

AAPG - EUROPE

England & Wales · Charity number 1126290

Details

| | |
|----------------|---------------------------------------------------------|
| Status | Registered |
| Legal form | Charitable company |
| Company number | 06540163 |
| Registered | 2008-10-14 |
| Register | View on the Charity Commission register |

Contact

| | |
|---------|--------------------------------------------------------------|
| Address | 9 Appold Street 6th Floor London EC2A 2AP |
| Phone | +1 918 560 2607 |
| Email | europe@aapg.org |
| Website | www.europe.aapg.org |

Activities

Objects: TO ADVANCE THE SCIENCE OF GEOLOGY AND ITS ALLIED SCIENCES IN PARTICULAR, BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING, AS THEY RELATE TO PETROLEUM, NATURAL GAS, OTHER SUBSURFACE FLUIDS, AND MINERAL RESOURCES, THROUGH METHODS INCLUDING:- PROMOTING THE TECHNOLOGY OF EXPLORING FOR, FINDING, AND PRODUCING SUCH MATERIALS IN AN ECONOMICALLY AND ENVIRONMENTALLY SOUND MANNER; AND DISSEMINATING INFORMATION RELATING TO THE GEOLOGY AND THE ASSOCIATED TECHNOLOGY OF PETROLEUM, NATURAL GAS, OTHER SUBSURFACE FLUIDS, AND MINERAL RESOURCES.

Activities: To advance the science of geology and its allied sciences in particular, but without prejudice to the generality of the forgoing, as they relate to petroleum, natural gas, other subsurface fluids and mineral resources. The outreach is made through short courses, educational offerings, technology workshops, student grants and programs, etc.

Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED
- Scotland
- Throughout London

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|----------|-------------|----------|-----------|
| 2025-06-30 | - | - | - | - |
| 2024-06-30 | £392,260 | £403,443 | - | - |
| 2023-06-30 | £798,408 | £516,714 | £232,324 | 3 |
| 2022-06-30 | £226,248 | £319,117 | - | - |
| 2021-06-30 | £72,526 | £175,133 | - | - |
| 2020-06-30 | £367,976 | £416,320 | - | - |

Trustees

| Name | Role | Appointed |
|-----------------------|------|------------|
| Alan Wegener | | 2019-09-24 |
| DAVID CURTISS | | 2012-04-20 |
| Dr David Richard Cook | | 2015-03-05 |
| Dr Jonathan Craig | | 2018-03-01 |
| Kathryn Gibbons | | 2018-03-02 |

AAPG - EUROPE

England & Wales - Charity number 1126290

Accounts

AAPG-Europe
(A company limited by guarantee)



Report and Consolidated Financial Statements
For the Year Ended June 30, 2024

Charity Number (England and Wales): 1126290
Charity Number (Scotland): SC040127
Company Number: 6540163

AAPG-Europe
(A company limited by guarantee)

Consolidated Financial Statements
For the Year Ended June 30, 2024

| <u>Contents</u> | <u>Page Number</u> |
|------------------------------------------------|--------------------|
| Reference and Administrative Information | 2 |
| Report of the Trustees | 3 - 9 |
| Audit Report | 10 - 15 |
| Statement of Financial Activities | 16 |
| Balance Sheets | 17 |
| Statement of Cash Flows | 18 |
| Notes forming part of the financial statements | 19 - 29 |

Report of the Trustees for the Year ended June 30, 2024

The Trustees present their report and audited financial statements for the year ended June 30, 2024.

Reference and Administrative Information

Charity Name: AAPG-Europe

Charity Number (England and Wales): 1126290

Charity Number (Scotland): SC040127

Company Registration Number: 6540163

Registered Office:

6th Floor
9 Appold Street,
London,
England,
EC2A 2AP

Operational Office:

1444 South Boulder Avenue,
Tulsa,
Oklahoma 74119,
USA

Trustees

A Wegener

D Cook

K Gibbons

D Curtiss

J Craig – Chairman

Secretary

Mr. D. Curtiss

Senior Management Team

Mr. A. Wegener Director

Mr. B. Haws Controller

Auditors – Moore Kingston Smith LLP; 6th Floor, 9 Appold Street, London EC2A 2AP

Bankers – HSBC Bank; 31 Holborn, London EC1N 2HR

Solicitors – Stone King LLP; 16 St. John's Lane, London, EC1M 4BS

AAPG-Europe

Aims and Objectives

Purposes and Aims:

Our charity's purposes as set out in the objects contained in the company's memorandum of association are, for the public benefit:

- To advance the science of geology and its allied sciences in particular, but without prejudice to the generality of the forgoing, as they relate to petroleum, natural gas, other subsurface fluids and mineral resources, through methods including:
 - Promoting the technology of exploring for, finding and producing such materials in an economically and environmentally sound manner; and
 - Disseminating information related to the geology and associated technology of petroleum, natural gas, other subsurface fluids and mineral resources.

The aims of our charity are to foster scientific exchange which advances the earth sciences, in particular, those related to petroleum, natural gas, and other energy minerals. This is the purpose that our charity was established to further.

The Focus of our Work

Our main objectives for the year were focused on the delivery of science, particularly the geosciences through our many programs. Specifically, we have undertaken the following:

- Implementing a system of dissemination of scientific and geological information, through educational activities
- Conducting additional short courses in Europe
- Developing a schedule of Geoscience Technology Workshops (GTW)
- Executing a regional conference

How Our Activities Deliver Public Benefit

The trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance as published by the Charity Commission including its guidance 'Public benefit: running a charity (PB2)'. Our main activities and who we are trying to benefit are described below. Our charitable activities focus on the science of geology, the dissemination of that science, and on the many aspects of the energy geosciences. Our work has primarily focused on advancing scientific knowledge through our program of educational events and expanding the geoscience community. All charitable activities focus on sharing scientific knowledge which helps the energy industry remain sustainable, and the events focus on the

exchange of technology concerning the exploration of energy resources for the public benefit. In addition to helping reinforce the training of the geoscientist, this emphasis on sustainability and environmental awareness and responsiveness ultimately serves society in general.

Our courses, presentations and learning opportunities are open to the general public. The primary beneficiaries include geoscientists working and living in the United Kingdom and in the rest of Europe. These programs help develop and expand the knowledge and information on the technical challenges of finding and producing energy resources.

Programs

We generally offer several educational events each year, with differing levels of scientific intensity. Our line-up of events includes our flagship Geoscience Technology Workshops, or GTW's and a larger regional conference. The GTW's are scientific learning opportunities that appeal to a much wider audience and are typically focused on issues or topics related to regional activities, or emerging technologies. The global pandemic caused by the 2019 Novel Coronavirus, SARS-CoV-2 (more commonly known as and referred to hereafter as COVID-19) had a profound impact on our organization. We have only just begun to be able to deliver in-person events for the fiscal year, though we have also continued with on-line events as well. Our team was able to organize two GTW's in person and one online as well as conduct an online carbon capture and sequestration event. In addition, we productively used the time to introduce a new line-up of less formal, free, collaboration events on specific energy geoscience topics using online platforms. Our response was extraordinary and we dramatically increased the engagement of geosciences throughout Europe and the world. These on-line only events attracted geoscientists and those interested in the geosciences that otherwise had not participated in our events and activities. We are proud of our expanded reach and the resourcefulness and proactive outreach of our professional team.

Financial Review

AAPG-Europe has been operating in the United Kingdom for fourteen years. We have not been able to recover from a financial standpoint after the impact of COVID-19. We receive most of our financial support from the energy industry (as a whole) in the way of sponsorship and support of our activities. The energy industry is suffering not just from financial hardship the last several years but also the steep drop in prices during the global pandemic and the consolidation that caused within the industry. These factors have a pronounced, corresponding effect on our financial activities.

We had four in-person events during the fiscal year, both in the United Kingdom and within continental Europe. Our trustees are mindful of our dramatically declining revenues and have sought strategies to manage the charity in as fiscally responsible of a manner as possible in this challenging operating environment. The result of their focus has been significantly cutting operating costs, which has included closing our physical office space and asking for forgiveness of the debt accumulated by the American Association of Petroleum Geologists, our only creditors.

To date, our implemented strategies have not provided a sustainable operational model. Our margins on activities continues to be compressed and our operations costs are increasing despite our attempts to constrain them in a highly inflationary environment.

Most of AAPG-Europe's support and funding used during our time in operation is from the gift aid from the subsidiary trading company and financial support from the sole member. Gift aid provides critical resources to support our charitable mission. Much like the charity, however, the trading subsidiary has also suffered greatly with decreased revenue the past several of years, which has had a negative impact on the amount of gift aid available to the charity.

The trustees have been reviewing the business model, our operations, and our outreach to determine if we are providing services that are wanted, valued, and sustainable. There are increasing concerns that no amount of effort or investment will be met with continued support from our target audience. As a result, we plan to wind down both charity and trading subsidiary within 12 months of the signature of these accounts. We are encouraging The American Association of Petroleum Geologists to continue the activities that have benefitted and advanced the energy geosciences throughout Europe.

Principal Funding Sources

AAPG-Europe conducted several educational, scientific events during the year. Even with the fees generated in pursuit of these educational activities, the charity has fallen short financially with no prospect of gift aid from the trading subsidiary in the current fiscal year.

The American Association of Petroleum Geologists AAPG has provided a commitment to support the operation of the Charity group by providing working capital as needed and has agreed to not seek repayment of the outstanding balance due to it by AAPG-Europe and its trading subsidiary in the twelve months following the approval of the accounts. The American Association of Petroleum Geologists is a 100+ year-old international professional association located in the United States which has significant resources to help carry out its mission of advancing the profession and science of geology. This mission of AAPG is closely aligned with the objects of the Charity.

The American Association of Petroleum Geologists AAPG have agreed to support the charity and trading subsidiary throughout the winding down process and will meet any reasonable liabilities that may become due as a result of this process.

Investment Policy

The Trustees of AAPG-Europe are aware of the benefits that a solid financial plan can allow us to continue our mission of disseminating scientific knowledge. This objective has been complicated by the decreased availability of funding from the energy industry, and the squeeze on our operating margins. The Management Committee has invested the small amount of current available resources in a business money

manager account with a respected financial institution. Our return on our investment appears reasonable given the current economic environment.

Fund Balances

The group results are a deficit/ surplus for the period of £11,183 (2023: 281,694). Closing unrestricted reserves of the group are £86,532 (2023: £97,713). At the end of the year, the liability to AAPG had decreased to £788 (2023: £5,482).

The terms of the loan from AAPG are such that there is no defined repayment date, hence in accordance with FRS 102 this is classified as a current liability, however the AAPG has confirmed its willingness to continue to provide the financial support to AAPG-Europe throughout the wind down process. For this reason, the trustees are satisfied that there will be no call on repayment that would limit the charity's ability to meet its other liabilities and obligations as they fall due for at least 12 months from the date of signing the accounts.

Reserves Policy

The Management Committee has examined the charity's requirements for reserves considering the main risks to the organization. The charity has expressed its goal to increase reserves as it continues developing and reducing its indebtedness.

Risk

The Management Committee is aware that risk is inherent in most undertakings and believe that most of our risk is minimal or manageable. The trustees have developed a risk register which will be reviewed on a periodic basis and amended as deemed necessary by the trustees. The current largest, and most pressing risk facing the charity continues to be the concentration of potential support for the charity's activities within a single industry. The volatility of energy prices, followed by a prolonged and sustained depression of not only energy prices, but the available support from the previously enthusiastic energy industry have had a profound and illuminating impact. We have creatively introduced alternate energy geoscience opportunities and have begun attracting attention from non-traditional funding sources. At this point, our current plans are simply to wind down the process and all activity within the Charity and its trading subsidiary ceased as of October 1, 2024.

On the liability side of risk, we endeavor to organize our events in reputable, reasonable facilities. We have employment policies in place for the staff that we hire. Despite sound policies and best efforts on logistics, loss can still occur. To that end, we obtained insurance cover for the activities that we undertake. We believe that the amounts of coverage, though not limitless, are reasonable and will help minimize the risk of financial loss in the event of a successful claim. During the year, our trustees were covered by indemnity insurance.

Report of the Trustees for the Year ended June 30, 2024

As of the date of this report, all of our employees have been made redundant (post year-end), and all monies owed to them as part of the redundancy process have been distributed to them.

We address our indebtedness to AAPG at least annually to ensure that the Trustees are always aware of the status of our financial arrangement.

Plans for Future Periods

Although the charity plans to continue disseminating the energy geosciences, the impact of COVID-19 and changing consumer sentiment has been swift and punitive. Our standard method of delivery, in person conferences, courses and workshops has been significantly disrupted and have not returned to pre-pandemic levels. The activities that we have planned are the Geoscience Technology Workshops, the regional conference, the Energy Transition Forum and others. We have taken steps to minimize our costs and continue to try new methods of delivering high-quality scientific education at low cost to the participants. These efforts were not enough and the decision has been made to stop any future events into 2025 and wind down the charity and trading subsidiary within 12 months.

Structure, Governance and Management

Governing Document

The organization is a charitable company, limited by guarantee, incorporated on March 19, 2008, and registered as a charity on October 14, 2008 with the Charity Commission in England & Wales. The charity was registered with OSCR, the Office of the Scottish Charity Register on December 11, 2008. The company was established under a Memorandum of Association which established the objects and purposes of the charitable company and is governed under its Articles of Association. In the event of the company being dissolved, members are required to contribute an amount not exceeding £1.

Trustee Selection

The organizations governing documents require that two trustees are appointed by the American Association of Petroleum Geologists. Three co-opted trustees are appointed by the board of Trustees.

Induction and Training

Most trustees are already familiar with the practical work of the charity due to the small group and intensive focus on programs to establish. Additionally, the trustees are provided with access to update sessions on current governance practices through the Charity Commission website updates, as well as through bulletins and seminars provided by the charity's external professional advisors.

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and are deemed reappointed in accordance with section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland: The FRS 102 Charities SORP (issued in July 2014) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Statement of Trustees' Responsibilities

The trustees (who are also directors of AAPG-Europe for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, The Charities and Trustees Investment (Scotland) Act 2005 (as amended) and The Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

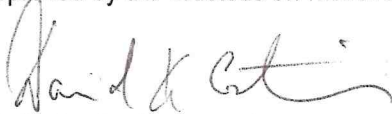
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small company rules

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees on ^{06 MAY 2025} and signed on its behalf by:



Mr. D. Curtiss (Secretary)

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2024

Opinion

We have audited the financial statements of AAPG-Europe for the year ended 30 June 2024, which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement 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 the parent charitable company's affairs as at 30 June 2024 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charitable 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 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to the fact that the trustees intend to liquidate the charity - AAPG Europe within twelve months of the signing of the accounts and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Accordingly, the financial statements have been prepared on a basis other than going concern. Our opinion is not modified in respect of this matter.

