

AAPG-Europe  
(A company limited by guarantee)



Report and Consolidated Financial Statements  
For the Year Ended June 30, 2015



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, 2015**

<u>Contents</u>	<u>Page Number</u>
Reference and Administrative Information	2
Report of the Trustees	3 - 8
Audit Report	9 - 10
Statement of Financial Activities	11
Balance Sheets	12
Notes forming part of the financial statements	13 - 21

## **AAPG-Europe**

### **Report of the Trustees for the Year ended June 30, 2015**

The Trustees present their report and audited financial statements for the year ended June 30, 2015.

#### **Reference and Administrative Information**

Charity Name: AAPG-Europe

Charity Number (England and Wales): 1126290

Charity Number (Scotland): SC040127

Company Registration Number: 6540163

Registered Office:

21 / 22 New Row  
3<sup>rd</sup> Floor  
London  
WC2N 4LE

Operational Office:

21 / 22 New Row  
3<sup>rd</sup> Floor  
London  
WC2N 4LE

#### **Trustees**

Dr. R. Hardman	Chair
Dr. A. Grindrod	
Mr. D. Curtiss	
Mr. D. Lange	Secretary
Dr. D. Cook	Appointed March 5, 2015
Mr. S. Veal	Resigned March 5, 2015

#### **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

# **AAPG-Europe**

## **Report of the Trustees for the Year ended June 30, 2015**

### **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**

The trustees have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance as published by the Charity Commission. 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 and on the many aspects of the upstream oil and gas industry. Our work has primarily focused on advancing scientific knowledge through our program of educational events. All charitable activities focus on sharing scientific knowledge which helps the exploration and production industry remain

## **AAPG-Europe**

### **Report of the Trustees for the Year ended June 30, 2015**

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

Our courses, presentations and learning lunches are open to the general public. The primary beneficiaries include geoscientists working and living in the United Kingdom, though we have also increased the participation in our activities to the rest of Europe as well. These programs help develop and expand scientific knowledge and information on the technical challenges of finding and producing oil and gas resources.

#### Programs

We continue to offer several educational events each year. Our line-up of events includes short courses and learning lunches during the year, which are open for anyone to attend. The short courses are educational offerings where we have a distinguished scientist provide a 1-4 day curriculum covering specific scientific and geological topics. Hosting events throughout Europe helps widen the participation as we have drawn attendance from over a dozen countries, including Norway, the Czech Republic, Hungary, Portugal, Spain and The Netherlands.

We also conducted some short courses around the annual APPEX event. The Oil Finders Lunch is a very affordable (£10.00, including lunch) event typically 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 GTWs 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 presented programs on Fractured Reservoirs as a separate technical workshop, and put on a technical conference on core analysis.

The Imperial Barrel Award European competition, held in Prague, Czech Republic, is a student competition for geoscience graduate students from universities around Europe to experience a hands-on scientific analysis of geological data. The program is rigorous and contributes to AAPG-Europe's mission of promoting petroleum geosciences through real-world training. In this competition, student teams analyze a dataset (geology, geophysics, land, production infrastructure, and other relevant materials) in the eight weeks prior to their local competition. Each team then delivers their results in a 25 minute presentation to a panel of industry experts. Students have the chance to use state of the art technology on a real dataset, receive feedback from an industry panel, and win cash awards for their school, and the winner goes on to compete in the global IBA finals. We organized the Europe IBA competition and hosted more than 20 teams, which included training for over 120 students and professors at the competition at no cost to the participants.

# **AAPG-Europe**

## **Report of the Trustees for the Year ended June 30, 2015**

### **Financial Review**

AAPG-Europe has been operating in the United Kingdom for seven years. We continue to evaluate our model with a focus on the expansion of our programs and educational offerings, while also being fiscally responsible. Although we have increased our educational offerings over the past few years, those increased outreach opportunities were not self-funding. Likewise, the main source of financial support that AAPG-Europe receives is from the energy industry, through attendance and support of our educational courses and events.. During fiscal year 2015, the energy companies' profits have begun to slide, and the support we have received has tapered down as well. 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. 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 working 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 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 deficit and dependence on the sole member of the Charity. During this current fiscal year, the liability to the American Association of Petroleum Geologists increased slightly by £10,887.

