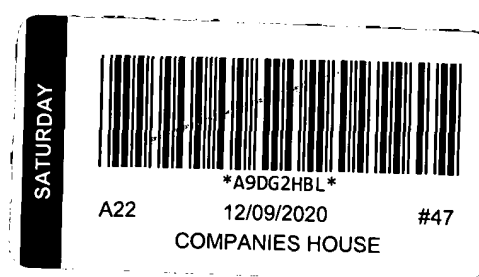


THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

Company Number: 1119804



THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors submit their report and financial statements of The UK Oil and Gas Industry Association Limited ("OGUK") group for the year ended 31st December 2019. The group entities comprise the above company trading as OGUK and its wholly owned subsidiaries Common Data Access Limited (Company number: 3031728) and Leading Oil & Gas Industry Competitiveness (Company number: SC199292).

DIRECTORS' AND THEIR INTERESTS

The Directors of the Association during part or all of the year covered by this report were as below. The Company Secretary throughout the year was Graham Elgie.

Phil Kirk
Deirdre Michie
Dave Stewart
Alan Corbett
Neil Sims
Peter Wilson
Robin Allan
Steve Phimister
Phil Simons
Kenny Dey
Ariel Flores
Jean-Luc Guiziou
Sian Lloyd Rees
Andrew Thomson (resigned 14 Apr 2019)
Alistair Stobie (appointed 19 Jun 2019; resigned 28 Feb 2020)
Bob Drummond (appointed 19 Jun 2019)
Ray Riddoch (resigned 6 Mar 2020)
Nick Terrell (resigned 19 Jun 2019)
Brian James (resigned 18 Sep 2019)
Bill Dunnett (resigned 31 Oct 2019)
Greta Lydecker (resigned 31 Oct 2019)
Terri King (resigned 31 Oct 2019)

The following Directors were appointed after the 31 December 2019:

Les Thomas (appointed 5 Feb 2020)
Arne Gürtner (appointed 5 Feb 2020)
David Brooks (appointed 5 Feb 2020)
Mitchell Flegg (appointed 9 Apr 2020)
Neil McCulloch (appointed 5 Feb 2020)
Scott McGinigal (appointed 25 Mar 2020)

The company is limited by guarantee and does not have a share capital. None of the directors had any interest in the surplus or assets of the company. Directors' remuneration is shown within note 7 on page 21.

There is a directors' liability insurance policy in place which covers the directors against personal liability in the event of a successful action against them in connection with their dealings with the company, up to a limit of £1 million.

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Principal Activities

OGUK

OGUK is the leading representative body for the UK offshore oil and gas sector, providing a definitive source of information about the industry and a gateway to professional networks and expertise. We support all our members that operate in, or provide services to, the UK offshore energy industry.

The company's vision is to be the leading association within the UK offshore energy industry, ensuring the North Sea remains an internationally attractive place to do business. Its mission is to champion the UK offshore oil and gas industry, informing, engaging and advocating for the sector as part of a diverse energy mix. This is achieved by:

- Promoting open dialogue and brokering solutions within and across all sectors of the industry on topics that influence activities, including technical, fiscal, safety, environmental and skills issues.
- Developing industry-wide initiatives and programmes.
- Improving the business climate for all our members by engaging with governments and other external organisations with a stake in the industry's future.

Common Data Access Limited (CDA)

Our subsidiary company Common Data Access Limited (CDA) provides a range of valuable data management services and shared data solutions to OGUK members and across the industry in general. It seeks to lead in Petroleum Data Management, facilitating effective collaboration between oil and gas companies, contractor companies and regulatory bodies, utilising a close working relationship with the Oil & Gas Authority (OGA) to address collective data matters for UKCS licensees. While CDA's primary business is the operation of the UK National Data Repository for petrotechnical data on behalf of the Oil & Gas Authority (OGA), it is also active in the coordination and development of relevant forums and groups supporting the needs of data, information, and digital managers within the oil and gas industry, including the organisation of related workshops and conferences. CDA is also actively developing other collaborative digital services for the benefit of industry, in partnership with OGUK teams.

Leading Oil and Gas Industry Competitiveness (LOGIC) Limited

The LOGIC purpose is to provide services to stimulate supply chain collaboration and improve the competitiveness of the UK offshore oil and gas industry. LOGIC is the custodian for cross-industry projects including the helicopter flight share programme, the offshore personnel tracking system (Vantage POB) and a range of industry deeds and standard contracts. It works to preserve their unfettered availability and to promote and develop their use in improving industry practices within the sector. Its board includes representatives that connect into the user communities of these projects.

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Business Review & Future Plans

Financial Review

The retained net loss for the year, after taxation, amounted to £(83,513) (2018: £13,293 surplus).

Total income received for the group during the year was £13,124,017 which was materially consistent with 2018 (£13,373,326). The reduction of £249,309 (1.9%) reflects a reduction in income for the CDA subsidiary due to a change in business model from a membership and shared data platform service to being a contract services provider to the OGA. Further, lower income was reported for the LOGIC subsidiary due to reduced expenditure on the Vantage POB system, and therefore correspondingly lower income required from funding users. These reductions were offset to some extent by higher OGUK membership income reported.

