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# Oil Companies International Marine Forum

(A Company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 December 2018

Incorporated under a Private Act of Parliament in Bermuda



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# Oil Companies International Marine Forum

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# Oil Companies International Marine Forum

## Strategic Report

For the year ended 31 December 2018

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The director presents the strategic report and financial statements for the year ended 31 December 2018

### **Fair review of the business**

The year ended 31 December 2018 saw a 20.17% (2017:20.84% increase) increase in income driven by an increase in publication royalties.

We note that this year has seen a continuation of the growth of the organisation as witnessed in previous years and as such the Executive Committee continue to review the forum's strategy with regards to control and efficiency of this larger organisation.

We exist for the benefit of our members and we seek to engage with them wherever possible. To this end from 2017 our Regional Marine Forums have been open to non-members from the marine industry in the regions, in addition to all members. We also publish a monthly newsletter through which we seek to communicate key issues with our members. The membership numbers are kept under review and as at 31 December 2018 membership numbers stood at 109 (2017: 109).

In the forthcoming year, we will seek to further engage our members so as to increase the level of participation across a much broader range of members in line with our strategy.

### **Results and Dividends**

The income and expenditure statement for the year is set out on page 7.

### **Key performance indicators**

The key performance indicator (KPI's) measures are:

- a) Income: £11,461,825 (2017: £9,538,005)
- b) Operating profit: 28.59% (2017: 20.44%)
- c) EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation): £3,808,693 (2017: £2,397,255)

### **Financial risk management**

The company's operations expose it to limited financial risks. Credit risk is the primary risk and trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary. Given the size of the company, the Executive Committee have not delegated the responsibility of monitoring financial risk management to a sub-committee. The policies set by the Executive Committee are implemented by the Secretariat.

By order of the board



R Drysdale

**Secretariat**

Date: 6<sup>th</sup> November 2019

# Oil Companies International Marine Forum

## Report of the Executive Committee

For the year ended 31 December 2018

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The Officers and Secretariat present their annual report and financial statements for the year ended 31 December 2018.

### Principal activities

The principal activity of the company continued to be that of a membership body promoting the safe and environmentally responsible operation of oil tankers and terminals, promoting continuous improvement in standards of design and operation.

### Officers and executive committee

#### **Chairman:**

Dr G Henderson  
Mr M Ross

Shell (resigned 14 February 2018)  
Chevron

#### **Vice Chairman:**

Mrs S Dio  
Mr L Gillet  
Ms T Gunnlaugsson

BP (resigned 30 January 2018)  
Total SA  
ExxonMobil (resigned 1 August 2018)

#### **Secretariat:**

Cpt A Cassels  
Mr R Drysdale  
Ms J McGuiness  
Conyers Corporate Services Ltd

(resigned 13 June 2018)  
(appointed 13 June 2018)  
(resigned 12 December 2017)  
(appointed 12 December 2017)

#### **Executive committee:**

Cpt A Al-Rasheed  
Mr K Atsumi  
Mr J DeRose  
Mr P Pereira  
Cpt K Davis  
Mr W Ghanem  
Mr K Johnsen  
Ms C-L Howle  
Mr N Potter  
Mr C Quarles  
Mr M Fortnum

Kuwait Oil Company  
PIMA  
Philips 66  
Petrobras  
ConocoPhillips  
ENOC  
Equinor  
BP (appointed 23 February 2018//resigned 7 September 2018)  
Shell (appointed 23 February 2018)  
Exxon Mobil (appointed 6 August 2018)  
BP(appointed 1 October 2018)

The above listed as Chairman, Vice Chairman and executive committee are also listed as statutory directors as per companies house.

### Results and dividends

The results for the year are set out on page 7.

### Auditors

In accordance with the company's articles, a resolution proposing that Menzies LLP be re-appointed as auditors of the company will be put at a General Meeting.

# Oil Companies International Marine Forum

## Report of the Executive Committee

For the year ended 31 December 2018

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### **Registered office**

The company's registered office is Clarendon House, Church Street, Hamilton, Bermuda.

### **Statement of responsibilities of the Officers and Secretariat**

The Officers and Secretariat are responsible for preparing the Annual Report and the Report of the Executive Committee and the Secretariat in accordance with applicable law and regulations.

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

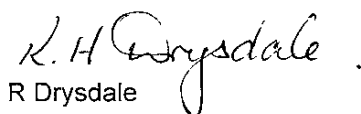
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

### **Statement of disclosure to auditors**

So far as each person who was an officer at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the Officers and Secretariat and individually have taken all the necessary steps that they ought to have taken as Officers and Secretariat in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



R Drysdale  
**Secretariat**

Date: 6<sup>th</sup> November 2019

# Oil Companies International Marine Forum

## Independent Auditors' Report

To the Members of Oil Companies International Marine Forum

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### Opinion

We have audited the financial statements of Oil Companies International Marine Forum (the 'company') for the year ended 31 December 2018 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows 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 FRS 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 company's affairs as at 31 December 2018 and of its profit 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in 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 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.