The AAPG has confirmed its willingness to continue to provide the loan finance to AAPG-Europe until it has generated sufficient working capital to repay the loan.

# **AAPG-Europe**

## **Report of the Trustees for the Year ended June 30, 2015**

### 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 6 months' worth of operating expenses by June 30, 2018. Based on the anticipated annual operating costs of around £225k per year, this equates to a level of unrestricted reserves of £112k. The closing reserves of the charity at 30 June 2015 amounted to £85,235, which is below our target range. The trustees are satisfied that, in light of the current economic challenges for the energy sector, this remains an appropriate level of reserves to meet future liabilities and for unexpected costs and contingencies such as a short term, unexpected drop in income.

### 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 reviewed and approved a comprehensive risk register during the year, which has increased our focus on our risk profile. This risk register will be reviewed on a periodic basis and amended as deemed necessary by the trustees.

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 limitless, 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), regional conferences and public information from the internet.

### **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

## **AAPG-Europe**

### **Report of the Trustees for the Year ended June 30, 2015**

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;
- 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



## **AAPG-Europe**

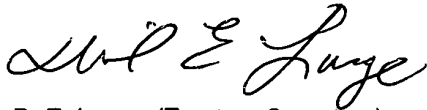
### **Report of the Trustees for the Year ended June 30, 2015**

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 September 26, 2015 and signed on its behalf by:



Mr. D. E. Lange (Trustee, Secretary)

## **AAPG-Europe**

### **Independent auditors' report to the members and trustees of AAPG-Europe for the year ended June 30, 2015**

We have audited the financial statements of AAPG-Europe for the year ended 30 June 2015 which comprise the group Statement of Financial Activities, the group 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 Chapter 3, Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an 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 Statement of Trustees' Responsibilities set out on pages 7-8 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts. Our 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 30 June 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;

## **AAPG-Europe**

### **Independent auditors' report to the members and trustees of AAPG-Europe for the year ended June 30, 2015**

- 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.

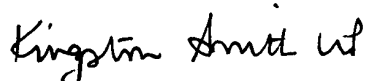
#### **Opinion on other matter prescribed by the Companies Act 2006**

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 and from preparing a Strategic 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: 5, 07, 16

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

**AAPG-Europe**  
**Consolidated Statement of Financial Activities (incorporating an**  
**Income and Expenditure Account) for the Year Ended June 30, 2015**

	Notes	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
<b>Incoming resources</b>					
<b>Incoming Resources from Generated Funds:</b>					
Commercial trading	2	454,282	-	454,282	626,123
Gain on sale of fixed assets		-	-	-	366
<b>Incoming Resources from Charitable Activities:</b>					
Educational Activities	3	133,886	-	133,886	244,640
<b>Investment income</b>		31	-	31	65
<b>Total Incoming Resources:</b>		<u>588,199</u>	<u>-</u>	<u>588,199</u>	<u>871,194</u>
<b>Resources expended</b>					
<b>Cost of Generating Funds:</b>					
Commercial trading	2	383,458	-	383,458	487,882
<b>Charitable Activities</b>					
Cost of educational provision	4	227,501	-	227,501	221,251
<b>Governance Costs</b>	6	<u>34,365</u>	<u>-</u>	<u>34,365</u>	<u>32,072</u>
<b>Total Resources Expended:</b>		<u>645,324</u>	<u>-</u>	<u>645,324</u>	<u>741,205</u>
<b>Net (incoming)/ outgoing Resources:</b>		<u>(57,125)</u>	<u>-</u>	<u>(57,125)</u>	<u>129,989</u>
<b>Reconciliation of Funds:</b>					
Total Funds Brought Forward:		<u>142,360</u>	<u>-</u>	<u>142,360</u>	<u>12,371</u>
<b>Total Funds Carried Forward:</b>		<u>85,235</u>	<u>-</u>	<u>85,235</u>	<u>142,360</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 £57,125 (2014 - £129,989 surplus).

