

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED
(Formerly THE UK OIL AND GAS INDUSTRY ASSOCIATION LIMITED)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2021

Company Number: 1119804

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THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors submit their report and financial statements of The UK Offshore Energies Association Limited ("Offshore Energies UK") group for the year ended 31st December 2021. The group entities comprise the above company trading as OEUK 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 the year covered by this report were as below. The Company Secretary throughout the year was Graham Elgie.

Phil Kirk (resigned 9 Feb 2022)
Deirdre Michie
Dave Stewart (resigned 31 Dec 2021)
Peter Wilson (resigned 10 Jun 2021)
Steve Phimister (resigned 30 Apr 2021)
Phil Simons (resigned 16 Mar 2022)
Kenny Dey
Jean-Luc Guiziou
Sian Lloyd Rees
Bob Drummond
Arne Gürtner
Neil McCulloch
Scott McGinigal
Mitchell Flegg
Mark Abbey
Emeka Emembolu (resigned 1 Mar 2022)
Alexandra Thomas (resigned 16 March 2022)
Andy Hessel
Jose Luis Muñoz
Mikki Corcoran
Simon Roddy (appointed 10 Jun 2021)
Mathew Brodie (appointed 10 Jun 2021)
John Pearson (appointed 1 Jan 2022)
Doris Reiter (appointed 16 Mar 2022)
Sarah Cridland (appointed 16 Mar 2022)
Bob Fennell (appointed 9 June 2022)

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 22.

There is a directors' and officers' 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 OFFSHORE ENERGIES ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Principal Activities

OFFSHORE ENERGIES UK (OEUK)

Offshore Energies UK (OEUK) is the leading trade body for the UK's integrating offshore energies industry. Our membership includes ~400 organisations with an interest in offshore oil, gas, carbon capture and storage, hydrogen and offshore wind. From operators to the supply chain and across the lifecycle of the respective energies, our members are safely providing cleaner fuel, power and products to the UK.

Working together with our members, we are a driving force supporting the UK in ensuring security of energy supply while helping to meet its net zero ambitions. We work on behalf of the sector and our members to inform understanding with facts, evidence and data, engage on a range of key issues and support the broader value of this industry in a changing energy landscape.

Common Data Access Limited (CDA)

Our subsidiary company Common Data Access Limited (CDA) previously provided a range of valuable data management services and shared data solutions to OEUK members and across the industry in general. However, as noted in previous directors' reports, following the end of CDA's contract in June 2021 to operate the National Data Repository (NDR) on behalf of the North Sea Transition Authority (formerly OGA), CDA's primary source of income ended, and the company no longer remains a going concern. Following completion of some minor remaining activities, the company is expected to become dormant by the 30th June 2022.

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 a range of cross-industry projects including the helicopter flight share programme, the offshore personnel tracking system (Vantage POB), a buyer-supplier qualification service (SEQual), along with 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. It also continues to consider and develop as appropriate new opportunities for collaborative systems and solutions in line with the LOGIC's principles and purpose. Its board includes representatives that connect into the user communities of these projects.

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Business Review & Future Plans

Financial Review

The retained net loss for the year, after taxation, amounted to (£289,601). (2020: loss - £91,003).

Total income received for the group during the year was £14.507m, compared with 2020 total income of £13.968m. The increase of £0.539m (3.9%) results from a combination of income variations across the group, with increased OEUK net income (£1.067m) arising primarily due to additional member income in support of the enhanced Communication, Advocacy and Insight (CAI) initiatives, implementation of the North Sea Transition Deal (NSTD) and to carry out a strategic review. Offsetting the additional OEUK parent company income was a reduction in the subsidiary income / consolidation adjustments (£-0.521m), due to lower SEQual income (LOGIC) requirements in 2021 vs. the implementation year in 2020 and also reduced income in CDA, due to the cessation of contract services to manage the National Data Repository (NDR) at the end of June 2021.

Total costs incurred for the group through cost of sales and administrative expenses were £14.751m, compared with 2020 total costs of £14.085m. The increase in total costs of £0.666m (4.7%) broadly correlates to the same factors referred to for the increased income above, being higher OEUK costs (£1,202k) related to CAI initiatives, NSTD implementation and the strategic review, offset by a broadly corresponding reduction in subsidiary expenses / consolidation adjustments (£-536k) in LOGIC and CDA for the same reasons as referred above.

