

Isle of Man Ship Registry

Annual Report 2010



Serving the maritime industry for over 25 years



“ It is the policy of the Isle of Man Ship Registry to provide a high quality service dedicated to the principles of quality assurance in order to promote both the expansion and diversification of the shipping sector and the creation of employment opportunities by registering quality ships and facilitating the establishment of marine enterprises in the island. ”

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**(with kind permission from Ron Strathdee, Principal Surveyor)*

Foreword from the Minister for Department for Economic Development, Hon. Alan Bell, MHK



Dear all,

I am delighted to introduce this annual report for 2010, the third such publication from the Isle of Man Ship Registry.

The Ship Registry has had another very busy year which has resulted in tonnage growth of 14.9% over the year. This growth makes the Isle of Man the fastest growing register in Europe and the fourth fastest in the world – achievements of which I am extremely proud.

This kind of accomplishment does not happen by accident and this report highlights some of the great work of the team at the Ship Registry who each contribute towards making it the success it is today. The basic tenets of maintaining a high quality fleet together with a customer-focused service to its clients remain strong within the team and this is proving popular with shipping clients and yacht owners around the world.

This year has seen further interest from new clients in the Far East following our continued marketing and promotional efforts in Japan and Singapore, which has once again added significant tonnage to the register. This has been achieved without losing sight of our traditional customer base in Europe where we continue to attract tonnage from new and existing clients.

As a key part of the newly created Department of Economic Development, the end of the year saw the Ship Registry move into the Department's new headquarters. This is the first step in a more integrated working relationship within the Department which will bring benefits for all.

I commend this report to you and thank the team for all their hard work and dedication over the year.

A handwritten signature in black ink, appearing to read 'A Bell', with a stylized flourish at the end.

Hon. Alan Bell MHK

Minister for Department of Economic Development



Introduction by Director

2010 - another tough year in shipping and another tough year for the team at the Isle of Man Ship Registry, a dedicated team of professionals of whom I am immensely proud and lucky to lead.

Every year we manage to do more with less and this year was no different. In 2010 we added 139 vessels to the register and increased the gross registered tonnage by almost 15% (1.6 m GRT) with ships and yachts surveyed all over the world and registered by day and by night in the Isle of Man.

This year saw the introduction of a new fee scheme. For the first time in our 26 year history we levied an annual fee for registration which was introduced as part of our drive to narrow the operating deficit as the costs of running an international register increases year on year under the burden of new international maritime obligations. Unlike our competitors, this was achieved on a fixed-fee basis, independent of ship type and tonnage and was well received by our stakeholders after extensive consultation. I wish to take this opportunity to thank them for their understanding and support.

In 2010 the Ship Registry was audited by IMO as part of the organisation's voluntary member state audit scheme. It was a testing week with three auditors from separate Flag Administrations examining every inch of the Isle of Man's capability to honour its international obligations. The audit proved invaluable, resulting in a very positive report which highlighted some areas for improvement as well as providing very positive comments about best practice within the Isle of Man Administration. The work does not stop there and we will endeavour to ensure that we achieve the continual improvements we have proposed to IMO.

This year has also been one of change for the Ship Registry. We have moved Department, moved offices to the Department's new headquarters at St George's Court, and through all this we managed to keep operating to our usual exacting standards. This is borne out by our position on the World's White Lists for Port State Control and the USCG Qualship 21 list, and also the Isle of Man's inclusion in the Paris MOU's list of states whose ships receive low risk status in Europe. Well done everybody!

I hope you enjoy reading this report. It reflects the work carried out by the team as well as reporting on our performance for the year.

A handwritten signature in black ink, appearing to read 'Dick Welsh', written in a cursive style.

Dick Welsh

Director, Isle of Man Ship Registry

Maritime Labour Convention

2010 progress report

The Ship Registry's MLC team has made great progress this year on the MLC project and many key stages of the projects development process have been achieved. This has included the gap analysis of our existing regulations as well as the policy proposals for Titles 1 – 4. In addition all IOM surveyors have completed the MLC surveyor training course and trial inspections have been completed on several Manx registered vessels.

A gap analysis compared the MLC requirements with existing Manx regulations and this showed that in most cases new regulations will have to be prepared giving effect to the convention. It is expected that this will involve generating over twenty sets of regulations – an immense task when, on average, only four sets of regulations are usually produced annually! This demonstrates the size of the project and why such a large commitment has been made at the Ship Registry in having a team of seven people working on the project.

As well as developing policy and regulations, an essential part of the project in 2010 has been completing trial MLC inspections. Once MLC is in force, all IOM surveyors will be tasked with carrying out inspections on Manx vessels and in most cases this will be in conjunction with ISM and ISPS inspections. Trial

inspections have been invaluable in finding out how an MLC inspection can be included during the short time the surveyor has on the vessel. In addition, the trial inspections have helped demonstrate how our policy can be achieved in practice and has assisted shipowners with their own gap analysis. Ron, Paul and Cameron, the three surveyors on the project team, attended the first MLC training course run by the MCA in April. This was an excellent course. The course instructors had experience of trial inspections on UK registered vessels and were kind enough to offer assistance with a trial inspection on a Manx registered vessel. This offer was very quickly taken



IOM surveyor at work.

up and we carried out the first trial inspection on a 120,000 dwt tanker in Rotterdam in May. Although it was a somewhat daunting experience for the seafarers on the vessel with four surveyors arriving at the gangway, the inspection was a success and on this particular vessel many of the requirements were already being met.

Further trial inspections have been carried out on a variety of vessel types. This has included bulk carriers, commercial yachts as well as a small general cargo vessel. A key point we have found is that a substantial amount of the inspection work can take place prior to visiting the vessel thus saving valuable time on board. One of the most obvious examples of this is the Seafarers' Employment Agreements (SEA's) which can be extremely time consuming to approve and have been the focus of several potential deficiencies during the trial inspections. To help resolve this issue we are proposing to verify all SEA's in the office prior

to visiting the vessel. When on board the surveyor then just has to ensure all seafarers have a valid copy. Recent hours of work and rest forms can also be sent to the office for checking as well as evidence of shipowners' liability, again saving time for the master and visiting surveyor during the on board inspections.

