

Charity Registration No. 1151654

Company Registration No. 08300105 (England and Wales)

WORLD PETROLEUM COUNCIL

TRUSTEES' REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

WORLD PETROLEUM COUNCIL

CONTENTS

| | Page |
|--|-------------|
| Charity officers and other information | 1 - 3 |
| Trustees' report | 4 - 8 |
| Independent Auditor's report | 9 - 13 |
| Statement of Financial Activities | 14 |
| Balance sheet | 15 |
| Cash Flow Statement | 16 |
| Notes to the financial statements | 17 - 27 |

WORLD PETROLEUM COUNCIL

OFFICERS AND ADVISORS AND STRUCTURE OF THE CHARITABLE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2021

| | |
|-------------------|--|
| Trustees | <p>The following trustees served throughout the year:</p> <p>PO Yilmaz M Costa Filho (Resigned 7 September 2022) T Fjaeran (Resigned 7 September 2022) P Salamanca (Appointed 7 September 2022) B Gunal (Appointed 7 September 2022)</p> |
| Charity Number | 1151654 |
| Company Number | 08300105 |
| Principal Address | <p>Energy Institute 61 New Cavendish Street London W1G 7AR</p> |
| Registered Office | <p>Energy Institute 61 New Cavendish Street London W1G 7AR</p> |
| Auditors | <p>Rickard Luckin Limited Registered Auditors and Chartered Accountants 1st Floor, County House 100 New London Road Chelmsford Essex CM2 0RG</p> |
| Bankers | <p>Natwest Bank plc 125 Great Portland Street Fitzrovia London W1W 6AX</p> |

WORLD PETROLEUM COUNCIL

OFFICERS AND ADVISORS AND STRUCTURE OF THE CHARITABLE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2021

"Trustee" means a director of the Company, who shall be a director of the Company for the purposes of the Companies Act 2006 and a charity trustee of the Company for the purposes of the Charities Acts; "Officers" means the Trustees acting as the directors of WPC together with the Director General; and "Director General" means such person who is appointed to such office in accordance with article 10(b). (a) Each member country shall be entitled to nominate up to three representatives to the Council. It is the responsibility of each National Committee to notify the Secretariat promptly of the identity and contact details of its representatives and of any changes to them. The Officers of the WPC shall be members of the Council but shall not vote unless exercising their country's vote.

Council

The Council is the sovereign body of the WPC and specifically reserves to itself responsibility for the following:

- i. Amendment of the Constitution
- ii. Election of new member countries
- iii. Selection of venues and approximate dates of Congresses and regional meetings
- iv. Approval of Congress themes
- v. Election of Officers and members of the Congress Programme Committee
- vi. Appointment of the Director General
- vii. Approval of the Annual Budget, Annual Audited Accounts and (once per cycle) a medium term financial plan
- ix. Setting of the fees required for membership

The Council shall also each year receive reports from the President, the Vice President, Finance and the Director General. All other officers also normally provide annual reports.

(b) The Officers of the WPC and their responsibilities shall be:

- i. President, who shall also preside at meetings of the Council and of the Executive Committee. The President during his/her term of office shall not serve as a member of his/her National Committee.
- ii. Senior Vice President, who shall preside at meetings of the Council and of the Executive Committee in the absence of the President. If the President should be indisposed or otherwise unable to fulfil his/her duties, the Senior Vice-President shall act in his/her place until the president is able to resume his/her duties. If he/she should be permanently incapacitated, the Senior Vice President shall act as President for the remainder of the President's term of office. The Senior Vice President is also responsible for strategic planning of WPC's activities.
- iii. Vice President, Congress Programme, who shall chair meetings of the Congress Programme Committee in accordance with Article 9 of the Articles
- iv. Vice President, Finance.
- v. Vice President, Marketing.
- vi. Vice President, Membership.
- vii. Vice President, Diversity, Inclusion and Youth

Executive committee

(a) The Executive Committee shall consist of the seven Officers (as set out in Article 7), the Chairman (or senior representative) of the Host Country Organising Committee for the next Congress, the Chairman (or senior representative) of the previous Congress and in a nonvoting capacity, the Director General. Each Committee Member shall serve on the Committee as a representative of the WPC and not as representative of his/her member country. No two Executive Committee members shall come from the same member country, with the exception of the Director General, consistent with Article 7(b).