The group net asset position in the balance sheet of £2,295k vs. the 2020 position of £2,585k, reflects the overall net loss for the year (£-290k), predominantly due to the cessation of the CDA business activities.

Activity Review

2021 was a significant year for OEUK as it undertook a comprehensive strategic review, resulting in members voting at the December Annual General Meeting to support the evolution of the organisation's scope, so that in addition to our strong and continuing focus on oil and gas, it formally extended its work and representation in carbon capture & storage, hydrogen and also into offshore wind. This will provide members with an extended and interlinked offering, reflecting the energy transition, whether through diversifying portfolios or lowering industry's emissions footprint, along with a significant voice to progress an integrated energy policy approach. Consequently, the organisation's name changed to Offshore Energies UK (OEUK) to reflect this evolution.

The group also delivered a range of very notable achievements during a year that included the high-profile COP-26 event, held in Glasgow and focused on accelerating actions towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change.

Most significantly during 2021, the organisation was at the forefront of the development of the North Sea Transition Deal, the first of its kind by any G7 country, being an agreement progressed with the UK government, which recognises the offshore oil and gas sector as key to achieving net-zero carbon emissions by 2050. OEUK has subsequently led on initiatives in support of early-stage delivery against the deal expectations as part of driving the energy transition.

The organisation also continued to play a leading and significant role in co-ordinating industry's response in navigating through the COVID-19 pandemic, delivering guidance and solutions in support of protecting industry's workforce and for its operations to be continued in a safe and effective manner.

OEUK continues to maintain a powerful voice with which to communicate its messages to government, regulators, the media and all stakeholders, raising awareness of energy sector issues and highlighting the importance of the industry in the economic, employment and social advantages of making the most of UK reserves and its contribution to a net-zero future. This is a journey that is well in progress for the industry, being one of the first sectors to commit to net zero, targeting to halve production emissions from its offshore activities in the next decade and where industry's drive and innovation will shape the future of the industry, as it continues to meet the UK's energy needs while delivering the technologies needed for a just transition to net zero.

OEUK maintained its membership levels at over 400, materially consistent with its position at the end of 2020, also supported by very strong satisfaction levels received in member surveys, demonstrating the value offering and importance of the organisation's relevance and role representing on behalf of the offshore energy sector and its members.

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

The organisation continues with its robust ongoing assessment of priorities and the key account management process has given the organisation greater membership focus and a clearer value proposition, to remain strategically focused on key policy issues, ensuring that it keeps ahead of industry trends, legislative and regulatory developments, along with other vital intelligence.

This report highlights below further key activities of the group entities during 2021 and outlines plans for the future, where the organisation recognises that it must always be looking ahead to identify the future challenges facing offshore energy sector and represent its members effectively with all stakeholders going forward.

OEUK

The following points highlight a further selection of key achievements for OEUK against business objectives in 2021:

- **Energy Policy** – Along with the development of the North Sea Transition Deal as referred above, OEUK continued regular engagement with UK Government on a range of energy policy matters, provided analysis and impact assessments from Government energy policy releases.
- **Regulation / Consultations** – The organisation engaged with members and responded on a wide range of consultations during the year, most notably in respect of the “Climate Compatibility Checkpoint” to support decisions on future licencing rounds and avoid a damaging arbitrary end date to new exploration licencing.
- **Industry Reports** – Amongst its established suite of reports (Energy Transition Outlook, Economic Outlook, Decommissioning Insight), 2021 saw OEUK launch the sector’s first ever Diversity & Inclusion Survey Report, produced with Robert Gordon University. The OEUK Workforce report also highlighted the need for sustained backing for the sector to maintain energy supply, jobs, and investment through the transition.
- **Methane Action Plan / Electrification** – OEUK launched its Methane Action Plan at the end of June, setting firm targets for methane emissions reduction including zero routine flaring before 2030, proposals for improved emissions measurement and individual asset improvement plans. There has also been a strong focus on Electrification and associated regulatory factors.
- **Supply Chain:** With BEIS funding, work commenced to map and develop a deeper insight into the UK’s energy supply chain as part of a wider supply chain strategy. OEUK also focused on driving equitable supply chain / operator engagement and engaged industry to drive support for the Supply Chain principles, along with delivering a positive Working as One survey focused on collaboration.
- **Decommissioning:** OEUK strengthened its work in decommissioning through improved Decommissioning Insight products and the establishment of a Decommissioning Forum Steering Group, along with another successful Decommissioning Conference.
- **HSE:** As always, the organisation maintained its relentless focus on HSE related matters, including progression of the hydrocarbon reduction strategy, continuing efforts to address maintenance backlog work through improved KPI’s and also on the management of Aviation safety issues, such as helideck team competence/training.
- **Workforce Engagement & Skills:** Work focused on the need for transferable skills in the energy sector in support of energy transition in the UK; OEUK also further developed and embedded the new Energy Services Agreement established in 2020 for offshore pay and conditions.
- **Communications, Advocacy and Insights:** 2021 saw the continuing delivery of an enhanced stakeholder engagement programme, progressed to agreed KPIs, substantially increasing share of voice in protecting and promoting industry reputation, increase political intelligence and breadth of engagement, along with supporting the development of third-party advocacy with academics and think tanks.
- **Diversity & Inclusion** – Continued to lead industry efforts to ensure that the industry is an inclusive place to work, and one that can attract and retain diverse, talented people, including the launch of the sector’s first ever Diversity & Inclusion Survey Report.
- **Events:** Despite the continuing impact of the pandemic, the organisation successfully delivered a wide range of events, predominantly virtually, but also a return to some physical events, along with the development of hybrid options.

