

**Registration Number: 01182588**

**THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2014**

**THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED**

**DIRECTORS AND OFFICERS**

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**DIRECTORS**

L Carlinet  
J Crow  
P J Daniel  
J Herringshaw  
J Hever  
S Larsen  
S D McLean  
D Ogilvie  
J D Prowting  
D Riesen  
S Ricketts  
J N Scott  
C D Wannell  
L E Waters

**SECRETARY**

P M Taylor

**REGISTERED OFFICE**

The Broadgate Tower Third Floor  
20 Primrose Street  
London  
EC2A 2RS

**COMPANY REGISTRATION NUMBER**

01182588

**AUDITOR**

Baker Tilly UK Audit LLP  
Chartered Accountants  
3<sup>rd</sup> Floor, One London Square  
Cross Lanes  
Guildford  
GU1 1UN

**SOLICITORS**

Reed Smith LLP  
The Broadgate Tower Third Floor  
20 Primrose Street  
London  
EC2A 2RS

## **THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED**

### **DIRECTORS' REPORT**

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The directors present their report and financial statements of the Offshore Pollution Liability Association Limited ("the Association") for the year ended 31 December 2014.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Association during the year was to supervise and administer The Offshore Pollution Liability Agreement, which concerns compensation for pollution damage and reimbursement for the cost of remedial measures resulting from a discharge of oil from any well and any fixed or mobile installation used for the purpose of exploration for, or the production, treatment, storage or transportation of, crude oil and condensate; and from any well used for the purpose of exploration for, or recovery of, natural gas or natural gas liquids, in every case from the sea bed or its subsoil ("the Agreement").

The parties to The Offshore Pollution Liability Agreement have undertaken to meet their obligations payable under the Agreement up to a maximum of US\$250,000,000 in respect of any one incident.

The directors do not anticipate that the activities of the Association will change in the future.

Charges are made to members at the beginning of each year for an Annual Subscription to fund the forecast costs to be incurred by the Association in that year. Since all costs are recovered from the Association's members the directors do not consider there to be significant risks and uncertainties.

The directors manage the liquidity of the Association in order to meet its obligations as they become due. The association's exposure to credit risk is to the extent of cash and receivables as reflected on the balance sheet. Cash balances are deposited only with financial institutions which the directors consider to be of suitable credit rating.

The annual subscription is charged in accordance with Appendix 2 to the Articles of Association. It shall be calculated by dividing the amount of the total subscription required for the financial year by the aggregate of the number of members at 1<sup>st</sup> January of such year.

At 31 December 2014 there were 126 (2013: 122) members of the Association.

No incident requiring the operation of Clause III.2 of the Agreement occurred during the year.

The Association is a company limited by guarantee and not having a share capital.

#### **DIRECTORS**

The following directors have held office since 1 January 2014:

L Carlinet  
J Crow  
P J Daniel  
B Heagin (resigned 31 July 2014)  
J Herringshaw  
J Hever  
S Larsen (appointed 26 June 2014)  
S D McLean  
D Ogilvie  
J D Prowting  
D Riesen  
S Ricketts  
J N Scott  
C D Wannell  
L E Waters

**THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED**

**DIRECTORS' REPORT (Continued)**

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**DIRECTORS (Continued)**

The directors due to retire by rotation at the next Annual General Meeting, in accordance with the Articles of the Association, are S Ricketts, J Herringshaw and D Ogilvie.

**DIRECTORS' INDEMNITY**

The company has entered into deeds of indemnity with each director in respect of proceedings brought by third parties subject to the conditions set out in the Companies Act 2006. The company has purchased directors and officers liability insurance. All of these arrangements remain in place at the date of this report.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR**

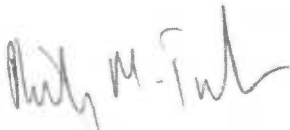
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**AUDITOR**

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

The report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Board of Directors and is signed on their behalf by:



**P.M. Taylor**  
Secretary

10 June 2015

## **THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on The Offshore Pollution Liability Association Limited's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

## THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED

We have audited the financial statements on pages 6 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

*Baker Tilly UK Audit LLP*

Jonathan Da Costa FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

3<sup>rd</sup> Floor, One London Square

Cross Lanes

Guildford

GU1 1UN

11 June 2015

**THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED**

**PROFIT AND LOSS ACCOUNT**  
For the year ended 31 December 2014

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	<b>Notes</b>	<b>2014</b> £	<b>2013</b> £
<b>TURNOVER</b>			
Membership Subscription		370,578	291,208
Interest receivable		188	133
		<u>370,766</u>	<u>291,341</u>
<b>ADMINISTRATIVE EXPENSES</b>			
Remuneration/office rental and services		(114,068)	(119,779)
General expenses, services and fees		(175,710)	(206,536)
Special Projects		(20,408)	(41,676)
		<u>(310,186)</u>	<u>(367,991)</u>
<b>OPERATING PROFIT/(LOSS) AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2</b>	<b>60,580</b>	<b>(76,650)</b>
Taxation	<b>4</b>	<b>(5,043)</b>	<b>13,250</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<u><b>55,537</b></u>	<u><b>(63,400)</b></u>

