

Society of Petroleum Engineers Europe Limited

Consolidated financial statements for the year ended 31 March 2022

Registered number: 2778741

Registered charity number: 1017482

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Trustees

James Rawes

John Joseph Healy

Michelle Boyd (Appointed 9th April 2021)

Laura Ioana Precupanu (Appointed 26th January 2022)

Company Secretary

John Joseph Healy

Registered Office

Fourth Floor West

America House

2 America Square

London EC3N 2LU

Annual report and financial statements for the year ended 31 March 2022

Independent Auditors

RSM UK Audit LLP
25 Farringdon Street
London, EC4A 4AB

Bankers

Barclays Bank
Pall Mall Corporate Group
50 Pall Mall
London SW1A 1QA

Solicitors

Lee Bolton Monier-Williams
1 The Sanctuary
Westminster
London SW1P 3JT

Investment Advisors

UBS AG
1 Finsbury Avenue
London EC2M 2AN

Fidelity International
4 Cannon Street
London EC4M 5AB

Internal Auditors

Grant Thornton UK LLP
30 Finsbury Square
London EC2A 1AG

Trustees' report

For the year ended 31 March 2022

The Trustees, who are also the Directors, present their report for the purposes of Company Law together with the consolidated financial statements and independent auditor's report for the year ended 31 March 2022.

Trustees and their Interests

The Trustees, who are also the Directors, who served during the year were as follows:

James Rawes

John Joseph Healy

Michelle Boyd (Appointed 9th April 2021)

Laura Ioana Precupanu (Appointed 26th January 2022)

The Trustees are appointed on the recommendation of the Board of Directors of the parent undertaking and the existing Trustees and in accordance with the Companies Act 2006.

Principal Officer and Company Secretary

John Joseph Healy – Human Resources Director and Company Secretary

Philip Chandler – Director, European and Caspian Events, Sales & Marketing (Retired 7th February 2022)

James Rawes – VP Sales, Marketing and Business Development

Structure, Governance and Management

Governing Document

Society of Petroleum Engineers Europe Limited, company registration number: 2778741 and charity registration number: 1017482, is a company limited by shares, which was incorporated on 6 January 1993 and commenced trading on 1 March 1993. It is a subsidiary undertaking of Society of Petroleum Engineers (SPE) Inc, tax identification number 75-2001539, a charitable company incorporated and operating in the USA. The objects of the Company are set out in its Memorandum and Articles of Association. In February 1993, the Company was registered as a charity, with the purpose of aiding the dissemination of petroleum engineering knowledge through a variety of programmes including publications, specialist meetings, scholarships and internet based services.

Trustees' report (continued)

For the year ended 31 March 2022

Appointment of Trustees

Trustees, Induction and Training

New Trustees are recruited from the Society's membership and are identified by peer review. A Trustee induction handbook is provided to new Trustees. This handbook is divided into four units, designed to (1) safeguard the values and mission of the organisation; (2) determine the strategy and structure of the organisation; (3) ensure the organisation operates in a responsible and accountable manner; and (4) ensure the effective functioning of the board. Trustees are provided with ongoing training and support as required to enable them to fulfil their duties effectively.

The Trustees of the board are not remunerated for the service that they provide to the Charity as Trustees of the board but where they fulfil other employment activities for the SPE group, they will receive remuneration from the Group. In such cases, remuneration is benchmarked against appropriate external data and reviewed by senior management, and if appropriate, the remuneration committee of SPE Inc on a regular basis.

Organisation

The SPE Inc Board is comprised of the SPE International officers. The SPE Inc Board is responsible for broad financial and operational oversight for the organisation.

Each regional board, including the Board of Trustees of the Society of Petroleum Engineers Europe Limited, is comprised of Directors selected at-large from within the region. Having at-large Directors serving on those boards gives a broad-based representation that enhances the decisions of those boards. The regional subsidiary boards have general fiduciary and operational oversight responsibility for the subsidiary operations.

In summary, the responsibilities of the various governing bodies are as follows:

- The SPE International Board is responsible for policy and programme development for the Society's worldwide activities.
- The SPE Inc Board has fiduciary and operational oversight responsibility for the entire organisation; and
- The regional subsidiary boards have fiduciary and operational oversight responsibility for the subsidiary operations.

The SPE Chief Executive Officer (CEO) together with the Chief Operations Officer (COO) manages the worldwide staff operations. Each subsidiary has an Events Director who oversees the regional operations. The Events Directors report to the Chief Operations Officer. The Chief Executive Officer and Chief Operations Officer work closely with the Society officers and each of the governing bodies in making decisions and setting direction. Generally, the SPE International Board sets strategic direction and establishes policies after consultation with staff. Additionally, staff consult with the appropriate governing body on major operational issues, but staff have responsibility for operational decisions and execution of board-approved programmes.

Trustees' report (continued)

For the year ended 31 March 2022

Strategic Report

Objectives and Activities

The objectives and principal activities of Society of Petroleum Engineers Europe Limited continue to be in line with the vision of SPE International, which is to “enable the global oil and gas E&P industry to share technical knowledge needed to meet the world’s energy needs in a safe and environmentally responsible manner”, which guides the overall mission “to collect, disseminate, and exchange technical knowledge concerning the exploration, development and production of oil and gas resources, and related technologies for the public benefit; and to provide opportunities for professionals to enhance their technical and professional competence”.