# Oil Companies International Marine Forum

## Independent Auditors' Report

### To the Members of Oil Companies International Marine Forum

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#### **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 auditor's report thereon. Our opinion on the financial statements does not cover the other 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 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 company or to cease operations*, or have no realistic alternative but to do so.

#### **Auditor's 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 auditor's 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 Councils website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# Oil Companies International Marine Forum

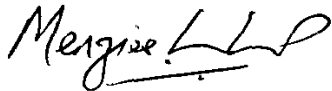
## Independent Auditors' Report (Continued)

To the Members of Oil Companies International Marine Forum

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### Use of our report

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



Malcolm Lucas FCA

For and on behalf of Menzies LLP, Chartered Accounts & Statutory Auditor

Ashcombe House  
5 The Crescent  
Leatherhead  
Surrey KT22 8DY

Date 20 December, 2019.



# Oil Companies International Marine Forum

## Statement of Income And Retained Earnings

For the year Ended 31 December 2018

		2018 £	2017 £
<b>Income</b>	<b>Notes</b>		
	<b>3</b>		
Sales of ship reports		6,771,789	6,646,278
Membership contributions		801,327	892,134
Sire inspector subscriptions - audit fee		514,435	494,280
Sire barge inspector subscriptions - audit fee		14,900	16,386
Other operating income		3,359,374	1,488,927
<b>Gross surplus</b>		11,461,825	9,538,005
Administrative expenses		(8,185,439)	(7,588,561)
<b>Operating surplus</b>	<b>4</b>	3,276,386	1,949,444
<b>Interest</b>	<b>7</b>		
Interest and similar income		45,229	38,250
Interest received on taxes		140	-
		45,369	38,250
<b>Surplus before taxation</b>		3,321,755	1,987,694
Taxation	<b>8</b>	(691,483)	(393,314)
<b>Surplus for the financial year</b>		2,630,272	1,594,380
Retained earnings at 1 January 2018 (as restated)		9,623,473	8,029,093
Retained earnings at 31 December 2018		12,253,745	9,623,473

The Income and Expenditure Account has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 to 22 form part of these financial statements.


# Oil Companies International Marine Forum

## Balance Sheet

As at 31 December 2018

		2018		2017	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	9		704,714		590,037
Tangible assets	10		101,576		44,134
			<u>806,290</u>		<u>634,171</u>
<b>Current assets</b>					
Debtors	12	2,110,702		3,014,436	
Cash at bank and in hand	13	12,565,212		9,762,286	
			<u>14,675,914</u>	<u>12,776,722</u>	
<b>Creditors: amounts falling due within one year</b>	14	(3,228,459)		(3,787,420)	
Net current assets			<u>11,447,455</u>		<u>8,989,302</u>
<b>Total assets less current liabilities</b>			<u>12,253,745</u>		<u>9,623,473</u>
<b>Reserves</b>					
Income and expenditure account			<u>12,253,745</u>		<u>9,623,473</u>

The financial statements were approved and authorised for issue by the Executive Committee on date 6<sup>th</sup> November 2019 and were signed on its behalf by:

  
Robert Drysdale  
Secretariat

Registered place of business in England: FC025995

The notes on pages 10 to 22 form part of these financial statements.

# Oil Companies International Marine Forum

## Statement of Cash Flows

For the Year Ended 31 December 2018

	Notes	2018		2017	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	19		4,222,105		1,656,340
Income taxes paid			(691,483)		(393,314)
<b>Net cash inflow from operating activities</b>			3,530,622		1,263,026
<b>Investing activities</b>					
Purchase of intangible assets		(646,054)		(523,259)	
Purchase of tangible fixed assets		(127,011)		(51,297)	
Interest received		45,369		38,250	
<b>Net cash used in investing activities</b>			(727,696)		(536,306)
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			2,802,926		726,720
Cash and cash equivalents at beginning of year			9,762,286		9,035,566
<b>Cash and cash equivalents at end of year</b>			12,565,212		9,762,286

The notes on pages 10 to 22 form part of the financial statements.

# Oil Companies International Marine Forum

## Notes to the Financial Statements

For the year ended 31 December 2018

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### 1 Accounting policies

#### Company information

Oil Companies International Marine Forum (OCIMF) was incorporated by private act in Bermuda in 1977. It is a voluntary association of oil companies, whose members pay annual subscription fees to fund OCIMF's activities. The registered office is Clarendon House, Church Street, Hamilton, Bermuda, HM11.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Schedule 4 to The Overseas Companies Regulations 2009.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

#### 1.2 Income and expenditure

Membership subscriptions:

Subscriptions received from members are recognised on an accruals basis.