# AAPG-Europe


## Consolidated and Charity Balance Sheets as at June 30, 2015

	Notes	Group		Charity	
		2015 £	2014 £	2015 £	2014 £
<b>Fixed Assets</b>					
Tangible assets	8	13,605	412	13,605	412
Investments	9	-	-	1	1
<b>Current Assets</b>					
Debtors	10	171,967	109,256	227,339	250,223
Cash at Bank and in Hand		370,950	387,733	78,581	112,436
		<u>542,917</u>	<u>496,989</u>	<u>305,920</u>	<u>362,659</u>
<b>Creditors: Amounts falling due within one year</b>	11	(271,763)	(151,855)	(34,767)	(17,526)
<b>Net current assets</b>		271,154	345,134	271,153	345,133
<b>Creditors: Amounts falling due after more than one year</b>					
Loans payable	12	(199,524)	(203,186)	(199,524)	(203,186)
<b>Net Assets</b>		<u>85,235</u>	<u>142,360</u>	<u>85,235</u>	<u>142,360</u>
<b>The funds of the group/charity:</b>					
Unrestricted income funds	13	<u>85,235</u>	<u>142,360</u>	<u>85,235</u>	<u>142,360</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 September 26, 2015

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, 2015**

### **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

- 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

**AAPG-Europe**  
**Notes Forming Part of the Financial Statements for the Year Ended**  
**June 30, 2015 (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 Activities 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 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.

**AAPG-Europe**  
**Notes Forming Part of the Financial Statements for the Year Ended**  
**June 30, 2015 (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.



**AAPG-Europe**  
**Notes Forming Part of the Financial Statements for the Year Ended**  
**June 30, 2015 (continued)**

**2. 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 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:

	<b>2015</b>	<b>2014</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Turnover	454,282	626,123
Cost of sales	<u>(224,655)</u>	<u>(317,051)</u>
Gross profit	229,627	309,072
Administration costs	(158,803)	(170,831)
Other interest receivable	30	40
Gift aid payment to AAPG Europe	<u>(70,854)</u>	<u>(138,281)</u>
Profit on ordinary activities for the year	-	-
Taxation	-	-
Retained profit brought forward	-	-
Retained profit carried forward	<u>-</u>	<u>-</u>
The assets, liabilities and funds of the subsidiary were:		
Assets	373,928	352,185
Liabilities	<u>(373,927)</u>	<u>(352,184)</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, 2015 (continued)**

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

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Regional Conference	97,098	-	97,098	63,304
Educational Activities and PetroLunches	36,788	-	36,788	181,336
	<u>133,886</u>	<u>-</u>	<u>133,886</u>	<u>244,640</u>

20% (2014: 45%) of the group's total income was attributable to markets outside the United Kingdom.

**4. Charitable activities**

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Charitable activities -				
PetroLunch costs	1,048	-	1,048	4,692
Short course costs	19,355	-	19,355	55,693
Regional conference costs	47,917	-	47,917	51,199
Imperial Barrel Award Support	7,261	-	7,261	4,962
Support costs	151,920	-	151,830	104,705
	<u>227,501</u>	<u>-</u>	<u>227,501</u>	<u>221,251</u>

**5. Support costs**

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Salaries and wages	100,002	-	100,002	82,962
Rent, service charge and rates	33,291	-	33,291	22,094
Office supplies	6,573	-	6,573	928
Repairs and maintenance	10,258	-	10,258	2,549
Telephone	9,168	-	9,168	2,948
Travel	4,707	-	4,707	4,221
Gifts and Gratuities	-	-	-	168
Advertising	179	-	179	3,929
Bank charges and foreign exchange loss	11,493	-	11,493	5,320
Depreciation	1,406	-	1,406	1,259
	<u>177,077</u>	<u>-</u>	<u>177,077</u>	<u>126,378</u>