The Group achieves its objectives through a variety of programmes including publications, technical meetings, scholarships, educational programmes, training courses and web based services.

Public Benefit

In planning our activities to meet our objectives our Trustees have given careful consideration to the Charity Commission’s general guidance on public benefit.

The Society believes that the key aspects of public benefit will be achieved by:

Development of the Exploration and Production (E&P) Industry workforce. SPE is the technical and professional home for those engaged in all aspects of the upstream oil and gas industry. All charitable activities focus on sharing of knowledge that keeps the E&P industry sustainable and are undertaken to further our charitable purpose to collect, disseminate, and exchange technical knowledge concerning the exploration, development and production of oil and gas resources, and related technologies for the public benefit.

By addressing technical challenges, as the largest upstream professional society, SPE provides a worldwide forum for sharing technology, knowledge and the latest solutions for overcoming the technical challenges of finding and producing more oil and natural gas. SPE also helps address critical issues of the future such as sustainability of energy supplies and carbon sequestration.

By preparing the next generation of energy professionals for careers in our industry, SPE’s programmes help by offering both professional and skill development through workshops, training courses, publications, Section activities and online mentoring.

By working with schools and universities to attract more young people to our profession with scholarships, our global energy multilingual education outreach programme, Energy4me, the SPE Ambassador programme and teacher workshops and education events aimed at students and school children.

By maintaining high professional standards by offering members continuing education options globally. SPE Petroleum Engineering Certification offers an international credential recognising petroleum engineering expertise.

Trustees' report (continued)

For the year ended 31 March 2022

Distinguished Lecturer Programme

The Distinguished Lecturer Programme, available to Sections throughout the world, is one of the most popular SPE-administered programmes. This annual programme began in 1961 with three highly regarded "Distinguished Lecturers." Currently SPE sends 30 to 35 lecturers to 191 Sections providing three lectures per season, which averages 550 presentations per programme year.

The programme is a key component of SPE's technology dissemination mission. The programme is designed to provide Sections with outstanding, expert speakers for Section meetings. It also recognises the professional contributions of those selected as Distinguished Lecturers.

Every compliant SPE Section is now entitled to up to two Distinguished Lecturer presentations each year. The programme runs from September through June. Rising travel costs and the reduced number of flights to some of the more remote locations continue to provide challenges in scheduling lecturer visits as we add new Sections.

The Distinguished Lecturer Committee selects topics and individual lecturers each year. Each lecturer chosen by the Distinguished Lecturer Committee is an authority in his or her field and a competent public speaker. Potential lecturers are selected in May and finalised in September/October for the following programme year. The cost of this programme continues to grow annually due to increases in travel expenses worldwide. This trend is compounded by our increasing number of new Sections in remote locations, which adds to the airline and travel expenses required to send our lecturers there. Recognising the importance of the programme to the industry globally this is one of the programmes which SPE Europe funds.

Current Position and Future Strategy

The main objectives for the forthcoming year, as well as the Trustees' assessment of the Group's actual performance for this year, are set out below:

Technical Meetings

The Group conducts its trading activities through its two trading subsidiaries, SPE Ventures Limited and SPE Trading Limited. These companies organise and hold workshops, training courses and conferences to further the aims of the charitable organisation.

The overall aim of the Group is to disseminate technical information through technical conferences and meetings:

In FY22, 12 events were held in Europe, Russia and the Caspian, which were attended by SPE professional members, students and non-members compared to 13 which were held in FY21. This figure includes conferences, workshops and Symposiums. The focus for FY22 was moving as many of our events to virtual events and mastering the new medium to make sure that the events were delivered in the most appropriate way and the SPE mission was maintained.

In FY23, SPE Europe will continue to sustain its core objective of the dissemination of technical knowledge with 12 events scheduled across the region. The main emphasis for FY23 will be making sure as many of the planned events will take place as in-person events.

Trustees' report (continued)

For the year ended 31 March 2022

Educational Programmes

SPE continues to maintain and add information to the Society's online resources and educational publications and services.

OnePetro

OnePetro, a multi-society online library, contains over 160,000 technical papers from SPE as well as 18 other publishing partners. OnePetro is supported by subscriptions from academic and corporate institutions as well as individual paper sales. The technical resources available on OnePetro continue to grow with peer-reviewed journal articles as well as proceedings from conferences held worldwide being added monthly. The majority of papers are in the English language; however, there are also papers available in the Russian language.

Energy4Me

The Energy4me (e4me) programme to educate school aged children and their teachers and parents about the industry also continues to grow with materials now available in seven languages and used globally by schools. Regional websites allow easy access to SPE's information. The programme is particularly strong in Scotland championed by the Aberdeen section and was again featured in the Caspian event in Kazakhstan (60 teachers attended virtually).

Training Courses

Training courses are still very much in the recovery phase and being hit again with budget constraints.