Total costs incurred for the group for the business through cost of sales and administrative expenses were £13,275,316, again materially consistent with 2018 (£13,419,760). The reduction of £144,444 (1.1%) related to reduced operating costs associated with the changed CDA business model and lower Vantage POB operating costs as referred, again offset by higher costs reported in OGUK relating to increased resource and project costs in support of industry activity.

The group net asset position in the balance sheet of £2,675,935 is materially consistent with 2018 (£2,759,448). The reduction of £83,513 (3.0%) relates to changes in debtors, cash and creditors essentially due to a reduction in joint industry project (JIP) funds held and other normal working capital variations.

Activity Review

The group delivered a range of significant achievements against their organisational goals as detailed below. OGUK has maintained a powerful voice with which to communicate its messages to government, regulators, the media and all stakeholders, raising awareness of industry issues and highlighting the importance of the industry and its contribution to a net-zero future. The company has built on its review of Board effectiveness, looking at its Board and Council governance arrangements, which has enhanced engagement with members and the Board's representation of them. This review along with a robust ongoing assessment of priorities and a key account management process has given the organisation greater membership focus and a clearer value proposition, to remain strategically focused on key industry policy issues, ensuring that it keeps ahead of industry trends, legislative and regulatory developments, along with other vital intelligence. 2019 saw a growth year in membership levels after some difficult years for the industry, with the member offering continuing to be attractive to companies.

This report highlights key activities of the group entities during 2019 and outlines plans for the future, where the organisation recognises that it must always be looking ahead to identify the future challenges facing the industry and represent its members effectively with all stakeholders going forward.

OGUK

The following points highlight a selection of key achievements for OGUK against business objectives in 2019:

- **Roadmap 2035: A Blueprint for Net-Zero** – OGUK conducted one of the most significant sector campaigns based around 5 key themes, through which we engaged with over 5,400 people, including 17-member roadshows.
- **Energy Transition** – OGUK has and continues to lead industry's engagement on behalf of members, including being one of the first major industrial sectors to publish a response to the Committee on Climate Change report supporting the net-zero recommendations, along with providing consultation responses, developing policy positions through forum engagement and publishing our annual Energy Transition report.
- **Supply Chain Resilience** - OGUK's work focused heavily on supporting our members in pursuit of a healthy, resilient supply chain in 2019, through Supply Chain Spotlights sessions, also producing guidelines for Off-Payroll Working (IR35) and encouraging UK exports, through promoting the capability and capacity of our supply chain.
- **BREXIT** – OGUK has provided evidence-based insights on behalf of our members to a range of stakeholders focused on the key BREXIT related issues for industry, including two successful spotlight sessions held for members and the establishment of a cross-industry Brexit Contingency Council.
- **HSE Performance** - OGUK has worked to facilitate open discussion, share best practice and identify areas for continued improvement, including hosting a hydrocarbon release (HCR) workshop, launching our industry-

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

- endorsed Process Safety Leadership principles, publishing our annual 2019 Health & Safety Report, holding our first HSE Conference and also sharing good practice and experience on mental health issues.
- **Decommissioning** – Activity in 2019 focused across a range of areas, namely responding to four Government consultations, the publishing of the 10th Decommissioning Insight Report, hosting the 11th annual Offshore Decommissioning Conference and representing industry in the first ever OSPAR special consultative meeting.
- **Culture & Behaviours** – Significant effort focused at ensuring a robust and resilient supply chain, with OGUK launching new Supply Chain Principles in 2019, whilst the OGUK Efficiency Task Force continued to drive issues of industry-wide cultural change, through four Efficiency roadshows, a new online Efficiency Hub, the publishing of the 5th annual Collaboration Survey and the development of new Robust Project Delivery Guidelines.
- **Competitiveness** – OGUK drove engagement with key government stakeholders and provided other analysis in reinforcing industry's contribution, through the Business Outlook, Economic Report and member-only Market Insights, also delivering a competitive well delivery programme of workshops, promoting the UK market overseas and introducing new private equity evening events amongst other activity.
- **Emissions** - OGUK worked actively with members in 2019 to understand solutions to meet our commitment to the UK's net-zero ambition by 2050 and the expectations of society, delivering our 2019 Environment Report, establishing workgroups focussed on atmospheric emissions, sharing emissions reduction projects, providing benchmarking analysis and staying abreast of policy developments
- **Diversity & Inclusion** – OGUK led industry efforts to ensure that the industry is an inclusive place to work, and that it can attract and retain diverse and talented people. This included the launch of a new D&I Task Force, running a D&I lunch at Offshore Europe and also OGUK young professionals and intern events to engage our younger workforce.

Business Review and Future Plans

- **Exploration & Resource Maturation** - OGUK continued to ensure we helped our members on efforts towards adding another generation of productive life to the basin, managing the wells forum to progress the wells agenda, publish tools and guidelines to help and unlock more barrel-adding opportunities, along with running successful wells and exploration conferences.
- **Stakeholder Engagement** – Active management programme throughout the year engaging with over 100 key organisations to build understanding of the sector and its issues.
- **Events** – Ran a wide-ranging Events programme, expanding its network to regional hubs and a wide range of attendees, providing informative programmes and networking opportunities to members and beyond.

