

SPNL

**THE SHIPPING PROFESSIONAL
NETWORK IN LONDON**

**Annual Review
2011**

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THE SHIPPING PROFESSIONAL NETWORK IN LONDON

Introduction

Welcome to the third annual review of the Shipping Professional Network in London ("SPNL" or "Organisation"). 2011 has been SPNL's 4th full year of operations. The year saw a number of major developments which will be described below.

The two main developments for 2011 have been the incorporation of the SPNL with Companies House and the first ever Annual General Meeting (AGM).

Paid membership, which was introduced in 2010, has grown by 10% by the end of 2011 (304), compared to the end of 2010 (276). Sponsorship has also increased, with the signings of new Partner and Corporate Sponsors. The increased sponsorships have allowed the SPNL to be able to invest back into the SPNL, by organising better events. This was evidenced by the SPNL co-sponsoring the Summer Drinks Party on the Golden Hinde, the world famous replica of the English galleon best known for its circumnavigation of the globe between 1577 and 1580, captained by Sir Francis Drake. Increased revenue has also allowed us to fund the presence of a professional photographer at each event.

This strategy of paid membership and sponsorship agreements allows the Organisation to build up reserves and become less dependent on event sponsorship. As can be seen in the accounts section, the Organisation has now reached a comfortable level with regards to reserves.

The SPNL would not have achieved its success without the support from the young shipping professionals. The SPNL wishes to thank the regulars and the rest for their support.

Members keep attending because of interesting presentations and great networking opportunities, supported by the industry. The excellent speakers and generous sponsorship has provided the perfect framework for people to stay interested and willing to attend the events

The board remains committed to make the SPNL an important part of the London shipping community. The board supports London as a pre-eminent global shipping centre, and will continue doing its part to ensure that this remains the case.

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History

The SPNL is an independent organisation that has its roots from the shipping communities at London Business School, Royal Institution of Naval Architects and Cass Business School. The founding members consisted of Gustav Ellingsen, Lorenzo Casarosa and Ilias Angelidis. The inaugural event was held 5 December 2007 as a “friends of friends” networking event with people from the three communities. The first official board structure took effect in 2009, with Valentina Nikiforova and Claudio Chistè joining the organising committee. In 2010 two further Associate Board members were appointed, Barnabas Finnigan and Manas Vaid. The date of incorporation and the inaugural AGM took place on 17th August 2011, marking the formalisation of the SPNL, with the first ever ‘elected’ board.

On 10 September 2011, SPNL successfully launched its Indian spinoff, with the formation of SPNM (Mumbai), under the guidance of Manas Vaid, former SPNL Board member.

By the end of 2011 SPNL had organised 25 events.

Board & Governance

The board is responsible for strategic planning, co-ordination of activities and day to day management of the SPNL. The board consists of shipping professionals who volunteer their time to run the SPNL. During 2011, a new board was elected at the AGM held on 17 August 2011. The newly elected board and the outgoing board were as follows:

2010/11 Board: Outgoing

Gustav Ellingsen

Board member since 2007, Chairman
Treasury Manager at Gearbulk (UK) Limited

Dr. Lorenzo Casarosa

Board member since 2007, Deputy Chairman
Senior Consultant at Det Norske Veritas (DNV)

Ilias Angelidis

Board member since 2007, Treasurer
Treasury Associate at Gearbulk (UK) Limited

Valentina Nikiforova

Board member since 2009, Membership secretary
Legal Assistant at Stephenson Harwood LLP

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Claudio Chistè

Board member since 2009, Sponsorship relations
Shipping Finance, Banca IMI SpA of the Intesa Sanpaolo banking group

Manas Vaid

Associate Board since 2010
Senior Demurrage Specialist, Maersk Tankers

Barnabas Finnigan

Associate Board member since 2010
Asset Finance team, Norton Rose LLP

2011/12 Board: Incoming

Claudio Chistè

Board member since 2009, Chairman
Shipping Finance, Banca IMI SpA of the Intesa Sanpaolo banking group

