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AAPG-Europe
(A company limited by guarantee)



Report and Consolidated Financial Statements
For the Year Ended June 30, 2012

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

AAPG-Europe
(A company limited by guarantee)

**Consolidated Financial Statements
For the Year Ended June 30, 2012**

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AAPG-Europe

Report of the Trustees for the Year ended June 30, 2012

The Trustees present their report and audited financial statements for the year ended June 30, 2012

Reference and Administrative Information

Charity Name	AAPG-Europe
Charity Number (England and Wales)	1126290
Charity Number (Scotland)	SC040127
Company Registration Number	6540163
Registered Office and Operational Address	1 st Floor Offices 56 Brewer Street London W1F 9TJ

Trustees

Dr R Hardman	Chair
Mr A Grndrod	
Mr D Curtiss	Appointed October 20 2011
Mr D Lange	Secretary
Mr S Veal	

Senior Management Team

Mr J Richardson	Director
Mr B Haws	Controller

Auditors – Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC1M 7AD

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

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

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Report of the Trustees for the Year ended June 30, 2012

AAPG-Europe

Aims and Objectives

Purposes and Aims

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

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

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

The Focus of our Work

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

- Continuing the Aberdeen Oil Finders luncheons, which take place in Scotland
- Implementing a system of dissemination of scientific and geological information, through educational activities
- Conducting additional short courses in Europe
- Developing a schedule of Geoscience Technology Workshops (GTW)
- Executing a regional conference

How Our Activities Deliver Public Benefit

Our main activities and who we are trying to benefit are described below. Our charitable activities focus on the science of geology and the dissemination of that science. Our work has primarily focused on advancing scientific knowledge through our program of educational events

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Report of the Trustees for the Year ended June 30, 2012

Although all of our courses, presentations and learning lunches are open to the general public, the primary direct beneficiaries were mainly geoscientists working and living in the United Kingdom, though we have also increased the participation in our activities from the rest of Europe as well

Programs

We have organized several educational events this year. Our line-up of events includes short courses and learning lunches during the year. The short courses are educational offerings where we have a distinguished scientist provide a 1-4 day curriculum covering specific scientific and geological topics. This year, we conducted a joint project in Marrakech, Morocco with the Moroccan Association of Petroleum Geologists as part of our outreach through Europe and North Africa. We also conducted the Aberdeen Education Week in Scotland as well as conducted some short courses around the annual APPEX event. The Oil Finders Lunch is held in Aberdeen several times per year. These lunches are a short-term (1-2 hour) informational opportunity where an industry leader discusses current issues and events in the geosciences, and energy geosciences more specifically. The GTW's are scientific learning opportunities that are different from short courses, as they appeal to a much wider audience, and are typically on issues or topics related to regional activities, or emerging technologies. This year we conducted a GTW in Budapest.

Financial Review

AAPG-Europe has been operating in the United Kingdom for four years. We are making progress with the expansion of our programs and educational offerings. Although we have increased our educational offerings, those increased outreach opportunities were not self-funding. As a result, AAPG-Europe secured much of the funding used during the period in the form of gift aid from the subsidiary trading company. This gift aid provided much needed resources to support our charitable mission.

Principal Funding Sources

AAPG-Europe conducted several educational, scientific events that generated revenues to support many of the programs we conducted. This year, our income from educational activities struggled along with the economy after a much better year last fiscal year. Aside from the fees generated in pursuit of the educational activities, the principal funding sources for the year were predominately by the gift aid of proceeds described above from the subsidiary trading company, as well as the continued financing of existing debt by the American Association of Petroleum Geologists.

Investment Policy

The Trustees of AAPG-Europe have been reviewing and plan to establish a solid financial plan to allow us to continue our mission of disseminating scientific knowledge. The Management Committee has invested the small amount of current available resources in a higher yielding

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Report of the Trustees for the Year ended June 30, 2012

business money manager account with a respected financial institution. In light of the current economic environment, our return on our investment appears reasonable.

