

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 2022

WORLD PETROLEUM COUNCIL

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WORLD PETROLEUM COUNCIL

OFFICERS AND ADVISORS AND STRUCTURE OF THE CHARITABLE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees The following trustees served throughout the year:

PO Yilmaz
M Costa Filho (Resigned 7 September 2022)
T Fjarean (Resigned 7 September 2022)
P Miras Salamanca (Appointed 7 September 2022)
B Gunal (Appointed 7 September 2022)

Charity Number 1151654

Company Number 08300105

Principal Address Energy Institute
61 New Cavendish Street
London
W1G 7AR

Registered Office Energy Institute
61 New Cavendish Street
London
W1G 7AR

Auditors Rickard Luckin Limited
Registered Auditors and
Chartered Accountants
1st Floor
County House
100 New London Road
Chelmsford
Essex
CM2 0RG

Bankers Natwest Bank plc
125 Great Portland Street
Fitzrovia
London
W1W 6AX

WORLD PETROLEUM COUNCIL

OFFICERS AND ADVISORS AND STRUCTURE OF THE CHARITABLE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2022

"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.

WORLD PETROLEUM COUNCIL

OFFICERS AND ADVISORS AND STRUCTURE OF THE CHARITABLE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2022

- 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 2021 - 2023 are as follows:

President	Pedro Miras Salamanca
Senior Vice President *	Prof Anatoly Zolotukhin (Deceased)
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 & Youth	Stéphane Rousselet
Director General	Pierce Riemer
Current Host Representative	Joanna Desjardins
Past Host Representative	Pinar Yilmaz

* The EC decided out of respect not to replace Anatoly and leave the position vacant until the next elections in 2023. This was agreed at the Council meeting in Almaty.

WORLD PETROLEUM COUNCIL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022. 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 (amended for bulletin 1 & 2) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019)

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 2022

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.

Achievement, Performance and Plans for the Future

Since February 2023 there have been four full time staff working in the Secretariat. 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.

WORLD PETROLEUM COUNCIL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Achievement, Performance and Plans for the Future - continued

It's so difficult to describe properly the devastating impact of the pandemic and the number of people that have sadly died around the world. Also businesses big and small, in every community and country that have been affected. WPC was no exception to the challenges brought on by Covid. Most of our committees now meet face to face.

Most countries want a future consistent with the COP21 Paris goals (all WPC member countries signed the Paris agreement) – in many cases, striving for net zero by mid-century or earlier. This is reflected in the theme of the next Congress. "The energy transition the path to net zero". This congress makes up the majority of our activity and is planned for September 2023. A shorter than usual cycle but important to keep the original dates agreed and also vital for WPCs cash flow.

We finished in the previous year a future strategy survey for WPC. This involved all our members and was completed for the Council meeting in 2021. It looked at how WPC operates now and in the future. It also set the stage for the future direction of our technical programme and charitable activities.

We must also pay tribute to Anatoly Zolotukhin, Senior Vice President of the World Petroleum Council and Deputy Chairman of the Russian National Committee, who sadly passed away on 13th March 2022.

There were a number of expert workshops organised by our members and we also organised a meeting with several former WPC Presidents in London in July. This was useful to gauge their view on the future direction we are planning to take WPC.

Our Strategic plan reflects the priorities of the National Committees and areas to focus on for future three-year cycles. The Council meeting in Almaty was a significant Council meeting as the plan was approved by all. As part of the plan, the WPC had benchmarked itself with other "similar" entities to identify who to compete with and who to collaborate with. The aim of this exercise was also to locate the unique place in the energy world where the WPC generates value.

We want WPC which is to be recognised as the premier global forum facilitating an open dialogue around oil, gas, energy, and their products. All activities should be grouped within seven key strategic lines which are:

- * Promote Innovation
- * Facilitate Cooperation
- * Support ESG Criteria
- * Cycle Focal Point
- * Show Best Practices
- * Enlarge Communication
- * Secure WPC Operations

Our plan is seen as a roadmap that will evolve year after year. The Plan reflects the priorities of the National Committees (NC), maintains the main activities, creates some new initiatives, and modernises some of the content within our activities. It will preserve the DNA of the WPC whilst futureproofing the organisation at the same time.

WORLD PETROLEUM COUNCIL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Achievement, Performance and Plans for the Future - continued

We also discussed with the members a proposal to start a process to rename and rebrand the WPC. The word petroleum can have negative connotations, the name should reflect not only the use of petroleum but energy in general. The logo has not been modernised since its creation in 1983. This rebrand and redesign required a specialised company to advise WPC. The members all agreed and we set up a working group to work with Interbrand and report back for approval early in 2023 with the aim of a big launch in Calgary in 2023.