Ilias Angelidis

Board member since 2007, Deputy Chairman
Treasury Associate at Gearbulk (UK) Limited

Valentina Nikiforova

Board member since 2009, Membership Secretary
Legal Assistant at Stephenson Harwood LLP

Marc Pauchet

Board member since 2011, Treasurer
Senior Analyst, ACM Shipping Limited

Magda Garcia

Board member since 2011, Membership Secretary 2IC
London representative, Frank Shipbrokers

Bridget Sands-Chigbo

Board member since 2011, Company Secretary
Registration Officer, Bahamas Maritime Authority

Simon Spells

Board member since 2011, Sponsorship Executive
Associate, Berwin Leighton Paisner LLP

Rahul Khanna

Associate Board member since 2011, Sponsorship Committee
Senior Risk Consultant, Allianz

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Ted Zaimis

Associate Board member since 2011, Sponsorship Committee
Account Manager, Seacurus Ltd

We would like to thank Gustav Ellingsen, our immediate Past Chairman for all his help and guidance during the year. His tireless dedication has ensured a steady transition to the incoming Board.

No board members were co-opted during the term, and there were no resignations.

The SPNL has received valuable help from various people with regards to administering specific events and putting the Organisation in touch with speakers and sponsors. A big thank you, especially to Clyde & Co LLP for providing valuable guidance on the formalisation of the SPNL structure. Thanks to all!

2011 Events

The past year has been an eventful and busy year for the Organisation. Seven events were organised at a variety of locations. Interesting speakers and great networking opportunities were provided. With events typically being held at least every two months, SPNL feels that a good balance has been found between providing a sufficiently high number of quality networking events with great speakers on the one hand, and acknowledging that time is a scarce resource for most Londoners. Below is a brief summary of the activities organised during the year:

- **16 February:** Speaker and networking event on the topic "Maritime Accidents and Casualties" presented by Associate Director of **London Offshore Consultants (LOC)**, Nigel James at the UK Chamber of Shipping, Barbican. Event kindly sponsored by LOC.
- **12 May:** Speaker and networking event focusing on professionalism in shipping. **Braemar Shipping Services** CEO and **Institute of Chartered Shipbrokers (ICS)** President Alan Marsh provided his view on the shipping industry (from a broker's perspective) with Tony Dixon, Director of Braemar Seascope, who discussed professionalism in shipping. The event was held at **ITIC (Thomas Miller & Co Ltd)**.
- **20 July:** Speaker and networking event on "Construction and Financing of Offshore Wind Projects". Presented and hosted by the law firm **Wikborg Rein LLP**.

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- **17 August:** Inaugural AGM followed by Summer Drinks event. A less formal event to help wind down over the summer. **Meteo Group** sponsored this event which was hosted at the Golden Hinde.
- **21 September:** Panel Discussion and networking event on Shipping Finance. Presented and hosted by **Clyde & Co LLP**.
- **9 November:** Speaker and networking event on “Global Shipping Markets: Challenges & Opportunities” Hosted by **Norton Rose** with the presentation being given by James Leake – Global Head of Research at **ICAP Shipping**.
- **15 December:** Informal Christmas Event – speaker and networking. Hosted by **Ince & Co LLP**, the event included a short presentation from **Spinnaker Global Shipping Recruitment** Chairman, Phil Parry and **Ince & Co LLP**, with an introduction to shipping's **OSCAR Campaign for Great Ormond Street Hospital for Children**.

Sponsors

The SPNL is fortunate to be supported by a number of key organisations within the shipping community who have become SPNL Sponsors.

There are three levels of sponsorship tiers, each of which provides different benefits. The most senior is Partner level followed by Corporate Sponsor and Event Sponsor.