Scholarships and Fellowships

5 Scholarships and Fellowships are continuing to be awarded each year which are operated by staff in the SPE London Office and award students around the world. This includes the SPE Foundation Gus Archie Scholarship (one winner receiving USD 5,000 for up to 4 years), SPE Foundation Nico van Wingen Graduate Fellowship (one winner receiving USD 5,000 for up to 4 years), Henry DeWitt Smith Memorial Fellowship (one winner single payment of USD 5,000) and the Imomoh Scholarship (four winners with a single payment of USD 2,000). In November 2019 applications also opened for a new Scholarship called the Donald G. Russell Scholarship which gives 2 recipients studying in the USA, a one time payment of USD 4,000 and the first payment went out in the summer of 2020.

From 2016, the Scholarships programme is administered by a coordinator in the London Office representing the Young Member Programs, prior to this it was managed by the Membership Team based in the Dallas Office with additional coordination for applications from regional office staff.

Trustees' report (continued)

For the year ended 31 March 2022

Student Paper Contests

In 2019 14 regional contests continued to be run annually with the winners offered an expenses paid trip to compete internationally at the SPE Annual Meeting in October 2019, with other regional winners. Up to 42 winners (three per 14 regional contests). The winners are awarded funding to cover return flights, four nights' accommodation, event registration and VISA costs if required. Where possible these costs are paid for directly but in some situations, reimbursements are made directly to students who have already covered the costs themselves. Winners of this international competition are awarded a financial prize of USD 1,000 utilizing sponsorship gained for the program. This is processed by the Young Member Programs Team in the London Office.

Given the travel restrictions of COVID-19 the winners of the 2020 and 2021 contests were not offered paid travel to ATCE. A nominal prize of USD 500 was given to students in the meantime through regional programme budgets. For 2022 travel to ATCE is aiming to be returned with a \$1,000 travel grant, but at this time this has not been processed.

Distinguished Lecture Programme

This programme, outlined above, remains a great success being extremely valued by the membership globally. SPE Europe will continue to fund this important programme.

Awards Programme

With awards presented at a regional and international level SPE members achieve recognition amongst their peers within the industry.

Certification Programme

Certification exams continue to be run to give a qualification for those who choose to study hard for and take this multidisciplinary open book exam. High value is placed by the industry on those who can claim achievement of this qualification.

Sections

SPE members are all affiliated to a local Section. Sections are located around the world and provide an operating framework for all major society activities. Sections are semi-autonomous units and self-governing within the framework of SPE policies. Section members elect officers and directors annually. Sections are organized into regions, and each region has representation on the SPE Board of Directors.

This structure allows for members based geographically close to each other the opportunity to network with other members through meetings and events at a local level. Some Sections are larger and some more active than others. In FY22 we saw the establishment of a new Section in this region in Kyiv, Ukraine. In FY23 new Sections will continue to be established as the membership continues to grow across the regions.

Student Chapters

Student Chapters are all affiliated with an academic establishment offering a relevant petroleum engineering related course. In FY22 there were five new Student Chapters established within our Region. The universities were based in Nigeria and Ukraine. In the coming year, new Chapters will continue to be established allowing SPE to continue the connection between students and our professional membership to secure the future of the industry workforce. There

Trustees' report (continued)

For the year ended 31 March 2022

continues to be a strong growth in Student Chapters, however the criteria for establishing Student Chapter have been tightened.

SPE Europe will continue to work in the year ahead to identify programmes and projects that meet our mission. The Trustees review new programmes regularly, which they can support and new projects are regularly assessed for their value.

Achievements and Performance

All of SPE's initiatives and activities are directed and organised by its members, with staff support. All such initiatives and activities are regularly reviewed and assessed by the membership, by use of membership and non-membership surveys. In addition, rigorous Key Performance Indicators set by the SPE Board of Directors regularly review and measure performance in all areas of the Society's work, including Publications and Periodicals, Technical Meetings and Conferences, Audit and Administration, Internet-Based Services and Member Services.

Risk Management

The Trustees have continued their overview during the year to examine the major strategic, business and operational risks which the charity faces. Society of Petroleum Engineers Europe and its related entities face multiple risks. These various risks are normal and customary as they relate to Society of Petroleum Engineers Europe's business. In addition to management's assessment of these risks, SPE's internal audit function has been actively auditing SPE's operations in London for over five years as well as more recently in Moscow. Throughout this timeframe, internal audit has observed, and reports that, the risks listed below are effectively managed in accordance with standard SPE and industry practices.

Strategic Risks (External)

- Political unrest – political issues/changes, e.g. Russia, Middle East, Africa
- Economic environment – 'Great Recession', banking issues, stagnant economic growth
- Social activism – oil spill(s), public perception/image of oil industry
- Cultural factors – diversity of religion(s), migration, aging of customer base

Business Operating and Financial Risks (Internal)

- Processes – support SPE's mission; membership growth, event management
- Personnel – hiring, retention/attrition, training, growth
- Compliance – FCPA, UK Bribery Act, Charity Commission for England and Wales, Data Protection and privacy laws
- Sanctions – observing legal restrictions applicable to designated countries
- Traditional financial risks – addressed by the internal audit department; risk assessment, audit planning, systems and processes, evaluation of internal control(s) design, substantive testing of all major classes and categories of financial transactions, fraud awareness

Trustees' report (continued)

For the year ended 31 March 2022

External risks

SPE Europe's management has remained aware of external risks and has taken measures, such as cancelling, moving and rescheduling events that might present security or safety risks to attendees, sponsors and staff. SPE Europe management continues to monitor covid risks and will adjust business activities as needed if significant health impacts are at risk. There are no examples where any known significant risk was ignored.