The Secretariat has also been offering support to our committees, in particular the Congress Programme Committee (CPC), Executive Committee (EC) and Young Professionals Committee (YPC). The Secretariat has also supported OCAN (the Canadian Organising Committee for the 24th WPC Congress) with bi-monthly calls where they advise on all aspects of the Congress.

Ulrike von Lonski left the WPC at the end of 2021. Sarah Beattie joined shortly before Ulrike's departure on a temporary basis but has decided to remain permanently from January 2022. We expect to increase staff levels in 2023. This will be based on the workload, outcomes from the Strategic Review and available funds.

The Secretariat also continues to have relationships with IEF, OPEC, OFID, IEA, UNECE, AAPG, EAGE, GDA and LEWAS and other organisations such as IAPCO, PCMA, ICCA, AAE and E3.

Work started on the third edition of the Untapped Reserves DE&I Survey, conducted with BCG and will be finished and presented in 2023 at the Calgary Congress.

The planning for Calgary is going well and the main exhibition area will cover 225,000 square feet of space, with a smaller area being dedicated to newer, emissions reducing technologies (this area will be called the Carbon Tech Expo).

The High Level Strategic Session topics includes:

- The Realities of the Energy Transition
- The Role for Hydrogen in the Energy Transition
- The Role of Renewables and Other Energy Sources
- The Future Markets for Petrochemicals and Refineries of the Future
- Circular Economy - Consumerism & Industry Responses
- Emission Reduction - Carbon Dioxide Utilisation (CCUS)
- Driving Innovation in a Net Zero World: Key Challenges in R&D
- Digital Transformation on the Route to Net Zero
- Dialogue on the Energy Future
- Dialogue on Energy Security
- Alleviating Energy Poverty – Industry Responses for Providing Access to Energy
- Access to Capital and Innovative Business Models
- Raising Finance during the Energy Transformation – an Investor-Industry Dialogue
- Climate Solutions from the Oil and Gas Industry
- Untapped Reserves – Driving Diversity in Oil and Gas
- Diversity and Inclusion – Focus on Indigenous People

WORLD PETROLEUM COUNCIL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Achievement, Performance and Plans for the Future - continued

- WPC Youth Session - Securing the Next Generation for our Industry
- Social Responsibility – Earning a Licence to Operate

With the EC we have created a new WPC Risk analysis / Code of Conduct. This was presented to Council and is now on the website.

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 and other energy resources.

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.

WORLD PETROLEUM COUNCIL

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Trustees' Responsibilities continued

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 generated profits of £14,176 in the year from selling advertising and sponsorship.

At the end of the year the charity had funds available of £315,926, of which £121,261 are designated to further its activities in promoting the efficient and sustainable use of energy resources.

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 £313,060. 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.

Approval

This report was approved by the Trustees on 31st July and signed on their behalf.

Pedro Miras
Trustee

WORLD PETROLEUM COUNCIL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLD PETROLEUM COUNCIL

Opinion

We have audited the financial statements of World Petroleum Council (the 'parent charitable company') and the group for the year ended 31 December 2022 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 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 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 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 entity'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)

Other information

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

WORLD PETROLEUM COUNCIL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLD PETROLEUM COUNCIL (CONTINUED)

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 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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Capability of the audit in detecting irregularity, including fraud

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 charity'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 noncompliance throughout the audit, we also specifically considered where and how fraud may occur within the charity.

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

Firstly, the group and parent charitable company is subject to laws and regulations that directly affect the financial statements, including: the group's and the 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.

WORLD PETROLEUM COUNCIL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLD PETROLEUM COUNCIL (CONTINUED)

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. We identified the following areas as those most likely to have such an affect: legislation directly applicable to charities sector such as the Charities Act 2011; employment legislation; health and safety legislation; safeguarding legislation; the regulatory requirements of the Charity Commission and data protection legislation.

International Auditing Standards (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 in particular: recognition of income;
- Identifying and testing journal entries, in particular any entries posted with unusual nominal ledger account combinations;
- Performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud;
- Ensuring that testing undertaken on both the Statement of Financial Activity (SoFA) and the Balance Sheet includes a number of items selected on a random basis.