The typical benefits for each sponsorship tier are as follows:

Tier 1. Partner (Exclusivity by shipping business sector*)

- Opportunity to distribute / display marketing material at each event
- Most prominent visibility on website relative to all other sponsorship classes
- Feature as Partner (tier 1 sponsor) on website for 1 year
- Logo, paragraph descriptor and link feature on "Sponsor" section of website
- Feature on 'Past Events' section of website indefinitely
- Prominent feature Delegate List, which will be made available to attendees on arrival
- Possible press coverage of the event
- Feature on SPNL brochure (Fact Sheet)

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- Prominent visibility in official Event Invitations sent to an active database of 800+
- Opportunity to address the floor for 10mins at sponsored event (in addition to / other than own)
- Annual membership included for fixed number of employees (6 named individuals)
- The right to host an event

*Exclusivity will typically apply per specific field in shipping (Ship broking, Legal, recruitment, Banking) at Partner Level. i.e. **only 1 company per field in shipping will be honoured with 'Partner' status**

Tier 2. Corporate Sponsor

- Opportunity to distribute / display marketing material at each event
- Feature as Corporate Sponsor on website for 1 year
- Logo, paragraph descriptor and link feature on 'Sponsor' section of website
- Feature on 'Past Sponsors' section of website indefinitely
- Feature on 'Past Events' section of website indefinitely
- Feature on Delegate List, which will be made available to attendees on arrival
- Possible press coverage of the event
- Feature on SPNL brochure (Fact Sheet)
- Prominent visibility in official SPNL bulletins, specifically: Newspaper advertisements
- Opportunity to address the floor for 10mins at sponsored events (in addition to / other than own)
- Annual membership for fixed number of employees (3 named individuals)
- Preferential opportunity to sponsor an event

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Tier 3. Event Sponsor

- Opportunity to distribute / display marketing material at sponsored events
- Feature as Event Sponsor on website for 1 year
- Feature on 'Past Events' section of website indefinitely
- Feature on 'Past Sponsors' section of website indefinitely
- Most prominent feature on Delegate List, which will be made available to attendees on arrival
- Possible press coverage of the event
- Feature on SPNL brochure (Fact Sheet)
- Prominent visibility in official SPNL bulletins, specifically:
Newspaper advertisements, Event Invitations sent to an active database 800+

Sponsors in 2011:

Partner Sponsors: Spinnaker, Clyde & Co LLP, TradeWinds, DNV

Corporate Sponsors: Gearbulk

Event Sponsors: LOC, ICS, Wikborg Rein LLP, Meteogroup, Clyde & Co LLP, Norton Rose LLP, Ince & Co LPP

Affiliates: UK Chamber of Shipping, Institute of Chartered Shipbrokers

Supporting Organisations: Capital Link, Kaplin Law School

Membership

During the period from incorporation on 17 August last year until 31 December 2011, 10 new individuals successfully applied to become members and have been registered as ordinary members in accordance with Article 7 of the Articles of Association. There are currently no associate members of SPNL.

The total number of SPNL members, i.e. ordinary members and those members who joined SPNL before its incorporation and remain entitled to attend SPNL as ordinary members (on the basis of the payment of the annual membership fee) has reached 304. This represents a 10% increase from the previous year, with membership numbering 276.

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As of 31 December 2011, there were 801 young shipping professionals registered on the active database, forming the SPNL mailing list ensuring information regarding events and other updates from the Organisation are received. The historical growth trend is as follows:

| | 31 Dec 2008 | 31 Dec 2009 | 31 Dec 2010 | 31 Dec 2011 | 2010/11 % increase |
|-------------------|-------------|-------------|-------------|-------------|-----------------------|
| Members | n/a | n/a | 276 | 304 | 10% |
| Distribution List | 300 | 480 | 622 | 801 | 29% |

With support from the Chairman, all the board members and a designated IT specialist, a new on-line member application system has been developed and implemented during last year. This has allowed young professionals interested in becoming members of SPNL to complete an on-line application form available on the SPNL website. In order to successfully submit the application, a tickbox is required to be ticked whereby the articles of association have been confirmed to have been read and agreed. The membership team have also conducted the first ever round of membership renewals among the paid members, with these paid members becoming ordinary member of the newly incorporated SPNL and paying the annual membership fee of £30 (which remains unchanged since its introduction in 2010) for the year 2012.