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2024

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Opinions 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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2024

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group and parent charitable 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 trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2024

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2024

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**Independent auditor's report to the members and trustees of AAPG-Europe
for the year ended June 30, 2024**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Date: 19 May 2025

Andrew Stickland, Senior Statutory
Auditor
For and on behalf of Moore Kingston
Smith LLP
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP
Date:

Moore Kingston Smith LLP is eligible
to act as auditor in terms of Section
1212 of the Companies Act 2006.

**Consolidated Statement of Financial Activities for the Year Ended
June 30, 2024**

| | Notes | Unrestricted Funds 2024 £ | Restricted Funds 2024 £ | Total Funds 2024 £ | Total Funds 2023 £ |
|-------------------------------------------------------|-------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Other trading activities – subsidiary | 2 | 151,996 | - | 151,996 | 359,742 |
| Charitable activities: | | | | | |
| Educational activities | 3 | 240,264 | - | 240,264 | 79,184 |
| Loan waiver from parent | | - | - | - | 359,482 |
| Investment income | | - | - | - | - |
| Total Income: | | <u>392,260</u> | <u>-</u> | <u>392,260</u> | <u>798,408</u> |
| Expenditure on: | | | | | |
| Other trading activities – subsidiary | 2 | 170,968 | - | 170,968 | 361,956 |
| Charitable activities – cost of educational provision | 4 | 232,475 | - | 232,475 | 154,758 |
| Other expenditure | 7 | - | - | - | - |
| Total Expenditure: | | <u>403,443</u> | <u>-</u> | <u>403,443</u> | <u>516,714</u> |
| Net income/(expenditure): | | <u>(11,183)</u> | <u>-</u> | <u>(11,183)</u> | <u>281,694</u> |
| Reconciliation of Funds: | | | | | |
| Balance brought forward | | <u>97,713</u> | <u>-</u> | <u>97,713</u> | <u>(183,983)</u> |
| Total Funds Carried Forward: | | <u><u>86,532</u></u> | <u><u>-</u></u> | <u><u>86,532</u></u> | <u><u>97,713</u></u> |

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities. The charity's net income for the year, included in the above statement of financial activities was a £7,789 (2023 – 283,908). All income and expenditure in fiscal year 2024 was also unrestricted.

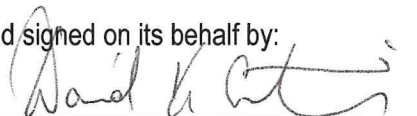
AAPG-Europe
Consolidated Balance Sheet
As at June 30, 2024

| | Notes | Group | | Charity | |
|-------------------------------------------------------|-------|-----------------|-----------------|-----------------|-----------------|
| | | 2024 £ | 2023 £ | 2024 £ | 2023 £ |
| Fixed Assets | | | | | |
| Investments | 8 | - | - | 1 | 1 |
| Current Assets | | | | | |
| Debtors | 9 | 86,306 | 14,300 | 227,152 | 238,323 |
| Cash at Bank and in Hand | | 77,331 | 182,862 | 77,297 | 56,763 |
| | | | | - | |
| | | <u>163,637</u> | <u>197,162</u> | <u>304,449</u> | <u>295,086</u> |
| Creditors: Amounts falling due within one year | 10 | <u>(77,105)</u> | <u>(99,448)</u> | <u>(51,107)</u> | <u>(62,763)</u> |
| Net current assets | | 86,532 | 97,713 | 253,342 | 232,323 |
| Net assets | | <u>86,532</u> | <u>97,713</u> | <u>253,343</u> | <u>232,324</u> |
| The funds of the group/charity: | | | | | |
| Unrestricted income funds | 11 | <u>86,532</u> | <u>97,713</u> | <u>253,343</u> | <u>232,324</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime:

Approved by the Board of Trustees on 06 May 2024

And signed on its behalf by:



Trustee

Company number: 6540163

**Consolidated Statement of Cash Flows for the Year Ended
June 30, 2024**

| | 2024 £ | 2023 £ |
|------------------------------------------------------------------------|------------------|----------------|
| Cash flows from operating activities | | |
| Net (expenditure)/income for the reporting period | (11,181) | 268,465 |
| Depreciation charges | - | - |
| Investment income | - | - |
| Decrease/(increase) in debtors | (56,745) | 172,464 |
| Increase/(decrease) in current liabilities | (37,605) | (301,976) |
| Net cash generated by / (used in) operating activities | <u>(105,531)</u> | <u>138,953</u> |
| Cash flows from investing activities | | |
| Investment income | - | - |
| Net cash provided by investing activities | <u>-</u> | <u>-</u> |
| Change in cash and cash equivalents in the reporting period | (105,531) | 138,953 |
| Cash and cash equivalents at beginning of reporting period | <u>182,862</u> | <u>43,909</u> |
| Cash and cash equivalents at the end of reporting period | <u>77,331</u> | <u>182,862</u> |

**Notes Forming Part of the Financial Statements for the Year Ended
June 30, 2024**

1. Accounting Policies

Charity information

AAPG-Europe is a charitable company limited by guarantee that is domiciled and incorporated in England and Wales. The registered office is 6th Floor, 9 Appold Street, London, England, EC2A 2AP.

The principal accounting policies are summarized below. The accounting policies have been consistently applied throughout the year.

a) Basis of Accounting

The charity's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The charity is a public benefit entity for the purposes of FRS 102 and a registered charity. The charity has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charitable company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

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

b) Going Concern

Accounting standards require trustees to consider the appropriateness of the going concern basis when preparing the financial statements. For reasons set out in the trustees report, the trustees have made the decision to wind down and then close the company over the next 12 months. As a result, the accounts have not been prepared on a going concern basis.

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2024 (continued)

c) Critical Accounting Estimates and Areas of Judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognized in the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which such estimates are 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. Other than as stated above in relation to going concern, the trustees are of the opinion that there are no significant estimates or judgements made in preparing these financial statements.

d) Fund Accounting

Purposes of Unrestricted Funds

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Purposes of Restricted Funds

- At this point, there are no funds provided to AAPG-Europe which are restricted in their specific purpose.

Purposes of Designated Funds

- All available resources are being re-invested into the charity to establish the services required by the objects of the charity. As such, the board has not designated any funds for specific purposes or projects.

e) Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income, the receipt is probable, and the amount can be quantified reliably. The following policies are applied to specific categories of income.

- Investment income is included when receivable.
- Incoming resources from charitable trading activity are accounted for when earned.

f) Resources Expended

Expenditure is recognized on an accrual basis. Expenditure includes any VAT, which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2024 (continued)

- Other trading activities expenditure comprises the costs of trading in the Charity's subsidiary.
- Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs, which are included within support costs, include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis, linked to staff time.

g) Fixed Assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £500 are not capitalized. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which for computer and electronic equipment and software is estimated at 3 years, in all other cases is estimated at 5 years.

Useful economic lives and residual values of assets are reassessed annually.

h) Fixed Asset Investments

The only investment held by the charity is that of its trading subsidiary and is included at cost.

i) Taxation

As a charity, AAPG-Europe is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Tax is charged on non-primary-purpose activities in excess of trading limits.

j) Operating Lease Rentals

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against the Statement of Financial Activities as incurred.

k) Foreign Currency Translation

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2024 (continued)

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the SOFA.

l) Financial Instruments

- Cash and cash equivalents - Cash and cash equivalents include cash at banks and in hand and short-term deposits with a maturity date of three months or less.
- Debtors and creditors - Debtors and creditors receivable or payable within one year of the reporting date are carried initially at their transaction price and subsequently at settlement value.

m) Employee Benefits

- The costs of short-term employee benefits are regarded as a liability and an expense unless these costs are required to be recognized on the cost of fixed assets.
- The cost of any unused holiday entitlement is recognized in the period in which the employee's services are reviewed.
- Termination benefits are recognized immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

n) Retirement Benefits

Payment to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2024 (continued)

2. Trading subsidiary

The charity owns the entire issued share capital of AAPG – Europe Trading Limited, a company registered in England and Wales (Company Registration No. 07019444), registered at: 6th Floor, 9 Appold Street, London, England, EC2A 2AP. The subsidiary carries out commercial activities which support the main function of the charity, including the organization of the annual APPEX conference. The subsidiary has undertaken to gift aid substantially all of its taxable profits to the charitable company. The issued share capital of AAPG - Europe Trading Limited is 1 ordinary share of £1. A summary of the results of the subsidiary is shown below:

| | 2024 | 2023 |
|----------------------------------------|------------------|------------------|
| | Total | Total |
| | £ | £ |
| Turnover | 151,996 | 359,742 |
| Cost of sales | <u>(103,597)</u> | <u>(228,461)</u> |
| Gross profit | 48,399 | 131,281 |
| Administration costs | (67,371) | (146,725) |
| Other interest receivable | <u>-</u> | <u>-</u> |
| Loss before taxation | (18,970) | (15,443) |
| Taxation | - | - |
| Retained profit brought forward | <u>(147,840)</u> | <u>(132,397)</u> |
| Retained profit carried forward | (166,810) | (147,840) |

The assets, liabilities and funds of the subsidiary were:

| | | |
|-----------------------------|------------------|------------------|
| Assets | 133,835 | 133,835 |
| Liabilities | <u>(147,840)</u> | <u>(281,675)</u> |
| Capital and reserves | <u>(166,810)</u> | <u>(147,840)</u> |

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2024 (continued)

3. Income from Activities to Further the Charity's Objectives

| | Unrestricted | Restricted | 2024 | 2023 |
|------------------------|----------------|------------|----------------|---------------|
| | £ | £ | Total £ | Total £ |
| Regional Conference | 182,454 | - | 182,454 | 71,114 |
| Sponsorship Income | 57,810 | - | 57,810 | 8,070 |
| Educational Activities | - | - | - | - |
| | <u>240,264</u> | <u>-</u> | <u>240,264</u> | <u>79,184</u> |

78% (2023: 100%) of the group's total income was attributable to markets outside the United Kingdom.

4. Charitable activities

| | Unrestricted | Restricted | 2024 | 2023 |
|---------------------------|----------------|------------|----------------|----------------|
| | £ | £ | Total £ | Total £ |
| Charitable activities - | | | | |
| Short course costs | - | - | - | - |
| Regional conference costs | 132,148 | - | 132,148 | 61,878 |
| Support costs | 100,327 | - | 100,327 | 92,879 |
| | <u>232,475</u> | <u>-</u> | <u>232,475</u> | <u>154,758</u> |

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2024 (continued)

5. Support costs

| | Unrestricted | Restricted | 2024 Total | 2023 Total |
|----------------------------------------|----------------|------------|----------------|---------------|
| | £ | £ | £ | £ |
| Salaries and wages | 36,259 | - | 36,259 | 58,895 |
| Redundancy costs | - | - | - | - |
| Rent, service charge and rates | - | - | - | - |
| Office supplies | 677 | - | 677 | 2,261 |
| Repairs and maintenance | - | - | - | - |
| Telephone | 171 | - | 171 | 116 |
| Travel | - | - | - | 76 |
| Bank charges and foreign exchange loss | 3,115 | - | 3,115 | (211) |
| Depreciation | - | - | - | - |
| Governance costs | 42,393 | - | 42,393 | 31,742 |
| Miscellaneous | 17,713 | - | 17,713 | - |
| | <u>100,327</u> | <u>-</u> | <u>100,327</u> | <u>92,879</u> |

6. Governance costs

| | Unrestricted | Restricted | 2024 Total | 2023 Total |
|-----------------------------|---------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Legal fees | 4,521 | - | 4,521 | - |
| Audit fees | | | | |
| -in respect of current year | 21,266 | - | 21,266 | 14,006 |
| -in respect of prior years | 14,006 | - | 14,006 | 15,636 |
| Auditors – other services | 2,600 | - | 2,600 | 2,100 |
| | <u>42,393</u> | <u>-</u> | <u>42,393</u> | <u>31,742</u> |

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2024 (continued)

7. Staff Costs and Numbers

| | Group | |
|---------------------------------------------|---------------|----------------|
| | 2024 | 2023 |
| | £ | £ |
| Salaries | 66,295 | 163,200 |
| Social security costs | 6,262 | 19,265 |
| Pension costs | 3,860 | 4,317 |
| | <u>76,417</u> | <u>186,782</u> |
| Average staff numbers in the year were: | <u>3</u> | <u>3</u> |

No employees earned more than £60,000 in the current year (2023: One earned between £80,000 and £90,000). This employee's salary is recharged, in part, to the charity's parent, AAPG (the American Association of Petroleum Geologists).

The trustees received no remuneration or benefits in kind in the current or prior year.

Remuneration of key management personnel

The charity has no key management personnel. The charity is managed by the management team of its sole member.

8. Investments

Investments represent a £1 investment in the subsidiary company (note 2) which was acquired in 2009 and is shown at cost.

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2024 (continued)

9. Debtors

| | Group | | Charity | |
|----------------------------|---------------|---------------|----------------|----------------|
| | 2024 £ | 2023 £ | 2024 £ | 2023 £ |
| Trade debtors | 46,244 | 4,776 | 26,912 | 4,776 |
| Amount due from subsidiary | - | - | 190,294 | 231,760 |
| Other debtors | 22,997 | 8,458 | 8,744 | 722 |
| Prepayments | 17,065 | 1,066 | 1,202 | 1,066 |
| | <u>86,306</u> | <u>14,300</u> | <u>227,152</u> | <u>238,323</u> |

10. Creditors: Amounts Falling due within one Year

| | Group | | Charity | |
|-----------------------------------------------------|---------------|---------------|---------------|---------------|
| | 2024 £ | 2023 £ | 2024 £ | 2023 £ |
| Trade creditors | - | - | - | - |
| Taxation and social security | - | 41,964 | - | 16,311 |
| Accruals and deferred income | 76,317 | 52,002 | 50,345 | 46,452 |
| Due to American Association of Petroleum Geologists | 788 | 5,482 | 762 | - |
| | <u>77,105</u> | <u>99,448</u> | <u>51,107</u> | <u>62,763</u> |

In the current year there was deferred income of £Nil (2023 £Nil).

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2024 (continued)

11. Unrestricted funds

| | July 1 2023 £ | Incoming Resources £ | Resources Expended £ | June 30 2024 £ |
|------------------------------|---------------------|----------------------------|----------------------------|----------------------|
| Group General fund | 97,714 | 392,262 | (403,443) | 86,532 |
| Charity General fund | 232,324 | 240,264 | (232,475) | 253,343 |
| Funds retained in subsidiary | | | | <u>(166,810)</u> |

12. Trustee Remuneration and Related Party Transactions

There were no travel costs or other expenses reimbursed to any member of the management committee. No trustee or other person related to the charity had any personal interest in any contract or transaction entered by the charity during the year.