Looking ahead to 2020, OGUK will be focused on a series of strategic priorities highlighted below, principally structured around Roadmap 2035.

- **Supporting net-zero:** to encourage the reduction of industry's own emissions and assist the UK in reducing its total GHG emissions
- **Helping meet UK energy needs:** to facilitate the maximisation of indigenous resources
- **Developing people & skills:** to encourage a diverse and inclusive workforce with transferable skills operating in a collaborative culture
- **Driving technology & innovation:** to facilitate the uptake of technology and innovation to enable a competitive industry that delivers to its full potential within the energy transition
- **Growing the economy & exports:** to support a resilient, competitive and diverse supply chain
- **Leading HSE performance:** to enable and promote sector leading health, safety and environmental performance
- **Enhancing industry reputation:** to engage and inform with facts, evidence, professional insight and expertise
- **Be the leading industry voice:** to maintain a member-focussed, agile and efficient business which is a great place to work

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Common Data Access Limited (CDA)

2019 was another successful year for CDA, with a summary of key activity below:

- **UKOilandGasData and the NDR** - In February 2019, the OGA and CDA launched the UK National Data Repository (NDR), and CDA has operated the NDR under contract to the OGA. This arrangement is expected to continue until the end of 2021, by which time the OGA plans to have completed a public procurement exercise to appoint a successor. Once the transition is complete, CDA's main source of income will end, and as a result, CDA may cease to be a going concern. This transition and the consequences for the CDA business will evolve and be managed during 2020.
- **Regulatory Interface** - CDA continued to work closely and constructively with information and samples coordinators and the OGA itself throughout 2019 under the auspices of an industry Special Interest Group to ensure that the OGA's powers under the Energy Act 2016 are implemented in a practical, reasonable and balanced way, and that other regulatory issues relating to the retention, reporting, and disclosure of information and samples are progressed in a collaborative fashion.
- **Industry Representation** - CDA has begun a programme of work with other data and digital stakeholder groups within the UK oil and gas industry to ensure their needs are adequately represented, and opportunities to improve the efficiency of the industry through collaboration in data and digital are progressed.
- **Industry Events** - CDA increased its activities in 2019 in hosting industry events focussing on data and digital topics.
- **International Cooperation** - CDA is supporting the OGA in cooperating with other regulators in the region to foster increased cross-border cooperation around standards, policies, procedures and mechanisms for the sharing and use of geoscience and other petroleum-related technical information.
- **Professionalisation in Petroleum Data Management** - In pursuit of developing data managers to be verifiably proficient and competent, CDA-led several initiatives to professionalise Petroleum Data Management. Central to this process has been the creation of a number of academic courses in the discipline. In 2020, CDA will engage with industry leaders to reevaluate the state of professionalisation in oil and gas data, to determine what further programme of work might be required to continue to build on the foundations now laid in this area, and ensure oil and gas is competitive in attracting new data and digital talent into the industry.

Leading Oil & Gas Industry Competitiveness (LOGIC) Limited

LOGIC achieved its key business objectives by continuing to provide a smooth and reliable service in response to the demands from users. An activity summary around governance and of the various tools and services is provided below:

- **Governance** - At the start of the year, governance changes were implemented to consolidate the activities of the Vantage POB & Helimet Governance Committee within the LOGIC Board to simplify and reduce duplication around governance oversight of the various tools and services. During the year, significant efforts continued to ensure operational and contractual compliance with GDPR, principally around Vantage POB. LOGIC has also agreed in principle to act as an agent for a new Supplier Qualification Service (SQS) being developed as an alternative system offering for use in industry. Work is ongoing and it is expected that this will be established and launched in 2020.
- **Master Deed** - The level of Master Deed transactions significantly reduced during 2019, with Execution Deeds totalling 10 vs. 32 in 2018, reflecting lower asset transfer activity in the industry year-on-year. The Board is expecting that there will be a pick-up in activity during 2020 and transactions will be monitored during the year ahead.
- **Flight Share** - The Flight Share scheme continued to provide operational flexibility to regular flight arrangements with ~50 companies signed up, the controlling deed for Flightshare arrangements having been renewed in April 2017 for a further period of 5 years.
- **Standard Contracts** - During 2019, a working group continued its review of LOGIC standard contracts from within the suite of 10, making significant progress with the On & Offshore Services Edition 4 being published in Q1 2019 and Edition 4 Supply of Major Items of Plant and Equipment being published in Q4 2019.