Even with the SEA's being checked in the office , time still has to be spent on board inspecting the remaining required documentation. Medical certificates, wage slips, seafarers' certification and specific requirements for young seafarers all have to be verified. Following the document check, a general inspection of the vessel is required. This is to ensure compliance with the standards of crew accommodation and to ensure that the vessels health and safety policy is being implemented. Fortunately on many vessel's health and safety is already included in the safety management system so there are usually only a few additional MLC requirements. However vessels under 500gt which are not subject to the ISM code will have to ensure their occupational health and safety policy covers the MLC requirements. This includes evidence that on-board programmes for the prevention of occupational accidents, injuries and diseases are being met.



The MLC requirements are also discussed with the seafarers on the vessel. This includes seafarers' wages, recruitment and placement services, annual leave, repatriation and the on board complaint procedure.

Using the trial inspections carried out so far as a guide, it is estimated that a combined ISM/ISPS/MLC visit to a vessel will take approximately 12 hours, assuming the SEA's have been verified in the office. A similar time would be required on a commercial yacht with an MLC inspection combined with an annual yacht survey.

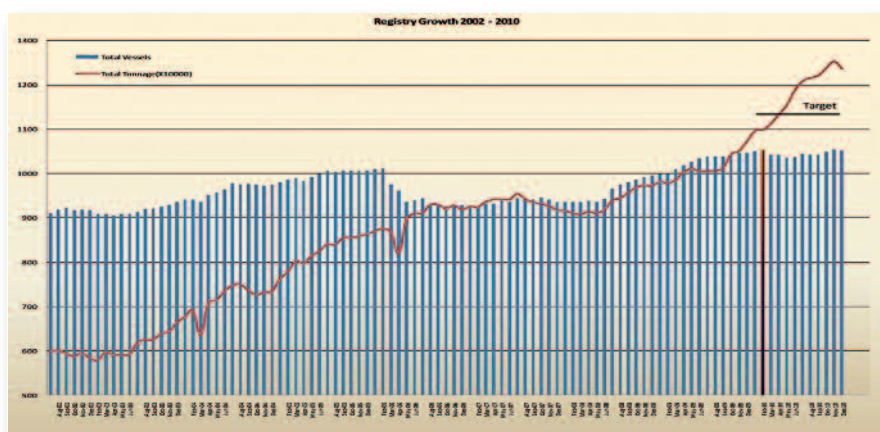
In 2011 the Ship Registry will start issuing consultation papers on the proposed MLC regulations. Please give as much feedback on these papers as you can because it will be the last chance prior to the regulations going to Tynwald (the Manx Government) for approval. During the year we will continue to issue our Newsletters. All existing editions are available on the Ship Registry's website.

If you have any enquires regarding trial inspections, SEA's or any of our MLC policies please contact the MLC team by email at: marine.mlc@gov.im

Registry Activity

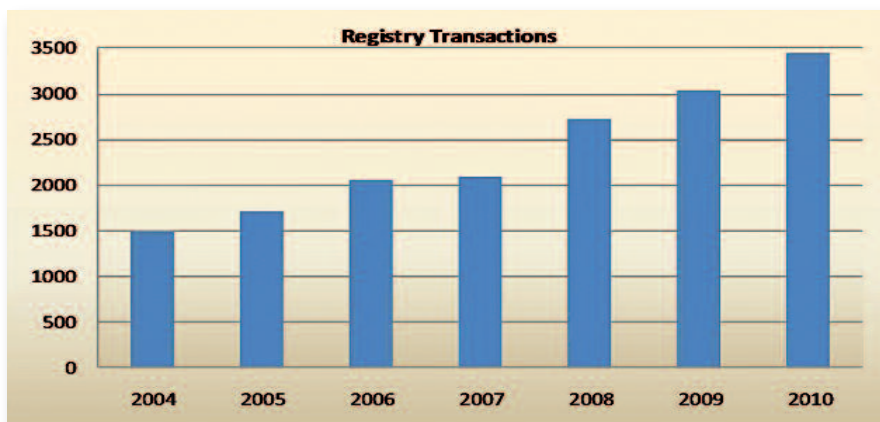
Continuing success with our marketing activities in the Far East was reflected in our growth pattern for 2010. We had targeted 3% growth in tonnage for the year but as several large bulk vessels choose to come onto the Isle of Man flag we soared past our target before mid-year. Another highlight for the registry during the year was achieving the greatest number of vessels ever on the register – a record which sets the bar for the future.