The current situation with Russia and Ukraine has had a major effect on the ability to run events in the Russia region. SPE has suspended all events in Russia due to the current situation. SPE is monitoring the situation very closely and is following legal advice on sanctions in place.

Internal risks

SPE Europe's management has identified and improved its primary business processes consistently over time. Personnel levels are expanded or reduced as necessary and properly trained. Management has taken steps to ensure compliance with all applicable regulations promulgated by the governing bodies such as the Charity Commission for England and Wales and has acted proactively to ensure compliance with current regulations. Management has complied with all legal sanctions imposed by all governments involved. Financial risks have been assessed and evaluated by SPE's Internal Audit department. Management has responded positively to recommendations made by Internal Audit.

Financial risk management objectives and policies

The Trustees constantly monitor the risks and uncertainties facing the Group with particular reference to the exposure on price, exchange rates, credit, liquidity and cash flow risks. Management has procedures in place whereby forward contracts may be used to hedge against foreign exchange risks and credit control procedures are tightly monitored in order to minimise liquidity and cash flow risks. They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered.

Reserves policy

The SPE Europe board regularly reviews the financial position and performance of the charity and its trading subsidiaries and is confident that, despite the current global downturn in oil prices, the organisation has sufficient resources to continue trading as a going concern for the foreseeable future.

The primary purpose of the Reserve Fund (the Fund) for the Society of Petroleum Engineers Europe (SPEU) and the aim of the Trustees' reserves policy is to make available a source of revenues to be used by SPEU or other subsidiaries of SPE Inc to:

- ensure the continuation of normal business activities should SPEU's operating revenues be insufficient to meet expenses during a period of sustained economic distress;
- provide risk funds for the development of member service programmes as approved by the SPE Inc Board of Directors; and

Trustees' report (continued)

For the year ended 31 March 2022

- accommodate minor annual operating surpluses and deficits that may occur from time to time.

The corpus of the SPEU Reserve Fund shall be determined by the total resources expended as reported in the SPEU annual consolidated financial statement, as approved by the SPEU Board of Directors, averaged over a two-year period. Funds in the amount of one-half (6 months) the annual total resources expended should be accumulated for use in future capital expenditures and new ventures. Any amount over the target level for the Reserve Fund balance can be used for any purpose consistent with the Society's charitable status and objects and as approved by the SPEU Board of Directors.

SPE International has instituted an Advantage Programme which allocated 4% of its global reserve funds towards new initiatives, including Public Energy Education, Dedicated Programmes for the Young, complimentary Meeting Attendance for Academics and Additional Distinguished Lecturer Visits to Local Sections.

	2022	2021	2020
Unrestricted funds	5,520,290	7,694,188	7,997,812
Less: Tangible fixed assets	(178,067)	(211,823)	(235,153)
Level of reserves available for purpose consistent with the Society's charitable status	5,342,223	7,482,365	7,762,659

In line with our reserves policy, the target amount for the SPEU reserves fund for the financial year ending 31 March 2022 is calculated to be equivalent to £2.1m (2021: £2.8m). When compared to the target reserve fund balance of £2.1m, a surplus of £3.2m (2021: £4.7m) remains in the level of reserves available for charitable purposes.

Investment Policy and Performance

The charity's policy is to invest in funds whose risk profile is considered to be low to moderate. The aim is to achieve over a period of several years better returns than those achieved by funds with a similar risk profile. The charity's portfolio has performed well for the financial year ending 31 March 2022 giving the charity a gain of £348k (2021: £1,088,943).

Trustees' report (continued)

For the year ended 31 March 2022

Financial Review

Details of the results of activity of the Society of Petroleum Engineers Europe itself are set out in the Statement of Financial Activities.

During the year the Society of Petroleum Engineers Europe consolidated Group had incoming resources from charitable activities of £675k (2021: £742k) and investment gains of £348k (2021: £1.1m), the Group has expended resources of £3.2m (2021: £2.1m). Taken together with gains on investment assets, there was a loss for the year of £2.2m (2021: £304k). The reason for the loss for FY22 is the impact of COVID-19 and the ability to hold in person events. The SPE Annual Caspian conference was due to take place in Baku, Azerbaijan but was held as a virtual event due to concerns at the time over COVID-19. The Russian Petroleum Conference was originally planned to return to in-person format but was eventually held online as health and travel concerns continued to dominate.

This year the Group's income receivable from the joint ventures amounted to £44k (2021: £56k). The partnership with Reed Exhibitions continues to be of critical importance both to SPE Europe and to SPEI's ability to deliver membership programmes such as the Distinguished Lecturer Programme.