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Business Review and Future Plans

- **Industry Mutual Hold Harmless, IMHH** - There is continuing interest in the use of the industry Industry Mutual Hold Harmless (IMHH) scheme, with 1,220 signed up participants at year-end. The current IMHH 2012 scheme expires on 31st December 2021 and LOGIC have begun the preparation for IMHH 2022 by drafting version 1 of the Deed.
- **Vantage POB** - Vantage POB provides the offshore personnel tracking system for UKCS Operators and Duty Holders, OPITOs worldwide verified competency training records and other global operators. Usage of the system through the year continued at a broadly similar level to previous years. A review of the various Vantage related agreements was undertaken in 2019, incorporating legal work to complete changes, principally to reflect GDPR required changes, but in some cases has included broader agreement update requests. This has also involved the development of a new data sharing agreement between Vantage POB (VPOB) and the associated Vantage Central Register (VCR), utilised by OPITO and industry to manage training records. This work has also included operational reviews of system security and audit assurance requirements.
- **Helimet** - LOGIC's responsibility for administering the Helimet system on behalf of the industry continued in 2019, with the internet-based weather data network designed to share up-to-date data between UK offshore installations and helicopter operators, allowing installation managers and helicopter pilots to operate as safely as possible. As at the end of 2019, over 30 companies had signed up to the Helimet Agreement.

Performance Monitoring

As a representative body for the oil and gas industry, the primary source of OGUK and group income comes from members through annual fees. Different classes of corporate membership are available, and the pricing structure is dependent upon the classification applicable to the member (production operators, exploration operators, non-operators, contractors). The activities and annual budget are principally agreed by the board of directors in the previous financial year, the board made up predominantly of senior executives from the member companies. The membership fees are determined each year to equate to the costs finalised in the annual budget process and are called in the form of a fixed fee and a variable element dependant on annual oil and gas production levels.

The organisation applies effective internal controls to its processes, specifically governing the Authorisation for Expenditure (AFE) and Invoice Payable cycles. A monthly financial reporting process provides detailed information for each directorate against budget, which then feeds into a cycle of quarterly management accounts and re-forecasts during the year to continually monitor the anticipated year-end position against budget, which is reviewed with the Chief Executive, Policy Directors and with the Board of Directors. OGUK also has an independent Treasurer on the board who monitors the financial position of the organisation, but who has no direct authority over the activities of management. The Treasurer also chairs the Finance, Remuneration & Nomination Committee, which provides further review and governance of the overall financial position and control environment.

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Business and Operational Risk

The primary threat to the long-term future or financial stability of the organisation would be from a significant decline in membership revenue. Management recognises the need to ensure that the group entities remain relevant and effective in their engagement with key stakeholders and through the quality of services delivered to members and users.

During 2019, OGUK grew its membership by 37 members (9.7%) to 418, building on a steady year in 2018 where membership levels stabilised after a challenging period for membership due to the difficult business environment for the industry. The continuing ability to attract new members provides management and Board assurance around the member offering and the importance of the organisation to the industry.

The organisation is constantly focused on developing further its membership value offering and engagement cycle, with a Key Account Management (KAM) system now firmly embedded to maximise the engagement processes and touchpoints with members, to ensure continual understanding of member needs and to deliver on them. Management is actively monitoring ongoing membership levels and trends into 2020, which whilst being in a positive place at the start of 2020 have been considered by the directors' post year-end in light of the COVID-19 pandemic. Whilst the directors view that there is no direct material impact to the group business activity from the pandemic itself, the current economic conditions from COVID-19, coupled with the impact of lower oil and gas prices are very challenging for OGUK members and therefore, an increase in the normal business risk of membership loss is likely.

However, at the time of signing the accounts, no material increase in cancellations has been noted, given the importance of the Company's work and the overall value offering to the membership and the directors remain confident that the Company have sufficient reserves and can manage the current uncertainty to continue operating as a going concern.

Regular board meetings and close relationships with the member companies ensure that management continually obtains feedback and guidance on the direction of the association. Internal management meetings will regularly appraise the quality of service provided and of member engagement. The industry has some significant challenges over the coming decades in delivering value from a mature basin, but the now established Oil & Gas Authority (OGA), Government and Industry have demonstrated their commitment to maximising the economic recovery from the UKCS and progressing positively in respect of energy transition.

Operational risk is the risk of direct or indirect losses resulting from human factors, external events, and inadequate or failed internal processes and systems. Sources of operational risk include process reliability, IT systems performance, legal/regulatory compliance, fraud, human error, member service quality, recruitment, retention of staff, and social and environmental impacts.

Management views that no significant operational risks exist within the organisation, other than some general inherent risk typical of an organisation of this size and nature. Due to the nature of the group and its financial arrangements, no significant issues are attached to credit, market, capital, liquidity, insurance, legal or tax risk.

Post Balance Sheet Events

Note 21 of the accounts provides details on post-balance sheet events, noting the declaration of a final dividend totalling £300,000, receivable by the parent company, UK Oil and Gas Industry Association Limited from its subsidiary Common Data Access Ltd, the relocation of the Company's London office in March 2020, which will result in some fixed asset write-offs in the 2020 accounts and further reference to the impact of the COVID-19.

Future Developments

The company and its subsidiaries will continue to trade under the same principal activities for at least the forthcoming twelve months.