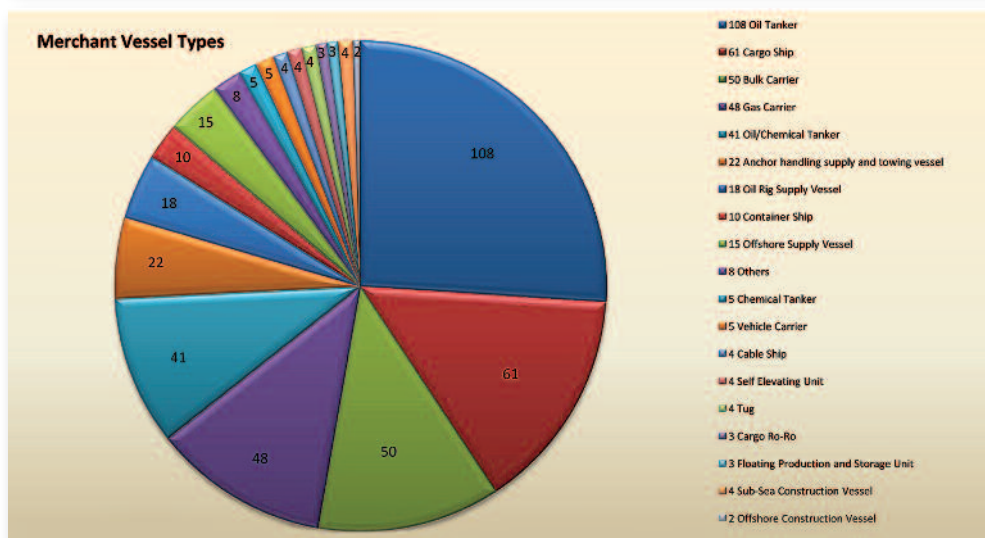
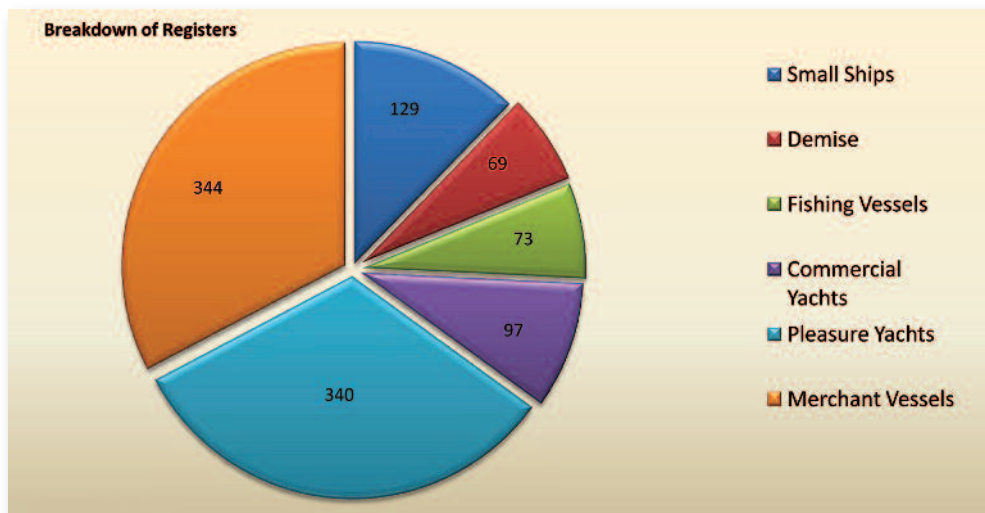
NUMBER OF VESSEL AND TONNAGE



The work of the dedicated team of registrars continues to grow year on year proving that the 24/7 service that they provide alongside their credited friendly customer service approach has been instrumental in attracting shipowners to the registry. The registry attracts a wide range of vessel types and with the exception of Pleasure Yachts, each sector witnessed an increase in 2010.

GROWTH OF BUSINESS ACTIVITY IN REGISTRY





A new fees scheme from 1st April 2010 introduced:

- A new annual registry fee which is not tonnage-based, nor dependent upon ship size or type
- Set at just £700 (approx \$1,000) it is very low in comparison to the larger 'open registers'
- No annual inspection fees
- No casualty investigation fees
- No Consular fees
- A sliding scale of multi-fleet discounts

If you have any enquires regarding vessel registration please contact the registry team by email at: registry.marine@gov.im

SENIOR REGISTRAR REWARDED FOR 20 YEARS SERVICE

People Profile

Anne Blythe

In August 1989 Anne Blythe joined the then Department of Transport's Marine Administration based at Douglas Sea Terminal as a Mercantile Marine Superintendent dealing with seafarers' documents and ship's articles. Prior to joining the administration Anne had been employed in the offshore industry providing crew for various diving projects.

On the 2nd August 1993, at a time when there were very few female registrars in the shipping industry, she became the Isle of Man Registrar of Ships dealing with all registration matters. During this time Anne provided training to representatives from Bermuda and the British Virgin Islands, fellow members in the British Red Ensign Group, gaining a valuable and lasting reputation for being an able and knowledgeable teacher.

Anne became the Senior Registrar of the Isle of Man Ship Registry in March 2000, a role which encompasses a lot of travel in order to promote the services of the Ship Registry by arranging and exhibiting at international shipping exhibitions. Primarily focused on attracting merchant ships the introduction of the registration of commercial yachts in 2003 extended the role and regular overseas visits now include locations such as the Monaco Yacht Show where Anne coordinates the pursuit of new business opportunities.

The Ship Registry works closely with the private sector and joint marketing initiatives for personal client visits are often undertaken by Anne. These partnerships establish a real synergy between the Ship Registry, Manx businesses and the clients and help promote the Isle of Man as a complete business package.

Anne is the longest serving member of the Ship Registry team and her contribution during the past 20 years has been instrumental in assisting the growth of the register.

Well done Anne!



Anne receiving her Long Service Award from the Minister for Economic Development, Hon. Allan Bell MHK

A selection of customer feedback 2010

- We find that the surveyor did an exceptional job. We take his recommendations and knowledge with high regard
- Audit was very well planned and executed without any stress to the crew
- Still the swiftest registry in the world!!!
- Thanks for the very quick response to my request. I'm impressed!
- All personnel of the Ship Registry are committed to their responsibilities and they work as one family
- The surveyor conducted the audit in a most professional, thorough and reasonable manner
- One of the most beneficial flag visits of the past 10 years...a vast improvement on other flags
- May I thank you all for the swift actions and smooth transfer of the vessel to IOM flag
- Thanks a lot to all of you for your always kind and smooth cooperation
- Your prompt reply is clear, honest and helpful. This has been in keeping with all our experiences with Isle of Man through this new building period
- Thanks for that, that's quick - the paperwork nearly beat me back to the office!
- Your prompt attention to these matters over the last few days has been greatly appreciated
- Good day and thank you for the supersonic reply
- Many thanks for this, and we very much appreciate the register going the extra mile, and taking the initiative to follow up
- Wow this is incredibly fast. Many thanks
- In my opinion the Isle of Man Registry is one of the best registries to work with
- Once again the service has been fantastic from you and the IOM registry
- It is refreshing and a delight to deal with your Registry
- What can I say? Astounding service to get new registration 20 hours after notification
- Thank you once again for your super efficiency
- Surveyor was open and fully conversant with application and advice on requirements
- No other words but AMAZING and BRILLIANT Thank you so much!
- It's not the job that you do - it's the pleasant and professional way you do it. That's what makes the difference. Thanks for making things a lot easier

To see more of our client comments please visit our website

Survey Activity

Merchant Vessels

Becoming the fastest growing registry in Europe is a privilege which we continue to earn, day by day, through the hard work of every member of the Ship Registry team. We remain keenly aware that this administration stands or falls on its ability not only to attract new business but also to maintain and improve services to existing clients.