At the year-end date the charity owed its parent, American Association of Petroleum Geologists £762 (2023 - £5,482). The transactions between the charity and its parent comprised expenses paid on behalf of each other and also a recharge of costs from the charity to its parent in respect of support for AAPG programs and activities.

At the year-end date the charity's subsidiary, AAPG-Europe Trading Limited, owed the charity £190,320 (2023 - £347,642). The transactions between the charity and its subsidiary comprised recharged expenditure and loan repayments.

13. Control

The ultimate controlling party is AAPG (the American Association of Petroleum Geologists), an entity registered in the USA. AAPG is the parent company of AAPG-Europe by virtue of being its sole member. AAPG seeks to advance the science of geology and advance the profession of petroleum geology worldwide through fostering scientific research and the dissemination of scientific knowledge through publications, education training, workshops and conventions. Consolidated financial statements of AAPG are obtainable from 1444 South Boulder Avenue, Tulsa, Oklahoma 74119, USA (Registration no. 73-0125920).

AAPG - EUROPE

England & Wales - Charity number 1126290

Accounts

AAPG-Europe
(A company limited by guarantee)



Report and Consolidated Financial Statements
For the Year Ended June 30, 2023

Charity Number (England and Wales): 1126290
Charity Number (Scotland): SC040127
Company Number: 06540163

AAPG-Europe
(A company limited by guarantee)

Consolidated Financial Statements
For the Year Ended June 30, 2023

| <u>Contents</u> | <u>Page Number</u> |
|------------------------------------------------|--------------------|
| Reference and Administrative Information | 2 |
| Report of the Trustees | 3 - 9 |
| Audit Report | 10 - 14 |
| Statement of Financial Activities | 15 |
| Balance Sheets | 16 |
| Statement of Cash Flows | 17 |
| Notes forming part of the financial statements | 18 - 28 |

Report of the Trustees for the Year ended June 30, 2023

The Trustees present their report and audited financial statements for the year ended June 30, 2023.

Reference and Administrative Information

Charity Name: AAPG-Europe

Charity Number (England and Wales): 1126290

Charity Number (Scotland): SC040127

Company Registration Number: 6540163

Registered Office:

6th Floor
9 Appold Street,
London,
England,
EC2A 2AP

Operational Office:

1444 South Boulder Avenue,
Tulsa,
Oklahoma 74119,
USA

Trustees

A Wegener

D Cook

K Gibbons

D Curtiss

J Craig – Chairman

Secretary

Mr. D. Curtiss

Senior Management Team

Mr. A. Wegener Director

Mr. B. Haws Controller

Auditors – Moore Kingston Smith LLP; 6th Floor, 9 Appold Street, London EC2A 2AP

Bankers – HSBC Bank; 31 Holborn, London EC1N 2HR

Solicitors – Stone King LLP; 16 St. John's Lane, London, EC1M 4BS

AAPG-Europe

Aims and Objectives

Purposes and Aims:

Our charity's purposes as set out in the objects contained in the company's memorandum of association are, for the public benefit:

- To advance the science of geology and its allied sciences in particular, but without prejudice to the generality of the forgoing, as they relate to petroleum, natural gas, other subsurface fluids and mineral resources, through methods including:
 - Promoting the technology of exploring for, finding and producing such materials in an economically and environmentally sound manner; and
 - Disseminating information related to the geology and associated technology of petroleum, natural gas, other subsurface fluids and mineral resources.

The aims of our charity are to foster scientific exchange which advances the earth sciences, in particular, those related to petroleum, natural gas, and other energy minerals. This is the purpose that our charity was established to further.

The Focus of our Work

Our main objectives for the year were focused on the delivery of science, particularly the geosciences through our many programs. Specifically, we have undertaken the following:

- Implementing a system of dissemination of scientific and geological information, through educational activities
- Conducting additional short courses in Europe
- Developing a schedule of Geoscience Technology Workshops (GTW)
- Executing a regional conference

How Our Activities Deliver Public Benefit

The trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance as published by the Charity Commission including its guidance 'Public benefit: running a charity (PB2)'. Our main activities and who we are trying to benefit are described below. Our charitable activities focus on the science of geology, the dissemination of that science, and on the many aspects of the energy geosciences. Our work has primarily focused on advancing scientific knowledge through our program of educational events and expanding the geoscience community. All charitable activities focus on sharing scientific knowledge which helps the energy industry remain sustainable, and the events focus on the

exchange of technology concerning the exploration of energy resources for the public benefit. In addition to helping reinforce the training of the geoscientist, this emphasis on sustainability and environmental awareness and responsiveness ultimately serves society in general.

Our courses, presentations and learning opportunities are open to the general public. The primary beneficiaries include geoscientists working and living in the United Kingdom and in the rest of Europe. These programs help develop and expand the knowledge and information on the technical challenges of finding and producing energy resources.

Programs

We generally offer several educational events each year, with differing levels of scientific intensity. Our line-up of events includes our flagship Geoscience Technology Workshops, or GTW's and a larger regional conference. The GTWs are scientific learning opportunities that appeal to a much wider audience and are typically focused on issues or topics related to regional activities, or emerging technologies. The global pandemic caused by the 2019 Novel Coronavirus, SARS-CoV-2 (more commonly known as and referred to hereafter as COVID-19) had a profound impact on our organization. We have only just begun to be able to deliver in-person events for the fiscal year, though we have also continued with on-line events as well. Our team was able to organize two GTW's in person and one online as well as conduct an online carbon capture and sequestration event. In addition, we productively used the time to introduce a new line-up of less formal, free, collaboration events on specific energy geoscience topics using online platforms. Our response was extraordinary and we dramatically increased the engagement of geosciences throughout Europe and the world. These on-line only events attracted geoscientists and those interested in the geosciences that otherwise had not participated in our events and activities. We are proud of our expanded reach and the resourcefulness and proactive outreach of our professional team.

Financial Review

AAPG-Europe has been operating in the United Kingdom for fourteen years. We have not been able to recover from a financial standpoint after the impact of COVID-19. We receive most of our financial support from the energy industry (as a whole) in the way of sponsorship and support of our activities. The energy industry is suffering not just from financial hardship the last several years but also the steep drop in prices during the global pandemic and the consolidation that caused within the industry. These factors have a pronounced, corresponding effect on our financial activities.

We had four in-person events during the fiscal year, both in the United Kingdom and within continental Europe. Our trustees are mindful of our dramatically declining revenues and have sought strategies to manage the charity in as fiscally responsible of a manner as possible in this challenging operating environment. The result of their focus has been significantly cutting operating costs, which has included closing our physical office space and asking for forgiveness of the debt accumulated by the American Association of Petroleum Geologists, our only creditors.

To date, our implemented strategies have not provided a sustainable operational model. Our margins on activities continues to be compressed and our operations costs are increasing despite our attempts to constrain them in a highly inflationary environment.

Most of AAPG-Europe's support and funding used during our time in operation is from the gift aid from the subsidiary trading company and financial support from the sole member. Gift aid provides critical resources to support our charitable mission. Much like the charity, however, the trading subsidiary has also suffered greatly with decreased revenue the past several of years, which has had a negative impact on the amount of gift aid available to the charity.

The trustees have been reviewing the business model, our operations, and our outreach to determine if we are providing services that are wanted, valued, and sustainable. There are increasing concerns that no amount of effort or investment will be met with continued support from our target audience. As a result, we plan to wind down both charity and trading subsidiary within 12 months of the signature of these accounts. We are encouraging The American Association of Petroleum Geologists to continue the activities that have benefitted and advanced the energy geosciences throughout Europe.

Principal Funding Sources

AAPG-Europe conducted several educational, scientific events during the year. Even with the fees generated in pursuit of these educational activities, the charity has fallen short financially with no prospect of gift aid from the trading subsidiary in the current fiscal year.

The American Association of Petroleum Geologists AAPG has provided a commitment to support the operation of the Charity group by providing working capital as needed and has agreed to not seek repayment of the outstanding balance due to it by AAPG-Europe and its trading subsidiary in the twelve months following the approval of the accounts. The American Association of Petroleum Geologists is a 100+ year-old international professional association located in the United States which has significant resources to help carry out its mission of advancing the profession and science of geology. This mission of AAPG is closely aligned with the objects of the Charity.

The American Association of Petroleum Geologists AAPG have agreed to support the charity and trading subsidiary throughout the winding down process and will meet any reasonable liabilities that may become due as a result of this process.

Investment Policy

The Trustees of AAPG-Europe are aware of the benefits that a solid financial plan can allow us to continue our mission of disseminating scientific knowledge. This objective has been complicated by the decreased availability of funding from the energy industry, and the squeeze on our operating margins. The Management Committee has invested the small amount of current available resources in a business money

manager account with a respected financial institution. Our return on our investment appears reasonable given the current economic environment.

Fund Balances

The group results are a surplus for the period of £281,694 (2022: (£92,869)). Closing unrestricted reserves of the group are £97,713 (2022: -£183,983). At the end of the year, the liability to AAPG had decreased to £5,482 (2022: £294,290).

The terms of the loan from AAPG are such that there is no defined repayment date, hence in accordance with FRS 102 this is classified as a current liability, however the AAPG has confirmed its willingness to continue to provide the financial support to AAPG-Europe throughout the wind down process. For this reason, the trustees are satisfied that there will be no call on repayment that would limit the charity's ability to meet its other liabilities and obligations as they fall due for at least 12 months from the date of signing the accounts.

Reserves Policy

The Management Committee has examined the charity's requirements for reserves considering the main risks to the organization. The charity has expressed its goal to increase reserves as it continues developing and reducing its indebtedness. The trustees are mindful of the need to achieve modest surpluses year on year in the shorter term.

Risk

The Management Committee is aware that risk is inherent in most undertakings and believe that most of our risk is minimal or manageable. The trustees have developed a risk register which will be reviewed on a periodic basis and amended as deemed necessary by the trustees. The current largest, and most pressing risk facing the charity continues to be the concentration of potential support for the charity's activities within a single industry. The volatility of energy prices, followed by a prolonged and sustained depression of not only energy prices, but the available support from the previously enthusiastic energy industry have had a profound and illuminating impact. We have creatively introduced alternate energy geoscience opportunities and have begun attracting attention from non-traditional funding sources. At this point, our current plans are simply to wind down the process and all activity within the Charity and its trading subsidiary ceased as of October 1, 2024.

On the liability side of risk, we endeavor to organize our events in reputable, reasonable facilities. We have employment policies in place for the staff that we hire. Despite sound policies and best efforts on logistics, loss can still occur. To that end, we obtained insurance cover for the activities that we undertake. We believe that the amounts of coverage, though not limitless, are reasonable and will help minimize the risk of

financial loss in the event of a successful claim. During the year, our trustees were covered by indemnity insurance.

As of the date of this report, all of our employees have been made redundant (post year-end), and all monies owed to them as part of the redundancy process have been distributed to them.

We address our indebtedness to AAPG at least annually to ensure that the Trustees are always aware of the status of our financial arrangement.

Plans for Future Periods

Although the charity plans to continue disseminating the energy geosciences, the impact of COVID-19 and changing consumer sentiment has been swift and punitive. Our standard method of delivery, in person conferences, courses and workshops has been significantly disrupted and have not returned to pre-pandemic levels. The activities that we have planned are the Geoscience Technology Workshops, the regional conference, the Energy Transition Forum and others. We have taken steps to minimize our costs and continue to try new methods of delivering high-quality scientific education at low cost to the participants. These efforts were not enough and the decision has been made to stop any future events into 2025 and wind down the charity and trading subsidiary withing 12 months.

Structure, Governance and Management

Governing Document

The organization is a charitable company, limited by guarantee, incorporated on March 19, 2008, and registered as a charity on October 14, 2008 with the Charity Commission in England & Wales. The charity was registered with OSCR, the Office of the Scottish Charity Register on December 11, 2008. The company was established under a Memorandum of Association which established the objects and purposes of the charitable company and is governed under its Articles of Association. In the event of the company being dissolved, members are required to contribute an amount not exceeding £1.

Trustee Selection

The organizations governing documents require that two trustees are appointed by the American Association of Petroleum Geologists. Three co-opted trustees are appointed by the board of Trustees.

Induction and Training

Most trustees are already familiar with the practical work of the charity due to the small group and intensive focus on programs to establish. Additionally, the trustees are provided with access to update sessions on current governance practices through the Charity Commission website updates, as well as through bulletins and seminars provided by the charity's external professional advisors.

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and are deemed reappointed in accordance with section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial

Reporting Standard applicable in the UK and Republic of Ireland: The FRS 102 Charities SORP (issued in July 2014) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Statement of Trustees' Responsibilities

The trustees (who are also directors of AAPG-Europe for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, The Charities and Trustees Investment (Scotland) Act 2005 (as amended) and The Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small company rules

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees on 14 Dec 2024 and signed on its behalf by:



Mr. D. Curtiss (Secretary)

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2023

Opinion

We have audited the financial statements of AAPG-Europe for the year ended 30 June 2023, which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement 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 the parent charitable company's affairs as at 30 June 2023 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charitable 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 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to the fact that the trustees intend to liquidate the charity - AAPG Europe within twelve months of the signing of the accounts and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Accordingly, the financial statements have been prepared on a basis other than going concern. Our opinion is not modified in respect of this matter.

Other information

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2023

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Opinions 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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2023

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group and parent charitable 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 trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2023

may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

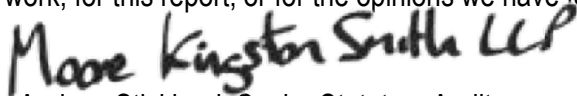
Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2023

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Stickland, Senior Statutory Auditor
For and on behalf of Moore Kingston Smith
LLP
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP
Date: 17/12/2024

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

**Consolidated Statement of Financial Activities for the Year Ended
June 30, 2023**

| | Notes | Unrestricted Funds 2023 £ | Restricted Funds 2023 £ | Total Funds 2023 £ | Total Funds 2022 £ |
|-------------------------------------------------------|-------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Other trading activities – subsidiary | 2 | 359,742 | - | 359,742 | 56,145 |
| Charitable activities: | | | | | |
| Educational activities | 3 | 79,184 | - | 79,184 | 170,103 |
| Loan waiver from parent | | 359,482 | - | 359,482 | - |
| Investment income | | - | - | - | - |
| Total Income: | | <u>798,408</u> | <u>-</u> | <u>798,408</u> | <u>226,248</u> |
| Expenditure on: | | | | | |
| Other trading activities – subsidiary | 2 | 361,956 | - | 361,956 | 145,749 |
| Charitable activities – cost of educational provision | 4 | 154,758 | - | 154,758 | 173,368 |
| Other expenditure | 7 | - | - | - | - |
| Total Expenditure: | | <u>516,714</u> | <u>-</u> | <u>516,714</u> | <u>319,117</u> |
| Net income/(expenditure): | | <u>281,694</u> | <u>-</u> | <u>281,694</u> | <u>(92,869)</u> |
| Reconciliation of Funds: | | | | | |
| Balance brought forward | | <u>(183,983)</u> | <u>-</u> | <u>(183,983)</u> | <u>(91,114)</u> |
| Total Funds Carried Forward: | | <u>97,713</u> | <u>-</u> | <u>97,713</u> | <u>(183,983)</u> |

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities. The charity's net income for the year, included in the above statement of financial activities was £283,908 (2022 – 3,265). All income and expenditure in fiscal year 2022 was also unrestricted.