Deficit Fund Balance

AAPG-Europe has developed a significant loan payable to the American Association of Petroleum Geologists through the start-up and initial operations of the Charity. The Trustees have directed that the staff develop and present a plan to reduce and eliminate any funds deficit and long-term dependence on the sole member of the Charity.

Reserves Policy

The Management Committee has examined the charity's requirements for reserves in light of the main risks to the organization. The charity intends to increase reserves as it continues developing and reducing its indebtedness from start-up. Our objective is to generate and maintain at least 3 months of operating expenses by June 30, 2016, and 6 months' worth of operating expenses by June 30, 2018.

Risk

The Management Committee is aware that risk is inherent in most undertakings. However, we believe that most of our risk is minimal or manageable. The trustees have been developing a comprehensive risk register during the year, which has increased our focus on our risk profile.

On the liability side of risk, we rent space for our offices and the events we organize in reasonable facilities. We have employment policies in place for the staff that we hire. However, despite sound policies and best efforts on logistics, loss can still occur. To that end, we have obtained insurance cover for the office space that we rent, as well as the activities that we undertake. We believe that the amounts of coverage though not limit-less, are reasonable and will help minimize the risk of financial loss in the event of a successful claim. We address our indebtedness to AAPG at least annually to ensure that we are aware of the status of our financial arrangement at all times.

Plans for Future Periods

The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory funding arrangements. We are considering adding several new projects within the community which will expand our current offerings and revenue streams including the GeoScience Technology Workshops (GTW) and public information from the internet.

AAPG-Europe

Report of the Trustees for the Year ended June 30, 2012

Structure, Governance and Management

Governing Document

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

Trustee Induction and Training

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

Auditors

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

This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently,
 - observe the methods and principles in the Charities SORP,
 - make judgments and estimates that are reasonable and prudent,
-

AAPG-Europe

Report of the Trustees for the Year ended June 30, 2012

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

In so far as the trustees are aware

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

Approved by the Trustees on December 20, 2012 and signed on its behalf by



Mr D E Lange (Trustee, Secretary)

AAPG-Europe

Independent Auditor's Report to the members and trustees of AAPG-Europe for the year ended June 30, 2012

We have audited the group and parent company financial statements of AAPG-Europe for the year ended 30 June 2012 which comprise the Consolidated Statement of Financial Activities, the Consolidated and parent company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, United Kingdom Generally Accepted Accounting Practice.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and in respect of the consolidated financial statements, in accordance with regulations made under section 43 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on pages 6-7 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and section 43 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 June 30 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,

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Independent Auditor's Report to the members and trustees of AAPG-Europe for the year ended June 30, 2012

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011

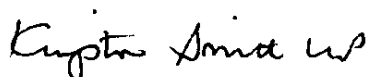
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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



Sandra De Lord, Senior Statutory Auditor
For and on behalf of Kingston Smith LLP
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date 14. 02. 13

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

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Consolidated Statement of Financial Activities (incorporating an Income and Expenditure Account) for the Year Ended June 30, 2012