At the end of the financial year the Society of Petroleum Engineers Europe consolidated Group carries forward net assets of £5,519,765 (2021: £7,695,188). Listed investments plus cash and bank deposits totalled £5,879,094 (2021: £7,901,179) at the financial year end, comfortably sufficient to meet the Group's short-term obligations to creditors.

Operations

SPE Europe conducts its trading activities through its two trading subsidiaries, SPE Ventures Limited and SPE Trading Limited. During the year ended 31 March 2022, SPE Ventures Limited made an operating loss of £1,285,370 (2021: loss of £333,949). The company's main operations relate to the staging of conferences, workshops and training courses for professionals who are employed in the oil and gas industry. During the year ended 31 March 2022, SPE Trading Limited made an operating loss of £74,379 (2021: loss of £36,045). The company's main operations relate to the staging of joint venture conferences for professionals who are employed in the oil and gas industry.

The principal source of funding during the year continues to be income from conferences and workshops. In FY22, every effort has been made to keep costs as low as possible to ensure that events are not only relevant to the membership but also affordable. Local advice and recommendations continue to drive the programmes being produced in the emerging regions where events can act as a shop window on the Society and support our growth initiatives in these areas.

Trustees' report (continued)

For the year ended 31 March 2022

Highlights of this year's event programme are as follows:

Russian Petroleum Technology Conference

Originally planned to return to in-person format, RPTC was eventually held online as health and travel concerns continued to dominate. Nevertheless, the conference was successful, gathered over 550 delegates (same as in 2020) from 16 countries and 150+ companies. Rich and deep technical program included 240+ technical presentations spread over 39 sessions, five round tables, a plenary session and a number of other activities. For the first time technical presentations were broadcasted on SPE resources (200+ broadcasts).

SPE Annual Caspian Technical Conference (CTC)

The annual conference was due to take place in Baku, Azerbaijan but was held as a virtual event due to concerns at the time over Covid. The event had SOCAR – the national oil company - as its Host Organisation and was supported through sponsorship by a range of international oil and gas operators and service companies active within the Caspian region. The event featured three keynote panel sessions, more than fifty technical paper presentations as well as poster sessions and the Student Development Summit. Due to the pandemic and the sponsorship support achieved, the event was made free to attend and attracted more than 830 delegates.

Plans for Future Periods

The key elements of the Charity's medium to long-term strategy are:

- Capability Development
- Knowledge Transfer
- Promoting Professional and Social Responsibility
- Public Education about the Petroleum Engineering profession and industry issues

SPE's programmes all strive to meet these strategic priorities fitting with the overall mission.

Trustees' report (continued)

For the year ended 31 March 2022

Statement of Trustees' responsibilities

The Trustees (who are also Directors of Society of Petroleum Engineers (Europe) Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of 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 Company and the Group for that period. 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 keeping adequate accounting records that are sufficient to show and explain the charitable Company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the trustees of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee has taken all of the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Report of the Trustees, which includes the Strategic Report and the Directors' Report required by company law (included therein), was approved by the Board and signed on their behalf by:



James Rawes

Trustee

21 September 2022

Independent auditor's report

For the year ended 31 March 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOCIETY OF PETROLEUM ENGINEERS EUROPE LIMITED

Opinion

We have audited the financial statements of Society of Petroleum Engineers Europe Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 March 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Independent auditor's report (continued)

For the year ended 31 March 2022

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

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 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

Independent auditor's report (continued)

For the year ended 31 March 2022

- 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group'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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

Independent auditor's report (continued)

For the year ended 31 March 2022

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to data protection. We performed audit procedures to inquire of management whether the group is in compliance with these law and regulations.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

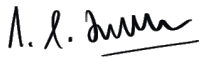
A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditor's report (continued)

For the year ended 31 March 2022

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



NICHOLAS SLADDEN (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

Date. 22 September 2022

Consolidated statement of financial activities
(Incorporating an income and expenditure account)
For the year ended 31 March 2022

	Notes	2022 £	2021 £
Income from			
Charitable activities	2	631,203	685,054
Income from joint ventures	7	43,849	56,597
Investment income – Bank interest, dividends and interest		19	-
Total		675,071	741,651
Expenditure on:			
Raising funds			
Investment management costs		5,931	6,383
Management fee		70,121	115,740
Charitable activities	4	3,122,456	2,012,095
Total		3,198,508	2,134,218
Gains on investments		348,014	1,088,943
Net Expenditure		(2,175,423)	(303,624)
Reconciliation of funds			
Total funds brought forward		7,694,188	7,997,812
Total funds carried forward		5,518,765	7,694,188

The accompanying accounting policies and notes form an integral part of the financial statements

Consolidated balance sheet
for the year ended 31 March 2022
Registered number: 2778741

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	9		178,067		211,823
Fixed asset investments	10		<u>5,183,899</u>		<u>5,841,817</u>
			5,361,966		6,053,640
Current assets					
Debtors	11	495,014		309,510	
Cash at bank and in hand		<u>695,195</u>		<u>2,059,362</u>	
		1,190,209		2,368,872	
Creditors: amounts falling due within one year	12	<u>(1,032,410)</u>		<u>(727,324)</u>	
Net current assets			<u>157,799</u>		<u>1,641,548</u>
Net assets			<u>5,519,765</u>		<u>7,695,188</u>
Capital and funds					
Called-up share capital	13		1,000		1,000
<i>Unrestricted funds</i>					
General fund	14		5,518,765		7,694,188
Designated fund	14		-		-
Total capital and funds			<u>5,519,765</u>		<u>7,695,188</u>

The financial statements were approved by the board and authorised for issue on 21st September 2022.