One of the strengths of the SPNL is the wide variety of professional backgrounds represented among the attendees. A brief analysis of the registered SPNL members as of 31 December 2011 shows the following composition:

| Segment | Percentage | Female | Male |
|-----------------------|------------|--------|------|
| Law | 22% | 34% | 66% |
| Owner | 18% | | |
| Services ¹ | 16% | | |
| Finance | 8% | | |
| Recruitment | 6% | | |
| Broker | 7% | | |
| Insurance | 7% | | |
| Research | 5% | | |

¹ Services include primarily the following segments: Ship Management, Yachting, Salvage, Diplomats, Port Agency, Derivatives (FFA), Seafarers, Accounting, Naval Architects and Navy.

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| | |
|------------|----|
| Registry | 2% |
| Offshore | 2% |
| Class | 1% |
| Student | 1% |
| Security | 1% |
| Education | 1% |
| Media | 1% |
| Operations | 1% |

IT & Social Media

SPNL has an online presence by way of the website, www.spnl.co.uk and LinkedIn. SPNL controls several domain names, the principal being *www.spnl.co.uk* which is used for the Organisation's home page. The domain *shippingnetwork.co.uk* is used for email addresses (web requests to this domain will be forwarded to *www.spnl.co.uk*).

Email is the main means of communications with the SPNL. Event invitations and confirmations are exclusively sent out by email, and members are also expected to sign up to events by email.

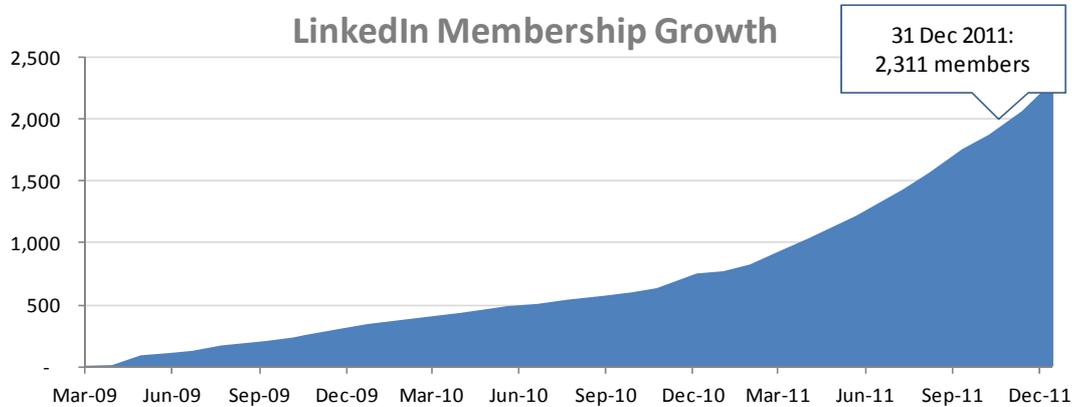
The principal email addresses used by the SPNL are as follows:

- *info@shippingnetwork.co.uk* (for general enquiries or for communication with the board)
- *event@shippingnetwork.co.uk* (for event invitations, sign-up to events and confirmations)
- *member@shippingnetwork.co.uk* (for membership application and general membership enquiries)
- *sponsorship@shippingnetwork.co.uk* (for enquiries relating to sponsorship opportunities and collaboration with the SPNL)
- *finance@shippingnetwork.co.uk* (for enquiries relating to payments, PayPal, bank account details, invoicing)

The SPNL created a group on the networking site LinkedIn (www.linkedin.com) on 10 March 2009. LinkedIn is an excellent way of professionally staying in touch with fellow SPNL members. Membership to the LinkedIn group does not have the same restrictions as regular SPNL membership has (e.g. geographical or professional requirements). The group is available to anybody worldwide who is interested in the London based shipping industry. LinkedIn membership does not equal SPNL membership (which must be applied for separately). Occasionally SPNL events have been announced via the LinkedIn group.