	Notes	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Incoming resources					
Incoming Resources from Generated Funds:					
Commercial trading (acquired operations)	3	439,020	-	439,020	332,406
Grants and donations	2	6,008	-	6,008	22,629
Incoming Resources from Charitable Activities:					
Educational Activities	4	62,506	-	62,506	120,099
Investment income		47	-	47	16
Total Incoming Resources:		<u>507,581</u>	<u>-</u>	<u>507,581</u>	<u>475,150</u>
Resources expended					
Cost of Generating Funds:					
Commercial trading (acquired operations)	3	303,983	-	303,983	257,565
Charitable Activities					
Cost of educational provision	5	203,377	-	203,377	197,627
Governance Costs	7	<u>29,561</u>	<u>-</u>	<u>29,561</u>	<u>36,453</u>
Total Resources Expended:		<u>536,921</u>	<u>-</u>	<u>536,921</u>	<u>491,645</u>
Net outgoing Resources Before Other Gains /					
Net income/(expenditure) for the year:		<u>(29,340)</u>	<u>-</u>	<u>(29,340)</u>	<u>(16,495)</u>
Net Change in Funds:		<u>(29,340)</u>	<u>-</u>	<u>(29,340)</u>	<u>(16,495)</u>
Reconciliation of Funds:					
Total Funds Brought Forward		<u>(19,508)</u>	<u>-</u>	<u>(19,508)</u>	<u>(3,013)</u>
Total Funds Carried Forward:		<u>(48,848)</u>	<u>-</u>	<u>(48,848)</u>	<u>(19,508)</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities. The charity's net deficit for the year, included in the above statement of financial activities was £29,340 (2011 £16,495)

AAPG-Europe

Consolidated and Charity Balance Sheets as at June 30, 2012

		Group		Charity	
	Notes	2012 £	2011 £	2012 £	2011 £
Fixed Assets					
Tangible assets	9	3,259	4,865	3,259	4,865
Investments	10	-	-	1	1
Current Assets					
Debtors	11	86,363	43,546	187,392	118,222
Cash at Bank and in Hand		212,564	158,462	43,745	61,481
		<u>302,186</u>	<u>202,008</u>	<u>234,397</u>	<u>179,703</u>
Creditors: Amounts falling due within one year	12	(29,079)	(10,838)	(16,543)	(5,971)
Net current assets/(liabilities)		269,848	191,170	214,594	173,732
Creditors: Amounts falling due after more than one year					
Loans payable	13	(321,955)	(215,543)	(266,702)	(198,106)
Net Assets/(Liabilities)		<u>(48,848)</u>	<u>(19,508)</u>	<u>(48,848)</u>	<u>(19,508)</u>
The funds of the charity:					
Unrestricted income funds		<u>(48,848)</u>	<u>(19,508)</u>	<u>(48,848)</u>	<u>(19,508)</u>

These accounts have been prepared in accordance with the provisions of Companies Act 2006, Part 15, relating to small companies and the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board of Trustees on December 20, 2012

And signed on its behalf by



Trustee

Mr D.E. Lange

Company number 6540163

AAPG-Europe

Notes Forming Part of the Financial Statements for the Year Ended June 30, 2012

1. Accounting Policies

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

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the special provisions available to small companies under part 15 of the Companies Act 2006, The Charities and Trustees Investment (Scotland) Act 2005 and The Charities Accounts (Scotland) Regulations 2006 and the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005

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

No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 304 of the SORP

b) Fund Accounting

Purposes of Unrestricted Funds

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

Purposes of Restricted Funds

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

Purposes of Designated Funds

- In that AAPG-Europe is only recently established, all available resources are being re-invested into the charity to establish the services required by the objects of the charity. As such, the board has not designated any funds for specific purposes or projects

c) Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement

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Notes Forming Part of the Financial Statements for the Year Ended June 30, 2012 (continued)

is not conditional on the delivery of a specific performance by the charity, are recognized when the charity becomes unconditionally entitled to the grant

- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts
- Investment income is included when receivable
- Incoming resources from charitable trading activity are accounted for when earned
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance

d) Resources Expended

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

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

e) Fixed Assets

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

f) Fixed asset investments

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

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Notes Forming Part of the Financial Statements for the Year Ended June 30, 2012 (continued)

g) Taxation

As a charity, AAPG-Europe is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

h) Operating lease rentals

Costs under operating leases are charged to the Statement of Financial Activities in the year to which they relate.

i) Foreign currency translation

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

2. Donations

	Unrestricted	Restricted	2012 Total	2011 Total
	£	£	£	£
Donations towards conference				
ExxonMobil International Ltd	-	-	-	11,132
OMV Exploration & Production	-	-	-	2,672
RWE Dea AG	-	-	-	2,672
Premier Oil	-	-	-	1,758
Midia Resources SRL	-	-	-	4,395
AAPG	6,008	-	6,008	-
	<u>6,008</u>	<u>-</u>	<u>6,008</u>	<u>22,629</u>

30% (2011 – 26%) of the group's total income was attributable to markets outside the United Kingdom.