Executive committee for December 2021 - 2023 are as follows:

| | |
|---|-----------------------|
| President | Pedro Miras Salamanca |
| Vice President - Marketing | Jambulat Sarsenov |
| Vice President - Finance | Burcu Gunal |
| Vice President - Programme | Nabeel Al Afaleg |
| Vice President - Membership | Li Luguang |
| Vice President – Diversity, inclusion and Youth | Stéphane Rousselet |
| Director General | Pierce Riemer |
| Current Host Representative | Joanna Desjardins |
| Past Host Representative | Pinar Oya Yilmaz |

WORLD PETROLEUM COUNCIL

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees who are also the directors under company law present their annual report and the audited financial statements of the World Petroleum Council for the year ending 31 December 2021. The Trustees Report is also the Directors Report for the purposes of Company Law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and the requirements of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland published on 16 July 2014.

The officers of the fund are the trustees as shown on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Although created and operated from 1933 the World Petroleum Council was incorporated as a charitable company on the 20 November 2012. The company started its activities on 1 January 2014 and during that year all of the assets were transferred from the previous legal entity into the charity.

None of the trustees have any beneficial interest in the company. The members of the company guarantee to contribute £1 in the event of a winding up.

The governing document for the charity is the Memorandum and Articles of Association. All decisions affecting the charitable company are made by the board in accordance with those articles. The trustees of the charity comply with its obligations under the Charities Act 2011 and the requirements of the Statement of Recommended Practice, "Accounting and Reporting of Charities".

The trustees are selected for their experience and skills in areas which it is felt will enable them to contribute towards the running and success of the charitable company. To aid them in their duties they are inducted into the charity's procedures and values by the current trustees and are encouraged to attend any relevant internal or external training courses.

See pages 2-3 for an explanation of the management structure.

WORLD PETROLEUM COUNCIL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Objectives and Activities

The charity's objects are the promotion, for the benefit of the public, of sustainable supply and efficient use of oil, gas and other energy resources in particular but not exclusively by the following:

- a) holding conferences, meetings, seminars and workshops to:
 - i. Promote best practice with regard to social responsibility and development.
 - ii. Promote the advancement of human rights (as set out in the Universal Declaration of Human Rights and subsequent United Nations conventions and declarations), facilitating discussion between government, industry and community in issues such as equality and diversity and elimination of discrimination.
 - iii. Provide a forum for representatives of communities to share their concerns regarding sustainability.
 - iv. To suggest solutions for global energy challenges, environmental protection and multi-sectorial co-operation with the aim to conserve and preserve the natural environment.
 - v. Share knowledge of the technological developments and scientific research for the benefit of the public and publishing useful results for the public benefit.
- b) publishing, producing or assisting in the publication, production and distribution of education material to schools and universities and other interested parties with the aim to advance education for the public benefit.
- c) maintaining electronic libraries and providing public access to papers, research documents and publications.
- d) encouraging the undertaking of voluntary work (work which further exclusively charitable purposes - charitable under English law) in furthering the exclusively charitable objects of the World Petroleum Council.
- e) institute, establish and promote educational and training courses, scholarship grants, awards and prizes with the aim to advance education and research for the public benefit.

There have been no changes to these during the year.

WORLD PETROLEUM COUNCIL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievement, Performance and Plans for the Future

There were four full time staff working in the Secretariat for this year. The Secretariat is small so we rely a lot on our members and in particular the members of our international committees for keeping the organisation running efficiently. Our major focus is supporting the Congress and maintaining our charitable aims. By the year end we reduced down to three members with Ulrike von Lonski our COO retiring.

During most of 2020 and 2021 the office remained closed in London although we still had to pay the maintenance costs. We were concerned during the year about cash flow and reduced our costs as much as possible. It was also evident that due to the spend on the Congress in Houston there would be no legacy or surplus to handover at the year end.

Our Duchess Street Office Lease ended in October, and we made the decision to move into offices at the Energy Institute which is very close by.

All of our committee members agreed to stay on an additional year. The Canadian team for the 2023 Congress also agreed to complete the Calgary Congress in a two-year cycle. These decisions adversely affected everybody's cash flow and amendments of both Congress contracts had to be made. On the positive side all of our staff and committee members remained safe and well during 2021.