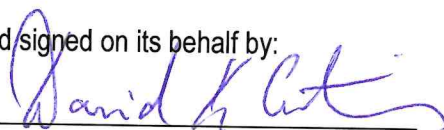
AAPG-Europe
Consolidated Balance Sheet
As at June 30, 2020

| | Notes | Group | | Charity | |
|-------------------------------------------------------|-------|----------------|------------------|----------------|-----------------|
| | | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Fixed Assets | | | | | |
| Investments | 8 | - | - | 1 | 1 |
| Current Assets | | | | | |
| Debtors | 9 | 14,300 | 186,764 | 238,323 | 236,641 |
| Cash at Bank and in Hand | | 182,862 | 43,909 | 56,763 | 29,405 |
| | | | | - | |
| | | <u>197,162</u> | <u>230,673</u> | <u>295,086</u> | <u>266,046</u> |
| Creditors: Amounts falling due within one year | 10 | (99,448) | (414,656) | (62,763) | (317,632) |
| | | <u>97,713</u> | <u>(183,983)</u> | <u>232,323</u> | <u>(51,586)</u> |
| Net current assets / (liabilities) | | | | | |
| Net assets / (liabilities) | | <u>97,713</u> | <u>(183,983)</u> | <u>232,324</u> | <u>(51,586)</u> |
| The funds of the group/charity: | | | | | |
| Unrestricted income funds | 11 | <u>97,713</u> | <u>(183,983)</u> | <u>232,324</u> | <u>(51,586)</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board of Trustees on ... 14 Dec. 2024 ...

And signed on its behalf by:


 Trustee

Company number: 6540163

**Consolidated Statement of Cash Flows for the Year Ended
June 30, 2023**

| | 2023 £ | 2022 £ |
|------------------------------------------------------------------------|----------------|---------------|
| Cash flows from operating activities | | |
| Net (expenditure)/income for the reporting period | 281,695 | (92,868) |
| Depreciation charges | - | - |
| Investment income | - | - |
| Decrease/(increase) in debtors | 172,464 | (137,979) |
| Increase/(decrease) in current liabilities | (315,206) | 243,122 |
| Net cash generated by / (used in) operating activities | <u>138,953</u> | <u>12,275</u> |
| Cash flows from investing activities | | |
| Investment income | - | - |
| Net cash provided by investing activities | <u>-</u> | <u>-</u> |
| Change in cash and cash equivalents in the reporting period | 138,953 | 12,275 |
| Cash and cash equivalents at beginning of reporting period | <u>43,909</u> | <u>31,634</u> |
| Cash and cash equivalents at the end of reporting period | <u>182,862</u> | <u>43,909</u> |

**Notes Forming Part of the Financial Statements for the Year Ended
June 30, 2023**

1. Accounting Policies

Charity information

AAPG-Europe is a charitable company limited by guarantee that is domiciled and incorporated in England and Wales. The registered office is 6th Floor, 9 Appold Street, London, England, EC2A 2AP.

The principal accounting policies are summarized below. The accounting policies have been consistently applied throughout the year.

a) Basis of Accounting

The charity's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The charity is a public benefit entity for the purposes of FRS 102 and a registered charity. The charity has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charitable company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

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

b) Going Concern

Accounting standards require trustees to consider the appropriateness of the going concern basis when preparing the financial statements. For reasons set out in the trustees report, the trustees have made the decision to wind down and then close the company over the next 12 months. As a result, the accounts have not been prepared on a going concern basis.

c) Critical Accounting Estimates and Areas of Judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognized in the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which such estimates are 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. Other than as stated above in relation to going concern, the trustees are of the opinion that there are no significant estimates or judgements made in preparing these financial statements.

d) Fund Accounting

Purposes of Unrestricted Funds

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Purposes of Restricted Funds

- At this point, there are no funds provided to AAPG-Europe which are restricted in their specific purpose.

Purposes of Designated Funds

- All available resources are being re-invested into the charity to establish the services required by the objects of the charity. As such, the board has not designated any funds for specific purposes or projects.

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2023 (continued)

e) Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income, the receipt is probable, and the amount can be quantified reliably. The following policies are applied to specific categories of income.

- Investment income is included when receivable.
- Incoming resources from charitable trading activity are accounted for when earned.

f) Resources Expended

Expenditure is recognized on an accrual basis. Expenditure includes any VAT, which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Other trading activities expenditure comprises the costs of trading in the Charity's subsidiary.
- Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs, which are included within support costs, include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis, linked to staff time.

g) Fixed Assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £500 are not capitalized. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which for computer and electronic equipment and software is estimated at 3 years, in all other cases is estimated at 5 years.

Useful economic lives and residual values of assets are reassessed annually.

h) Fixed Asset Investments

The only investment held by the charity is that of its trading subsidiary and is included at cost.

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2023 (continued)

i) Taxation

As a charity, AAPG-Europe is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Tax is charged on non-primary-purpose activities in excess of trading limits.

j) Operating Lease Rentals

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against the Statement of Financial Activities as incurred.

k) Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the SOFA.

l) Financial Instruments

- Cash and cash equivalents - Cash and cash equivalents include cash at banks and in hand and short-term deposits with a maturity date of three months or less.
- Debtors and creditors - Debtors and creditors receivable or payable within one year of the reporting date are carried initially at their transaction price and subsequently at settlement value.

m) Employee Benefits

- The costs of short-term employee benefits are regarded as a liability and an expense unless these costs are required to be recognized on the cost of fixed assets.
- The cost of any unused holiday entitlement is recognized in the period in which the employee's services are reviewed.
- Termination benefits are recognized immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

n) Retirement Benefits

Payment to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2023 (continued)

2. Trading subsidiary

The charity owns the entire issued share capital of AAPG – Europe Trading Limited, a company registered in England and Wales (Company Registration No. 07019444), registered at: 6th Floor, 9 Appold Street, London, England, EC2A 2AP. The subsidiary carries out commercial activities which support the main function of the charity, including the organization of the annual APPEX conference. The subsidiary has undertaken to gift aid substantially all of its taxable profits to the charitable company. The issued share capital of AAPG - Europe Trading Limited is 1 ordinary share of £1. A summary of the results of the subsidiary is shown below:

| | 2023 | 2022 |
|----------------------------------------|------------------|-----------------|
| | Total | Total |
| | £ | £ |
| Turnover | 359,742 | 56,145 |
| Cost of sales | <u>(228,461)</u> | <u>(50,904)</u> |
| Gross profit | 131,281 | 5,241 |
| Administration costs | (146,725) | (94,485) |
| Other interest receivable | <u>-</u> | <u>-</u> |
| Loss before taxation | (15,444) | (89,604) |
| Taxation | - | - |
| Retained profit brought forward | <u>(132,397)</u> | <u>(42,793)</u> |
| Retained profit carried forward | (147,840) | (132,397) |

The assets, liabilities and funds of the subsidiary were:

| | | |
|-----------------------------|------------------|------------------|
| Assets | 133,835 | 172,790 |
| Liabilities | <u>(281,675)</u> | <u>(305,186)</u> |
| Capital and reserves | <u>(147,840)</u> | <u>(132,397)</u> |

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2023 (continued)

3. Income from Activities to Further the Charity's Objectives

| | Unrestricted | Restricted | 2023 | 2022 |
|------------------------|---------------|------------|---------------|----------------|
| | £ | £ | Total £ | Total £ |
| Regional Conference | 71,114 | - | 71,114 | 100,153 |
| Sponsorship Income | 8,070 | - | 8,070 | 40,890 |
| Educational Activities | - | - | - | 29,060 |
| | <u>79,184</u> | <u>-</u> | <u>79,184</u> | <u>170,103</u> |

78% (2022: 100%) of the group's total income was attributable to markets outside the United Kingdom.

4. Charitable activities

| | Unrestricted | Restricted | 2023 | 2022 |
|---------------------------|----------------|------------|----------------|----------------|
| | £ | £ | Total £ | Total £ |
| Charitable activities - | | | | |
| Short course costs | - | - | - | - |
| Regional conference costs | 61,878 | - | 61,878 | 81,547 |
| Support costs | 92,879 | - | 92,879 | 91,794 |
| | <u>154,758</u> | <u>-</u> | <u>154,758</u> | <u>173,368</u> |

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2023 (continued)

5. Support costs

| | Unrestricted | Restricted | 2023 Total | 2022 Total |
|----------------------------------------|---------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Salaries and wages | 58,895 | - | 58,895 | 72,057 |
| Redundancy costs | - | - | - | - |
| Rent, service charge and rates | - | - | - | - |
| Office supplies | 2,261 | - | 2,261 | 2,637 |
| Repairs and maintenance | - | - | - | - |
| Telephone | 116 | - | 116 | 592 |
| Travel | 76 | - | 76 | - |
| Bank charges and foreign exchange loss | (211) | - | 211 | 644 |
| Depreciation | - | - | - | - |
| Governance costs | 31,742 | - | 31,742 | 2,844 |
| | <u>92,879</u> | <u>-</u> | <u>92,879</u> | <u>84,788</u> |

6. Governance costs

| | Unrestricted | Restricted | 2023 Total | 2022 Total |
|-----------------------------|---------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Legal fees | - | - | - | 208 |
| Audit fees | | | | |
| -in respect of current year | 14,006 | - | 14,006 | 11,000 |
| -in respect of prior years | 15,636 | - | 15,636 | - |
| Auditors – other services | 2,100 | - | 2,100 | 4,636 |
| | <u>31,742</u> | <u>-</u> | <u>31,742</u> | <u>15,844</u> |

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2023 (continued)

7. Staff Costs and Numbers

| | Group | |
|---------------------------------------------|----------------|----------------|
| | 2023 | 2022 |
| | £ | £ |
| Salaries | 163,200 | 140,472 |
| Social security costs | 19,265 | 12,807 |
| Pension costs | 4,317 | 4,466 |
| | <u>186,782</u> | <u>157,745</u> |
| Average staff numbers in the year were: | <u>3</u> | <u>3</u> |

One employee earned between £80,000 and £90,000 in the current year (2022: between £70,000 and £80,000). This employee's salary is recharged, in part, to the charity's parent, AAPG (the American Association of Petroleum Geologists).

The trustees received no remuneration or benefits in kind in the current or prior year.

Remuneration of key management personnel

The charity has no key management personnel. The charity is managed by the management team of its sole member.

8. Investments

Investments represent a £1 investment in the subsidiary company (note 2) which was acquired in 2009 and is shown at cost.

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2023 (continued)

9. Debtors

| | Group | | Charity | |
|----------------------------|---------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Trade debtors | 4,776 | 105,535 | 4,776 | 19,759 |
| Amount due from subsidiary | - | - | 231,760 | 208,163 |
| Other debtors | 8,458 | 8,458 | 722 | 722 |
| Prepayments | 1,066 | 72,771 | 1,066 | 7,997 |
| | <u>14,300</u> | <u>186,764</u> | <u>238,323</u> | <u>236,641</u> |

10. Creditors: Amounts Falling due within one Year

| | Group | | Charity | |
|-----------------------------------------------------|---------------|----------------|---------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Trade creditors | - | - | - | - |
| Taxation and social security | 41,964 | 26,629 | 16,311 | 15,891 |
| Accruals and deferred income | 52,002 | 93,736 | 46,452 | 29,962 |
| Due to American Association of Petroleum Geologists | 5,482 | 294,291 | - | 271,779 |
| | <u>99,448</u> | <u>414,656</u> | <u>62,763</u> | <u>317,632</u> |

In the current year there was deferred income of £Nil (2022 £Nil).

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2023 (continued)

11. Unrestricted funds

| | July 1 2023 £ | Incoming Resources £ | Resources Expended £ | June 30 2023 £ |
|------------------------------|---------------------|----------------------------|----------------------------|----------------------|
| Group General fund | (183,983) | 798,408 | (516,714) | 97,711 |
| Charity General fund | (51,589) | 438,666 | (361,956) | 25,121 |
| Funds retained in subsidiary | | | | (147,840) |

12. Trustee Remuneration and Related Party Transactions

There were no travel costs or other expenses reimbursed to any member of the management committee. No trustee or other person related to the charity had any personal interest in any contract or transaction entered by the charity during the year.

At the year-end date the charity owed its parent, American Association of Petroleum Geologists £5,482 (2022 - £271,779). The transactions between the charity and its parent comprised expenses paid on behalf of each other and also a recharge of costs from the charity to its parent in respect of support for AAPG programs and activities. American Association of Petroleum Geologists forgave £359,482 debts owed by AAPG Europe as at 30 June 2023.

At the year-end date the charity's subsidiary, AAPG-Europe Trading Limited, owed the charity £347,642 (2022 - £208,163). The transactions between the charity and its subsidiary comprised recharged expenditure and loan repayments.

13. Control

The ultimate controlling party is AAPG (the American Association of Petroleum Geologists), an entity registered in the USA. AAPG is the parent company of AAPG-Europe by virtue of being its sole member. AAPG seeks to advance the science of geology and advance the profession of petroleum geology worldwide through fostering scientific research and the dissemination of scientific knowledge through publications, education training, workshops and conventions. Consolidated financial statements of AAPG are obtainable from 1444 South Boulder Avenue, Tulsa, Oklahoma 74119, USA (Registration no. 73-0125920).

AAPG - EUROPE

England & Wales - Charity number 1126290

Accounts

AAPG-Europe
(A company limited by guarantee)



Report and Consolidated Financial Statements
For the Year Ended June 30, 2022

Charity Number (England and Wales): 1126290
Charity Number (Scotland): SC040127
Company Number: 6540163

AAPG-Europe
(A company limited by guarantee)

Consolidated Financial Statements
For the Year Ended June 30, 2022

| <u>Contents</u> | <u>Page Number</u> |
|------------------------------------------------|--------------------|
| Reference and Administrative Information | 2 |
| Report of the Trustees | 3 - 9 |
| Audit Report | 10 - 15 |
| Statement of Financial Activities | 16 |
| Balance Sheets | 17 |
| Statement of Cash Flows | 18 |
| Notes forming part of the financial statements | 19 - 29 |

AAPG-Europe

Report of the Trustees for the Year ended June 30, 2022

The Trustees present their report and audited financial statements for the year ended June 30, 2022.