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Notes Forming Part of the Financial Statements for the Year Ended June 30, 2012 (continued)

3. Trading subsidiary

The charity owns the entire issued share capital of AAPG – Europe Trading Limited, a company registered in England and Wales. The subsidiary carries out commercial activities which support the main function of the charity, including the organization of the annual APPEX conference. The subsidiary has undertaken to gift aid substantially all of its taxable profits to the charitable company. The issued share capital of AAPG - Europe Trading Limited is 1 ordinary share of £1. A summary of the results of the subsidiary is shown below.

	2012 Total £	2011 Total £
Turnover	439,020	332,406
Cost of sales	<u>(223,735)</u>	<u>(160,449)</u>
Gross profit	215,285	171,957
Administration costs	(80,171)	(96,924)
Other interest receivable	38	6
Gift aid payment to AAPG Europe	<u>(135,075)</u>	<u>(74,847)</u>
Profit on ordinary activities for the year	77	192
Taxation	(77)	(192)
Retained profit brought forward	<u>-</u>	<u>-</u>
Retained profit carried forward	<u>-</u>	<u>-</u>
The assets, liabilities and funds of the subsidiary were		
Assets	220,887	119,792
Liabilities	<u>(220,886)</u>	<u>(119,791)</u>
Capital and reserves	<u>1</u>	<u>1</u>

AAPG-Europe
Notes Forming Part of the Financial Statements for the Year Ended
June 30, 2012 (continued)

4. Incoming Resources from Activities to Further the Charity's Objectives

	Unrestricted	Restricted	2012 Total	2011 Total
	£	£	£	£
PetroLunches and Educational Activities	<u>62,506</u>	<u>-</u>	<u>62,506</u>	<u>120,099</u>

5. Charitable activities

	Unrestricted	Restricted	2012 Total	2011 Total
	£	£	£	£
Charitable activities -				
PetroLunch costs	3,889	-	3,889	8,424
Aberdeen Education week costs	8,690	-	8,690	14,499
PETEX costs	-	-	-	1,561
Short course costs	-	-	-	14,265
Region conference costs	75,049	-	75,049	59,168
Support costs	<u>115,749</u>	<u>-</u>	<u>115,749</u>	<u>99,710</u>
	<u>203,377</u>	<u>-</u>	<u>203,377</u>	<u>197,627</u>

6. Support costs

	Unrestricted	Restricted	2012 Total	2011 Total
	£	£	£	£
Salaries and wages (note 8)	94,800	-	94,800	81,291
Rent, service charge and rates	12,617	-	12,617	19,497
Office supplies	4,945	-	4,945	6,028
Repairs and maintenance	1,671	-	1,671	249
Telephone	4,813	-	4,813	4,651
Computer running costs	582	-	582	1,564
Travel	1,642	-	1,642	1,027
Bad debts	1,925	-	1,925	700
Loss on sale of fixed assets	206	-	206	149
Bank charges	5,610	-	5,610	(2,591)
Depreciation	<u>2,722</u>	<u>-</u>	<u>2,722</u>	<u>2,546</u>
	<u>131,533</u>	<u>-</u>	<u>131,533</u>	<u>115,111</u>

AAPG-Europe
Notes Forming Part of the Financial Statements for the Year Ended
June 30, 2012 (continued)