Signed on behalf of the Board on 10 June 2020


Deirdre Michie
Director

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Directors' report and the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless 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 these financial statements, the directors are required to select suitable accounting policies and then apply them consistently;

- make judgments and estimates that are reasonable and prudent;
- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

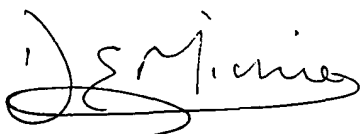
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that the director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

AUDITORS

Haysmacintyre LLP were appointed as auditors in the year. A resolution appointing Haysmacintyre LLP will be proposed at the AGM in accordance with S485 of the Companies Act 2006.

Signed on behalf of the Board on 10 June 2020



Deirdre Michie
Director

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of The UK Oil and Gas Industry Association Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise of the Consolidated Statement of Comprehensive Income, Consolidated and Company Statements of Financial Position, Consolidated Cash Flow Statement, Consolidated Statements of Changes in Equity, Company Statements of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the Group's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our auditors' report.

Use of report

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 auditors' 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.



**Thomas Wilson, Senior Statutory Auditor
for and on behalf of Haysmacintyre LLP, Statutory Auditor**

**10 Queen Street Place
London
EC4R 1AG**

Date: 1 July 2020

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
TURNOVER	3	13,124,017	13,373,326
Cost of sales		(3,686,666)	(4,609,686)
Gross surplus		9,437,351	8,763,640
Administration expenses		(9,588,650)	(8,810,074)
Interest receivable		47,537	37,463
Other operating income		34,787	26,340
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(68,975)	17,369
Taxation	8	(14,538)	(4,076)
DEFICIT FOR THE FINANCIAL YEAR		<u>(83,513)</u>	<u>13,293</u>

There was no other comprehensive income for 2018 or 2019.

The notes on pages 16 to 27 form part of these financial statements.

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

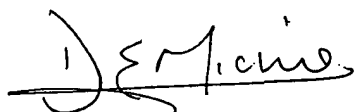
AS AT 31 DECEMBER 2019

Company Number: 1119804

		Group		Company	
	Notes	2019 £	2018 £	2019 £	2018 £
FIXED ASSETS					
Tangible assets	10	133,606	121,646	130,495	121,119
Investments	11	-	-	23	23
		<u>133,606</u>	<u>121,646</u>	<u>130,518</u>	<u>121,142</u>
CURRENT ASSETS					
Debtors	12	1,812,208	1,896,818	1,352,734	1,226,307
Cash at bank and in hand	13	5,841,603	6,439,855	3,664,028	3,947,477
		<u>7,653,811</u>	<u>8,336,673</u>	<u>5,016,762</u>	<u>5,173,784</u>
CREDITORS: amounts falling due within one year	14	(5,111,482)	(5,698,871)	(3,505,234)	(3,599,188)
NET CURRENT ASSETS		<u>2,542,329</u>	<u>2,637,802</u>	<u>1,511,528</u>	<u>1,574,596</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,675,935</u>	<u>2,759,448</u>	<u>1,642,046</u>	<u>1,695,738</u>
Provision for deferred taxation	15	-	-	-	-
NET ASSETS		<u>2,675,935</u>	<u>2,759,448</u>	<u>1,642,046</u>	<u>1,695,738</u>
Represented by:					
Revenue Reserves		<u>2,675,935</u>	<u>2,759,448</u>	<u>1,642,046</u>	<u>1,695,738</u>

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Statement of Comprehensive Income. The Company recorded a loss of £53,692 (2018: £47,068 surplus) during the year.

The financial statements were approved and authorised for issue by the Board of Directors on 10 June 2020 and were signed below on its behalf by:



Deirdre Michie
Director

The notes on pages 16 to 27 form part of these financial statements.

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Cash flows from operating activities		
Surplus for the financial year	(83,513)	13,293
Adjustments for:		
Depreciation	53,197	64,439
Taxation	14,538	4,076
Interest receivable	(47,538)	(37,463)
Loss on disposal	-	408
Decrease in debtors	77,510	(498,280)
Decrease in creditors	(589,819)	(66,698)
Taxation paid	(5,008)	(11,315)
Net cash generated from operating activities	<u>(580,633)</u>	<u>(531,540)</u>
Cash flows from investing activities		
Payments to acquire tangible assets	(65,157)	(28,935)
Interest receivable	47,538	37,463
Net cash flows from investing activities	<u>(17,619)</u>	<u>8,528</u>
Net cash inflow before management of liquid resources and financing	<u>(598,252)</u>	<u>(523,012)</u>
Increase/(decrease) in cash in the year	<u>(598,252)</u>	<u>(523,012)</u>
Cash and cash equivalents at the beginning of the year	6,439,855	6,962,867
Cash and cash equivalents at the end of the year	<u>5,841,603</u>	<u>6,439,855</u>

The notes on pages 16 to 27 form part of these financial statements.

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

Group	Revenue reserves £	Total £
At 1 January 2018	2,746,155	2,746,155
Surplus for the year	13,292	13,292
At 31 December 2018	2,759,447	2,759,447
(Loss)/ Surplus for the year	(83,512)	(83,512)
At 31 December 2019	<u>2,675,935</u>	<u>2,675,935</u>

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED
COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

Company	Revenue reserves £	Total £
At 1 January 2018	1,648,670	1,648,670
Surplus for the year	47,068	47,068
At 31 December 2018	1,695,738	1,695,738
(Loss) for the year	(53,692)	(53,692)
At 31 December 2019	<u>1,642,046</u>	<u>1,642,046</u>

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group's accounting policies (see note 2).