Reference and Administrative Information

Charity Name: AAPG-Europe

Charity Number (England and Wales): 1126290

Charity Number (Scotland): SC040127

Company Registration Number: 6540163

Registered Office:

6th Floor
9 Appold Street,
London,
England,
EC2A 2AP

Operational Office:

1444 South Boulder Avenue,
Tulsa,
Oklahoma 74119,
USA

Trustees

A Wegener

D Cook

K Gibbons

D Curtiss

J Craig – Chairman

Secretary

Mr. D. Curtiss

Senior Management Team

Mr. A. Wegener Director

Mr. B. Haws Controller

Auditors – Moore Kingston Smith LLP; 6th Floor, 9 Appold Street, London EC2A 2AP

Bankers – HSBC Bank; 31 Holborn, London EC1N 2HR

Solicitors – Stone King LLP; 16 St. John's Lane, London, EC1M 4BS

AAPG-Europe

Aims and Objectives

Purposes and Aims:

Our charity's purposes as set out in the objects contained in the company's memorandum of association are, for the public benefit:

- To advance the science of geology and its allied sciences in particular, but without prejudice to the generality of the forgoing, as they relate to petroleum, natural gas, other subsurface fluids and mineral resources, through methods including:
 - Promoting the technology of exploring for, finding and producing such materials in an economically and environmentally sound manner; and
 - Disseminating information related to the geology and associated technology of petroleum, natural gas, other subsurface fluids and mineral resources.

The aims of our charity are to foster scientific exchange which advances the earth sciences, in particular, those related to petroleum, natural gas, and other energy minerals. This is the purpose that our charity was established to further.

The Focus of our Work

Our main objectives for the year were focused on the delivery of science, particularly the geosciences through our many programs. Specifically, we have undertaken the following:

- Implementing a system of dissemination of scientific and geological information, through educational activities
- Conducting additional short courses in Europe
- Developing a schedule of Geoscience Technology Workshops (GTW)
- Executing a regional conference

How Our Activities Deliver Public Benefit

The trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance as published by the Charity Commission including its guidance 'Public benefit: running a charity (PB2)'. Our main activities and who we are trying to benefit are described below. Our charitable activities focus on the science of geology, the dissemination of that science, and on the many aspects of the energy geosciences. Our work has primarily focused on advancing scientific knowledge through our program of educational events and expanding the geoscience community. All charitable activities focus on sharing scientific knowledge which helps the energy industry remain sustainable, and the events focus on the

AAPG-Europe

Report of the Trustees for the Year ended June 30, 2022

exchange of technology concerning the exploration of energy resources for the public benefit. In addition to helping reinforce the training of the geoscientist, this emphasis on sustainability and environmental awareness and responsiveness ultimately serves society in general.

Our courses, presentations and learning opportunities are open to the general public. The primary beneficiaries include geoscientists working and living in the United Kingdom and in the rest of Europe. These programs help develop and expand the knowledge and information on the technical challenges of finding and producing energy resources.

Programs

We generally offer several educational events each year, with differing levels of scientific intensity. Our line-up of events includes our flagship Geoscience Technology Workshops, or GTW's and a larger regional conference. The GTWs are scientific learning opportunities that appeal to a much wider audience and are typically focused on issues or topics related to regional activities, or emerging technologies. The global pandemic caused by the 2019 Novel Coronavirus, SARS-CoV-2 (more commonly known as and referred to hereafter as COVID-19) had a profound impact on our organization. We have only just begun to be able to deliver in-person events for the fiscal year, though we have also continued with on-line events as well. Our team was able to organize two GTW's in person and one online as well as conduct an online carbon capture and sequestration event. In addition, we productively used the time to introduce a new line-up of less formal, free, collaboration events on specific energy geoscience topics using online platforms. Our response was extraordinary and we dramatically increased the engagement of geosciences throughout Europe and the world. These on-line only events attracted geoscientists and those interested in the geosciences that otherwise had not participated in our events and activities. We are proud of our expanded reach and the resourcefulness and proactive outreach of our professional team.

Financial Review

AAPG-Europe has been operating in the United Kingdom for thirteen years. The last few years have been especially difficult from a financial standpoint and COVID-19 has compounded the challenges. In addition to the lack of ability to gather in person for our events for a couple of years, we receive most of our financial support from the energy industry (as a whole) in the way of sponsorship and support of our activities. The energy industry is suffering not just from financial hardship the last several years but also the steep drop in prices during the global pandemic and the consolidation that caused within the industry. These factors have a pronounced, corresponding effect on our financial activities.

Although our educational offerings increased between 2014 and 2017, we saw a decline in participation of our traditional format activities prior to the COVID-19 pandemic. We had four in-person events during the fiscal year, which was the first time since the lockdown in the United Kingdom was announced in March 2020. The trustees are mindful of our dramatically declining revenues and are working to manage the charity in as fiscally responsible of a manner as possible in this challenging operating environment. The result of

AAPG-Europe

Report of the Trustees for the Year ended June 30, 2022

their focus has been significantly cutting operating costs, including relocating (and eventually closing) our physical office.

In light of the financial strain that we are experiencing, our senior leadership team has proposed to the trustees and has implemented some significantly different events and activities which will continue to fulfil the objects of the charity and hopefully bring back the interest and support of the energy industry when they are able to return to traditional events. This will not be a short-term fix (and COVID-19 has extended our forecast for challenging economic conditions), but will require long-term implementation of activities that will also be supported by the marketplace.

Most of AAPG-Europe's support and funding used during our time in operation is from the gift aid from the subsidiary trading company and financial support from the sole member. Gift aid provides critical resources to support our charitable mission. Much like the charity, however, the trading subsidiary has also suffered greatly with decreased revenue the past couple of years, which has had a negative impact on the amount of gift aid available to the charity.

Principal Funding Sources

AAPG-Europe conducted several educational, scientific events during the year. Aside from the fees generated in pursuit of these educational activities, the charity has fallen short financially with no prospect of gift aid from the trading subsidiary in the current fiscal year.

The American Association of Petroleum Geologists, the charity's ultimate controlling party, has confirmed that they will forgive any debts accumulated to 30 June 2023 and that it will continue to provide sufficient financial support to the company to enable it to continue to trade and to meet its liabilities as they fall due, for at least one year from the signing date of approval of the financial statements for the year ended 30 June 2022. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. The American Association of Petroleum Geologists is a 100+ year-old international professional association located in the United States which has significant resources to help carry out its mission of advancing the profession and science of geology. This mission of AAPG is closely aligned with the objects of the Charity.

Investment Policy

The Trustees of AAPG-Europe are aware of the benefits that a solid financial plan can allow us to continue our mission of disseminating scientific knowledge. This objective has been complicated by the decreased availability of funding from the energy industry, the squeeze on our operating margins, and the distress on the live events portion of our business after COVID-19. The Management Committee has invested the small amount of current available resources in a business money manager account with a respected financial institution. In light of the current economic environment, our return on our investment appears reasonable.

AAPG-Europe

Report of the Trustees for the Year ended June 30, 2022

Fund Balances

The group results are a shortfall for the period of £92,869 (2021: £102,607). Closing unrestricted reserves of the group are -£183,983 (2021: -£91,114). At the end of the year, the liability to AAPG had increased to £294,290 (2021: £126,337). AAPG-Europe has developed a significant loan payable to the American Association of Petroleum Geologists from the operations of the charity.

The terms of the loan from AAPG are such that there is no defined repayment date, hence in accordance with FRS 102 this is classified as a current liability, however the AAPG has confirmed that they will forgive any debts accumulated to 30 June 2023 and its willingness to continue to provide the financial support to AAPG-Europe, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. For this reason, the trustees are satisfied that there will be no call on repayment that would limit the charity's ability to meet its other liabilities and obligations as they fall due for at least 12 months from the date of signing the accounts.

Reserves Policy

The Management Committee has examined the charity's requirements for reserves in light of the main risks to the organization. The charity has expressed its goal to increase reserves as it continues developing and reducing its indebtedness. The trustees are mindful of the need to achieve modest surpluses year on year in the shorter term, with an immediate focus of minimizing or mitigating the negative balance in unrestricted reserves at the end of fiscal year 2023. AAPG the ultimate parent has confirmed that it will forgive all debts accumulated to 30 June 2023, this shows good progress towards their ultimate goal of accumulating reserves to meet any future liabilities that may arise.

Risk

The Management Committee is aware that risk is inherent in most undertakings and believe that most of our risk is minimal or manageable. The trustees have developed a risk register which will be reviewed on a periodic basis and amended as deemed necessary by the trustees. The current largest, and most pressing risk facing the charity continues to be the concentration of potential support for the charity's activities within a single industry. The volatility of energy prices, followed by a prolonged and sustained depression of not only energy prices, but the available support from the previously enthusiastic energy industry have had a profound and illuminating impact. We have creatively introduced alternate energy geoscience opportunities and have begun attracting attention from non-traditional funding sources. At this point, our current plans of expanding into other disciplines such as the energy transition and geothermal are being implemented. This expansion should provide additional exposure into other disciplines within the geosciences in addition to our core, geology, including cross-functional disciplines such as geophysics and engineering.

On the liability side of risk, we endeavor to organize our events in reputable, reasonable facilities. We have employment policies in place for the staff that we hire. Despite sound policies and best efforts on logistics, loss can still occur. To that end, we obtained insurance cover for the office space that we rented, as well as the activities that we undertake. We believe that the amounts of coverage, though not limitless, are

reasonable and will help minimize the risk of financial loss in the event of a successful claim. During the year, our trustees were covered by indemnity insurance.

We address our indebtedness to AAPG at least annually to ensure that the Trustees are always aware of the status of our financial arrangement.

Plans for Future Periods

Although the charity plans to continue disseminating the energy geosciences, the impact of COVID-19 has been swift and punitive. Our standard method of delivery, in person conferences, courses and workshops has been significantly disrupted and have not returned to pre-pandemic levels. The activities that we have planned are the Geoscience Technology Workshops, the regional conference, the Energy Transition Forum and others. We have taken steps to minimize our costs and continue to try new methods of delivering high-quality scientific education at low cost to the participants. Our team has been instrumental at developing creative new ideas which we hope and expect will be rewarded by the market in the future.

Structure, Governance and Management

Governing Document

The organization is a charitable company, limited by guarantee, incorporated on March 19, 2008, and registered as a charity on October 14, 2008 with the Charity Commission in England & Wales. The charity was registered with OSCR, the Office of the Scottish Charity Register on December 11, 2008. The company was established under a Memorandum of Association which established the objects and purposes of the charitable company and is governed under its Articles of Association. In the event of the company being dissolved, members are required to contribute an amount not exceeding £1.

Trustee Selection

The organizations governing documents require that two trustees are appointed by the American Association of Petroleum Geologists. Three co-opted trustees are appointed by the board of Trustees.

Induction and Training

Most trustees are already familiar with the practical work of the charity due to the small group and intensive focus on programs to establish. Additionally, the trustees are provided with access to update sessions on current governance practices through the Charity Commission website updates, as well as through bulletins and seminars provided by the charity's external professional advisors.

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and are deemed reappointed in accordance with section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland: The FRS 102 Charities SORP (issued in July 2014) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Statement of Trustees' Responsibilities

The trustees (who are also directors of AAPG-Europe for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, The Charities and Trustees Investment (Scotland) Act 2005 (as amended) and The Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AAPG-Europe

Report of the Trustees for the Year ended June 30, 2022

Small company rules

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees on 28 May 2024 and signed on its behalf by:



Mr. D. Curtiss (Secretary)

AAPG-Europe

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2022

Opinion

We have audited the financial statements of AAPG Europe for the year ended 30 June 2022 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including 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 the parent charitable company's affairs as at 30 June 2022 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

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 charitable 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 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 trustees' 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 group's and parent charitable 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.

AAPG-Europe

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2022

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report. 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.

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 course of 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 themselves. 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.

Opinions 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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual 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 parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

AAPG-Europe

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2022

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group and parent charitable 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 trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and Section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts.

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

AAPG-Europe

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2022

material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2022

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

AAPG-Europe

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2022

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006; and to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and in respect of the consolidated financial statements, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Andrew Stickland, Senior Statutory Auditor
for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

Date: 10 June 2024
6th Floor
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

AAPG-Europe

Consolidated Statement of Financial Activities for the Year Ended June 30, 2022

| | Notes | Unrestricted Funds 2022 £ | Restricted Funds 2022 £ | Total Funds 2022 £ | Total Funds 2021 £ |
|-------------------------------------------------------|-------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Other trading activities – subsidiary | 2 | 56,145 | - | 56,145 | 42,322 |
| Charitable activities: | | | | | |
| Educational activities | 3 | 170,103 | - | 170,103 | 30,204 |
| Investment income | | - | - | - | - |
| Total Income: | | <u>226,248</u> | <u>-</u> | <u>226,248</u> | <u>72,526</u> |
| Expenditure on: | | | | | |
| Other trading activities – subsidiary | 2 | 145,749 | - | 145,749 | 90,764 |
| Charitable activities – cost of educational provision | 4 | 173,368 | - | 173,368 | 84,369 |
| Other expenditure | 7 | - | - | - | - |
| Total Expenditure: | | <u>319,117</u> | <u>-</u> | <u>319,117</u> | <u>175,133</u> |
| Net income/(expenditure): | | <u>(92,869)</u> | <u>-</u> | <u>(92,869)</u> | <u>(102,607)</u> |
| Reconciliation of Funds: | | | | | |
| Balance brought forward | | <u>(91,114)</u> | <u>-</u> | <u>(91,114)</u> | <u>11,493</u> |
| Total Funds Carried Forward: | | <u>(183,983)</u> | <u>-</u> | <u>(183,983)</u> | <u>(91,114)</u> |

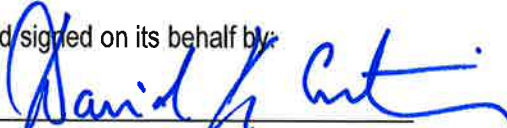
The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities. The charity's net income for the year, included in the above statement of financial activities was (£3,265) (2021 – (£54,165)). All income and expenditure in 2022 was also unrestricted.