**AAPG-Europe**  
**Notes Forming Part of the Financial Statements for the Year Ended**  
**June 30, 2015 (continued)**

**6. Governance costs**

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Legal fees	4,213	-	4,213	2,118
Audit fees				
-in respect of current year	5,900	-	5,900	5,900
-in respect of prior years	1,207	-	1,207	2,558
Auditors – other services	5,149		5,149	4,064
Recruitment & Other	-	-	-	724
Support costs	17,896	-	17,896	16,708
	<u>34,365</u>	<u>-</u>	<u>34,365</u>	<u>32,072</u>

**7. Staff Costs and Numbers**

	Group	
	2015	2014
	£	£
Salaries	155,780	158,780
Social security costs	17,360	15,629
	<u>173,140</u>	<u>174,409</u>

Average staff numbers in the year  
were:

<u>4</u>	<u>4</u>
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The number of employees whose emoluments fell within the band £70,000 - £80,000 was 1 (2014 – 0).

The number of employees whose emoluments fell within the band £60,000 - £70,000 was 0 (2014 – 1).

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

**AAPG-Europe**  
**Notes Forming Part of the Financial Statements for the Year Ended**  
**June 30, 2015 (continued)**

**8. Tangible Fixed Assets: Group and Charity**

	<b>Fixtures and fittings</b>
	<b>£</b>
At June 30 2014	4,828
Additions	14,600
Disposals	<u>(2,324)</u>
At June 30 2015	<u>17,104</u>
<b>Depreciation</b>	
At June 30 2014	4,417
Eliminated on disposal	<u>(2,324)</u>
Charge for the year	1,406
At June 30 2015	<u>(3,499)</u>
<b>Net book value</b>	
At June 30 2014	<u>412</u>
At June 30 2015	<u>13,605</u>

**9. Investments**

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

**10. Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	55,380	24,283	30,734	23,551
Amount due from subsidiary	-	-	136,931	217,855
Recoverable VAT	11,465	18,519	11,465	-
Other debtors	38,072	15,427	29,698	7,053
Prepayments	67,050	51,027	18,511	1,764
	<u>171,967</u>	<u>109,256</u>	<u>227,339</u>	<u>250,223</u>

**AAPG-Europe**  
**Notes Forming Part of the Financial Statements for the Year Ended**  
**June 30, 2015 (continued)**

**11. Creditors: Amounts Falling due within one Year**

	<b>Group</b>		<b>Charity</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	33,291	5,283	2,283	4,939
Taxation and social security	53,555	-	18,031	-
Accruals and deferred income	41,955	18,159	14,453	12,587
Due to American Association of Petroleum Geologists	142,962	128,413	-	-
	<u>271,763</u>	<u>151,855</u>	<u>34,767</u>	<u>17,526</u>

Deferred income comprises £21,187 received in the current year relating to events taking place after the year end.

**12. Creditors: Amounts Falling due after more than one Year**

	<b>Group</b>		<b>Charity</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Due to American Association of Petroleum Geologists	<u>199,524</u>	<u>203,186</u>	<u>199,524</u>	<u>203,186</u>

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

**AAPG-Europe**  
**Notes Forming Part of the Financial Statements for the Year Ended**  
**June 30, 2015 (continued)**

<b>13. Unrestricted funds</b>				
	<b>July 1 2014 £</b>	<b>Incoming Resources £</b>	<b>Resources Expended £</b>	<b>June 30 2015 £</b>
Group				
General fund	142,360	588,199	(645,324)	85,235
Charity				
General fund	142,360	204,741	(261,866)	85,235
Funds retained in subsidiary				-

**14. Trustee Remuneration and Related Party Transactions**

There were no travel costs or other expenses reimbursed to any member of the management committee.

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

**15. Operating Lease**

In October, 2014, the charity entered into a ten year commitment for office space with a five year break clause. The amount payable under this lease in the year ended June 30, 2016 is £49,496.

**16. Control**

The ultimate controlling party is AAPG (the 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.