The results for the year relate to the Association's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

# THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED

## BALANCE SHEET

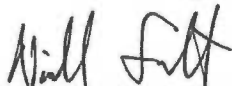
As at 31 December 2014

(Company Registration Number: 01182588)

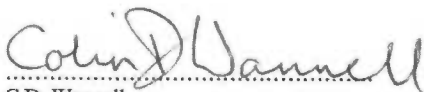
	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	5	-	-
<b>CURRENT ASSETS</b>			
Debtors	6	11,887	20,463
Cash at bank		160,321	189,949
		<u>172,208</u>	<u>210,412</u>
<b>CREDITORS: amounts falling due within one year</b>	7	59,324	153,065
<b>NET CURRENT ASSETS</b>		<u>112,884</u>	<u>57,347</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS</b>		<u>112,884</u>	<u>57,347</u>
<b>CAPITAL AND RESERVES</b>			
Profit and loss account	8	<u>112,884</u>	<u>57,347</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 6 to 10 were approved by the board of directors and authorised for issue on 10 June 2015 and are signed on its behalf by:



J.N. Scott  
Director



C.D. Wannell  
Director



## THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

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#### 1. ACCOUNTING POLICIES

##### ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

##### GOING CONCERN

As at 31 December 2014, the company had accumulated reserves of £112,884 (2013: £57,347) due to the way the company is funded by its members subscriptions. Each year subscriptions are calculated to equate to the estimated costs of the company for the year ahead. In view of this funding mechanism, the level of accumulated reserves held by the company, and the number of members funding the Association, 126 (2013: 122), the directors are satisfied that the company is a going concern and have prepared these financial statements on this basis.

##### REVENUE RECOGNITION

Membership subscriptions, which are stated net of value added tax, are recognised in the period to which they relate.

##### LEASING

The annual rentals on "operating leases" are charged to the Profit and Loss Account on a straight line basis over the lease term.

##### TAXATION

Current tax (UK corporation tax) is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

##### TANGIBLE FIXED ASSETS AND DEPRECIATION

All fixed assets acquired that are expected to have a useful economic life in excess of 1 year are capitalised. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Office equipment	- three years straight line
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**THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the year ended 31 December 2014

	2014	2013
	£	£
<b>2. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAX</b>		
The profit/(loss) on ordinary activities before tax is stated after charging:		
Auditor's remuneration for statutory audit	6,800	6,150
	<u>6,800</u>	<u>6,150</u>
<b>3. DIRECTOR'S REMUNERATION</b>		
<i>Remuneration of Directors</i>		
Directors' emoluments amounted to £100,838 (2013: £97,500).		
<i>Staff costs</i>		
The average number of staff during the year 2014 was 1 (2013:1). Salaries during the year amounted to £100,838 (2013: £97,500) and social security costs £10,829 (2013: £12,400).		
<b>4. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES</b>		
	2014	2013
	£	£
<b>Current Tax:</b>		
UK Corporation Tax on profits/(losses) of current year	12,116	(13,250)
Adjustment in respect of a prior year	(7,073)	-
Tax on profit/(loss) on ordinary activities	<u>5,043</u>	<u>(13,250)</u>
<b>5. TANGIBLE FIXED ASSETS</b>		
		<i>Office</i>
		<i>Equipment</i>
		£
<b>Cost:</b>		
At 1 January 2014		4,288
Disposals		<u>(4,288)</u>
At 31 December 2014		-
<b>Depreciation:</b>		
At 1 January 2014		4,288
Disposals		<u>(4,288)</u>
At 31 December 2014		-
<b>Net Book Value:</b>		
At 1 January 2014 and 31 December 2014		<u>-</u>

**THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the year ended 31 December 2014

<b>6. DEBTORS</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Other debtors	11,887	20,463
	<u>11,887</u>	<u>20,463</u>

<b>7. CREDITORS: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Other creditors	47,208	138,315
Corporation tax	12,116	14,750
	<u>59,324</u>	<u>153,065</u>

<b>8. RESERVES</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
1 <sup>st</sup> January	57,347	120,747
Profit/(loss) for the financial year	55,537	(63,400)
31 <sup>st</sup> December	<u>112,884</u>	<u>57,347</u>

**9. MEMBERS' LIABILITY**

The Association is a company limited by guarantee and not having a share capital.

In the event of the Association being wound-up, the liability of each member at the time of winding up, and for 12 months after having ceased to be a member, is limited to £5.

**10. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Land and buildings: Expiring within one year	-	2,470
	<u>-</u>	<u>2,470</u>