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**Registration Number: 01182588**

**THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2013**

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**THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED**

**DIRECTORS AND OFFICERS**

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**DIRECTORS**

L Carlinet  
J Craw  
P J Daniel  
B Heagin  
J Herringshaw  
J Hever  
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

The directors present their report and financial statements of the Offshore Pollution Liability Association Limited ("the Association") for the year ended 31 December 2013.

### 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 2013 there were 122 (2012: 128) 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 2013:

L Carlinet	
J Cassidy	(resigned 31 <sup>st</sup> December 2013)
J Crow	(appointed 17 <sup>th</sup> April 2013)
P J Daniel	
B Heagin	
J Herringshaw	
J Hever	
S D McLean	
D Ogilvie	
J D Prowting	
D Riesen	
S Ricketts	(appointed 27 <sup>th</sup> June 2013)
J N Scott	
J Smith	(Appointed 11 <sup>th</sup> December 2013, Resigned 12 <sup>th</sup> December 2013)
C D Wannell	
L E Waters	

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# 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 C.D. Wannell, L.E. Waters and J.D. Prowting.

### 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

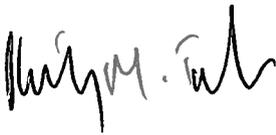
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the auditor, 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

26 June 2014

**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.

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

We have audited the financial statements on pages 6 to 12. 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 2013 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.



.....  
Graeme Miles FCCA (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

18 July 2014

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**THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED****PROFIT AND LOSS ACCOUNT**For the year ended 31 December 2013

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	<b>Notes</b>	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b> <b>Restated</b>
<b>INCOME</b>			
Membership Subscription		291,208	511,626
Interest receivable		133	124
		<u>291,341</u>	<u>511,750</u>
<b>EXPENDITURE</b>			
Administrative expenses:			
Remuneration/office rental and services	3	(119,779)	(122,607)
General expenses, services and fees		(206,536)	(121,833)
Special Projects		(41,676)	(47,880)
		<u>(367,991)</u>	<u>(292,320)</u>
<b>OPERATING (LOSS)/PROFIT AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	<u>(76,650)</u>	<u>219,430</u>
Taxation	4	13,250	(41,000)
<b>(LOSS)/PROFIT FOR THE YEAR</b>		<u><u>(63,400)</u></u>	<u><u>178,430</u></u>

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

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**THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**For the year ended 31 December 2013

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	Notes	2013 £	2012 £ Restated
(Loss)/profit for the year		(63,400)	178,430
Prior period adjustment	11	120,747	<u>178,430</u>
Total gains and losses recognised since last financial statements		<u>57,347</u>	

# THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED

## BALANCE SHEET

As at 31 December 2013

(Company Registration Number: 01182588)

	Notes	2013 £	2012 £ Restated
<b>FIXED ASSETS</b>			
Tangible assets	5	-	-
<b>CURRENT ASSETS</b>			
Debtors	6	20,463	13,472
Cash at bank		189,949	198,720
		<u>210,412</u>	<u>212,192</u>
<b>CREDITORS: amounts falling due within one year</b>	7	153,065	91,445
<b>NET CURRENT ASSETS</b>		<u>57,347</u>	<u>120,747</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS</b>		<u>57,347</u>	<u>120,747</u>
<b>CAPITAL AND RESERVES</b>			
Profit and loss account	8	<u>57,347</u>	<u>120,747</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 12 were approved by the board of directors and authorised for issue on 26 June 2014 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 (Continued)

For the year ended 31 December 2013

	2013 £	2012 £
<b>2. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</b>		
The (loss)/profit on ordinary activities before tax is stated after charging: Auditor's remuneration for statutory audit	6,150	5,750

### 3. DIRECTORS AND STAFF

#### *Remuneration of Directors*

Directors' emoluments amounted to £97,500 (2012: £95,040).

#### *Staff costs*

The average number of staff during the year 2013 was 1 (2012:1). Salaries during the year amounted to £97,500 (2012: £95,040) and social security costs £12,400 (2012: £12,115).

### 4. TAXATION

	2013 £	2012 £ Restated
<b>Current Tax:</b>		
UK corporation tax on (losses)/profits of current year	(13,250)	28,000
<b>Deferred Tax:</b>		
Origination and reversal of timing differences	-	13,000
Tax on (loss)/profit on ordinary activities	(13,250)	41,000

**THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED**

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

For the year ended 31 December 2013

<b>5. TANGIBLE ASSETS</b>		<i>Office Equipment</i>
		<b>£</b>
Cost:		
At 1 January 2013 and 31 December 2013		4,288
		<u>          </u>
Depreciation:		
At 1 January 2013 and 31 December 2013		4,288
		<u>          </u>
Net Book Value:		
At 1 January 2013 and 31 December 2013		-
		<u>          </u>
<b>6. DEBTORS</b>		
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Other debtors	20,463	13,472
	<u>          </u>	<u>          </u>
<b>7. CREDITORS: amounts falling due within one year</b>		
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
		<b>Restated</b>
Other creditors and accruals	138,315	63,445
Corporation tax	14,750	28,000
	<u>          </u>	<u>          </u>
	153,065	91,445
	<u>          </u>	<u>          </u>
<b>8. RESERVES</b>		
		<i>Profit and loss account</i>
		<b>£</b>
1 January 2013 as previously reported		-
Prior period adjustment (note 11)		120,747
		<u>          </u>
1 January 2013 as restated		120,747
Loss for the financial year		(63,400)
		<u>          </u>
		57,347
		<u>          </u>

# THE OFFSHORE POLLUTION LIABILITY ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

### 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 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2014:

	2013	2012
	£	£
Land and buildings: Expiring within one year	2,470	925

### 11. PRIOR PERIOD ADJUSTMENT

A prior period adjustment has been recognised to correct errors in the recognition of Membership subscriptions, subsequent to a change in the Company's Articles of Association effective 1 January 2010.

The changes to the Articles of Association removed the obligation for:

- The company to repay surpluses in subscriptions received to members; and
- The members to repay deficits in subscriptions to the company.

As a result, surpluses and deficits in Membership subscriptions should have been recognised in reserves rather than as debtors and creditors from the date of the change.

The effect of the prior period adjustment on the comparative figures is shown below:

	<i>As originally reported</i>	<i>Prior period adjustment</i>	<i>As restated</i>
Membership subscriptions	292,196	219,430	511,626
Taxation	-	(41,000)	(41,000)
		<u>178,430</u>	
Corporation tax	-	28,000	28,000
Subscription surplus	148,747	(148,747)	-
		<u>120,747</u>	
			<i>Profit and loss reserve</i>
Attributable to:			£
Year ended 31 December 2012			178,430
Earlier years			(57,683)
			<u>120,747</u>