Ship and barge reports:

Ship and barge report revenue is recognised on an accruals basis in the period which the ship or barge report sales were made.

Publication royalties:

Publication royalties' revenue is recognised on an accruals basis in the period which the publication sales were made.

SIRE inspector subscriptions:

Audit fee revenue is recognised on an accruals basis in the period which the revenue is earned.

Expenses are included in the financial statements as they become due.

#### 1.3 Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3 years straight line
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# Oil Companies International Marine Forum

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

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### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	3-5 years straight line
Fixtures and fittings	3 years straight line
Computers	3 years straight line
Office relocation	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Included with in cash and cash equivalents are amounts held in fixed term deposit accounts that have an original maturity of twelve to twenty four months.

#### 1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

# Oil Companies International Marine Forum

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

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### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through surplus and deficit, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in surplus or deficit.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in surplus or deficit.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### 1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# Oil Companies International Marine Forum

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

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### 1 Accounting policies

(Continued)

#### 1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.9 Pensions

A stakeholder pension scheme is in operation for the employees of OCIMF. Costs are charged to the income and expenditure statement as incurred.

#### 1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed

#### 1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

# Oil Companies International Marine Forum

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

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### **2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the Executive Committee are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### ***Amortisation***

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. See note 9 for the carrying amount of the intangible assets.

#### ***Depreciation***

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property, plant and equipment.

#### ***Provisions***

Provisions have been made for legal costs at an amount that is a reliable estimate of the expected settlement based on the information available. These provisions are included in accruals and are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.



# Oil Companies International Marine Forum

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

### 3 Turnover

#### Turnover analysed by geographical market

	2018 £	2017 £
United Kingdom	5,711,157	3,776,491
Europe	1,137,846	1,130,186
Rest of World	4,612,822	4,631,328
	<u>11,461,825</u>	<u>9,538,005</u>

### 4 Operating (deficit)/surplus

	2018 £	2017 £
Operating (deficit)/surplus for the year is stated after charging/(crediting):		
Exchange losses/(gains)	47,954	11,795
Depreciation of owned tangible fixed assets	57,460	38,225
Deficit on disposal of tangible fixed assets	12,109	-
Amortisation of intangible assets	474,844	409,586
Deficit on disposal of intangible assets	56,533	53,210
Defined contribution pension costs	62,431	62,141
Other operating lease rentals	<u>453,285</u>	<u>453,218</u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Administration	17	16
Seconded	7	8
	<u>24</u>	<u>24</u>

# Oil Companies International Marine Forum

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

### 5 Employees

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	884,418	835,391
Social security costs	100,311	96,719
Pension costs	62,431	62,141
	<u>1,047,160</u>	<u>994,251</u>

### 6 Key management personnel remuneration

	2018 £	2017 £
Remuneration for qualifying services	1,222,909	890,546
	<u>1,222,909</u>	<u>890,546</u>

### 7 Interest receivable and similar income

	2018 £	2017 £
<b>Interest income</b>		
Interest on bank deposits	45,229	38,250
Interest received on taxes	140	-
	<u>45,369</u>	<u>38,250</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through surplus or deficit	<u>45,229</u>	<u>38,250</u>
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# Oil Companies International Marine Forum

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

### 8 Taxation

	2018 £	2017 £
<b>Current tax charge</b>		
UK corporation tax on profits for the current period	696,062	229,517
<b>Deferred tax charge/(credit)</b>		
Origination and reversal of timing differences	(4,579)	163,797
<b>Total tax charge</b>	691,483	393,314

The charge for the year can be reconciled as follows:

	2018 £	2017 £
Profit/(loss) before taxation	3,321,755	1,987,694
<i>Expected UK tax charge at theoretical rate of 19%(19.25% 2017)</i>	631,133	382,631
Tax effect of non-deductible expenses	151,519	28,849
Tax effect of income not taxable	(40,900)	(28,728)
Tax losses utilised	-	(89,298)
Permanent capital allowances in excess of depreciation	(104,897)	(72,633)
Other timing differences	(12,283)	163,797
Difference due to change in tax rate	-	9,417
Other movements	11,600	(721)
Amendments to prior year tax charge	55,311	-
<b>Tax charge for the year</b>	691,483	393,314