AAPG-Europe
Consolidated Balance Sheet
As at June 30, 2022

| | Notes | Group | | Charity | |
|-------------------------------------------------------|-------|------------------|-----------------|-----------------|-----------------|
| | | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
| Fixed Assets | | | | | |
| Investments | 9 | - | - | 1 | 1 |
| Current Assets | | | | | |
| Debtors | 10 | 186,764 | 48,735 | 236,641 | 97,009 |
| Cash at Bank and in Hand | | 43,909 | 31,364 | 29,405 | 16,705 |
| | | <u>230,673</u> | <u>80,419</u> | <u>266,046</u> | <u>113,804</u> |
| Creditors: Amounts falling due within one year | 11 | (414,656) | (171,533) | (317,632) | (162,126) |
| Net current assets | | <u>(183,983)</u> | <u>(91,114)</u> | <u>(51,586)</u> | <u>(48,322)</u> |
| Net assets | | <u>(183,983)</u> | <u>(91,114)</u> | <u>(51,586)</u> | <u>(48,321)</u> |
| The funds of the group/charity: | | | | | |
| Unrestricted income funds | 12 | <u>(183,983)</u> | <u>(91,114)</u> | <u>(51,586)</u> | <u>(48,321)</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board of Trustees on 28 MAY 2024

And signed on its behalf by:


 Trustee

Company number: 6540163

AAPG-Europe**Consolidated Statement of Cash Flows for the Year Ended
June 30, 2022**

| | 2022 | 2021 |
|--------------------------------------------------------------------|---------------|------------------|
| | £ | £ |
| Cash flows from operating activities | | |
| Net (expenditure)/income for the reporting period | (92,868) | (102,607) |
| Depreciation charges | - | - |
| Investment income | - | - |
| Decrease/(increase) in debtors | (137,979) | 8,099 |
| Increase/(decrease) in current liabilities | 243,122 | (14,052) |
| Net cash generated by / (used in) operating activities | <u>12,275</u> | <u>(108,560)</u> |
| | | |
| Cash flows from investing activities | | |
| Investment income | - | - |
| Net cash provided by investing activities | <u>-</u> | <u>-</u> |
| | | |
| Change in cash and cash equivalents in the reporting period | 12,275 | (108,560) |
| | | |
| Cash and cash equivalents at beginning of reporting period | <u>31,634</u> | <u>140,194</u> |
| | | |
| Cash and cash equivalents at the end of reporting period | <u>43,909</u> | <u>31,634</u> |

1. Accounting Policies

Charity information

AAPG-Europe is a charitable company limited by guarantee that is domiciled and incorporated in England and Wales. The registered office is 9 Appold Street, London, England, EC2A 2AP

The principal accounting policies are summarized below. The accounting policies have been consistently applied throughout the year.

a) Basis of Accounting

The charity's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The charity is a public benefit entity for the purposes of FRS 102 and a registered charity. The charity has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charitable company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

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

b) Going Concern

In March 2021, the World Health Organization declared a global pandemic over the novel coronavirus known as COVID-19. This outbreak caused significant global supply chain disruptions which had an impact on the charity's operations. In light of the difficult financial challenges faced in the current and previous fiscal years, and considering the impact of COVID-19, the trustees have evaluated whether the use of the going concern basis is appropriate. The trustees have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. In particular,

AAPG-Europe

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2022 (continued)

the trustees have considered the revised forecasts and projections and have taken account of the recent financial pressures on events and the development of new activities.

After making enquiries, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. This is because the American Association of Petroleum Geologists, the charity's ultimate controlling party, have confirmed that they will forgive any debts accumulated to 30 June 2023 and that it will continue to provide sufficient financial support to the company to enable it to continue to trade and to meet its liabilities as they fall due, for at least one year from the signing date of approval of the financial statements for the year ended 30 June 2022. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

c) Critical Accounting Estimates and Areas of Judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognized in the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which such estimates are 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. Other than as stated above in relation to going concern, the trustees are of the opinion that there are no significant estimates or judgements made in preparing these financial statements.

d) Fund Accounting

Purposes of Unrestricted Funds

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Purposes of Restricted Funds

- At this point, there are no funds provided to AAPG-Europe which are restricted in their specific purpose.

Purposes of Designated Funds

- All available resources are being re-invested into the charity to establish the services required by the objects of the charity. As such, the board has not designated any funds for specific purposes or projects.

AAPG-Europe

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2022 (continued)

e) Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income, the receipt is probable, and the amount can be quantified reliably. The following policies are applied to specific categories of income.

- Investment income is included when receivable.
- Incoming resources from charitable trading activity are accounted for when earned.

f) Resources Expended

Expenditure is recognized on an accrual basis. Expenditure includes any VAT, which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Other trading activities expenditure comprises the costs of trading in the Charity's subsidiary.
- Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs, which are included within support costs, include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis, linked to staff time.

g) Fixed Assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £500 are not capitalized. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which for computer and electronic equipment and software is estimated at 3 years, in all other cases is estimated at 5 years.

Useful economic lives and residual values of assets are reassessed annually.

h) Fixed Asset Investments

The only investment held by the charity is that of its trading subsidiary and is included at cost.

AAPG-Europe

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2022 (continued)

i) Taxation

As a charity, AAPG-Europe is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Tax is charged on non-primary-purpose activities in excess of trading limits.

j) Operating Lease Rentals

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against the Statement of Financial Activities as incurred.

k) Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the SOFA.

l) Financial Instruments

- Cash and cash equivalents - Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.
- Debtors and creditors - Debtors and creditors receivable or payable within one year of the reporting date are carried initially at their transaction price and subsequently at settlement value.

m) Employee Benefits

- The costs of short-term employee benefits are regarded as a liability and an expense, unless these costs are required to be recognized on the cost of fixed assets.
- The cost of any unused holiday entitlement is recognized in the period in which the employee's services are reviewed.
- Termination benefits are recognized immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

AAPG-Europe

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2022 (continued)

n) Retirement Benefits

Payment to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2. Trading subsidiary

The charity owns the entire issued share capital of AAPG – Europe Trading Limited, a company registered in England and Wales (Company Registration No. 07019444), registered at: 9 Appold Street, London, England, EC2A 2AP. The subsidiary carries out commercial activities which support the main function of the charity, including the organization of the annual conferences. The subsidiary has undertaken to gift aid substantially all of its taxable profits to the charitable company. The issued share capital of AAPG - Europe Trading Limited is 1 ordinary share of £1. A summary of the results of the subsidiary is shown below:

| | 2022 | 2021 |
|----------------------------------------|------------------|-----------------|
| | Total | Total |
| | £ | £ |
| Turnover | 56,145 | 42,322 |
| Cost of sales | <u>(1,819)</u> | <u>(3,505)</u> |
| Gross profit | 54,326 | 38,817 |
| Administration costs | (143,930) | (87,259) |
| Other interest receivable | - | - |
| Loss before taxation | (89,604) | (48,442) |
| Taxation | - | - |
| Retained profit brought forward | <u>(42,793)</u> | 5,649 |
| Retained profit carried forward | <u>(132,397)</u> | <u>(42,793)</u> |

The assets, liabilities and funds of the subsidiary were:

| | | |
|-----------------------------|------------------|------------------|
| Assets | 131,407 | 61,151 |
| Liabilities | <u>(263,803)</u> | <u>(103,944)</u> |
| Capital and reserves | <u>(132,397)</u> | <u>(42,793)</u> |

AAPG-Europe

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2022 (continued)

3. Income from Activities to Further the Charity's Objectives

| | Unrestricted | Restricted | 2022 | 2021 |
|------------------------|----------------|------------|----------------|---------------|
| | £ | £ | Total £ | Total £ |
| Regional Conference | 100,153 | - | 100,153 | - |
| Sponsorship Income | 40,890 | - | 40,890 | 7,406 |
| Educational Activities | 29,060 | - | 29,060 | 22,798 |
| | <u>170,103</u> | <u>-</u> | <u>170,103</u> | <u>30,204</u> |

100% (2021: 100%) of the group's total income was attributable to markets outside the United Kingdom.

4. Charitable activities

| | Unrestricted | Restricted | 2022 | 2021 |
|---------------------------|----------------|------------|----------------|---------------|
| | £ | £ | Total £ | Total £ |
| Charitable activities - | | | | |
| Regional conference costs | 81,574 | - | 81,574 | (419) |
| Support costs | 91,794 | - | 91,794 | 84,788 |
| | <u>173,368</u> | <u>-</u> | <u>173,368</u> | <u>84,369</u> |

AAPG-Europe

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2022 (continued)

5. Support costs

| | Unrestricted | Restricted | 2022 Total | 2021 Total |
|-------------------------------------------|---------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Salaries and wages | 72,057 | - | 72,057 | 57,569 |
| Redundancy costs | - | - | - | - |
| Rent, service charge and rates | - | - | - | 5,034 |
| Office supplies | 2,637 | - | 2,637 | 924 |
| Repairs and maintenance | - | - | - | 40 |
| Telephone | 592 | - | 592 | 649 |
| Travel | - | - | - | 237 |
| Bank charges and foreign exchange loss | 664 | - | 664 | 1,198 |
| Depreciation | - | - | - | - |
| Governance costs | 15,844 | - | 15,844 | 19,137 |
| | <u>91,794</u> | <u>-</u> | <u>91,794</u> | <u>84,788</u> |

6. Governance costs

| | Unrestricted | Restricted | 2022 Total | 2021 Total |
|-----------------------------|---------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Legal fees | 208 | - | 208 | 2,434 |
| Audit fees | | | | |
| -in respect of current year | 11,000 | - | 11,000 | 8,350 |
| -in respect of prior years | - | - | - | 1,100 |
| Auditors – other services | 4,636 | - | 4,636 | 7,253 |
| | <u>15,844</u> | <u>-</u> | <u>15,844</u> | <u>19,137</u> |

7. Other expenditure

Other expenditure is corporation tax payable on sponsorship income earned in the year.

AAPG-Europe

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2022 (continued)

8. Staff Costs and Numbers

| | Group | |
|-----------------------------------------|----------------|---------------|
| | 2022 | 2021 |
| | £ | £ |
| Salaries | 140,472 | 116,206 |
| Social security costs | 12,807 | 11,438 |
| Pension costs | 4,466 | 3,525 |
| | <u>157,745</u> | <u>98,943</u> |
| Average staff numbers in the year were: | <u>3</u> | <u>3</u> |

One employee earned between £70,000 and £80,000 in the current year (2021: 1). This employee's salary is recharged, in part, to the charity's parent, AAPG (the American Association of Petroleum Geologists).

The trustees received no remuneration or benefits in kind in the current or prior year.

Remuneration of key management personnel

The charity has no key management personnel. The charity is managed by the management team of its parent.

AAPG-Europe

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2022 (continued)

9. Investments

Investments represent a £1 investment in the subsidiary company (note 2) which was acquired in 2009 and is shown at cost.

10. Debtors

| | Group | | Charity | |
|----------------------------|----------------|---------------|----------------|---------------|
| | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
| Trade debtors | 105,535 | 1,018 | 19,759 | 1,018 |
| Amount due from subsidiary | - | - | 208,163 | 94,536 |
| Other debtors | 8,458 | 9,096 | 722 | 722 |
| Prepayments | 72,771 | 38,671 | 7,997 | 823 |
| | <u>186,764</u> | <u>48,785</u> | <u>236,641</u> | <u>97,099</u> |

11. Creditors: Amounts Falling due within one Year

| | Group | | Charity | |
|-----------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
| Trade creditors | - | - | - | - |
| Taxation and social security | 26,629 | 20,753 | 15,891 | 19,990 |
| Accruals and deferred income | 93,736 | 24,443 | 29,962 | 18,893 |
| Due to American Association of Petroleum Geologists | 294,291 | 126,337 | 271,779 | 123,243 |
| Other creditors | - | - | - | - |
| | <u>414,656</u> | <u>185,585</u> | <u>317,632</u> | <u>171,091</u> |

AAPG-Europe has one loan outstanding, which is to the American Association of Petroleum Geologists, who has provided working capital to AAPG-Europe. The loan to AAPG-Europe does not have a specific due date, which is anticipated to be settled as the charity and the trading company develop established revenue streams. The American Association of Petroleum Geologists has asserted its intention to not call the loan or impose any collections requirements on the loan for the next fiscal year, at a minimum.

In the current year there was deferred income of £Nil (2021 – £2,777).

AAPG-Europe

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2022 (continued)

| 12. Unrestricted funds | July 1 2021 £ | Incoming Resources £ | Resources Expended £ | June 30 2022 £ |
|------------------------------|---------------------|----------------------------|----------------------------|----------------------|
| Group General fund | (91,114) | 226,248 | (319,117) | (183,983) |
| Charity General fund | (48,321) | 170,103 | (173,368) | (51,589) |
| Funds retained in subsidiary | | | | (132,397) |

13. Trustee Remuneration and Related Party Transactions

There were no travel costs or other expenses reimbursed to any member of the management committee. No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

At the year-end date the charity owed its parent, American Association of Petroleum Geologists £271,779 (2021 - £123,243). The transactions between the charity and its parent comprised expenses paid on behalf of each other and also a recharge of costs from the charity to its parent in respect of support for the Imperial Barrel Awards program.

At the year-end date the charity's subsidiary, AAPG-Europe Trading Limited, owed the charity £208,163 (2021 - £94,356). The transactions between the charity and its subsidiary comprised recharged expenditure.

AAPG-Europe

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2022 (continued)

14. Operating Lease Commitments

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

| | Group | | Charity | |
|----------------------------|-----------|-----------|-----------|-----------|
| | 2022 £ | 2021 £ | 2022 £ | 2021 £ |
| Within one year | - | - | - | - |
| Between two and five years | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Total lease payments recognized as an expense during the year was £Nil (2021: £5,034).

15. Control

The ultimate controlling party is AAPG (the American Association of Petroleum Geologists), an entity registered in the USA. AAPG is the parent company of AAPG-Europe by virtue of being its sole member. AAPG seeks to advance the science of geology and advance the profession of petroleum geology worldwide through fostering scientific research and the dissemination of scientific knowledge through publications, education training, workshops and conventions. Consolidated financial statements of AAPG are obtainable from 1444 South Boulder Avenue, Tulsa, Oklahoma 74119, USA (Registration no. 73-0125920).

AAPG - EUROPE

England & Wales - Charity number 1126290

Accounts

AAPG-Europe
(A company limited by guarantee)



Report and Consolidated Financial Statements
For the Year Ended June 30, 2021

Charity Number (England and Wales): 1126290
Charity Number (Scotland): SC040127
Company Number: 6540163

AAPG-Europe
(A company limited by guarantee)

Consolidated Financial Statements
For the Year Ended June 30, 2021

| <u>Contents</u> | <u>Page Number</u> |
|------------------------------------------------|--------------------|
| Reference and Administrative Information | 2 |
| Report of the Trustees | 3 - 9 |
| Audit Report | 10 - 15 |
| Statement of Financial Activities | 16 |
| Balance Sheets | 17 |
| Statement of Cash Flows | 18 |
| Notes forming part of the financial statements | 19 - 29 |

Report of the Trustees for the Year ended June 30, 2021

The Trustees present their report and audited financial statements for the year ended June 30, 2021.