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Looking ahead to 2022, in addition to developing the business to deliver against its evolved remit, OEUK will continue to be focused on activities in support of its strategic priorities highlighted below:

- **Supporting net-zero:** encourage the reduction of industry's scope 1 and 2 emissions, along with the UK's scope 3 emissions
- **Helping meet UK energy needs:** facilitate the maximisation of UK offshore domestic production
- **Developing people & skills:** encourage a diverse and inclusive workforce with transferable skills
- **Driving technology & innovation:** facilitate the uptake of technology and innovation to transform the sector
- **Growing the economy & exports:** support a resilient, sustainable and diverse supply chain
- **Leading HSE performance:** enable and promote sector leading health, safety & operational environmental performance across the offshore energy sector
- **Enhancing industry reputation:** position the industry as safe, sustainable and socially acceptable
- **Leading industry association:** further develop a member-focused, agile and efficient business, which is a great place to work

Common Data Access Limited (CDA)

A comprehensive activity summary around the finances and operations is provided in the Directors' report of the CDA Statutory accounts, but in summary the company's primary activities continued successfully up to the 30th June 2021, when its contract to operate the UK National Data Repository (NDR) ended and activities were transitioned to a new company, following the re-tendering for the NDR service (in which CDA did not take part).

CDA's main source of income has now ceased, and as a result the company is no longer a going concern. CDA's articles of association were amended in September 2021 to allow the appointment of a caretaker board tasked with settling the affairs of the company. CDA is expected to be wound-up around the middle of 2022.

Some other key points of note for CDA from 2021 are as follows:

- Continued to work constructively in its regulatory interface capacity, engaging with information and samples coordinators and the OGA itself 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 are progressed in a collaborative fashion.
- Effectively delivered its industry representation role through 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 through appropriate forums, and opportunities to improve the efficiency of the industry through collaboration in data and digital are progressed.
- Delivered a series of successful physical and virtual events focused on data and digital issues.
- Significant work on Professionalisation in Petroleum Data Management focussed on understanding the impact of the digital revolution across the oil and gas industry and, on the roles, and career prospects of data professionals.

Leading Oil & Gas Industry Competitiveness (LOGIC) Limited

A comprehensive activity summary around the finances, governance and of the various tools and services is provided in the Directors' report of the LOGIC Statutory accounts, but in summary LOGIC achieved its key business objectives despite the continuing challenges in managing COVID across industry operations, by continuing to provide a smooth and reliable service in response to the demands from users across its range of services, with delivery self-funded and sustainable.

Some key points of note for LOGIC from 2021 are as follows:

- Significant milestone with the development of a new Supplier Qualification Service, known as SEQual, which was launched in May 2021 with nine launch buyers representing some of the largest oil and gas operators working in the UKCS.
- Renewal of the controlling deed for Flightshare arrangements in April 2021 for a further period of 5 years.

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

- Continuing progress on updates to the LOGIC standard contracts via an industry working group.
- Completion and launch of the new Industry Mutual Hold Harmless (IMHH 2022) scheme deed on 1st Nov 2021 (effective 1st January 2022), which will be active for 10 years and now explicitly covers renewable energies, decommissioning and carbon storage, as well as oil and gas activities.
- Operational oversight and system development of the Vantage POB system, as user levels continued to recover from a prior year low due to COVID

Performance Monitoring

As a representative body for oil and gas and broader energies, the primary source of OEUK 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. OEUK 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.

