at 30 September 1996 | <u>1,118,431</u> | <u>-</u> | <u>1,118,431</u> |

THE CHARTERED INSTITUTE OF TRANSPORT IN THE UK

NOTES TO THE ACCOUNTS (Continued)

During the year the Investments Funds of the Company, excluding the leasehold redemption policy, were held by Henderson Crosthwaite Limited, stockbrokers, who have discretionary powers, subject to certain restrictions, to act on behalf of the Company in all investment matters. The investments of the Company are pooled with those of The Chartered Institute of Transport and are managed as a single portfolio within the Main Fund and the Leasehold Replacement Fund. The Company's share of profits or losses on disposal of investments, changes in market value and investment income are allocated to it in proportion with the value of its investment to the total portfolio of investments.

Summary of investment portfolio

| | 1996 | Restated (Note 2) 1995 |
|--|-----------|------------------------------|
| | £ | £ |
| Fixed interest | 304,498 | 268,999 |
| Listed equities | 1,030,384 | 804,051 |
| Cash | 150,308 | 187,936 |
| Investments managed by Henderson Crosthwaite Ltd | 1,485,190 | 1,260,986 |
| Less: Held by The Chartered Institute of Transport | 366,759 | 328,350 |
| Sub total | 1,118,431 | 932,636 |
| Leasehold redemption policy surrender value | - | 13,923 |
| Balance at 30 September 1996 | 1,118,431 | 946,559 |
| Analysis of the above investments: | | |
| General Fund | 459,308 | 371,777 |
| Leasehold Replacement Fund | 229,025 | 177,597 |
| Library Fund | 194,777 | 181,245 |
| Awards Funds | 235,321 | 215,940 |
| | 1,118,431 | 946,559 |

THE CHARTERED INSTITUTE OF TRANSPORT IN THE UK

NOTES TO THE ACCOUNTS (Continued)

7. DEBTORS

| | 1996 | 1995 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 44,815 | 55,538 |
| Other debtors | 11,427 | 10,480 |
| Prepayments and accrued income | 2,728 | 21,439 |
| | <u>58,970</u> | <u>87,457</u> |

8. CREDITORS

| | £ | Restated (Note 2) £ |
|---|----------------|---------------------------|
| Trade creditors | 41,074 | 55,387 |
| Other creditors | 28,601 | 69,273 |
| Taxation and social security | 12,564 | 12,582 |
| Accruals and deferred income including subscriptions received in advance | 213,825 | 201,574 |
| | <u>296,064</u> | <u>338,816</u> |

9. UNRESTRICTED FUNDS

The movements during the year were as follows:

| | Other Funds | | | | | |
|--------------------------------------|-----------------|------------------------|----------------------------------|---------------------------------|----------------|----------------|
| | General Fund | Revaluation Reserve | Leasehold Replacement Fund | Premises Maintenance Fund | Total | Total |
| | £ | £ | £ | £ | £ | £ |
| Balances at 1 October 1995, reported | 416,251 | 30,141 | 163,674 | 32,807 | 226,622 | 642,873 |
| Leasehold Redemption Policy | (13,923) | - | 13,923 | - | 13,923 | - |
| Section Funds (see Note 2) | 57,076 | - | - | - | - | 57,076 |
| Balances at 1 October 1995, restated | 459,404 | 30,141 | 177,597 | 32,807 | 240,545 | 699,949 |
| Statement of Financial Activities | 46,136 | 31,622 | 51,428 | 704 | 83,754 | 129,890 |
| Balances at 30 September 1996 | <u>505,540</u> | <u>61,763</u> | <u>229,025</u> | <u>33,511</u> | <u>324,299</u> | <u>829,839</u> |

Of the General Fund, £55,587, 1995 £57,076, was held locally by Sections to support their continuing professional activities.

The Revaluation Reserve records the difference between cost and market value of the investments which relate to the General Fund. The Leasehold Replacement Fund has been established to provide a sum of money with which to purchase a property or income from which will pay rent on replacement premises when the lease expires on 80 Portland Place in 2021. An amount is transferred from income each year and this sum is reviewed every third year. The value of the Leasehold Redemption Policy as at 30 September 1995 has been transferred from the General Fund to the Leasehold Replacement Fund as this allocation more accurately reflects the intended use of the funds from the policy. The Premises Maintenance Fund equalises the cost of premises maintenance through an annual provision from income against which is charged the cost of work carried out during the year.

THE CHARTERED INSTITUTE OF TRANSPORT IN THE UK

NOTES TO THE ACCOUNTS (Continued)

10. ENDOWMENT FUNDS

The movements during the year were as follows:

| | Library <u>Fund</u> £ | Awards <u>Funds</u> £ | <u>Total</u> £ |
|--------------------------------------|-----------------------------|-----------------------------|-------------------|
| Balances at 1 October 1995, reported | 181,245 | - | 181,245 |
| Awards Funds (see Note 2) | - | 215,940 | 215,940 |
| Balances at 1 October 1995, restated | 181,245 | 215,940 | 397,185 |
| Statement of Financial Activities | 13,532 | 19,381 | 32,913 |
| Balances at 30 September 1996 | 194,777 | 235,321 | 430,098 |

The balances on the Awards Funds were:

| | <u>1996</u> £ | <u>1995</u> £ |
|---|------------------|------------------|
| Peter Allsebrook Fund | 12,331 | 11,324 |
| Robert Bell Fund | 10,116 | 9,349 |
| Sir William Chamberlain Fund | 43,324 | 38,352 |
| CMUA Fellowship Fund | 24,377 | 22,373 |
| Henman Fund | 83,416 | 76,583 |
| GH Hill Fund | 1,923 | 1,698 |
| National Association of Port Employers Fund | 18,740 | 18,529 |
| Transport Tutorial Fund | 41,094 | 37,732 |
| | 235,321 | 215,940 |