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 International Auditing Standards (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)

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 18 August 2023

WORLD PETROLEUM COUNCIL

GROUP STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds	Designated Funds	Total 2022 £	Unrestricted Funds	Designated Funds	Total 2021 £
Income and Endowments From:							
Other Trading Activities							
Trading subsidiary turnover	2	8,048	-	8,048	10,244	-	10,244
Investments	3	-	-	-	25	-	25
Income from charitable activities	4	546,178	-	546,178	303,659	-	303,659
Total Income and Endowments	15	554,226	-	554,226	313,928	-	313,928
Expenditure On:							
Raising Funds							
Trading subsidiary expenditure	2	(6,128)	-	(6,128)	17,811	-	17,811
Charitable Activities	5	626,119	-	626,119	658,576	-	658,576
Other expenditure	6	-	-	-	14,000	-	14,000
Net Expenditure	15	619,991	-	619,991	690,387	-	690,387
Net Movements In Funds							
		(65,765)	-	(65,765)	(376,459)	-	(376,459)
Fund Balance 1 January 2022		260,430	121,261	381,691	636,889	121,261	758,150
Fund Balance 31 December 2022	15	194,665	121,261	315,926	260,430	121,261	381,691

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 18 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.

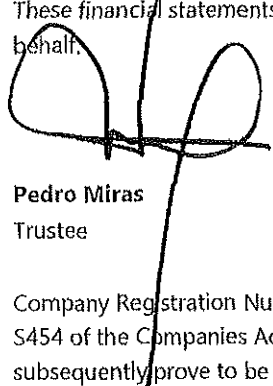
WORLD PETROLEUM COUNCIL

BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2022

		Group		Charitable Company	
	Note	2022 £	2021 £	2022 £	2021 £
Fixed Assets					
Fixed asset investments	9	-	-	2	2
Current Assets					
Debtors	10	212,513	54,096	215,673	60,921
Cash in hand and at bank		158,651	390,553	151,491	383,394
		<u>371,164</u>	<u>444,649</u>	<u>367,164</u>	<u>444,315</u>
Current Liabilities - Amounts Falling Due Within One Year					
Creditors	11	(55,238)	(62,958)	(55,238)	(52,448)
Net Current Assets		<u>315,926</u>	<u>381,691</u>	<u>311,926</u>	<u>391,867</u>
Total Net Assets		<u>315,926</u>	<u>381,691</u>	<u>311,928</u>	<u>391,869</u>
Funds of Charity					
Unrestricted funds	15	194,665	260,430	190,667	270,608
Designated funds	15	121,261	121,261	121,261	121,261
Total Charity Funds		<u>315,926</u>	<u>381,691</u>	<u>311,928</u>	<u>391,869</u>

These financial statements were approved on 31st July 2023 by the trustees and signed on their behalf.


Pedro Miras
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 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	17		(231,902)		130,426
Investing activities					
Interest received		-		25	
Net cash generated from investing activities			-		25
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(231,902)		130,451
Cash and cash equivalents at beginning of the year			390,553		260,102
Cash and cash equivalents at end of year			<u>158,651</u>		<u>390,553</u>

WORLD PETROLEUM COUNCIL

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022. 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 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.

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.

WORLD PETROLEUM COUNCIL

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1.4 Incoming Resources (Continued)

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.

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.

WORLD PETROLEUM COUNCIL

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1.7 Financial Instruments (Continued)

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.

Derecognition of Financial Liabilities

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

WORLD PETROLEUM COUNCIL

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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. There is a single designated fund, Central Charity Projects, arising from donations from national countries.

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 no such allocation has been made in the current year as the subsidiary is being wound up.

1.12 Judgements 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.

WORLD PETROLEUM COUNCIL

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

A summary of its trading results for the year ended 31 December 2022 is as follows:

	2022	2021
	£	£
Turnover	8,048	10,244
Administrative expenses	6,128	(17,811)
	<u>14,176</u>	<u>(7,567)</u>
Retained in subsidiary to be gifted to the charity	<u>3,670</u>	<u>-</u>
Capital and reserves	<u>3,999</u>	<u>(10,177)</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 profit/(loss) for the charitable company in the year:	<u>(79,941)</u>	<u>(368,892)</u>
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3. INCOME FROM INVESTMENTS

	2022	2021
	£	£
Interest receivable	<u>-</u>	<u>25</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2022	2021
	£	£
Congress income	400,000	143,624
Subscriptions income	<u>146,178</u>	<u>160,035</u>
TOTAL	<u>546,178</u>	<u>303,659</u>

WORLD PETROLEUM COUNCIL

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5. Resources Expended on Charitable Activities