A surveyor attends each new vessel either on delivery or at the initial ISM audit. Thereafter, all vessels are attended twice in a five year period, the visit normally coinciding with the ISM & ISPS audits whenever possible for the convenience of the operator. This auditing and inspection process permits us to monitor the condition of each vessel registered under the Manx flag, to advise on potential problems concerning safety and pollution prevention, to discuss port state issues with Masters and operators and to provide advice and guidance on the role of a flag administration on board vessels, differing as it does from the role of Class in so many ways.

The year 2010 has been one of contrasts and uncertainty in the marine industry, the underlying state of the world's economy being a constant question affecting confidence in every sector. Shipping companies continue to cut costs savagely and questions over manning, maintenance and survey costs crop up on an almost daily basis. The industry exists under the shadow of MLC with its associated costs and administrative complexities. The applicable legislation continues to change with the introduction of, to name but a few:

- A new Fire Test Procedures Code
- Changes to Oil Record Books, and
- Pending changes to legislation concerning the handling of sewage in the Baltic Sea

At all stages the IOM Ship Registry has provided, and continues to provide, concise and timely advice and guidance both through published information available from our website and directly from the surveyors.

Commercial Yachts

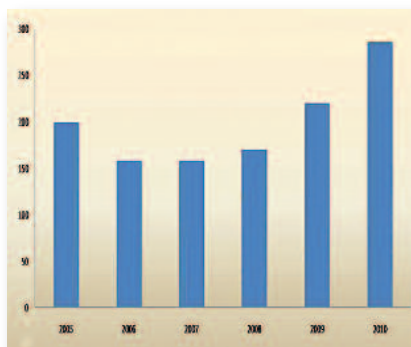
In every bay where superyachts group to berth or drop anchor, Manx-registered vessels are becoming ever more prevalent. Where once only one or two flags adorned the aft end of the great majority of the world's most prestigious yachts, the names Douglas, Peel, Castletown and Ramsey now lie beneath the fluttering red ensign and Isle of Man surveyors can be seen, in our distinctive bright red overalls, from Fort Lauderdale to Zhuhai, and from Jakobstad to Cape Town.

Our success in continuing to attract a share of the highest quality new and existing yachts demonstrates the continuing high regard which the Isle of Man Ship Registry



commands among builders, management companies and owners. From the initial contact with the building yard onwards, every member of our team strives to demonstrate an attitude of excellence.

Our approach to inspection during the yacht new build process continues with the tested format of making three visits. We attend at the pre-build meeting during which we discuss the yacht's basic design, focusing primarily on aspects related to compliance with the Large Commercial Yacht Code. At this stage, the division of responsibility is explained to Class, building yard and owner's representative and our emphasis on open communication is reiterated.



No of audits/inspections carried out annually by IOM surveyors

The vessel under construction is attended twice more – once at the mid-build stage, when structural fire protection is nearing completion and the provision of life-saving and fire-fighting appliances is being finalised, and once again shortly prior to delivery so that any last minute problems between Class and the yard can be dealt with as necessary.

Existing commercial yachts are attended twice in any five year period, visits normally coinciding with Class intermediate and renewal surveys so as to minimise disruption to the vessel's operation. In the case of larger vessels, surveyors from this office generally complete all ISM and ISPS audits, thus maintaining a continuing working dialogue with the vessel, its classification society surveyors and the management company.

The Isle of Man Ship Registry continues to be a central pillar of support to all members of the crew.

Security on board commercial yachts has become a hot topic lately with several incidents highlighting the vulnerability of such vessels. Yachts commonly do not have the advantage of a thick steel skin surrounding a secure engine room for shelter within the ever-widening areas where piracy is a concern. Small crews on busy yachts struggle to maintain hours of rest alongside security duties and drills.

An integral part of the attending surveyor's job is to assist and provide guidance when yacht crews have problems with following the stipulations of a Ship Security Plan – a document which is too often placed on board a vessel by a management company unfamiliar with the reality of working arrangements on board a busy charter yacht. During every yacht survey, surveyors discuss solutions, make suggestions for the reduction of paperwork and encourage cost-effective working practices.

Port State Control inspections within the Mediterranean Sea impact upon the industry more every year. Establishing the prevailing attitudes among Italian and French maritime authorities to such matters as VAT avoidance and EU flagging remains a constant and essential task for surveyors as such matters impact upon certification issued by this administration. In the interests of better serving our clients, we seek to maintain a dialogue with our counterparts across the industry

With growing fleets of both merchant ships and commercial yachts, the phones continue to run hot. When not visiting vessels, surveyors remain busy attending, and on occasions chairing IMO sub-committee meetings and working groups, or meeting with our Red Ensign Group colleagues. In addition, we continue to attend and present at shipping and yachting events worldwide - networking opportunities which permit us to keep a finger on the pulse of all levels of the industry where constant technical innovation remains a certainty. Our ability to react, to adapt and to anticipate the ever increasing speed of change in this dynamic world of shipping remains the most stimulating challenge, and ultimately provides the most satisfaction to our dedicated team.

You can contact the Survey team by email at: marine.survey@gov.im

Out and About in 2010

Exhibitions and Conferences

A few highlights from another busy year of marketing and promotion activity

- Feb 25th - 27th Abu Dhabi Yacht Show
- Apr 21st - 23rd Sea Japan
- Jun 1st - 4th China
- Sep 22nd - 25th Monaco Yacht Show
- Nov 13th Singapore Presentation



The Isle of Man Ship Registry stand
"Open for Business"



Abu Dhabi Yacht Show

The specific focus of the show was on superyachts and megayachts over 25 metres.

Although there were over 140 exhibitors this year, including shipbuilders, charterers, brokerage houses, marine support services and a combination of international market leaders, the Isle of Man Ship Registry was the only international register to exhibit.