Throughout the year we were working knowing that People may not be allowed to travel to Houston to the Congress.

By November it was clear that the USA was opening up and that people could travel. At the same time due to cost the Congress was reduced to three days. This caused a lot of rearrangement of the 500+ speakers we had coming. Encouraging speakers to come to Houston is the job of the team in London and the CPC who all did a great job in difficult circumstances.

In the end, the Congress was held as an in-person event and we saw a very high level participation. The exhibition was smaller than expected, due to Covid, and registrations were down. That said, we still had over 3000 people there and we consider the event a success.

Our second gender diversity report with Boston Consulting Group was launched at the Congress in Houston and the scope for the third edition agreed.

Key for us was the presentation of the WPC Strategic plan to Council members. This was approved and the new President will provide an implementation plan for 2022 onwards.

Public Benefit

The trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the Charity should undertake. All the services of the council are directed towards the sustainable supply and efficient use of oil, gas its products and other energy resources.

WORLD PETROLEUM COUNCIL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Reserves Policy and Risk Management

The council have also considered a minimum level of free reserves necessary to safeguard the charity's solvency, this will be an amount that will remain in unrestricted funds and not be available for investment.

The trustees actively review the major risks which the charity faces on a regular basis and believes that by maintaining an amount for free reserves, combined with reviewing the risks faced to financial resources at each committee meeting means that the charity will be able to continue during adverse conditions. The trustees have also reviewed other operational and business risks, and confirm that systems are in place to mitigate all significant risks identified. The company maintains insurance policies on behalf of the trustees and directors against liability arising from negligence, breach of duty and breach of trust in relation to the charitable company.

Statement of Trustees' Responsibilities

The trustees, as directors, 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 the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity at the period end and of its incoming resources and resources expended during that period.

In preparing these financial statements, the trustees are required to:

- observe the methods and principles in the Charities SORP; its incoming resources and resources expended during that period;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and irregularities.

In so far as the trustees are aware:

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

Financial Review

The subsidiary made a loss of £7,567 in the year from selling advertising and sponsorship. Post year end the trustees has decided to wind down the company.

WORLD PETROLEUM COUNCIL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

At the end of the year the charity had funds available of £381,691 of which £121,261 are designated to further its central charity projects as donated by national countries.

This report has been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland and in accordance with special provisions of Part 15 of Companies Act 2006 relating to small entities.

Reserves policy

The level of reserves required have been set at 6 months of charitable activity costs, which is £345,194. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop of funding, they will be able to continue the Charity's current activities whilst consideration is given to ways in which additional funds may be raised. At the year end unrestricted reserves were under this required level. This is due to an agreed delay in the receipt of funds for the 2023 Congress. Subsequent to the year end this position has been rectified.

Approval

This report was approved by the Trustees on and signed on their behalf.

.....
P Salamanca
Trustee

WORLD PETROLEUM COUNCIL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLD PETROLEUM COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of World Petroleum Council (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets and the related notes 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 31 December 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 requirements of the Companies Act 2006 and Charities Act 2011.

Basis of 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 parent charitable company in accordance with 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 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 going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

WORLD PETROLEUM COUNCIL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLD PETROLEUM COUNCIL (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 trustees' report, which includes the directors' report and the strategic report prepared for the company law purposes, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report has 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report (including strategic report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 OF WORLD PETROLEUM COUNCIL
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7 the trustees (who are also the directors of the parent charitable company for the purposes of the 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's 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 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 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our: general commercial and sector experience; through verbal and written communications with those charged with governance and other management; and via inspection of the group's and the parent charitable company's regulatory and legal correspondence.

We discussed with those charged with governance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to our team and remained alert to any indicators of non-compliance throughout the audit, we also specifically considered where and how fraud may occur within the group.

WORLD PETROLEUM COUNCIL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLD PETROLEUM COUNCIL (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the group is subject to laws and regulations that directly affect the financial statements, including: the group's and the parent charitable company's constitution, relevant financial reporting standards; company law; tax legislation and distributable profits legislation and we assess the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly the group and the parent charitable company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations.