	Youth activities	Workshop, seminar and projects	Congress	Total 2022	Total 2021
Support costs	5,479	21,918	82,191	109,588	141,323
Travel costs	4,874	19,496	73,109	97,479	38,651
Staff costs	20,953	83,810	314,289	419,052	478,602
	<u>31,306</u>	<u>125,224</u>	<u>469,589</u>	<u>626,119</u>	<u>658,576</u>

Support costs include governance costs of £31,745 (2021: £40,356). Governance costs includes payments to the auditors of £15,321 (2021: £12,715) for audit of the group. Included in trading subsidiary expenses is costs relating to audit fees of the subsidiary of £180 (2021: £6,515).

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

Accountancy	2,250	2,120
Taxation	-	1,275
Other	635	-
	<u>2,885</u>	<u>3,395</u>

6. Other

	2022	2021
Other expenditure	<u>-</u>	<u>14,000</u>

Included within other expenditure is £Nil (2021: £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

	2022	2021
Average number of employees during the year	<u>3</u>	<u>3</u>
The number of employees whose annual remuneration was £60,000 or more were:	2022	2021
£70,001 - £80,000	1	1
£110,001 - £120,000	-	1
£200,001 - £210,000	1	-
£220,001 - £230,000	-	1
	<u>2</u>	<u>3</u>

In addition there was one further employee whose salary was below £60,000

Of the employees whose emoluments exceed £60,000 nil (2021: nil) have retirement benefits accruing under defined benefit pension schemes.

WORLD PETROLEUM COUNCIL

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Employment costs for the parent company	2022	2021
Wage and salaries	373,224	424,451
Social security costs	40,711	46,549
Other pension costs	5,117	7,602
	<u>419,052</u>	<u>478,602</u>

The total paid to key management personnel was £210,000 (2021:£341,422)

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.

9. Fixed Asset Investments

	Group		Charity	
	2022	2021	2022	2021
Historical value at 1 January 2022 & 31 December 2022	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>

10. Debtors

	Group		Charity	
	2022	2021	2022	2021
Trade debtors	198,074	43,688	198,074	43,480
Other debtors	8,050	2,662	11,210	9,695
Prepayments and accrued income	6,389	7,746	6,389	7,746
	<u>212,513</u>	<u>54,096</u>	<u>215,673</u>	<u>60,921</u>

11. Creditors

	Group		Charity	
	2022	2021	2022	2021
Trade creditors	13,258	7,565	13,258	7,565
Accruals	23,939	26,535	23,939	20,355
Social security and other taxes	18,041	28,858	18,041	24,528
	<u>55,238</u>	<u>62,958</u>	<u>55,238</u>	<u>52,448</u>

WORLD PETROLEUM COUNCIL

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12. FINANCIAL COMMITMENTS

At 31 December 2022 the charitable company was committed to making the following payments under non-cancellable operating leases, which fall due as follows:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Operating leases which expire:				
Within one year	4,500	1,500	4,500	1,500
Between two and five years	-	-	-	-
	<u>4,500</u>	<u>1,500</u>	<u>4,500</u>	<u>1,500</u>

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 £10,506 (2021: £9,200) was owed by WPC Services Limited. £3,670 (2021: £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 2022

15. ANALYSIS OF CHARITABLE FUNDS

Analysis of fund movements	Balance at 1 January 2022 £	Transfers £	Incoming resources £	Outgoing resources £	Balance at 31 December 2022 £
Unrestricted Funds	260,430	-	554,226	(619,991)	194,665
Designated Funds Central charity projects	121,261	-	-	-	121,261
TOTAL	381,691	-	554,226	(619,991)	315,926

WORLD PETROLEUM COUNCIL

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2022 £	Designated funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Designated funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Current assets/(liabilities)	194,665	121,261	315,926	260,430	121,261	381,691
	<u>194,665</u>	<u>121,261</u>	<u>315,926</u>	<u>260,430</u>	<u>121,261</u>	<u>381,691</u>

17. CASH GENERATED FROM OPERATIONS

	2022 £	2021 £
Surplus/(Deficit) for the year	(65,765)	(376,459)
Adjustments for:		
Investment income recognised in SOFA	-	(25)
Cash on deposit, included within investments		500,000
Movement in working capital:		
Decrease/(Increase) in debtors	(158,417)	(2,962)
(Decrease)/Increase in creditors	(7,720)	9,872
Cash absorbed by operations	<u>(231,902)</u>	<u>130,426</u>