James Rawes
Trustee
21 September 2022

The accompanying accounting policies and notes form an integral part of the financial statements

Company balance sheet
for the year ended 31 March 2022
Registered number: 2778741

		2022	2021
	Notes	£	£
Fixed assets			
Tangible assets	9	178,067	211,823
Investments	10	<u>5,183,903</u>	<u>5,841,819</u>
		<u>5,361,970</u>	<u>6,053,642</u>
Current assets			
Debtors	11	2,491,663	2,183,877
Cash at bank and in hand		<u>122,151</u>	<u>1,439,204</u>
		2,613,814	3,623,081
Creditors: amounts falling due within one year	12	<u>(1,545,059)</u>	<u>(1,511,764)</u>
Net current assets		<u>1,068,755</u>	<u>2,111,317</u>
Net assets		<u>6,430,725</u>	<u>8,164,959</u>
Capital and funds			
Called-up equity share capital	13	1,000	1,000
<i>Unrestricted funds</i>			
General fund	14	6,429,725	8,163,959
Designated fund	14	<u>-</u>	<u>-</u>
Total capital and funds		<u>6,430,725</u>	<u>8,164,959</u>

No separate statement of financial activities is presented for Society of Petroleum Engineers Europe Limited as provided by Section 408 of the Companies Act 2006. The loss for the year for Society of Petroleum Engineers Europe Limited for Companies Act 2006 purposes was £1,734,236 (2021: Surplus £2,591,958).

The financial statements were approved by the board and authorised for issue on 21st September 2022.


James Rawes

Trustee

21 September 2022

The accompanying accounting policies and notes form an integral part of the financial statements

Consolidated cash flow statement

for the year ended 31 March 2022

Registered number: 2778741

	Notes	2022	2021
		£	£
Cash flows from operating activities:			
Net cash used in operating activities	(a)	(2,352,102)	(955,752)
Cash flows from investing activities:			
Dividends		(5,931)	(6,383)
Purchase of property, plant and equipment		(6,135)	(5,996)
Proceeds from sale of investments		1,001,603	9,679
Purchase of investments		(10,339)	-
Net cash provided by/(used in) investing activities		979,198	(2,700)
Change in cash and cash equivalents in the reporting period		(1,372,904)	(958,452)
Cash and cash equivalents at the beginning of the reporting period		2,068,099	3,026,551
Cash and cash equivalents at the end of the reporting period		695,195	2,068,099

Note (a) – Reconciliation of cash flows from operating activities

	2022	2021
	£	£
Net expenditure for the reporting period	(2,175,423)	(303,624)
Net cash used in operating activities		
Adjustments for:		
Depreciation charges	29,230	29,326
Revaluation of Assets	10,662	-
Gains on investments	(342,083)	(1,082,560)
Dividends, interest and rent from investments	5,931	6,383
(Increase)/decrease in debtors	(185,504)	334,169
Increase in creditors	305,086	60,554
Net cash used in operating activities	(2,352,102)	(955,752)
Analysis of cash and cash equivalents		
Cash in hand	695,195	2,059,362
Notice deposits (less than 3 months)	-	8,737
Cash and cash equivalents	695,195	2,068,099

Notes to the financial statements

for the year ended 31 March 2022

1. Accounting policies

A summary of the Group's principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

a) Basis of preparation

The financial statements have been prepared in accordance with the Charities SORP (FRS102) (second edition effective 1 January 2019) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011 and UK Generally Accepted Practice.

Society of Petroleum Engineers (Europe) Limited meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The individual entity accounts of Society of Petroleum Engineers Europe Limited have taken advantage of the disclosure exemption under FRS 102 to separately disclose categories of financial instruments and items of income, expenses, gains or losses relating to instruments as these have been presented on a Group basis in the notes to the accounts.

Income received in foreign currency is translated at the month end exchange rate to GBP. The Russian branch's functional currency is Rubles.

b) Going concern

As highlighted in the report of the Trustees, having assessed the Group's financial position, its plans for the foreseeable future and the risks to which it is exposed, the Trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

The directors have reviewed the Group and Company's financial position, its plans for the foreseeable future and the risks to which it is exposed. The directors have taken into account the ongoing impact on the Russian Activities and are adhering to all sanctions in place. A final decision on the Russia activity is still in discussions with the local Russian sections and the SPE Management. Taking into account future cash flows for the Company and the group support that is available to the Company from the ultimate parent entity, SPE Inc., there is little risk that the Company will not be able to continue as a going concern. On the above basis, the directors remain satisfied that it continues to be appropriate to prepare the financial statements on the going concern basis.