ISAs (UK) limit the required procedures to identify non-compliance with these laws and regulations to the procedures, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance with laws and regulations that could have a material impact on the financial statements.

In relation to fraud, we performed the following specific procedures in addition to those already noted:

- Challenging assumptions made by management in its significant accounting estimates;
- Identifying and testing journal entries, in particular any entries posted with unusual nominal ledger account combinations, journal entries crediting cash or any revenue account;
- Performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud;
- Ensuring that testing undertaken on both the performance statement, and the Balance Sheet.

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with ISAs (UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

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

WORLD PETROLEUM COUNCIL

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLD PETROLEUM COUNCIL
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Use of Our Report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Caroline Peters (Senior Statutory Auditor)

For and on behalf of Rickard Luckin Limited
Chartered Accountants
Statutory Auditors
1st Floor
County House
100 New London Road
Chelmsford
Essex
CM2 0RG

Date

WORLD PETROLEUM COUNCIL

**GROUP STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | Note | Unrestricted Funds | Designated Funds £ | Total 2021 | Unrestricted Funds | Designated Funds £ | Total 2020 |
|--------------------------------------|-------------|-------------------------------|-----------------------------------|-----------------------|-------------------------------|-----------------------------------|-----------------------|
| Income and Endowments From: | | | | | | | |
| Other Trading Activities | | | | | | | |
| Trading subsidiary turnover | 2 | 10,244 | - | 10,244 | 13,276 | - | 13,276 |
| Investments | 3 | 25 | - | 25 | 3,610 | - | 3,610 |
| Income from charitable activities | 4 | 303,659 | - | 303,659 | 133,000 | - | 133,000 |
| Total Income and Endowments | 15 | 313,928 | - | 313,928 | 149,886 | - | 149,886 |
| Expenditure On: | | | | | | | |
| Raising Funds | | | | | | | |
| Trading subsidiary expenditure | 2 | 17,811 | - | 17,811 | 17,412 | - | 17,412 |
| Charitable Activities | 5 | 658,576 | - | 658,576 | 634,565 | - | 634,565 |
| Other expenditure | 6 | 14,000 | - | 14,000 | - | - | - |
| Net Expenditure | | 690,387 | - | 690,387 | 651,977 | - | 651,977 |
| Net Movements in Funds | | | | | | | |
| Fund Balance 1 January 2021 | | (376,459) | - | (376,459) | (502,091) | - | (502,091) |
| | | 636,889 | 121,261 | 758,150 | 1,138,980 | 121,261 | 1,260,241 |
| Fund Balance 31 December 2021 | 15 | 260,430 | 121,261 | 381,691 | 636,889 | 121,261 | 758,150 |

There were no recognised gains or losses other than those included in the Statement of Financial Activities. All incoming resources and resources expended derive from continuing activities.

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

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

WORLD PETROLEUM COUNCIL

BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2021

| | | Group | | Charitable Company | |
|--|------|----------------|----------------|--------------------|----------------|
| | Note | 2021 | 2020 | 2021 | 2020 |
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Fixed asset investments | 9 | - | - | 2 | 2 |
| Current Assets | | | | | |
| Debtors | 10 | 54,096 | 51,135 | 60,921 | 51,135 |
| Investments | | - | 500,000 | - | 500,000 |
| Cash in hand and at bank | | 390,553 | 260,102 | 383,394 | 247,483 |
| | | <u>444,649</u> | <u>811,237</u> | <u>444,315</u> | <u>798,618</u> |
| Current Liabilities - Amounts Falling Due Within One Year | | | | | |
| Creditors | 11 | (62,958) | (53,087) | (52,448) | (37,858) |
| Net Current Assets | | <u>381,691</u> | <u>758,150</u> | <u>391,867</u> | <u>760,760</u> |
| Total Net Assets | | <u>381,691</u> | <u>758,150</u> | <u>391,869</u> | <u>760,760</u> |
| Funds of Charity | | | | | |
| Unrestricted funds | 15 | 260,430 | 636,889 | 270,608 | 639,499 |
| Designated funds | 15 | 121,261 | 121,261 | 121,261 | 121,261 |
| Total Charity Funds | | <u>381,691</u> | <u>758,150</u> | <u>391,869</u> | <u>760,760</u> |

These financial statements were approved on by the trustees and signed on their behalf.