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As of 31 December 2011, the LinkedIn membership stood at 2,311. This represented an incredible 207% increase from the previous year, where membership stood at 752, thus speedily closing in on the 3,000 milestone mark!

We are grateful to our former Deputy Chairman, Dr. Lorenzo Casarosa, for managing the SPNL's LinkedIn group. Despite residing in Singapore, he has shown his continued commitment to the SPNL by maintaining close monitoring of the group. Thank you Lorenzo.

News and Media

During 2011 the SPNL featured in shipping's leading publications, Lloyds List, TradeWinds and Shipping Network (official magazine of the Institute of Chartered Shipbrokers).

- Lloyds List covered the 18 February event held at the UK Chamber of Shipping, which was sponsored by LOC
- In May 2011 SPNL featured in a supplement on young shipping professionals in London by Lloyds List.
- TradeWinds featured the inaugural AGM and Summer Party held on the Golden Hind in a two page spread (2 September 2011).
- Shipping Network, the official magazine of the ICS, ran a one page article on the SPNL ("Face time for London's shipping professionals", December 2011), which further reinforced the general consensus of the SPNL being London's foremost networking forum for young shipping professionals.

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Other activities

The SPNL values feedback from members and uses the information gained in its efforts of seeking continuous improvements. Any suggestions are welcome, feel free to send to info@shippingnetwork.co.uk

On 10 September 2011, SPNL successfully launched its Indian spinoff, with the formation of SPNM (Mumbai), under the guidance of Manas Vaid, former SPNL Board member.

The SPNL has not collaborated formally with other networking organisations for young shipping professionals during the year. However, during the year the Organisation has had board level contact with YoungShip Norway, YSP Piraeus, YSP New York and Link Maritiem (Rotterdam), Young Professionals in Shipping Network (Hong Kong) and Young Shipping Australia (Australia). Although no formal relationship exists between the SPNL and the other organizations, a common interest exists. Members from similar organizations abroad are both welcomed and encouraged to attend SPNL events when in London.

Financial Statements

The financial statements of SPNL have been prepared in accordance with generally accepted accounting principles, having implemented accrual accounting for the Income Statement as now incorporated with Companies House.

2011 was the first accounting year of the SPNL using the accrual system and there is therefore no previous year for comparables.

Difference between cash accounting and accrual accounting

- With *cash-basis accounting*, you record all transactions in the books when cash actually changes hands, meaning when cash payment is received by the company from members or paid out by the company for purchases or other services. Cash receipt or payment can be in the form of cash, check, credit card, electronic transfer, or other means used to pay for an item.
- With *accrual accounting*, you record all transactions in the books when they occur, even if no cash changes hands. For example, if you sell on store credit, you record the transaction immediately and enter it into an Accounts Receivable account until you receive payment. If you buy

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goods on credit, you immediately enter the transaction into an Accounts Payable account until you pay out cash.

Cash-basis accounting does a good job of tracking cash flow, but it does a poor job of matching revenues earned with money laid out for expenses. This deficiency is a problem particularly when, as it often happens, a company buys products in one month and sells those products in the next month. Therefore in order to more accurately track revenues and expenses it is better to adopt accrual accounting.

Operating Results - Twelve months ended December 31, 2011

Operating Income

Net income was recorded at GBP 5,494.

Total revenues were at GBP 10,345.

The average sponsorship income per sponsor was GBP 2,250.

Operating Expenses

Event costs for the year reached GBP 3,873. At several occasions event expenses covering items such as food, drinks and venue hire were covered and settled directly by SPNL's sponsors. Where this was the case neither income nor expense has been recorded in SPNL accounts. In addition, photography costs represented GBP 660 for six separate events.

Administration costs incurred in 2011 were at GBP 111. As was the case in previous years, a large part of this constituted stationary including name badges used at SPNL events.

Finance expenses for the year were GBP 96. Fees charged on cash receipts through PayPal comprise the full amount.