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 2021, OEUK maintained its membership around the 400 mark, continuing to attract new members and mitigate against membership losses, during a period of significant change as many members review their portfolios and focus areas. The formal extension of our work and representation into carbon capture & storage, hydrogen and into floating wind too, along with our leading position in oil and gas representation will provide members with an extended and interlinked offering, reinforcing and enhancing our value offering, providing management and the Board with assurance around the member value offering and the importance of the organisation's relevance and role within the energy industry.

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED**DIRECTORS' REPORT (continued)****FOR THE YEAR ENDED 31 DECEMBER 2021****Business and Operational Risk - continued**

Regular board meetings and close relationships with the member companies ensure that management continually obtains feedback and guidance on the direction of industry. As referred above, the industry's journey in respect of energy transition has already begun and the association itself continues to evolve as a consequence in support of its members.

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 the 2022 membership renewal period and cognisant of continuing factors related to the pandemic and volatile economic conditions for industry, particularly for its supply chain members. As reported in the 2020 report, the directors view that there is no direct material impact to the group business activity from the pandemic itself, but the normal business risk of membership loss remains high.

However, despite experiencing some attrition primarily due to mergers and acquisitions, member retention has been good and at the time of signing the accounts, no material increase in cancellations has been noted and we continue to attract new members, given the importance of the Company's work and the overall value offering to the membership, particularly from its evolution to broaden the scope of its offering to include other energies, and the directors remain confident that the Company have sufficient reserves and can manage the current uncertainty to continue operating as a going concern.

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

The organisation formally implemented its evolved scope and change of name in February 2022 and as previously noted, the subsidiary company Common Data Access Limited is expected to become dormant by the 30th June 2022.

Future Developments

The company and its subsidiaries will continue to trade under the same principal activities for at least the forthcoming twelve months, except as referred above in relation to its subsidiary, Common Data Access Limited (CDA).

Signed on behalf of the Board on... 8 JUNE 2022

DocuSigned by:

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Deirdre Michie
 Director

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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.....8 JUNE.....2022

DocuSigned by:

Deirdre Michie

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Deirdre Michie
Director

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of The UK Offshore Energies Association Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 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 2021 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 OFFSHORE ENERGIES ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Company Law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

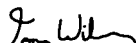
**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.
(continued)**

- Identifying and testing journals, in particular journal entries posted with unusual descriptions, large sum amounts and postings by unusual users; and
- Challenging assumptions and judgements made by management in their critical accounting estimates including revenue recognition policy.

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. This description forms part of our auditor's 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

Date: 05/07/22

10 Queen Street Place
London
EC4R 1AG

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		Continuing operations	Discontinued operations	2021	Continuing operations	Discontinued operations	2020
	Note	£	£	£	£	£	£
TURNOVER	3	12,875,809	1,631,165	14,506,974	11,248,263	2,719,269	13,967,532
Cost of sales		(1,806,765)	(1,357,331)	(3,164,096)	(1,659,198)	(2,086,191)	(3,745,389)
Gross surplus		11,069,044	273,834	11,342,878	9,589,065	633,078	10,222,143
Administration expenses		(11,052,688)	(534,137)	(11,586,825)	(9,750,787)	(589,234)	(10,340,021)
Interest receivable		572	125	697	11,311	2,154	13,465
Other operating income		20,507	-	20,507	32,442	-	32,442
SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	37,435	(260,178)	(222,743)	(117,969)	45,998	(71,971)
Taxation		(66,858)	-	(66,858)	(19,032)	-	(19,032)
SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR		(29,423)	(260,178)	(289,601)	(137,001)	45,998	(91,003)

There was no other comprehensive income for 2020 or 2021.

The notes on pages 17 to 27 form part of these financial statements.