B Gunal
Trustee

Company Registration Number 08300105

S454 of the Companies Act 2006 allows the trustees, on a voluntary basis, to amend these accounts if they subsequently prove to be defective.

WORLD PETROLEUM COUNCIL

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | | 2021 | | 2020 | |
|---|--------------|-------------|----------------|-------------|----------------|
| | Notes | £ | £ | £ | £ |
| Cash flows from operating activities | | | | | |
| Cash absorbed by operations | 16 | | 130,k426 | | (13,823) |
| Investing activities | | | | | |
| Interest received | | 25 | | 3,610 | |
| Net cash generated from investing activities | | | 25 | | 3,610 |
| | | | | | |
| Net decrease in cash and cash equivalents | | | 130,451 | | (10,213) |
| | | | | | |
| Cash and cash equivalents at beginning of the year | | | 260,102 | | 270,315 |
| | | | | | |
| Cash and cash equivalents at end of year | | | <u>390,553</u> | | <u>260,102</u> |

**NOTES TO THE GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting Policies

1.1 Basis of Preparation

The charity is a public benefit entity and the financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its trading undertaking. The results of the subsidiary are included in the SOFA. The charity qualifies as a small group and has prepared financial statements in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to smaller companies and in accordance with the Financial Reporting Standard 102.

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 £.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern thus the financial statements have been prepared on the going concern basis.

1.2 Basis of Consolidation

The World Petroleum Council prepares financial statements including the results of the charity's wholly owned subsidiary company for the year ended 31 December 2021. The group financial statements incorporate the financial statements of the company and the trading group undertaking. These are adjusted, where appropriate to conform with the group accounting policies. As a group Statement of Financial Activities (SOFA) is published, a separate SOFA and cash flow statement for the parent company is omitted from the group financial statement by virtue of section 408 of the Companies Act 2006.

1.3 Going Concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have a reasonable expectation that the charities trading subsidiary company will cease operational existence in the foreseeable future. Therefore the financial statements are prepared on the break up basis, however this has resulted in no material differences to the going concern basis.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1.4 Incoming Resources

Income is recognised at the fair value of monies received from the congress, yearly subscriptions, youth activities income, other income (sponsorships) and investment income. These are recognised as incoming resources when the amounts receivable have been ascertained, the charity has entitlement to the income and it is probable that the income will be received except insofar as they are incapable of financial measurement.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.5 Resources Expended

Resources expended are accounted for as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. The majority of costs are directly attributable to specific activities.

Support costs are allocated to charitable activities on a percentage basis estimated and provided by the trustees.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. These costs include costs related to statutory audit and legal fees and are included within support costs.

1.6 Cash and Cash Equivalents

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

1.7 Financial Instruments

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

Financial instruments are recognised in the charity balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1.7 Financial Instruments (Continued)

Basic Financial Assets

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

Other Financial Assets

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised through the Statement of Financial Activity, except for those instruments whose fair value cannot be measured reliably which are measured at cost less impairment.

Impairment of Financial Assets

Financial assets, other than those held at fair value, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated future cashflows discounted at the assets original effective interest rate. The impairment is recognised through the Statement of Financial Activity. If there is a decrease in the impairment arising after initial recognition of the impairment, the impairment is reversed.

Derecognition of Financial Assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or have been settled, or if the charity transfers these rights to another entity.

Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Basic financial liabilities include trade and other payables and loans from fellow group members, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at the market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective rate interest method. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are classified as non-current liabilities.

Other Financial Liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in their fair value are recognised through the Statement of Financial Activity.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1.7 Financial Instruments (Continued)

Derecognition of Financial Liabilities

Financial liabilities are derecognised when the charity's contractual obligation expire or are discharged or cancelled.

1.8 Pensions

The charity operates a defined contribution scheme for the benefit of its employees. Contributions are charged in the account as they become payable in accordance with the rules of the scheme. No contributions were outstanding at the year end.

1.9 Foreign Currency Translation

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the reporting date. All differences are included in net outgoing resources.

1.10 Fund Accounting

Funds held by the charity are either:

Unrestricted general funds - These can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds – These are funds set aside by the trustees out of unrestricted funds for specific future purposes or projects.