# Oil Companies International Marine Forum

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

### 9 Intangible fixed assets

	Software	Software under construction	Total
	£	£	£
<b>Cost</b>			
At 1 January 2018	3,011,215	106,005	3,117,220
Additions	502,327	143,727	646,054
Disposals	(226,599)	(13,345)	(239,944)
Transfer to in use	87,704	(87,704)	-
At 31 December 2018	3,374,647	148,683	3,523,330
<b>Amortisation and impairment</b>			
At 1 January 2018	2,527,183	-	2,527,183
Amortisation charged for the year	474,844	-	474,844
Disposals	(183,411)	-	(183,411)
At 31 December 2018	2,818,616	-	2,818,616
<b>Carrying amount</b>			
At 31 December 2018	556,031	148,683	704,714
At 31 December 2017	484,032	106,005	590,037

# Oil Companies International Marine Forum

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

### 10 Tangible fixed assets

	Assets under construction	Office equipment	Fixtures and fittings	Computers	Office relocation	Total
	£	£	£	£	£	£
At 1 January 2018	-	108,465	29,140	71,088	352,345	561,038
Additions	-	109,400	-	17,611	-	127,011
Disposals	-	(42,536)	-	(51,044)	(25,763)	(119,343)
Transfer to in use	-	-	-	-	-	-
At 31 December 2018	-	175,329	29,140	37,655	326,582	568,706
<b>Depreciation and impairment</b>						
At 1 January 2018	-	86,248	29,140	49,171	352,345	516,904
Depreciation charged in the year	-	44,909	-	12,551	-	57,460
Eliminated in respect of disposals	-	(40,148)	-	(41,323)	(25,763)	(107,234)
At 31 December 2018	-	91,009	29,140	20,399	326,582	467,130
<b>Net book value</b>						
At 31 December 2018	-	84,320	-	17,256	-	101,576
At 31 December 2017	-	22,217	-	21,917	-	44,134

# Oil Companies International Marine Forum

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

### 11 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	1,811,659	2,614,226
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	1,970,137	1,202,504

### 12 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,093,420	746,308
Corporation tax recoverable	-	110,259
Other debtors	23,946	17,268
Prepayments and accrued income	915,842	2,067,686
	2,033,208	2,941,521
Deferred tax asset (note 15)	77,494	72,915
	2,110,702	3,014,436

### 13 Cash and cash equivalents

Included in cash and cash equivalents are funds held in fixed term deposit accounts, with fixed terms of between 12 and 12 months 2 days. Deposits of £2,775,060 (2017 £2,747,848) have a maturity date greater than 3 months after the reporting date.

### 14 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,285,490	687,091
Other taxation and social security	253,075	48,033
Corporation tax payable	697,851	229,517
Other creditors	54,099	4,019
Accruals and deferred income	937,944	2,818,760
	3,228,459	3,787,420

# Oil Companies International Marine Forum

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

### 15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	<b>Assets 2018 £</b>	<b>Assets 2017 £</b>
<b>Balances:</b>		
Accelerated capital allowances	76,121	71,129
Losses	1,373	1,786
	<u>77,494</u>	<u>72,915</u>
<b>Movements in the year:</b>		<b>2018 £</b>
Liability/(asset) at 1 January 2018		(72,915)
Charge to profit and loss		<u>(4,579)</u>
Liability/(asset) at 31 December 2018		<u>(77,494)</u>

### 16 Retirement benefit schemes

The company operates a stakeholder pension scheme for all qualifying employees.

The charge to income and expenditure in respect of defined contribution schemes was £62,431 (2017 - £62,141). Contributions totalling £8,072 (2017: £9,399) were payable to the fund at balance sheet date and are included in creditors.

### 17 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited. The members of the forum shall be liable for all debts, costs and expenses of the forum. In the event that it is decided to wind up the Marine Forum its assets shall, after debts have been paid, be equitably distributed between the members of the Marine Forum at the time of such winding up.

# Oil Companies International Marine Forum

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2018

### 18 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	452,778	452,887
Between two and five years	876,891	1,319,244
	<u>1,329,669</u>	<u>1,772,131</u>

### 19 Cash generated from operations

	2018 £	2017 £
Surplus for the year	2,630,272	1,594,380
Adjustments for:		
Income tax expense	691,483	393,314
Investment income	(45,229)	(38,250)
Interest received on taxes	(140)	-
Operating surplus	<u>3,276,386</u>	<u>1,949,444</u>
Loss on disposal of tangible fixed assets	12,109	-
Loss on disposal of intangible assets	56,533	53,210
Amortisation of intangible assets	474,844	409,586
Depreciation of tangible fixed assets	57,460	38,225
Movements in working capital:		
Decrease/(Increase) in debtors	903,734	(1,546,284)
(Decrease)/Increase in creditors	(558,961)	752,159
<b>Cash generated from operations</b>	<u><u>4,222,105</u></u>	<u><u>1,656,340</u></u>