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

Company Number: 1119804

		Group		Company	
	Notes	2021 £	2020 £	2021 £	2020 £
FIXED ASSETS					
Tangible assets	10	982,270	1,202,261	980,374	1,199,055
Investments	11	-	-	23	23
		<u>982,270</u>	<u>1,202,261</u>	<u>980,397</u>	<u>1,199,078</u>
CURRENT ASSETS					
Debtors	12	1,678,152	1,584,808	959,454	881,781
Cash at bank and in hand	13	6,682,136	5,892,181	4,749,338	3,960,092
		<u>8,360,288</u>	<u>7,476,989</u>	<u>5,708,792</u>	<u>4,841,873</u>
CREDITORS: amounts falling due within one year	14	(6,963,775)	(6,077,724)	(4,529,049)	(4,063,632)
NET CURRENT ASSETS		<u>1,396,513</u>	<u>1,399,265</u>	<u>1,179,743</u>	<u>778,241</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,378,783</u>	<u>2,601,526</u>	<u>2,160,140</u>	<u>1,977,319</u>
Provision for deferred taxation	15	(83,452)	(16,594)	(83,452)	(16,594)
NET ASSETS		<u>2,295,331</u>	<u>2,584,932</u>	<u>2,076,688</u>	<u>1,960,725</u>
Represented by:					
Revenue Reserves		<u>2,295,331</u>	<u>2,584,932</u>	<u>2,076,688</u>	<u>1,960,725</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 surplus of £182,821 (2020: £337,428 surplus) during the year.

The financial statements were approved and authorised for issue by the Board of Directors on 8 JUNE 2022 and were signed below on its behalf by:

DocuSigned by:
Deirdre Michie
CD39FCE81DD1435...

Deirdre Michie
Director

The notes on pages 17 to 27 form part of these financial statements.

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED**CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021	2020
		£	£
Cash flows from operating activities			
Surplus for the financial year		(289,601)	(91,003)
Adjustments for:			
Depreciation		275,196	187,914
Taxation		66,858	19,032
Interest receivable		(697)	(13,465)
Loss on disposal		-	16,167
(Increase)/ Decrease in debtors		(93,344)	225,246
Increase in creditors		886,417	973,314
Taxation paid		(366)	(7,356)
Net cash generated from operating activities		844,463	1,309,849
Cash flows from investing activities			
Payments to acquire tangible assets		(55,205)	(1,272,736)
Interest receivable		697	13,465
Net cash flows from investing activities		(54,508)	(1,259,271)
Net cash inflow before management of liquid resources and financing		789,955	50,578
Increase/(decrease) in cash in the year		789,955	50,578
Cash and cash equivalents at the beginning of the year	18	5,892,181	5,841,603
Cash and cash equivalents at the end of the year	18	6,682,136	5,892,181

The notes on pages 17 to 27 form part of these financial statements.

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

Group	Revenue reserves £	Total £
At 1 January 2020	2,675,935	2,675,935
Loss for the year	(91,003)	(91,003)
At 31 December 2020	2,584,932	2,584,932
Loss for the year	(289,601)	(289,601)
At 31 December 2021	<u>2,295,331</u>	<u>2,295,331</u>

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED
COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

Company	Revenue reserves £	Total £
At 1 January 2020	1,642,046	1,642,046
Surplus for the year	318,679	318,679
At 31 December 2020	1,960,725	1,960,725
Surplus for the year	115,963	115,963
At 31 December 2021	<u>2,076,688</u>	<u>2,076,688</u>

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 Offshore Energies 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 404 members of the Association at 31 December 2021.

Going Concern

The Directors, after careful consideration and enquiry, are of the opinion that the group 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 continued to give particular consideration to the impact of the COVID-19 pandemic, but view that there is no direct material impact to the group business activity resulted from the pandemic itself. More broadly, the difficult economic conditions that resulted from COVID-19 and created a downturn and challenging business environment for its members, has now moved to a significant upturn in demand for oil and gas, and significantly increased product prices due to global economic factors.

This has resulted in an improved business environment for the industry, but with a continuing challenge to bring investment and increased activity in the UKCS, which is now likely to be further impacted by the introduction of the windfall tax by the UK government, the normal business risk around membership loss continues to be monitored closely. However, despite experiencing some attrition primarily due to mergers and acquisitions, member retention has been good and at the time of signing the accounts, no material increase in cancellations has been noted and we continue to attract new members, given the importance of the Company's work and the overall value offering to the membership.