1.11 Allocation of Costs

Support, travel and staff costs are apportioned to charitable activities on the basis of 75% of the costs expended being allocated to congress and 25% being allocated to other activities.

World Petroleum Council recharges staff costs to WPC Services Limited, a wholly owned subsidiary, based on the activity of that company. World Petroleum Council recharges 15% of property costs incurred to WPC Services Limited.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1.12 Judgments and Key Sources of Estimation Uncertainty

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

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

2. NET INCOME FROM TRADING ACTIVITY OF SUBSIDIARY

The charity has a wholly owned subsidiary incorporated in England and Wales, WPC Services Limited, which raises funds through advertising and sponsorship for the publications produced by the World Petroleum Council. The company pays its taxable profits under Gift Aid to World Petroleum Council. Audited accounts will be filed with the Registrar of Companies.

A summary of its trading results for the year ended 31 December 2021 is as follows:

| | 2021 | 2020 |
|-------------------------|-----------------|----------------|
| | £ | £ |
| Turnover | 10,244 | 13,276 |
| Administrative expenses | (17,811) | (17,412) |
| | <u>(7,567)</u> | <u>(4,136)</u> |
| Capital and reserves | <u>(10,177)</u> | <u>(2,610)</u> |

PROFIT OF THE PARENT COMPANY

Profit for the financial year in the financial statements is excluding the holding charitable company's net incoming resources, as permitted by section 408 of the Companies Act 2006.

The loss for the charitable company in the year:

| | | |
|--|------------------|------------------|
| | <u>(368,892)</u> | <u>(497,955)</u> |
|--|------------------|------------------|

WORLD PETROLEUM COUNCIL

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | | |
|---|----------------|----------------|
| 3. INCOME FROM INVESTMENTS | 2021 | 2020 |
| | £ | £ |
| Interest receivable | 25 | 3,610 |
| | <hr/> | <hr/> |
| 4. INCOME FROM CHARITABLE ACTIVITIES | 2021 | 2020 |
| | £ | £ |
| Congress income | 143,624 | - |
| Subscriptions income | 160,035 | 133,000 |
| | <hr/> | <hr/> |
| TOTAL | 303,659 | 133,000 |
| | <hr/> | <hr/> |

5. Resources Expended on Charitable Activities

| | Youth activities | Workshop, seminar and projects | Congress | Total 2021 | Total 2020 |
|---------------|-----------------------------|---|-----------------|-----------------------|-----------------------|
| Support costs | 7,066 | 28,265 | 105,992 | 141,323 | 139,345 |
| Travel costs | 1,933 | 7,730 | 28,988 | 38,651 | 20,370 |
| Staff costs | 23,930 | 95,720 | 358,952 | 478,602 | 474,850 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 32,929 | 131,715 | 493,932 | 658,576 | 634,565 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Support costs include governance costs of £40,356 (2020: £32,110). Governance costs includes payments to the auditors of £12,715 (2020: £10,605) for audit of the group. Included in trading subsidiary expenses is costs relating to audit fees of the subsidiary of £6,515 (2020: £5,850).

Other fees payable to the group auditors include the following services:

| | | |
|-------------|-------|-------|
| Accountancy | 2,120 | 2,060 |
| Taxation | 1,275 | 1,195 |
| | <hr/> | <hr/> |
| | 3,395 | 3,255 |
| | <hr/> | <hr/> |

WORLD PETROLEUM COUNCIL

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | | |
|-------------------|-------------------|-------------------|
| 6. Other | 2021 | 2020 |
| | £ | £ |
| Other expenditure | 14,000 | - |
| | <u> </u> | <u> </u> |

Included within other expenditure is £14,000 of a dilapidation settlement, arising from leaving their old rental property. This is an individual expense and will not be recurring.

| | | |
|---|-------------------|-------------------|
| 7. Employees | 2021 | 2020 |
| Average number of employees during the year | 3 | 4 |
| | <u> </u> | <u> </u> |
| The number of employees whose annual remuneration was £60,000 or more were: | 2021 | 2020 |
| £70,001-£80,000 | 1 | 1 |
| £90,001-£100,000 | - | - |
| £110,001-£120,000 | 1 | 1 |
| £200,001-£210,000 | - | 1 |
| £220,001-£230,000 | 1 | - |
| | <u> </u> | <u> </u> |
| | 3 | 3 |