The Company continues to expect challenges going forward as the industry begins to recover from the pandemic. The Company has developed a Virtual Program strategy that will incorporate many of the different ways the Company collects technical information and provide a platform for members to access the information. The Company will continue to review planning progress for upcoming events and future events, such as offering hybrid events, which include both in-person and digital options. The Company is continually managing its operating expenditures and reserves effectively to safeguard the Company's ability to continue as a going concern.

Notes to the financial statements (continued)

for the year ended 31 March 2022

c) Basis of consolidation

The Group financial statements consolidate the accounts of Society of Petroleum Engineers Europe Limited and all its subsidiary undertakings up to 31 March 2022. In the Company's accounts, investments in subsidiary undertakings are stated at cost, less amounts written off.

The Group financial statements incorporate joint ventures under the equity method of accounting, supplemented by additional disclosures for joint ventures.

The Group's results for the year are shown on page 20.

d) Fund accounting

Unrestricted funds comprise general funds where monies are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and designated funds where monies are unrestricted but they have been designated by the Trustees for a specific purpose.

e) Income

Investment income

Investment income relates to dividends and interest realised on investments and bank interest receivable. Investment income is accounted for on the accruals basis, other than dividend income, which is recognised on receipt.

Charitable activities

Income from charitable activities relates to conference income and represents amounts receivable (exclusive of VAT) from visitors to, and exhibitors at, petroleum conferences organised by the Group, together with donations from sponsor companies and other contributions. Conference and associated income is only recognised at the point at which the event is held and is deferred for events which occur in the next accounting period.

f) Expenditure

Raising Funds

Fundraising trading costs relate to management fees paid during the year. These costs are accounted for on an accruals basis.

Notes to the financial statements (continued)

for the year ended 31 March 2022

Investment management fee

These costs relate to fees charged by investment managers for managing the investment portfolio. These costs are accounted for on an accruals basis.

Charitable activities

Charitable activities comprise expenditure, including staff costs, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of resources. These costs are accounted for on the accruals basis.

Governance costs

Governance costs relate to expenditure, including Board expenses, attributable to the costs of running the Board. These costs are accounted for on an accruals basis.

Support Costs

Support costs are broken down into two difference categories, Support Costs-Management and Support Costs-Other. Support costs-Management covers Overhead expenses adjusted downward for management time for Due and Member Programs and Governance Costs. Support costs – Other covers Operating expenses plus Audit, Legal and Board Expenses.

g) Tangible fixed assets

Tangible fixed assets are shown at original historical cost. Depreciation is provided on a straight line basis on all tangible fixed assets at rates designed to write off costs, less estimated residual values, over their expected useful lives, as follows:

Computer equipment	- 3 years
Fixtures, fittings and equipment	- 5 to 10 years

h) Investments

Investments are stated at market value. Initial recognition of investments is at cost. It is the Group's policy to keep valuations up to date such that when investments are sold, there is no gain or loss arising. As a result, the Statement of Financial Activities includes those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year, and realised gains and losses of investments disposed during the year. Disclosure is made in note 10 of the difference between the historical cost and the sale proceeds of the investments sold during the year.

i) Joint ventures

An entity is treated as a joint venture where the Group holds a long term interest and shares control under a contractual agreement.

Notes to the financial statements (continued)

for the year ended 31 March 2022

In the Group accounts, interests in joint ventures are accounted for using the equity method of accounting. The consolidated statement of financial activities indicates the Group's share of the net interest in the joint ventures. In the consolidated balance sheet notes, amounts owing from the joint venture are disclosed.

j) Operating lease commitments

Rentals paid under operating leases are charged on a straight line basis over the lease term.

k) Foreign currency

In the accounts of individual undertakings, transactions denominated in foreign currencies are recorded in GBP at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the statement of financial activities.

The results of overseas operations are translated at the average rate of exchange during the period. Balance sheet accounts are translated at the rate ruling at the balance sheet date.

l) Financial instruments

The Group has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade, other creditors and accruals.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

m) Pension costs

The Group provides pensions to all employees through a funded defined contribution scheme. The amount expended in the statement of financial activities is the contributions payable in the year.

n) Company information

The charity is a private limited company, registered by shares (registered number 2778741), which is incorporated and domiciled in the England and Wales. The address of the registered office is Fourth Floor West, America House, 2 America Square, London EC3N 2LU.

o) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent

Notes to the financial statements (continued)

for the year ended 31 March 2022

from other sources. The estimates and underlying 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

2. Income from charitable activities

	Total 2022	Total 2021
	£	£
Conference income	<u>631,202</u>	<u>685,054</u>

The geographic split of the turnover is as follows:

Geographic Region	2022	2021
	£	£
UK	140,224	260,049
Europe	33,345	94,590
Russia and Caspian	455,673	329,747
Africa	1,960	668
	<u>631,202</u>	<u>685,054</u>

Notes to the financial statements (continued)

for the year ended 31 March 2022

3. Net expenditure for the year

Net expenditure for the year is stated after charging:

	2022	2021
	£	£
Staff costs (see note 6)	959,876	862,768
Depreciation	29,230	29,326
Rent	145,620	193,794
Auditor's remuneration	54,250	51,000
Non-audit services (tax compliance)	7,500	6,750
	<u>1,196,476</u>	<u>1,143,638</u>