Therefore, 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 OFFSHORE ENERGIES ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2021**

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 OFFSHORE ENERGIES ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 (5-10 years)
Fixtures and fittings	20% 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 payment 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 OFFSHORE ENERGIES ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 OFFSHORE ENERGIES ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2021****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:

	2021 £	2020 £
Subscription income	11,435,677	10,353,255
Other services rendered	3,071,297	3,614,277
Turnover	<u>14,506,974</u>	<u>13,967,532</u>

4. NET OPERATING INCOME - GROUP

	2021 £	2020 £
Operating income includes the following charges/(credits):		
Operating lease rental charges	240,464	639,039
Depreciation	<u>275,196</u>	<u>187,914</u>

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

5. AUDITORS' REMUNERATION	2021	2020
	£	£
Fees payable to the group's auditor for the audit of the financial statements	22,300	20,950
Other services relating to taxation	3,850	3,500
Other services	3,200	3,200
	<u>29,350</u>	<u>27,650</u>
6. EMPLOYEES	2021	2020
	£	£
Staff costs including directors' remuneration were as follows:		
Wages and salaries	4,632,185	4,293,138
Social security costs	557,191	527,572
Pension costs	352,117	339,260
Staff costs	<u>5,541,493</u>	<u>5,159,970</u>
The average number of employees in the group during the year was 68 (2020: 62).		
7. DIRECTORS' REMUNERATION	2021	2020
	£	£
Director's remuneration (Company)	400,469	334,135
Pension contributions (Company)	30,913	30,913
Director's remuneration (Group)	561,730	483,033
Pension Contributions (Group)	<u>30,913</u>	<u>46,450</u>
The number of directors to whom retirement benefits are accruing: 2 (2020: 2)		
During the year, the highest paid director received remuneration of £400,469 (2020: £334,135)		
The company paid contributions into a defined contribution pension scheme for the director in the year totalling £30,913 (2020: £30,913)		
8. TAXATION - GROUP	2021	2020
	£	£
Analysis of charge in year		
Current tax		
UK corporation tax on net income for the year	-	366
Adjustments in respect of previous year	-	(82)
Total current tax	<u>-</u>	<u>284</u>
Deferred tax		
Losses and other deductions	-	-
Origination and reversal of timing differences	66,858	18,748
Total deferred tax charge	<u>66,858</u>	<u>18,748</u>
Tax charge on net income on ordinary activities	<u>66,858</u>	<u>19,032</u>

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2021****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 (2020 – lower than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £	2020 £
(Loss)/profit before tax per the profit and loss accounts	(222,744)	(71,971)
Corporation tax at 19% (2020: 19.00%)	(42,321)	(13,675)
Effects of:		
Expenses not deductible for tax purposes	439,886	376,668
Income not taxable for tax purposes	(439,604)	(375,663)
Rate difference between deferred and current tax	(12,829)	(908)
Deferred tax not recognised	109,873	21,466
Adjustment in respect to prior periods	(557)	(82)
Fixed asset timing differences	12,410	11,226
Total tax charge/(credit)	<u>66,858</u>	<u>19,032</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.

	2021 £	2020 £
Cash called from members:		
Membership fees	3,052,686	3,257,542
Operations fund	6,633,000	5,538,771
	<u>9,685,686</u>	<u>8,796,313</u>
Other income	1,335,018	1,177,305
Administrative expenses	(10,837,883)	(9,636,190)
Net operating income before taxation	<u>182,821</u>	<u>337,428</u>

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

10. TANGIBLE FIXED ASSETS

Group	Leasehold improvements £	Furniture, fittings and equipment £	Total £
Cost			
At 1 January 2021	638,804	864,722	1,503,526
Additions	17,533	37,672	55,205
Disposals		(27,141)	(27,141)
At 31 December 2021	656,337	875,253	1,531,590
Accumulated depreciation			
At 1 January 2021	51,014	250,251	301,265
Charge for the year	89,484	185,712	275,196
Disposals	-	(27,141)	(27,141)
At 31 December 2021	140,498	408,822	549,320
Net Book Value			
At 31 December 2021	515,839	466,431	982,270
At 31 December 2020	587,790	614,471	1,202,261
Company			
Cost			
At 1 January 2021	638,804	859,343	1,498,147
Additions	17,533	37,672	55,205
Disposals	-	(27,141)	(27,141)
At 31 December 2021	656,337	869,874	1,526,211
Accumulated depreciation			
At 1 January 2021	51,014	248,078	299,092
Charge for the year	89,484	184,402	273,886
Disposals	-	(27,141)	(27,141)
At 31 December 2021	140,498	405,339	545,837
Net Book Value			
At 31 December 2021	515,839	464,535	980,374
At 31 December 2020	587,790	611,265	1,199,055