Of the employees whose emoluments exceed £60,000 £nil (2020: £nil) have retirement benefits accruing under defined benefit pension schemes.

| | | |
|--|-------------------|-------------------|
| Employment Costs for the Parent Company | 2021 | 2020 |
| Wages and salaries | 424,451 | 424,782 |
| Social security costs | 46,549 | 47,290 |
| Other pension costs | 7,602 | 2,778 |
| | <u> </u> | <u> </u> |
| | 478,602 | 474,850 |
| | <u> </u> | <u> </u> |

The total paid to key personnel was £341,422 (2020: £310,004)

8. Trustees' Remuneration and Expenses

None of the trustees (or person connected with them) received any remuneration during the year and none of them were reimbursed expenses.

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Fixed Asset Investments

| | Group | | Charity | |
|--|--------------|-------------|----------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| Historical value at 1 January 2021 & 31 December 2021 | - | - | 2 | 2 |

10. Debtors

| | Group | | Charity | |
|--------------------------------|---------------|---------------|----------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| Trade debtors | 43,688 | 25,500 | 43,480 | 25,500 |
| Other debtors | 2,662 | 6,032 | 9,695 | 6,032 |
| Prepayments and accrued income | 7,746 | 19,603 | 7,746 | 19,603 |
| | <u>54,096</u> | <u>51,135</u> | <u>60,921</u> | <u>51,135</u> |

11. Creditors

| | Group | | Charity | |
|------------------------------------|---------------|---------------|----------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| Trade creditors | 7,565 | 4,735 | 7,565 | 4,735 |
| Amounts owed to group undertakings | - | - | - | 1,223 |
| Accruals | 26,535 | 21,405 | 20,355 | 15,740 |
| Social security and other taxes | 28,858 | 26,947 | 24,528 | 16,160 |
| | <u>62,958</u> | <u>53,087</u> | <u>52,448</u> | <u>37,858</u> |

12. Financial Commitments

At 31 December 2021 the charitable company was committed to making the following payments under non-cancellable operating leases, which fall due as follows:

| | Group | | Charity | |
|--------------------------------|--------------|---------------|----------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Operating leases which expire: | | | | |
| Within one year | 1,500 | 38,565 | 1,500 | 38,565 |
| Between two and five years | - | - | - | - |
| | <u>1,500</u> | <u>38,565</u> | <u>1,500</u> | <u>38,565</u> |

WORLD PETROLEUM COUNCIL

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

13. Related Party Transactions

World Petroleum Council owns 100% share capital of its wholly owned subsidiary WPC Services Limited, company number 03844380. At the year end £9,200 (2020: £1,223 owed to WPC Services Ltd) was owed by WPC Services Limited. £nil (2020: £nil) will be donated to the Charity within 9 months of the year end.

14. Company Limited By Guarantee

The World Petroleum Council is limited by guarantee from its members. If the Council should be wound up every member would contribute an amount as required not exceeding £1.

WORLD PETROLEUM COUNCIL

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. ANALYSIS OF CHARITABLE FUNDS

| Analysis of fund movements | Balance at 1 January 2021 | Incoming resources | Outgoing resources | Balance at 31 December 2021 |
|---------------------------------------|--------------------------------------|-------------------------------|-------------------------------|--|
| | £ | £ | £ | £ |
| Unrestricted Funds | 636,889 | 313,928 | (690,387) | 260,430 |
| Designated Funds | | | | |
| Central charity projects | 121,261 | - | - | 121,261 |
| TOTAL | 758,150 | 313,928 | (690,387) | 381,691 |

WORLD PETROLEUM COUNCIL

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. CASH GENERATED FROM OPERATIONS

| | 2021 £ | 2020 £ |
|---|-------------------|-------------------|
| Surplus/(Deficit) for the year | (376,459) | (502,091) |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (25) | (3,610) |
| Transfer of Treasure Deposit from investments to cash | 500,000 | - |
| Movements in working capital: | | |
| Decrease/(Increase) in debtors | (2,961) | 496,452 |
| (Decrease)/increase in creditors | 9,871 | (4,574) |
| Cash absorbed by operations | 130,426 | (13,823) |