The venue for the show this year was 'Yas Marina' which hosted a flotilla of 30 super and megayachts. The Isle of Man registered vessel 'Roma' was showcased - significantly increasing our profile among the visitors.



Miss Japan at the Registry stand



An evening reception in Japan

At Sea Japan in April key industry players visiting the show made a point of seeking us out and the Isle of Man Ship Registry's presence there highlighted our commitment to attracting more tonnage to the register from Japanese owners.

During a follow up visit in December the Isle of Man Ship Registry hosted an evening reception at the British Ambassador's Residence to further raise the profile of the Isle of Man Ship Registry in Japan and to highlight the fact that we have a representative in Tokyo able to assist locally. The visit was a resounding success which led to confirmation of several new vessels and recognition that we are a real alternative flag option for shipowners.



Dick Welsh promotes the Isle of Man at the Ambassadors Residence in Tokyo



Attending the 'Helle Kosan' naming ceremony

China

Lauritzen Kosan, the gas carrier division of J. Lauritzen A/S, took delivery of 'Helle Kosan' the first in a series of six 3,700 cbm pressurized gas carriers built at the Yangzhou Kejin Shipyard on the Yangtze River and registered under the Isle of Man flag.

Senior Registrar Anne Blythe attended the naming ceremony at the invitation of the shipowner and was able to use the prestigious occasion to further endorse the Isle of Man to a wide range of interested parties.



An Isle of Man registered yacht proudly displaying the Manx flag at Monaco

Monaco Yacht Show

The 20th Annual Monaco Yacht Show continued to maintain its reputation as the world's premier yachting event, an ideal place to show off your yacht and network with the people that matter in the yachting industry.

The Isle of Man Ship Registry occupied its usual stand in the 'Darse Sud' area and enjoyed visits by a number of prospective clients, lawyers, and also met up with some old friends.

There was an unprecedented number of Isle of Man registered yachts in the show this year - a total of 14, with a larger number anchored off the port of Monaco.

Overall it was a very successful event from which we added several new vessels to the register.

Singapore Presentation

There were two very positive visits this year. Our aim during this six monthly program of visits was to cement relations, meet new and existing clients and project an awareness of the Isle of Man and Isle of Man flag into the consciousness of the Singaporean maritime sector.

Isle of Man Ship Registry Director Dick Welsh believes the excellent feedback we've had from clients demonstrates that we are having a real impact. Returning from his last visit Dick stated "Each time I visit Singapore it gets easier to make an impression as the Isle of Man becomes better known in shipping circles".



Ship Registry presentation at the Singapore Cricket Club

A week in the life of... a senior surveyor

Monday

07:30 Stroll down the hill from home to the bus stop in the village to get the bus into work with my travel bags. I have been watching a vessel for the last 2 weeks and today may be the day I get to visit it in order to carry out ISM and ISPS audits, ILO178 inspection and a general inspection. The vessel is on short sea trade around NW Europe and with the ports changing daily, if not hourly as sometimes can be the case, it's important to maintain contact with the owners.

Arrive into work and find no updates so I settle into other work I have to do. I have a navigation light plan to approve for a commercial yacht, queries on ECDIS to answer and several other "pending items" in my inbox to prioritise.



Just before lunchtime I receive a call that the charterers for the vessel have decided to send the vessel to Antwerp to discharge and she will be alongside tonight and only for 8 hours. Really I need 12 hours for my visit but I go on the hope that the vessel may get delayed. Knowing that the times do often extend a bit and aware that the vessel is nearing the end of its audit window, and is notoriously hard to catch, – I have to go now. Right ho, here we go – phone up travel agents to book flights and jump into a taxi to get me to the airport. Within the hour I am sitting at Ronaldsway Airport (our only airport on the Isle of Man), one of the finest airports around, simply as it is small with no queues.

I have planned to transfer through London City Airport but our flight from the Island is delayed by air traffic over London so we get a lovely view of Essex from the air before landing just 30 minutes before my connecting flight is due to take off. With a bit of running, a bit of good luck and an efficient security regime, the next airline lets me check in 20 minutes before the flight takes off and I finally arrive in Antwerp at **22:00**. I was planning to get onto the vessel upon arrival but after various discussions with the agent it is determined that the vessel will berth at **06:00** the following morning so I end up in a hotel in Antwerp. Full marks to the agent as it's in the middle of Antwerp city instead of being stuck out in the middle of nowhere, but unfortunately as it's so late, and I am being picked up early the next morning, it's straight to bed. Luckily I had a good lunch (golden rule – you never know where your next meal is coming from when travelling!)

Tuesday

04:30 picked up by the ships agent to take me to the vessel as it's over an hours drive to the port.

Get on board the ship at **06:00** fully expecting them to sail at **14:00** but they are still sampling and are not able to commence discharge until this has been completed. Hooray! This will take 6 hours so there was no need to get up so early, but that is not a chance I can take. It's always best to work on the worst case scenario and anything above this is a bonus. Today it has turned out to be a real bonus as the vessel

can do nothing until sampling is completed and in the end as this was done twice I get all day on board with no cargo or operational distractions. So this has turned from a rush job to an ideal audit situation meaning that I get plenty of time to get around the vessel and talk to persons without any unwanted distractions. The vessel is in a good condition and well run thus adding to the day's efficiency. Finally I get ready to get off the vessel at **17:00**, but unfortunately the taxi driver forgets about me so it's another couple of hours until he gets out to me, stuck in the middle of nowhere, and I eventually get back to the hotel at **22:30** with enough time to have a beer, wind down and go to bed.

Wednesday

The agent picks me up at **06:00**. Not sure why so early but the driver insisted last night that it had to be. It takes only 10 minutes to get to the airport which is plenty of time to get the first flight to London City, however I am booked on the second flight and changing the ticket is going to cost an arm and a leg. So once again play the game of trying to find things to do in an airport. Fortunately the cafe opens in 30 minutes so I wait for that and have a coffee (but I was too early for the croissants!).

I get to London City without mishap and am able to log on to my email to see what's going on and start writing my audit report for the vessel I have just inspected.