Accrual Accounts

Due to the move from cash accounting to accrual accounting, and the very short term these have been run through, the significance of the balances reported by this mean is limited. A full and thorough review of accounts on an accrual basis will be run from the next AGM. Meanwhile, all accounts are accessible for members to review at their request.

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Balance Sheet as at 31st December 2011

Current assets

| | |
|--------------|--------------|
| Cash balance | 10,976 |
| Debtors | - |
| | <hr/> 10,976 |

Current liabilities

| | |
|-----------|---------|
| Creditors | (3,147) |
|-----------|---------|

| | |
|---------------------------|--------------------------|
| Net Current assets | <hr/> 7,829 <hr/> |
|---------------------------|--------------------------|

Financed by:

| | |
|-------------------|--------------------------|
| Retained earnings | (3,185) |
| Capital reserve | 11,014 |
| | <hr/> 7,829 <hr/> |

Profit and Loss Account for the Period 17th August to 31st December 2011

| | |
|----------------------|----------------------------|
| Membership income | 170 |
| Sponsorship income | 625 |
| | <hr/> 795 |
| Event expenses | (3,238) |
| Finance Expenses | (28) |
| Travel Expenses | |
| Administrative costs | (245) |
| Other Expenses | (470) |
| | <hr/> (3,980) |
| Profit for period | <hr/> (3,185) <hr/> |

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Balance Sheet as at 31st December 2011 – cash basis

Unaudited Balance Sheet
For the Twelve Months Ended December 31, 2011
(GBP)

| | 2011 | 2010 |
|--------------------------|---------------|--------------|
| Bank account | 6,104 | 2,873 |
| Paypal account | 4,814 | 2,685 |
| Debtors | | - |
| Total Assets | 10,918 | 5,557 |
| | | |
| Creditors | - | 133 |
| Total Liabilities | - | 133 |
| | | |
| Retained earnings | 5,424 | 96 |
| Net income in 2011 | 5,494 | 5,328 |
| Equity | 10,918 | 5,424 |

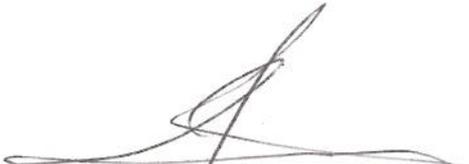
Profit and Loss Account for the year ended 31st December 2011 – cash basis

Unaudited Statement of Income
For the Twelve Months Ended December 31, 2011
(GBP)

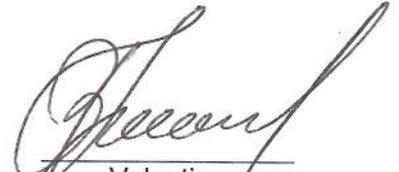
| | 2011 | 2010 |
|----------------------|----------------|----------------|
| Sponsorship income | 6,750 | 4,686 |
| Membership fee | 3,595 | 5,565 |
| Total Income | 10,345 | 10,251 |
| | | |
| Event expense | (3,873) | (3,803) |
| Finance expense | (96) | (149) |
| Travel expenses | - | (554) |
| Administration | (111) | (81) |
| Other expense | (770) | (337) |
| Total Expense | (4,851) | (4,923) |
| | | |
| Net Income | 5,494 | 5,328 |

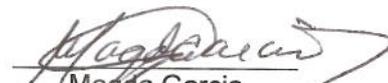
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This annual review was approved by the 2011/12 board on 15th August 2012


Ilias Angelidis


Claudio Chisté

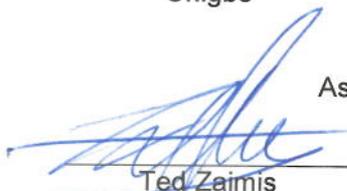

Valentina
Nikiforova


Magda Garcia


Simon Spells


Bridget Sands
Chigbo


Marc Pauchet


Ted Zaimis

Associate Board


Rahul Khanna

Sub-Committee


Nicholas
Mavrommatis:
Treasury Associate
Designated