Reference and Administrative Information

Charity Name: AAPG-Europe

Charity Number (England and Wales): 1126290

Charity Number (Scotland): SC040127

Company Registration Number: 6540163

Registered Office:

6th Floor
9 Appold Street,
London,
England,
EC2A 2AP

Operational Office:

1444 South Boulder Avenue,
Tulsa,
Oklahoma 74119,
USA

Trustees

A Wegener

D Cook

K Gibbons

D Curtiss

J Craig – Chairman

Secretary

Mr. D. Curtiss

Senior Management Team

Mr. A. Wegener Director
Mr. B. Haws Controller

Auditors – Moore Kingston Smith LLP; 6th Floor, 9 Appold Street, London EC2A 2AP

Bankers – HSBC Bank; 165 Fleet Street, London EC4A 2DY

Solicitors – Stone King LLP; 16 St. John's Lane, London, EC1M 4BS

AAPG-Europe

Aims and Objectives

Purposes and Aims:

Our charity's purposes as set out in the objects contained in the company's memorandum of association are, for the public benefit:

- To advance the science of geology and its allied sciences in particular, but without prejudice to the generality of the forgoing, as they relate to petroleum, natural gas, other subsurface fluids and mineral resources, through methods including:
 - Promoting the technology of exploring for, finding and producing such materials in an economically and environmentally sound manner; and
 - Disseminating information related to the geology and associated technology of petroleum, natural gas, other subsurface fluids and mineral resources.

The aims of our charity are to foster scientific exchange which advances the earth sciences, in particular, those related to petroleum, natural gas, and other energy minerals. This is the purpose that our charity was established to further.

The Focus of our Work

Our main objectives for the year were focused on the delivery of science, particularly the geosciences through our many programs. Specifically, we have undertaken the following:

- Implementing a system of dissemination of scientific and geological information, through educational activities
- Conducting additional short courses in Europe
- Developing a schedule of Geoscience Technology Workshops (GTW)
- Executing a regional conference

How Our Activities Deliver Public Benefit

The trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance as published by the Charity Commission including its guidance 'Public benefit: running a charity (PB2)'. Our main activities and who we are trying to benefit are described below. Our charitable activities focus on the science of geology, the dissemination of that science, and on the many aspects of the energy geosciences. Our work has primarily focused on advancing scientific knowledge through our program of educational events and expanding the geoscience community. All charitable activities focus on sharing scientific knowledge which helps the energy industry remain sustainable, and the events focus on the

Report of the Trustees for the Year ended June 30, 2021

exchange of technology concerning the exploration of energy resources for the public benefit. In addition to helping reinforce the training of the geoscientist, this emphasis on sustainability and environmental awareness and responsiveness ultimately serves society in general.

Our courses, presentations and learning opportunities are open to the general public. The primary beneficiaries include geoscientists working and living in the United Kingdom and in the rest of Europe. These programs help develop and expand the knowledge and information on the technical challenges of finding and producing energy resources.

Programs

We generally offer several educational events each year, with differing levels of scientific intensity. Our line-up of events includes our flagship Geoscience Technology Workshops, or GTW's and a larger regional conference. The GTWs are scientific learning opportunities that appeal to a much wider audience and are typically focused on issues or topics related to regional activities, or emerging technologies. The global pandemic caused by the 2019 Novel Coronavirus, SARS-CoV-2 (more commonly known as and referred to hereafter as COVID-19) had a profound impact on our organization and effectively eliminated our ability to deliver in-person events for the fiscal year. Our team was able to organize two GTW's online as well as conduct an online geothermal crossover event. In addition, we productively used the time to introduce a new line-up of less formal, free, collaboration events on specific energy geoscience topics using online platforms. Our response was extraordinary and we dramatically increased the engagement of geosciences throughout Europe and the world. These on-line only events attracted geoscientists and those interested in the geosciences that otherwise had not participated in our events and activities. We are very proud of that result and the resourcefulness and proactive outreach of our team.

Financial Review

AAPG-Europe has been operating in the United Kingdom for thirteen years. The last few years have been especially difficult from a financial standpoint and COVID-19 has compounded the challenges. In addition to the lack of ability to gather in person for our events, we receive most of our financial support from the energy industry (as a whole) in the way of sponsorship and support of our activities. The energy industry is suffering not just from financial hardship the last several years but also the steep drop in prices during the global pandemic. These factors had a pronounced, corresponding effect on our financial activities.

Although our educational offerings increased between 2014 and 2017, we had seen a decline in participation of our traditional format activities prior to the COVID-19 pandemic. Since the lockdown in the United Kingdom was announced in March 2020, we have not conducted any significant in-person revenue generating activities, though we did have four events that generated some revenue in 2021. The trustees are aware of our dramatically declining revenues and are working to manage the charity in as fiscally responsible a manner as possible in this challenging operating environment. The result of their focus has been significantly cutting operating costs, including relocating (and eventually closing) our physical office.

In light of the financial strain that we are experiencing, our senior leadership team has proposed to the trustees and has implemented some significantly different events and activities which will continue to fulfil the objects of the charity and hopefully bring back the interest and support of the energy industry when they are able to return to traditional events. This will not be a short-term fix (and COVID-19 has extended our forecast for challenging economic conditions), but will require long-term implementation of activities that will also be supported by the marketplace.

Most of AAPG-Europe's support and funding used during our time in operation is from the gift aid from the subsidiary trading company. This gift aid provides the critical resources to support our charitable mission. Much like the charity, however, the trading subsidiary has also suffered greatly with decreased revenue the past couple of years, which has had a negative impact on the amount of gift aid available to the charity. The COVID-19 global pandemic had a significant impact at the our APPEX event in March 2021. Our revenues were down dramatically, though we were still able to conduct our event on-line and deliver a robust technical program which was more effective than cancelling.

Principal Funding Sources

AAPG-Europe conducted a few educational, scientific events during the year. Aside from the fees generated in pursuit of these educational activities, the charity has fallen short financially with no prospect of gift aid from the trading subsidiary in the current fiscal year.

The American Association of Petroleum Geologists AAPG has provided a commitment to support the operation of the Charity group by providing working capital as needed and has agreed to not seek repayment of the outstanding balance due to it by AAPG-Europe and its trading subsidiary in the next year. Furthermore, as mentioned above, the Executive Committee of AAPG voted to forgive the legacy debt of both the Charity and the Trading subsidiary in fiscal year June 30, 2018. This provided AAPG-Europe with much needed debt relief and support needed to ensure that we can continue to operate as a going concern for the foreseeable future. The American Association of Petroleum Geologists is a 100+ year-old international professional association located in the United States which has significant resources to help carry out its mission of advancing the profession and science of geology. This mission of AAPG is closely aligned with the objects of the Charity.

Investment Policy

The Trustees of AAPG-Europe are aware of the benefits that a solid financial plan can allow us to continue our mission of disseminating scientific knowledge. This objective has been complicated by the decreased availability of funding from the energy industry, the squeeze on our operating margins, and the distress on the live events portion of our business due to COVID-19. The Management Committee has invested the small amount of current available resources in a business money manager account with a respected financial institution. In light of the current economic environment, our return on our investment appears reasonable.

Fund Balances

The group results are a shortfall for the period of £102,607 (2020: £48,344). Closing unrestricted reserves of the group are -£91,114 (2020: £11,493). At the end of the year, the liability to AAPG had decreased to £126,337 (2020: £135,183). AAPG-Europe has developed a significant loan payable to the American Association of Petroleum Geologists from the operations of the charity, which has persisted after the debt forgiveness in FY 2018. The Trustees have directed that the staff develop and present a plan to reduce and eliminate any deficit and dependence on the sole member of the charity.

The terms of the loan from AAPG are such that there is no defined repayment date, hence in accordance with FRS 102 this is classified as a current liability, however the AAPG has confirmed its willingness to continue to provide the financial support to AAPG-Europe until it has generated sufficient working capital to repay the loan and sustain their day to day operations. For this reason, the trustees are satisfied that there will be no call on repayment that would limit the charity's ability to meet its other liabilities and obligations as they fall due for at least 12 months from the date of signing the accounts.

Reserves Policy

The Management Committee has examined the charity's requirements for reserves in light of the main risks to the organization. The charity has expressed its goal to increase reserves as it continues developing and reducing its indebtedness. The financial results for the years 2015 – 2017 eliminated any progress that had been made in that regard. In light of the current economic challenges for the energy sector, the trustees have not determined a timescale for achieving the desired level of reserves of 6 months of operating expenses. The trustees are mindful of the need to achieve modest surpluses year on year in the shorter term, with an immediate focus of minimizing or mitigating the negative balance in unrestricted reserves at the end of fiscal year 2022. The COVID-19 global pandemic will have a negative impact on our ability to meet these goals in the short term. The impact on the energy industry as a whole will also continue to apply negative pressure on our financial support.

Risk

The Management Committee is aware that risk is inherent in most undertakings and believe that most of our risk is minimal or manageable. The trustees have developed a risk register which will be reviewed on a periodic basis and amended as deemed necessary by the trustees. The current largest, and most pressing risk facing the charity continues to be the concentration of potential support for the charity's activities within a single industry. The volatility of energy prices, followed by a prolonged and sustained depression of not only energy prices, but the available support from the previously enthusiastic energy industry have had a profound and illuminating impact. We have creatively introduced alternate energy geoscience opportunities and have begun attracting attention from non-traditional funding sources. At this point, our current plans of expanding into other disciplines such as the energy transition and geothermal are being implemented. This expansion

should provide additional exposure into other disciplines within the geosciences in addition to our core, geology, including cross-functional disciplines such as geophysics and engineering.

On the liability side of risk, we endeavor to organize our events in reputable, reasonable facilities. We have employment policies in place for the staff that we hire. Despite sound policies and best efforts on logistics, loss can still occur. To that end, we obtained insurance cover for the office space that we rented, as well as the activities that we undertake. We believe that the amounts of coverage, though not limitless, are reasonable and will help minimize the risk of financial loss in the event of a successful claim. During the year, our trustees were covered by indemnity insurance.

We address our indebtedness to AAPG at least annually to ensure that the Trustees are always aware of the status of our financial arrangement.

Plans for Future Periods

Although the charity plans to continue disseminating the energy geosciences, the impact of COVID-19 has been swift and punitive. Our standard method of delivery, in person conferences, courses and workshops has been significantly disrupted. The activities that we have planned are the Geoscience Technology Workshops, the regional conference, the Energy Transition Forum and others. In light of our changing business model, we have taken steps to minimize our costs and continue to try new methods of delivering high-quality scientific education at low cost to the participants. Our team has been instrumental at developing creative new ideas which we hope and expect will be rewarded by the market in the future.

Structure, Governance and Management

Governing Document

The organization is a charitable company, limited by guarantee, incorporated on March 19, 2008, and registered as a charity on October 14, 2008 with the Charity Commission in England & Wales. The charity was registered with OSCR, the Office of the Scottish Charity Register on December 11, 2008. The company was established under a Memorandum of Association which established the objects and purposes of the charitable company and is governed under its Articles of Association. In the event of the company being dissolved, members are required to contribute an amount not exceeding £1.

Trustee Selection

The organizations governing documents require that two trustees are appointed by the American Association of Petroleum Geologists. Three co-opted trustees are appointed by the board of Trustees.

Induction and Training

Most trustees are already familiar with the practical work of the charity due to the small group and intensive focus on programs to establish. Additionally, the trustees are provided with access to update sessions on current governance practices through the Charity Commission website updates, as well as through bulletins and seminars provided by the charity's external professional advisors.

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and are deemed reappointed in accordance with section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland: The FRS 102 Charities SORP (issued in July 2014) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Statement of Trustees' Responsibilities

The trustees (who are also directors of AAPG-Europe for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, The Charities and Trustees Investment (Scotland) Act 2005 (as amended) and The Charities Accounts (Scotland) Regulations 2006 (as amended). They are

also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small company rules

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees on 25 October 2023 and signed on its behalf by:



Mr. D. Curtiss (Secretary)

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2021

Opinion

We have audited the financial statements of AAPG-Europe for the year ended 30 June 2021, which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement 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 the parent charitable company's affairs as at 30 June 2021 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

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 charitable 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 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 trustees' 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 charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Opinions 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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2021

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group and parent charitable 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 trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2021

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2021

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report addressed to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

AAPG-Europe

Independent auditor's report to the members and trustees of AAPG-Europe for the year ended June 30, 2021

Andrew Stickland, Senior Statutory Auditor
For and on behalf of Moore Kingston Smith
LLP
Statutory Auditor

Moore Kingston Smith LLP

Moore Kingston Smith LLP is eligible to act
as auditor in terms of Section 1212 of the
Companies Act 2006.

6th Floor
9 Appold Street
London
EC2A 2AP
Date: 31 October 2023

**Consolidated Statement of Financial Activities for the Year Ended
June 30, 2021**

| | Notes | Unrestricted Funds 2021 £ | Restricted Funds 2021 £ | Total Funds 2021 £ | Total Funds 2020 £ |
|-------------------------------------------------------|-------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | |
| Other trading activities – subsidiary | 2 | 42,322 | - | 42,322 | 236,868 |
| Charitable activities: | | | | | |
| Educational activities | 3 | 30,204 | - | 30,204 | 131,106 |
| Investment income | | - | - | - | 2 |
| Total Income: | | <u>72,526</u> | <u>-</u> | <u>72,526</u> | <u>367,976</u> |
| Expenditure on: | | | | | |
| Other trading activities – subsidiary | 2 | 90,764 | - | 90,764 | 243,929 |
| Charitable activities – cost of educational provision | 4 | 84,369 | - | 84,369 | 164,099 |
| Other expenditure | 7 | - | - | - | 8,292 |
| Total Expenditure: | | <u>175,133</u> | <u>-</u> | <u>175,133</u> | <u>416,320</u> |
| Net income/(expenditure): | | <u>(102,607)</u> | <u>-</u> | <u>(102,607)</u> | <u>(48,344)</u> |
| Reconciliation of Funds: | | | | | |
| Balance brought forward | | <u>11,493</u> | <u>-</u> | <u>11,493</u> | <u>59,837</u> |
| Total Funds Carried Forward: | | <u>(91,114)</u> | <u>-</u> | <u>(91,114)</u> | <u>11,493</u> |

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities. The charity's net expenditure for the year, included in the above statement of financial activities was £54,165 (2020 – £28,565). All income and expenditure in 2020 was also unrestricted.