Arrive back onto the Island at **15:00** and go straight home - just in time to surprise the kids and pick them up from the village school.

Thursday

07:30 Cycle into work (I try to do this as often as I can but as there is no routine to my travel it can be difficult) and complete my reports and certificates and get them off to the company. I answer another couple of client questions via email and various other strings/discussions continue. Then I have to consider next week's travel to the USA. I have a vessel to see in Houston so I spend time finalising the visit and getting the paperwork in order.

Friday

With the impending office move (and lack of storage space at the new location) I need to think about sorting all my stuff out which invariably means taking it home in boxes, ignoring them for 6 months and if I have not needed to open any boxes within this time, throwing it all away. As my wife does not need the car today this is a great opportunity to get all my boxes home, so I spend much of the day sorting out boxes and continuing with email queries. I note that several queries are addressing the same issue and contemplate about maybe having to issue a Manx Shipping Notice as obviously there is some confusion out there (Bridge Navigational Watch Alarm Systems, in case you are wondering – MSN still pending!).

The following week

This basically involves shuttling between Texas and Florida surveying and auditing ships and yachts and spending far too much time at London Gatwick South Airport - but that's another story.

David Gooberman has been a surveyor with the Isle of Man Ship Registry since 2003. Aside from his ship auditing adventures David is also an ISO9001 internal auditor.

Headlines 2010

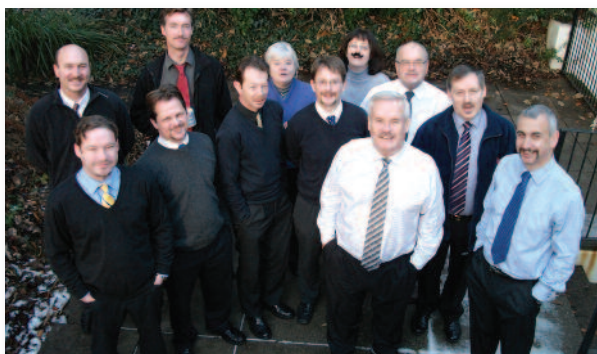


AWARDS FOR EXCELLENCE

We were pleased to be named as a finalist in the Customer Service category at the Isle of Man Newspapers 2010 Excellence Awards. Our clients know firsthand of our commitment to provide a world class service and the receipt of this award is witness to the continuing recognition that the Isle of Man Ship Registry consistently 'goes the extra mile'.

'MOVEMBER'

As part of a worldwide campaign to highlight the dangers of men's prostate cancer, Isle of Man Ship Registry staff joined the 'Movember' challenge to grow a moustache during the month of November. Ably organised by legislator Helen Fargher who arranged prizes and kept everyone up to date on the money raised through sponsorship, the event culminated in a declaration that our efforts had raised the fantastic sum of £3,347.00



Ship Registry staff cultivated whiskers in support of men's cancer awareness



RELOCATION, RELOCATION, RELOCATION

The newly created government Department of Economic Development, (previously the Department of Trade and Industry), to which the Isle of Man Ship Registry belongs, moved into new offices at the end of 2010. The decision to relocate all of the Departments functions into one building meant that we bade a sad farewell to Peregrine House, our home for the past 15 years, and resettle into our new surroundings at St. Georges Court in central Douglas.

"DEAD EYE" DICK STAYS ON TARGET

Ship Registry's director Dick Welsh, more used to chasing KPI, business and financial targets, surprised everyone, himself included, (and gained a new nickname!), when he won a charity clay pigeon shoot organised as part of the Liverpool Marine Engineers' and Naval Architects' Guild 2010 activities. Dick, pictured in the front row holding his trophies, (and sporting a 'Movember' moustache), reported that more than £15,000 was raised at their annual ball.



SHIP REGISTRY CHARITY GOLF COMPETITION RAISES £2000

Following last year's success and once again with the kind support of the Isle of Man Shipping Association, the Ship Registry held another charity golf competition at Rowany Golf Club to raise funds for the King George V Fund for Sailors. A total of 14 teams took part in the event which started in damp and misty conditions but ended in bright sunshine. After a buffet meal the raffle and an impromptu auction raised more funds for our chosen charity. This year's worthy winners, coming in just ahead of last year's champions Wades Warriors, were the Isle of Man Steam Packet team, pictured below with their prizes. The proceeds were presented to representatives from the King George Fund for Sailors at the annual Trafalgar Ball.



A big thank you to the following for their generosity in supporting and sponsoring the event and to everyone else who contributed to the day:

Barclays Wealth Management
Bernhard Schulte Shipmanagement
Bureau Veritas UK
Dohle Yachts
Equiom Trust Company Ltd (Yachtsmann)
Eurasia Travel (IOM)
Heron and Brearley Ltd
LRQA
Manx Inspirations
PDMS Ltd
Shoprite (Isle of Man) Ltd
Sea Breezes Publications
Thomas Miller Ltd
The team at Rowany Golf Club



The Isle of Man Steam Packet team, winners of the 2010 Ship Registry Charity Golf Challenge, display their collection of prizes