The following principal accounting policies have been applied:

Constitution

The UK Oil and Gas Industry Association Limited is a private company limited by guarantee incorporated in England and Wales. Its registered office and principal place of business is 1st Floor, Paternoster House, 65 St Paul's Churchyard, London EC4M 8AB. The members have undertaken to contribute to the assets of the Association, in the event of it being wound up while they are members or within one year after they have ceased to be members, such amounts for payment of the debts and liabilities of the Association contracted before they have ceased to be members and for the costs, changes and expenses of winding up as may be required, but the total of the amounts shall not exceed £10 per member. There were 418 members of the Association at 31 December 2019.

Going Concern

The Directors, after careful consideration and enquiry, are of the opinion that the Company has adequate working capital to execute its operations over the next 12 months. The Directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

In arriving at this conclusion, the directors have given particular consideration to the impact of the worldwide COVID-19 pandemic on the future operations and the ability of the Company to continue to as a going concern. The directors view that there is no direct material impact to the group business activity from the pandemic itself but recognise that the current economic conditions from COVID-19, coupled with the impact of lower oil and gas prices are very challenging for its members and therefore, an increase in the normal business risk around membership loss is likely.

However, at the time of signing the accounts, no material increase in cancellations has been noted, given the importance of the Company's work and the overall value offering to the membership. The Company's projections, taking account of reasonably possible changes in the upturn in demand for oil and gas as we move out of the COVID-19 crisis, will likely increase product prices and the current pressures on the industry may ease. It is recognised though that the situation remains highly fluid and members' will be considering membership as they put together their 2021 budgets.

Despite this, the directors remain confident that the Company have sufficient reserves and can manage the current uncertainty to continue operating as a going concern and as a result, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue from services is recognised:

- the amount of revenue can be measured reliably; and
- it is probable that the group will receive the consideration due

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

Revenue (continued)

Revenue from the parent company consists of subscription income from members and income from other services provided. Members' subscriptions are fixed by Council and are determined based on planned expenditure.

Subscription income from members relates to the membership year ending on 31 December and is stated net of refund adjustments, the income is recognised over the year to which it relates. Where cash calls made are in excess of actual expenditure for the year, or subscriptions are issued in advance, these amounts are included in creditors as deferred income, identified for use against future project funding requirements.

The parent company also maintains balances in creditors on behalf of sub-sets of the membership in relation to 'Joint Industry Projects (JIP's)'. These projects are not part of the Company's normal operating services but relate to the organisation acting as a custodian for the receipt of funding contributions and the discharge of associated expenditures for projects on behalf of the funding companies, with any remaining balances on completion of the project being reimbursed to the participants.

Revenue from the CDA subsidiary relates to a contract for services with the Oil & Gas Authority (OGA), reflecting value of services supplied.

Revenue from the LOGIC subsidiary is generated from users of the respective tools and services, through varying allocation models or fixed price arrangements, all representing the value of services supplied. As LOGIC is operated on a not-for-profit basis reflecting the business purpose to promote and manage collaborative industry-wide tools, annual surplus or shortfalls are managed through deferred income and carried forward as appropriate to fund future operating requirements.

Consolidated Accounts

Consolidated accounts are presented for the group company the Association and its wholly-owned subsidiary undertakings Common Data Access Limited and Leading Oil and Gas Industry Competitiveness.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Leasehold improvements	over the life of the lease
Fixtures and fittings	10% straight line
Computer equipment	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

Pension costs

The Group operates a defined contribution scheme for its employees. A defined contribution scheme is a pension scheme under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments obligations.

The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the scheme are held separately from the Group in independently administered funds.

Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight-line basis over the period of the lease.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES (continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency (GBP) using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income statement within 'other operating income'.

Interest income

Interest income is recognised in the Income statement using the effective interest method.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES ON ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported during the year for income and expenditure. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. TURNOVER

The total income of the group for the period has been derived from activities wholly undertaken in the UK.

Turnover, analysed by category, was as follows:

	2019 £	2018 £
Subscription income	8,416,780	11,648,978
Other services rendered	4,707,237	1,724,348
Turnover	<u>13,124,017</u>	<u>13,373,326</u>

4. NET OPERATING INCOME - GROUP

	2019 £	2018 £
Operating income includes the following charges/(credits):		
Operating lease rental charges	432,505	415,270
Depreciation	<u>53,197</u>	<u>90,118</u>

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

5. AUDITORS' REMUNERATION	2019 £	2018 £
Fees payable to the group's auditor for the audit of the financial statements	19,600	22,200
Other services relating to taxation	3,350	3,350
Other services	3,200	3,450
	<u>26,150</u>	<u>29,000</u>

6. EMPLOYEES	2019 £	2018 £
Staff costs including directors' remuneration were as follows:		
Wages and salaries	4,129,483	4,034,822
Social security costs	506,013	495,698
Pension costs	349,448	346,108
Staff costs	<u>4,984,944</u>	<u>4,876,628</u>

The average number of employees in the group during the year was 61 (2018: 59).