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

11. INVESTMENTS – COMPANY

£

Cost of investments

At 1 January 2021 and 31 December 2021

23

This represents investments in subsidiary undertaking of which Offshore Energies UK holds a 100% interest, as follows:

Common Data Access Limited previously provided data management services and shared data solutions to operators in 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	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	184,706	390,201	24,677	59,901
Amounts due from group undertakings	-	-	67,836	8,413
Other debtors	146,054	375,000	146,052	375,000
Prepayments and accrued income	1,075,447	585,083	557,251	313,190
Tax and other social security	271,945	225,589	163,638	125,277
Corporation tax recoverable	-	8,935	-	-
	<u>1,678,152</u>	<u>1,584,808</u>	<u>959,454</u>	<u>881,781</u>

Included within other debtors is a loan balance of £144,000. 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 £30,000 of the loan balance reduced during the year. During the year, the UK Fisheries Oil and Gas Legacy Trust Fund Limited also made a cash repayment of £200,000. The loan arrangements are reviewed by parties on an ongoing basis and it is currently scheduled for the loan to be repaid during 2022.

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Cash at bank and in hand	<u>6,682,136</u>	<u>5,892,181</u>	<u>4,749,338</u>	<u>3,960,092</u>

14. CREDITORS: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	1,406,011	764,838	1721,563	535,669
Other creditors	1,730,633	1,908,607	1,165,473	1,113,402
Accruals and deferred income	3,678,317	3,256,377	2,499,538	2,280,091
Corporation tax	-	366	-	-
Other taxes and social security	148,814	147,536	142,475	134,470
	<u>6,963,775</u>	<u>6,077,724</u>	<u>4,529,049</u>	<u>4,063,632</u>

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

15. DEFERRED TAXATION

	Group and Company 2021 £	2020 £
At 1 January 2021	16,594	(2,154)
Tax charge debited to income statement	66,858	18,748
At 31 December 2021	<u>83,452</u>	<u>16,594</u>
Deferred taxation provided in the accounts comprises:		
Accelerated capital allowances	153,914	140,090
Losses and other deductions	(70,218)	(123,496)
Other timing differences	(244)	-
Deferred tax asset	<u>83,452</u>	<u>16,594</u>

16. REVENUE RESERVE

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

17. FINANCIAL INSTRUMENTS

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Financial assets that are debt instruments at amortised cost	870,303	568,591	669,803	999,113
Investments in subsidiaries valued at historic cost	-	-	23	23
	<u>870,303</u>	<u>568,591</u>	<u>669,826</u>	<u>999,136</u>
Financial liabilities at amortised cost	<u>3,995,431</u>	<u>3,258,022</u>	<u>3,258,022</u>	<u>3,755,964</u>

18. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2021 £	Cashflows £	At 31 Dec 2021 £
Cash and cash equivalents			
Cash	5,892,181	789,955	6,682,136
Borrowings	5,892,181	789,955	6,682,136
Debt	-	-	-
Total	<u>5,892,181</u>	<u>789,955</u>	<u>6,682,136</u>

THE UK OFFSHORE ENERGIES ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2021****19. ANNUAL OPERATING LEASE COMMITMENTS**

	Group and Company	
	2021	2020
	£	£
The group has annual commitments under operating leases in respect of leases which expire:		
Land and buildings:		
Within 1 year	502,721	502,721
Between 1 and 2 years	502,721	502,721
Between 2 and 5 years	1,235,642	1,508,162
	<u>2,241,084</u>	<u>2,513,604</u>
Other assets:		
Within one year	40,810	35,837
Between 1 and 2 years	32,004	39,080
Between 2 and 5 years	8,010	34,802
	<u>80,824</u>	<u>109,719</u>

20. 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	
	2021	2020
	£	£
Common Data Access Limited	7,499	2,413
Leading Oil and Gas Competitiveness	60,337	6,000

No key management personnel, other than the directors, received remuneration during the year (2020: Nil) – see note 7 for directors' remuneration.

21. ULTIMATE CONTROLLING PARTY

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

22. POST BALANCE SHEET EVENTS

As referred to in the directors' report, CDA's contract to operate the NDR on behalf of the OGA terminated on 30 June 2021. As a consequence, CDA's primary source of income has ended and following completion of some remaining project activities, the company is no longer a going concern as a subsidiary and is expected to become dormant by the 30th June 2022.