INTERNATIONAL ACCLAIM FOR IOM SHIP REGISTRY

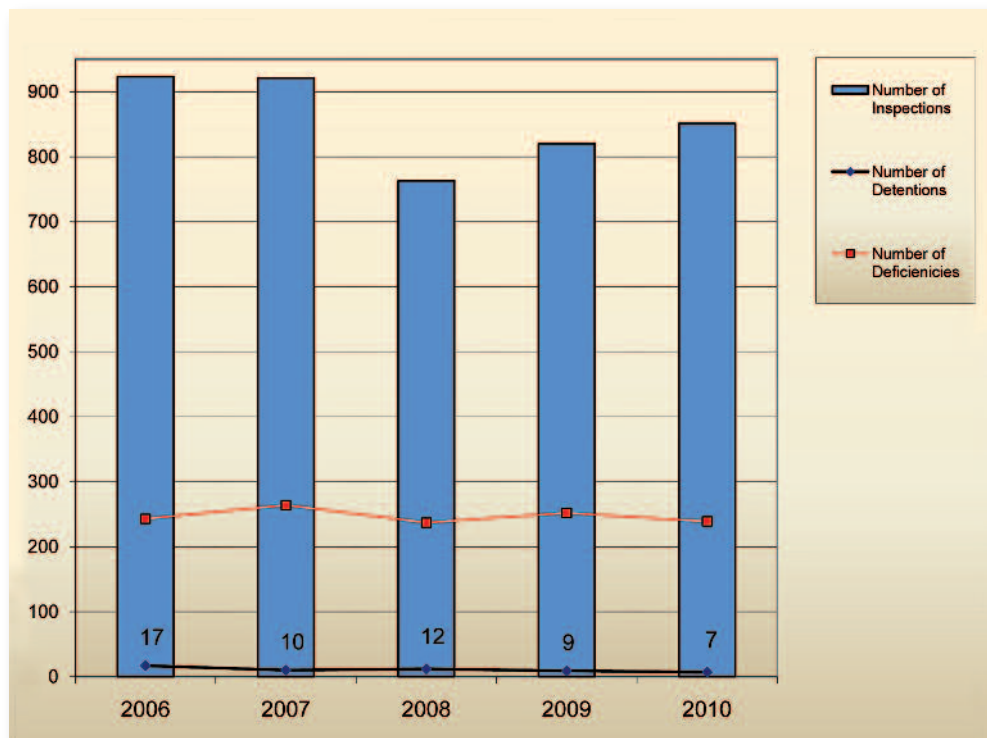
The Ship Registry received three important international verifications in 2010. We completed our IMO voluntary member state audit with a positive report; were highly placed on the Paris MOU White List for Port State Control in Europe, and secured entry into the United States Coast Guard Qualship 21 Scheme.

Alex Downie MLC, the Department of Economic Development's political member with responsibility for shipping said "This is great news for the Isle of Man. It is an endorsement from the international community for our Ship Register. The Isle of Man seeks only high quality business and our reputation has been upheld by these important accolades. I would like to congratulate the team at the Ship Registry for passing the audit and for maintaining their high standards."

Port State Control - Performance

The Isle of Man Ship Registry actively gathers and analyses PSC statistics on all its vessels in order to monitor patterns and trends. The information collected allows us to take a positive role by providing an overview of fleet and company performances. Our proactive approach does influence the awareness of operators and seafarers and this ultimately contributes positively to our performance as a Flag State. We continue to work with all stakeholders to ensure our position on the world's white lists.

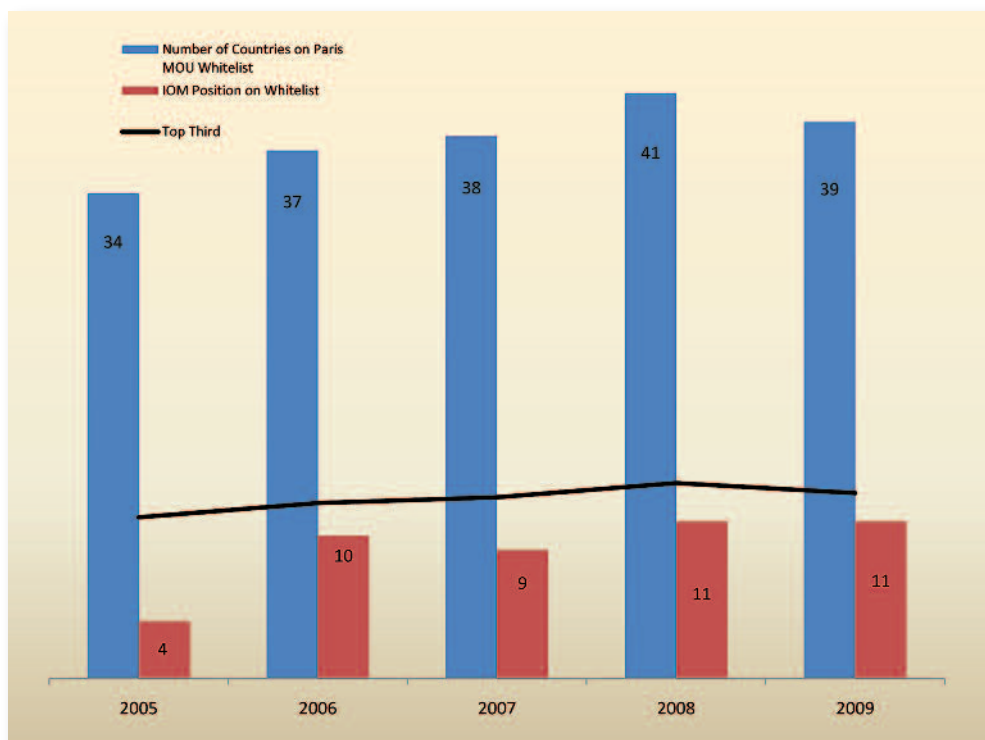
5 YEAR PSC DATA ON ISLE OF MAN FLAGGED VESSELS



The number of detentions of Isle of Man flagged vessels continues to decline confirming that our strategy of positive involvement can make a real impact

Our inclusion in the Paris MOU's list of states whose ships receive low risk status in Europe was a welcomed accolade in line with our long term objective to be amongst the top Registries in the world.

STAYING IN THE TOP THIRD ON THE PARIS WHITE LIST IS A LONG TERM OBJECTIVE



Key Milestones in 2010

Awarded Qualship 21 by United States Coast Guard

Isle of Man Ship Registry introduces \$1000 Annual Fee

Positive feedback from IMO voluntary audit with IMO audit team leader Mr Leslie Hemachandra stating "All personnel of the Ship Registry are committed to their responsibilities and they work as one family"

Fleet tonnage breaks 12million gross registered tons smashing the years target for 3% tonnage growth

All Isle of Man surveyors complete a MLC 2006 training course

The number of Commercial Yachts registered reaches an all time high with 98 vessels

Shipping industry Flag State Performance Table names the Isle of Man Registry as one of the best in the world

Merchant vessel fleet peaks with 416 registered ships. (5.5% growth in numbers)

Maintained position in top third of Paris White List

Relocated to new offices in central Douglas

At year end the year the Isle of Man Ship Registry was:

The fastest growing Register in Europe (GRT)

The 4th fastest growing Register in the world (GRT)

7th largest fleet in Europe (GRT)

18th Largest fleet in the world (GRT)

Casualty, Accidents and Incidents

The Isle of Man Ship Registry is committed to helping seafarers, managers, owners and operators achieve continued high standards of safety and pollution prevention. Occasionally things can go wrong and when they do, the Master, Skipper or operator is required by law to submit a report on what has occurred. Using information from these reports we can alert the shipping industry about areas and activities where any additional safety controls may be necessary and hopefully prevent similar occurrences from happening again.