AAPG-Europe
Consolidated Balance Sheet
As at June 30, 2021

| | | Group | | Charity | |
|-------------------------------------------------------|-------|------------------|------------------|------------------|------------------|
| | Notes | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Fixed Assets | | | | | |
| Investments | 9 | - | - | 1 | 1 |
| Current Assets | | | | | |
| Debtors | 10 | 48,785 | 56,884 | 97,099 | 55,573 |
| Cash at Bank and in Hand | | 31,634 | 140,194 | 16,705 | 121,361 |
| | | <u>80,419</u> | <u>197,078</u> | <u>113,804</u> | <u>176,934</u> |
| Creditors: Amounts falling due within one year | 11 | <u>(171,533)</u> | <u>(185,585)</u> | <u>(162,126)</u> | <u>(171,091)</u> |
| Net current assets | | <u>(91,114)</u> | <u>11,493</u> | <u>(48,322)</u> | <u>5,843</u> |
| Net assets | | <u>(91,114)</u> | <u>11,493</u> | <u>(48,321)</u> | <u>5,844</u> |
| The funds of the group/charity: | | | | | |
| Unrestricted income funds | 12 | <u>(91,114)</u> | <u>11,493</u> | <u>(48,321)</u> | <u>5,844</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board of Trustees on 25 October 2023

And signed on its behalf by:



David Curtiss
Trustee

Company number: 6540163

AAPG-Europe

Consolidated Statement of Cash Flows for the Year Ended June 30, 2021

| | 2021 £ | 2020 £ |
|------------------------------------------------------------------------|------------------|-----------------|
| Cash flows from operating activities | | |
| Net (expenditure)/income for the reporting period | (102,607) | (48,344) |
| Depreciation charges | - | 254 |
| Investment income | - | (2) |
| Decrease/(increase) in debtors | 8,099 | 123,544 |
| Increase/(decrease) in current liabilities | (14,052) | (116,094) |
| Net cash generated by / (used in) operating activities | <u>(108,560)</u> | <u>(40,642)</u> |
| Cash flows from investing activities | | |
| Investment income | - | 2 |
| Net cash provided by investing activities | <u>-</u> | <u>2</u> |
| Change in cash and cash equivalents in the reporting period | (108,560) | (40,640) |
| Cash and cash equivalents at beginning of reporting period | <u>140,194</u> | <u>180,834</u> |
| Cash and cash equivalents at the end of reporting period | <u>31,634</u> | <u>140,194</u> |

1. Accounting Policies

Charity information

AAPG-Europe is a charitable company limited by guarantee that is domiciled and incorporated in England and Wales. The registered office is 6th Floor, 9 Appold Street, London, England, EC2A 2AP.

The principal accounting policies are summarized below. The accounting policies have been consistently applied throughout the year.

a) Basis of Accounting

The charity's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The charity is a public benefit entity for the purposes of FRS 102 and a registered charity. The charity has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charitable company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

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

b) Going Concern

At the balance sheet date, the group had net liabilities of £91,114 (2020 – net assets of £11,493) and recorded net expenditure of £102,607 (2020 - £48,344).

In March 2020, the World Health Organization declared a global pandemic over the novel coronavirus known as COVID-19. This outbreak caused significant global supply chain disruptions which had an impact on the charity's operations. Many events scheduled for fiscal year 2021 were postponed or cancelled. Although the situation is improving, event activity has not returned to pre-pandemic levels. In light of the difficult financial challenges

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2021 (continued)

faced in the current and previous fiscal years, the trustees have evaluated whether the use of the going concern basis is appropriate. The trustees have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. In particular, the trustees have considered the revised forecasts and projections and have taken account of the recent financial pressures on events and the development of new activities.

After making enquiries, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. This is because the American Association of Petroleum Geologists, the charity's ultimate controlling party, has confirmed that it will provide sufficient financial support to the charity to enable it to continue to trade and to meet its liabilities as they fall due, for at least one year from the signing date of approval of the financial statements for the year ended 30 June 2021. This support includes the Executive Committee of AAPG having voted to forgive the legacy debt of both the charity and the trading subsidiary as at 30 June 2023. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

c) Critical Accounting Estimates and Areas of Judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognized in the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which such estimates are 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. Other than as stated above in relation to going concern, the trustees are of the opinion that there are no significant estimates or judgements made in preparing these financial statements.

d) Fund Accounting

Purposes of Unrestricted Funds

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Purposes of Restricted Funds

- At this point, there are no funds provided to AAPG-Europe which are restricted in their specific purpose.

Purposes of Designated Funds

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2021 (continued)

- All available resources are being re-invested into the charity to establish the services required by the objects of the charity. As such, the board has not designated any funds for specific purposes or projects.

e) Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income, the receipt is probable, and the amount can be quantified reliably. The following policies are applied to specific categories of income.

- Investment income is included when receivable.
- Incoming resources from charitable trading activity are accounted for when earned.

f) Resources Expended

Expenditure is recognized on an accrual basis. Expenditure includes any VAT, which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Other trading activities expenditure comprises the costs of trading in the Charity's subsidiary.
- Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs, which are included within support costs, include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis, linked to staff time.

g) Fixed Assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £500 are not capitalized. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which for computer and electronic equipment and software is estimated at 3 years, in all other cases is estimated at 5 years.

Useful economic lives and residual values of assets are reassessed annually.

h) Fixed Asset Investments

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2021 (continued)

The only investment held by the charity is that of its trading subsidiary and is included at cost.

i) Taxation

As a charity, AAPG-Europe is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Tax is charged on non-primary-purpose activities in excess of trading limits.

j) Operating Lease Rentals

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against the Statement of Financial Activities as incurred.

k) Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the SOFA.

l) Financial Instruments

- Cash and cash equivalents - Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.
- Debtors and creditors - Debtors and creditors receivable or payable within one year of the reporting date are carried initially at their transaction price and subsequently at settlement value.

m) Employee Benefits

- The costs of short-term employee benefits are regarded as a liability and an expense, unless these costs are required to be recognized on the cost of fixed assets.
- The cost of any unused holiday entitlement is recognized in the period in which the employee's services are reviewed.
- Termination benefits are recognized immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

n) Retirement Benefits

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2021 (continued)

Payment to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2. Trading subsidiary

The charity owns the entire issued share capital of AAPG – Europe Trading Limited, a company registered in England and Wales (Company Registration No. 07019444), registered at: 6th Floor, 9 Appold Street, London, England, EC2A 2AP. The subsidiary carries out commercial activities which support the main function of the charity, including the organization of the annual APPEX conference. The subsidiary has undertaken to gift aid substantially all of its taxable profits to the charitable company. The issued share capital of AAPG - Europe Trading Limited is 1 ordinary share of £1. A summary of the results of the subsidiary is shown below:

| | 2021 Total £ | 2020 Total £ |
|----------------------------------------|-----------------------------|-----------------------------|
| Turnover | 42,322 | 236,868 |
| Cost of sales | <u>(3,505)</u> | <u>(145,653)</u> |
| Gross profit | 38,817 | 91,215 |
| Administration costs | (87,259) | (98,276) |
| Other interest receivable | <u>-</u> | <u>2</u> |
| Loss before taxation | (48,442) | (7,059) |
| Taxation | - | - |
| Retained profit brought forward | 5,649 | 12,708 |
| Retained profit carried forward | <u>(42,793)</u> | <u>5,649</u> |

The assets, liabilities and funds of the subsidiary were:

| | | |
|-----------------------------|------------------|-----------------|
| Assets | 61,151 | 41,109 |
| Liabilities | <u>(103,944)</u> | <u>(35,459)</u> |
| Capital and reserves | <u>(42,793)</u> | <u>5,650</u> |

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2021 (continued)

3. Income from Activities to Further the Charity's Objectives

| | Unrestricted | Restricted | 2021 | 2020 |
|------------------------|---------------|------------|---------------|----------------|
| | £ | £ | Total £ | Total £ |
| Regional Conference | - | - | - | 52,563 |
| Miscellaneous Income | 6,806 | - | 7,406 | - |
| Educational Activities | 23,398 | - | 22,798 | 78,543 |
| | <u>30,204</u> | <u>-</u> | <u>30,204</u> | <u>131,106</u> |

100% (2020: 36%) of the group's total income was attributable to markets outside the United Kingdom.

4. Charitable activities

| | Unrestricted | Restricted | 2021 | 2020 |
|---------------------------|---------------|------------|---------------|----------------|
| | £ | £ | Total £ | Total £ |
| Charitable activities - | | | | |
| Short course costs | - | - | - | 25,844 |
| Regional conference costs | (419) | - | (419) | 22,100 |
| Support costs | 84,788 | - | 84,788 | 116,145 |
| | <u>84,369</u> | <u>-</u> | <u>84,369</u> | <u>164,099</u> |

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2021 (continued)

5. Support costs

| | Unrestricted | Restricted | 2021 Total | 2020 Total |
|----------------------------------------|---------------|------------|---------------|----------------|
| | £ | £ | £ | £ |
| Salaries and wages | 57,569 | - | 57,569 | 47,908 |
| Redundancy costs | - | - | - | - |
| Rent, service charge and rates | 5,034 | - | 5,034 | 19,116 |
| Office supplies | 924 | - | 924 | 4,478 |
| Repairs and maintenance | 40 | - | 40 | (861) |
| Telephone | 649 | - | 649 | 3,991 |
| Travel | 237 | - | 237 | 1,864 |
| Bank charges and foreign exchange loss | 1,198 | - | 1,198 | 3,776 |
| Depreciation | - | - | - | 254 |
| Governance costs | 19,137 | - | 19,137 | 35,619 |
| | <u>84,788</u> | <u>-</u> | <u>84,788</u> | <u>116,145</u> |

6. Governance costs

| | Unrestricted | Restricted | 2021 Total | 2020 Total |
|-----------------------------|---------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Legal fees | 2,434 | - | 2,434 | 11,912 |
| Audit fees | | | | |
| -in respect of current year | 8,350 | - | 8,350 | 8,350 |
| -in respect of prior years | 1,100 | - | 1,100 | 2,230 |
| Auditors – other services | 7,253 | - | 7,253 | 13,127 |
| | <u>19,137</u> | <u>-</u> | <u>19,137</u> | <u>35,619</u> |

7. Other expenditure

Other expenditure is corporation tax payable on sponsorship income earned in the year.

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2021 (continued)

8. Staff Costs and Numbers

| | Group | |
|------------------------------------------------|----------------|---------------|
| | 2021 | 2020 |
| | £ | £ |
| Salaries | 116,206 | 84,268 |
| Social security costs | 11,438 | 11,490 |
| Pension costs | 3,525 | 3,185 |
| | <u>131,169</u> | <u>98,943</u> |
| Average staff numbers in the year were: | <u>3</u> | <u>3</u> |

One employee earned between £80,000 and £90,000 in the current year (2020: between £70,000 and £80,000). This employee's salary is recharged, in part, to the charity's parent, AAPG (the American Association of Petroleum Geologists).

The trustees received no remuneration or benefits in kind in the current or prior year.

Remuneration of key management personnel

The charity has no key management personnel. The charity is managed by the management team of its parent.

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2021 (continued)

9. Investments

Investments represent a £1 investment in the subsidiary company (note 2) which was acquired in 2009 and is shown at cost.

10. Debtors

| | Group | | Charity | |
|----------------------------|---------------|---------------|---------------|---------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Trade debtors | 1,018 | 31,990 | 1,018 | 23,888 |
| Amount due from subsidiary | - | - | 94,536 | 20,965 |
| Other debtors | 9,096 | 17,897 | 722 | 9,523 |
| Prepayments | 38,671 | 6,997 | 823 | 1,197 |
| | <u>48,785</u> | <u>56,884</u> | <u>97,099</u> | <u>55,573</u> |

11. Creditors: Amounts Falling due within one Year

| | Group | | Charity | |
|-----------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Trade creditors | - | 5,277 | - | 5,277 |
| Taxation and social security | 20,753 | 22,769 | 19,990 | 14,723 |
| Accruals and deferred income | 24,443 | 22,356 | 18,893 | 13,636 |
| Due to American Association of Petroleum Geologists | 126,337 | 135,183 | 123,243 | 137,455 |
| | <u>171,533</u> | <u>185,585</u> | <u>162,126</u> | <u>171,091</u> |

AAPG-Europe has one loan outstanding, which is to the American Association of Petroleum Geologists, who has provided working capital to AAPG-Europe. The loan to AAPG-Europe does not have a specific due date, which is anticipated to be settled as the charity and the trading company develop established revenue streams. The American Association of Petroleum Geologists has asserted its intention to not call the loan or impose any collections requirements on the loan for 12 months following the signing of these financial statements, at a minimum.

In the current year there was deferred income of £2,777 (2020 - £11,721).

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2021 (continued)

12. Unrestricted funds

| | July 1 2020 £ | Incoming Resources £ | Resources Expended £ | June 30 2021 £ |
|------------------------------|---------------------|----------------------------|----------------------------|----------------------|
| Group General fund | 11,493 | 72,526 | (175,133) | (91,114) |
| Charity General fund | 5,844 | 30,204 | (84,369) | (48,321) |
| Funds retained in subsidiary | | | | (42,793) |

13. Trustee Remuneration and Related Party Transactions

There were no travel costs or other expenses reimbursed to any member of the management committee. No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

At the year-end date the charity owed its parent, American Association of Petroleum Geologists £123,423 (2020 - £137,455). The transactions between the charity and its parent comprised expenses paid on behalf of each other and also a recharge of costs from the charity to its parent in respect of support for the Imperial Barrel Awards program.

At the year-end date the charity's subsidiary, AAPG-Europe Trading Limited, owed the charity £94,536 (2020 - £20,965). The transactions between the charity and its subsidiary comprised recharged expenditure and loan repayments.

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2021 (continued)

14. Operating Lease Commitments

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

| | Group | | Charity | |
|----------------------------|-----------|-----------|-----------|-----------|
| | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| Within one year | - | - | - | - |
| Between two and five years | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Total lease payments recognized as an expense during the year was £5,034 (2020: £14,781).

15. Control

The ultimate controlling party is AAPG (the American Association of Petroleum Geologists), an entity registered in the USA. AAPG is the parent company of AAPG-Europe by virtue of being its sole member. AAPG seeks to advance the science of geology and advance the profession of petroleum geology worldwide through fostering scientific research and the dissemination of scientific knowledge through publications, education training, workshops and conventions. Consolidated financial statements of AAPG are obtainable from 1444 South Boulder Avenue, Tulsa, Oklahoma 74119, USA (Registration no. 73-0125920).