7. DIRECTORS' REMUNERATION	2019 £	2018 £
Director's remuneration (Company)	328,087	320,427
Pension contributions (Company)	30,159	-
Director's remuneration (Group)	530,948	515,427
Pension Contributions (Group)	<u>47,173</u>	<u>21,285</u>

The number of directors to whom retirement benefits are accruing: 3 (2018:1)

During the year, the highest paid director received remuneration of £328,087. (2018: £320,427)

The company paid contributions into a defined contribution pension scheme for the director in the year totalling £30,159 (2018: £nil)

8. TAXATION - GROUP	2019 £	2018 £
Analysis of charge in year		
Current tax		
UK corporation tax on net income for the year	7,492	(3,927)
Adjustments in respect of previous year	(54)	-
Total current tax	<u>7,438</u>	<u>(3,927)</u>
Deferred tax		
Losses and other deductions	-	11,530
Origination and reversal of timing differences	7,100	(3,527)
Total deferred tax charge	<u>7,100</u>	<u>8,003</u>
Tax charge on net income on ordinary activities	<u>14,538</u>	<u>4,076</u>

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

8. TAXATION – GROUP (continued)

The tax authorities have accepted the Association as a trade protection association; consequently, tax relief can be claimed by the members for their contributions to the Association and its committees, in whose hands such contributions less all allowable expenses are liable to assessment for tax purposes. The Association and its committees comprise a single taxable body; no compensation has been made between them in recognition of any tax benefit transferred.

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 – lower than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.25%). The differences are explained below:

	2019 £	2018 £
(Loss)/profit before tax per the profit and loss accounts	(68,974)	17,369
Corporation tax at 19.00% (2018: 19.25%)	(13,106)	3,300
Effects of:		
Expenses not deductible for tax purposes	311,197	328,371
Income not taxable for tax purposes	(288,585)	(327,009)
Rate difference between deferred and current tax	(836)	(942)
Deferred tax not recognised	5,658	(706)
Adjustment in respect to prior periods	(54)	-
Fixed asset timing differences	264	1,176
Losses carried back		(114)
Total tax charge/(credit)	<u>14,538</u>	<u>4,076</u>

9. PARENT COMPANY NET INCOME FOR THE YEAR

The Association has taken advantage of the exemption in s.408, Companies Act 2006 from the requirement to present its own Income Statement. The Association's income is called and expenditure is made through the following funds.

	2019 £	2018 £
Cash called from members:		
Membership fees	2,824,858	2,702,116
Operations fund	4,348,000	4,015,000
	<u>7,172,858</u>	<u>6,717,116</u>
Other income	1,542,787	1,702,180
Administrative expenses	(8,756,437)	(8,360,297)
Net operating income before taxation	<u>(40,792)</u>	<u>58,999</u>

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

10. TANGIBLE FIXED ASSETS

Group	Leasehold improvements £	Furniture, fittings and equipment £	Total £
Cost			
At 1 January 2019	324,695	615,662	940,357
Additions	-	65,157	65,157
Disposals	-	(85,454)	(85,454)
At 31 December 2019	324,695	595,365	920,060
Accumulated depreciation			
At 1 January 2019	320,898	497,813	818,711
Charge for the year	2,436	50,761	53,197
Disposals	-	(85,454)	(85,454)
At 31 December 2019	323,334	463,120	786,454
Net Book Value			
At 31 December 2019	1,361	132,245	133,606
At 31 December 2018	3,797	117,849	121,646
Company			
Cost			
At 1 January 2019	324,695	606,132	930,827
Additions	-	61,121	61,121
Disposals	-	(76,063)	(76,063)
At 31 December 2019	324,695	591,190	915,885
Accumulated depreciation			
At 1 January 2019	320,898	488,810	809,708
Charge for the year	2,436	49,309	51,745
Disposals	-	(76,063)	(76,063)
At 31 December 2019	323,334	462,056	785,390
Net Book Value			
At 31 December 2019	1,361	129,134	130,495
At 31 December 2018	3,797	117,321	121,119

The Company relocated its London office in March 2020, which resulted in the disposal of £233,587 of leasehold improvement and furniture, fittings and equipment assets post year end. At 31 December 2019 these assets had a total net book value of £5,282.

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

11. INVESTMENTS – COMPANY

£

Cost of investments

At 1 January 2019 and 31 December 2019

23

This represents investments in subsidiary undertaking of which Oil & Gas UK holds a 100% interest, as follows: Common Data Access Limited provides data management services and shared data solutions to the offshore Oil industry. It is incorporated in England and Wales. Its registered address is 1st Floor, Paternoster House, 65 St Paul's Churchyard, London EC4M 8AB

The Association is also the sole registered member of Leading Oil & Gas Industry Competitiveness, which provides services to improve and promote the competitiveness of the UK oil and gas upstream industry and is registered in Scotland. It is incorporated in England and Wales. Its registered address is 3rd Floor, The Exchange 2, 62 Market Street, Aberdeen, AB11 5PJ.