The following is a sample of casualties' which have occurred on differing types of Manx-registered vessel during the year 2010. For more information and comment, please refer to the Summary Report of Casualties, Accidents and Incidents Report 2010, published on our website.

Offshore/Standby Vessel

A manoeuvring operation involving picking up a Permanent Chain Pennant wire resulted in the wire entangling with the port propeller and the vessel subsequently impacting upon the rig leg for several hours during heavy weather.

- This case is the subject of an Isle of Man Casualty Investigation

Chemical Tanker

A vessel was proceeding towards the terminal with pilot on board and 3 tugs assisting. During a turning manoeuvre the vessel grounded causing significant damage to the rudder assembly, effectively twisting the rudder 40 degrees. The grounding went unnoticed by the bridge team.

When attempting to berth alongside the terminal the vessel's stern touched shore installations, causing damage to both the stern and the installation. No personnel were injured and no oil spill occurred.

Oil Tanker

During tank cleaning/gas freeing operations, three crew members were exposed to toxic gas. One crew member died at the scene and two crew members later recovered in hospital.

The design of the vessel meant crew members had to gain access to various cargo spaces through the pump room. Poor communication and poor organisation of work exposed the crew members to a toxic atmosphere for which they were not wearing appropriate PPE.

- This case is the subject of an Isle of Man Casualty Investigation

Other Cargo Ship

Whilst proceeding on passage, excess smoke was noticed emanating from the funnel. In addition, the vessel's alarm system showed higher than normal exhaust gas temperatures. The Master deemed it unsafe to stop or safely divert to a nearby port and so the vessel proceeded at reduced revs in poor weather conditions. The weather conditions later improved and, after consulting the company superintendent, the vessel was stopped where an injector unit was replaced. The vessel then resumed her passage.

Later, an ER alarm sounded indicating a higher than normal and rapidly rising temperature on a different engine unit. After investigating the ER alarm, the Ch Eng was in the process of discussing the situation with the Master when the vessel's fire alarm sounded indicating that the unit was on fire.

The crew mustered, activated the quick closing fuel valves and then closed all vents. On later inspection there was found significant damage to exhaust pipes. When attempting to restart the engine, excessive vibration was felt and the engine was stopped. The vessel was subsequently towed to port.

Chemical Tanker

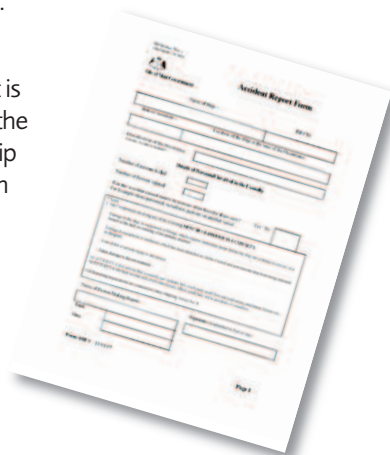
Arriving at port the vessel anchored to await terminal readiness. After weighing anchor and embarking a local pilot, the vessel proceeded towards the port but grounded in the vicinity of the breakwater head. The vessel was refloated without assistance and returned to anchorage. On later inspection, significant structural damage was found resulting from the grounding. No personnel were injured and no oil spill occurred.

Significant failings in the bridge team management together with an intoxicated pilot failing to acknowledge local VTS advice contributed to the cause of the grounding.

Accident Report Form

Accidents should be reported to the Ship Registry on form ARF1. Copies of this form should be on board. It can also be downloaded from the Ship Registry website.

Casualties can also be reported on the ARF1 form. However, as it is unlikely that it will be possible to include all the required detail in the ARF to deal with a casualty, it is much more important that the Ship Registry be notified as soon as possible of the occurrence and can be provided with some basic information on what happened. Depending on the nature of the casualty, the next steps will then be advised.



Accident Report Summary

	2006	2007	2008	2009	2010
Casualties	7	6	9	15	8
Accidents	33	29	25	26	49
Incidents	7	1	1	16	12
Totals	47	36	35	57	69

	2006	2007	2008	2009	2010
Collision, Foundering or Stranding	11	4	3	7	13
Fire	2	3	6	3	5
Explosion	0	0	1	0	0
Pipe Systems: Explosion, Collapse or Bursting	1	0	0	3	1
Sudden uncontrolled release of any substance from a system or pressure vessel	1	1	2	3	1
Accidental ignition of flammable material	0	0	1	0	0
Electrical short circuit or overload	1	1	0	0	0
Failure of any lifting device	0	1	1	3	2
Incidents involving access to or from the vessel	4	1	1	2	1
Slips or falls (same level)	5	4	4	3	7
Slips or falls (different levels)	5	5	2	7	3
Incidents involving mooring ropes or hawses	2	4	2	4	7
Incidents involving lifting equipment	1	1	3	4	1
Exposure to hazardous or toxic substances	2	0	0	0	2
Man Overboard	0	1	0	2	5
Electric shock	0	1	0	0	0
Violence to the person	0	0	2	0	0
Other	12	9	7	16	21

Visit our website to view the full 2010 Casualty, Accident and Incident Report





Isle of Man Giving you the Freedom to Flourish

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Certified to the ISO9001:2008 Quality Standard and the Investors in People Silver Standard



**Isle of Man
Government**
Keillys Eilan Vannin

The information in this 2010 Annual Report can be provided in large print, on request.