7. Governance costs

	Unrestricted	Restricted	2012 Total	2011 Total
	£	£	£	£
Legal fees	4,281	-	4,281	7,821
Audit fees				
-in respect of current year	5,500	-	5,500	5,523
-in respect of prior years	1,614	-	1,614	4,241
Auditors – other services	2,263	-	2,263	3,468
Recruitment	119	-	119	-
Support costs	15,784	-	15,784	15,400
	<u>29,561</u>	<u>-</u>	<u>29,561</u>	<u>36,453</u>

8. Staff Costs and Numbers

	Group	
	2012	2011
Salaries	124,746	120,372
Social security costs	<u>16,882</u>	<u>13,304</u>
	141,628	133,677
Average staff numbers in the year were	<u>3</u>	<u>3</u>

The number of employees whose emoluments fell within the band £60,000 - £70,000 was 1 (2011 – 1)

Staff costs have been split between the charity and trading company on the basis of staff time

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Notes Forming Part of the Financial Statements for the Year Ended
June 30, 2012 (continued)

9. Tangible Fixed Assets: Group and Charity

	Fixtures and fittings
	£
At June 30 2011	9,905
Additions	1,321
Disposals	(4,881)
At June 30 2012	<u>6,345</u>
Depreciation	
At June 30 2011	5,040
Eliminated on disposal	(4,676)
Charge for the year	2,722
At June 30 2012	<u>3,086</u>
Net book value	
At June 30 2012	<u>3,259</u>
At June 30 2011	<u>4,865</u>

10. Investments

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

11. Debtors

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	3,500	3,824	730	3,824
Amount due from subsidiary	-	-	153,097	97,487
Recoverable VAT	13,773	4,599	-	-
Other debtors	43,358	7,841	7,841	7,841
Prepayments	25,732	27,282	25,724	9,070
	<u>86,363</u>	<u>43,546</u>	<u>187,392</u>	<u>118,222</u>

AAPG-Europe
Notes Forming Part of the Financial Statements for the Year Ended
June 30, 2012 (continued)

12. Creditors: Amounts Falling due within one Year

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	3,955	-	3,609	-
Accruals	25,047	10,646	12,934	5,971
Other creditors	77	192	-	-
	<u>29,079</u>	<u>10,838</u>	<u>16,543</u>	<u>5,971</u>

13. Creditors: Amounts Falling due after more than one Year

	Group		Charity	
	2012	2011	2012	2011
	£	£	£	£
Due to American Association of Petroleum Geologists	<u>321,955</u>	<u>215,543</u>	<u>266,702</u>	<u>198,106</u>

AAPG-Europe has one loan outstanding, which is to the American Association of Petroleum Geologists, who have provided working capital to AAPG-Europe during the initial start-up phase. The loan to AAPG-Europe does not have a specific due date, which is anticipated to be settled as the charity and the anticipated trading company develop established revenue streams. The American Association of Petroleum Geologists has committed to provide continuing financial support for at least one year from the date of the audit report.

14. Unrestricted funds

	July 1 2011 £	Incoming Resources £	Resources Expended £	June 30 2012 £
Group General fund	<u>(19,508)</u>	<u>507,581</u>	<u>(536,921)</u>	<u>(48,848)</u>
Charity General fund	<u>(19,508)</u>	<u>203,598</u>	<u>(232,938)</u>	<u>(48,848)</u>
Funds retained in subsidiary				<u>-</u>

AAPG-Europe
Notes Forming Part of the Financial Statements for the Year Ended
June 30, 2012 (continued)

15. Trustee Remuneration and Related Party Transactions

There were no travel costs or other expenses reimbursed to any member of the management committee (2011 – None)

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year

16. Operating lease

At June 30 2012, the charity had annual commitments under non-cancellable operating leases as follows

Land and buildings	2012	2011
	£	£
Expiring in the third to fifth year	<u>21,474</u>	<u>21,474</u>

17. Control

The ultimate controlling party is AAPG (American Association of Petroleum Geologists), an entity registered in the USA and which is the parent company of AAPG-Europe by virtue of being its sole member