12. DEBTORS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	512,040	573,283	338,195	269,456
Amounts due from group undertakings	-	-	57,493	36,282
Other debtors	511,822	685,646	511,822	685,646
Prepayments and accrued income	628,643	228,833	370,172	225,669
Tax and other social security	148,614	390,867	72,898	-
Corporation tax recoverable	8,935	8,935	-	-
Deferred tax asset (see note 15)	2,154	9,254	2,154	9,254
	<u>1,812,208</u>	<u>1,896,818</u>	<u>1,352,734</u>	<u>1,226,307</u>

Included within other debtors is a loan balance of £506,401. The loan is to the UK Fisheries Oil and Gas Legacy Trust Fund Limited and has a maximum level of £750,000. Repayment of the loan has commenced through the offset of ongoing annual funding contributions as part of the agreement, with £75,000 of the loan balance reduced during the year. The loan arrangements are reviewed by parties on an ongoing basis and it is currently scheduled for the loan to be repaid before March 2022.

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Cash at bank and in hand	<u>5,841,603</u>	<u>6,439,855</u>	<u>3,664,028</u>	<u>3,947,477</u>

14. CREDITORS: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	494,139	655,717	279,206	270,937
Other creditors	1,349,377	1,798,966	567,320	717,231
Accruals and deferred income	3,114,427	3,078,437	2,526,151	2,477,396
Corporation tax	7,438	5,008	5,801	3,927
Other taxes and social security	146,101	160,743	126,756	129,697
	<u>5,111,482</u>	<u>5,698,871</u>	<u>3,505,234</u>	<u>3,599,188</u>

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

15. DEFERRED TAXATION

	Group and Company	
	2019	2018
	£	£
At 1 January 2019	(9,254)	(17,257)
Tax charge debited to income statement	7,100	8,003
At 31 December 2019	<u>(2,154)</u>	<u>(9,254)</u>
Deferred taxation provided in the accounts comprises:		
Accelerated capital allowances	11,350	7,233
Losses and other deductions	(7,473)	(10,977)
Other timing differences	(6,031)	(5,510)
Deferred tax asset	<u>(2,154)</u>	<u>(9,254)</u>

16. REVENUE RESERVE

The revenue reserve comprises accumulated net income and expenditure to the reporting date.

17. FINANCIAL INSTRUMENTS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Financial assets that are debt instruments at amortised cost	1,235,552	1,275,726	977,055	991,538
Investments in subsidiaries valued at historic cost	-	-	23	23
	<u>1,235,552</u>	<u>1,275,726</u>	<u>977,078</u>	<u>991,561</u>
Financial liabilities at amortised cost	<u>2,575,722</u>	<u>1,370,774</u>	<u>2,096,062</u>	<u>986,447</u>

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

18. ANNUAL OPERATING LEASE COMMITMENTS

	Group and Company	
	2019	2018
	£	£
The group has annual commitments under operating leases in respect of leases which expire:		
Land and buildings:		
Within 1 year	653,230	387,877
Between 1 and 2 years	437,359	213,083
Between 2 and 5 years	1,303,934	-
	<u>2,394,523</u>	<u>600,960</u>
Other assets:		
Within one year	35,550	21,330
Between 1 and 2 years	20,675	17,726
Between 2 and 5 years	19,481	28,149
	<u>75,706</u>	<u>67,205</u>

19. RELATED PARTY TRANSACTIONS

The company has taken advantage of the provision of S33.1A of FRS 102 which exempts it from disclosing intercompany transactions with subsidiary entities.

The following amounts were owed / (owed to) by subsidiary undertakings by the company:

	Company only	
	2019	2018
	£	£
Common Data Access Limited	37,313	19,468
Leading Oil and Gas Competitiveness	20,180	16,814

No key management personnel, other than the directors (2018: Nil), received remuneration during the year.

20. ULTIMATE CONTROLLING PARTY

In the opinion of the directors there is no single ultimate controlling party.

THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

21. POST BALANCE SHEET EVENTS

In March 2020, the directors of subsidiary company, Common Data Access Ltd, resolved unanimously to declare a final dividend totalling £300,000, receivable by the parent company, UK Oil and Gas Industry Association Limited, which is expected to be paid in June 2020.

The Company relocated its London office in March 2020, which will result in a 2020 property, plant and equipment write-off of £5,282 from assets not now retained.

Subsequent to the financial year-end, the directors have given particular consideration to the impact of the worldwide COVID-19 pandemic on the future operations and the ability of the Company to continue to as a going concern. As referred in the directors' report and the going concern note, the directors view that there is no direct material impact to the group business activity from the pandemic itself but recognise that the current economic conditions from COVID-19, coupled with the impact of lower oil and gas prices are very challenging for its members and therefore, an increase in the normal business risk of membership loss is likely.

However, at the time of signing the accounts, no material increase in cancellations has been noted, given the importance of the Company's work and the overall value offering to the membership and the directors remain confident that the Company have sufficient reserves and can manage the current uncertainty to continue operating as a going concern.