4. Expenditure in respect of charitable activities

Activity	Activities undertaken directly	Support costs management	Support costs other	Total 2022
Conferences Members' Programmes	362,879	698,573	685,751	1,747,203
	<u>1,000,000</u>	<u>375,253</u>	<u>-</u>	<u>1,375,253</u>
	<u>1,362,879</u>	<u>1,073,826</u>	<u>685,751</u>	<u>3,122,456</u>

Activity	Activities undertaken directly	Support costs management	Support costs other	Total 2021
Conferences Members' Programmes	265,443	813,659	796,143	1,875,245
	<u>-</u>	<u>136,850</u>	<u>-</u>	<u>136,850</u>
	<u>265,443</u>	<u>950,509</u>	<u>796,143</u>	<u>2,012,095</u>

Support costs are analysed as follows:

	2022	2021
	£	£
Support costs:		
Staff costs	1,002,764	883,220
Other operating expenses	58,203	17,017
Governance costs	85,804	157,540
Administration costs	611,281	688,875
	<u>1,758,052</u>	<u>1,746,652</u>

Notes to the financial statements (continued)

for the year ended 31 March 2022

5. Governance costs

Governance costs are stated in respect of:

	2022	2021
	£	£
External audit and taxation services	61,750	57,750
Other financial services and consultancy	11,195	49,518
Board expenses	-	-
Management salaries	12,859	50,273
	<u>85,804</u>	<u>157,541</u>

6. Staff costs

	2022	2021
	£	£
Wages and salaries	802,798	714,663
Social security costs	113,146	104,328
Other pension costs (note 14c)	43,931	43,777
	<u>959,876</u>	<u>862,768</u>

Staff costs exclude the salaries for 8 individuals totalling £657,606 (2021: £536,837) who are employed by the Group but work primarily for Society of Petroleum Engineers Inc and whose time has been re-charged to that entity.

The average number of employees, including Directors (who are Trustees), employed by the Group during the year was:

	2022	2021
	Number	Number
Members programme	4	5
Conference organisation	13	12
Support	3	4
Sales	4	4
Management and administration	7	6
	<u>31</u>	<u>31</u>

The number of employees earning over £60,000 during the year, excluding pension contributions, was as follows:

	2022	2021
	Number	Number
Income band £110,000 - £ 119,999	1	-
Income band £80,000 - £ 89,999	-	1
Income band £60,000 - £ 69,999	1	1
	<u>1</u>	<u>1</u>

Notes to the financial statements (continued)

for the year ended 31 March 2022

Pension contributions to money purchasing pension scheme in respect of the above employees during the year were £8,886 (2021: £7,468).

In addition to the Trustees, Key management personnel of the charity comprise the Human Resources Director, the Events Director for Europe, Caspian and Sub-Saharan Africa, the Senior Manager for Sales and Business Development, the VP Sales, Marketing and Business Development and the Senior Finance Manager. The costs for the Human Resources Director and the VP Sales, Marketing and Business Development are re-charged to Society of Petroleum Inc.

The total employee benefits of the key management personnel of the charity were £539,087 (2021: £536,243).

Trustees' remuneration

The following Trustees received the following remuneration as employees of SPE Europe and/or the parent entity SPE Inc during the year:

	Basic	Benefits	Total
James Rawes	152,588	9,634	162,222
John Joseph Healy	139,424	9,807	149,231
Total	<u>292,012</u>	<u>19,441</u>	<u>311,453</u>

None of the Trustees were remunerated for their services as Trustees. The Trustees expenses for the year amounted to £Nil (2021: £Nil).

7. Income from joint venture

The geographical analysis of the share of the Group's profits from the joint ventures is as follows:

	2022	2021
United Kingdom	<u>43,849</u>	56,597
	<u>43,849</u>	<u>56,597</u>

8. Taxation

Society of Petroleum Engineers Europe Limited is a registered charity and is not subject to UK corporation tax on profits from its charitable activities. The subsidiaries are not charities and are therefore subject to corporation tax on their profits.

Notes to the financial statements (continued)

for the year ended 31 March 2022

9. Tangible fixed assets

Group and Company	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At beginning of year	215,966	503,902	719,868
Additions	6,135	-	6,135
Retirements		(10,661)	(10,661)
At end of year	222,101	493,241	715,342
Depreciation			
At beginning of year	181,344	326,701	508,045
Charge for the year	9,636	19,594	29,230
At end of year	190,980	346,295	537,275
Net book value			
At 1 April 2021	34,622	177,201	211,823
At 31 March 2022	31,121	146,946	178,067

All of the Company's fixed assets are held for use on a continuing basis for the organisation of conferences.

10. Fixed asset investments

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Listed investments	5,183,899	5,833,078	5,183,899	5,833,078
Cash awaiting investment	-	8,739	-	8,737
Subsidiary undertakings	-	-	4	4
	5,183,899	5,841,817	5,183,903	5,841,819

Notes to the financial statements (continued)

for the year ended 31 March 2022

The Group has a 50% interest in two joint ventures E&P Events LLP, registered in England and Wales, and Offshore Europe Partnership. The partnerships hold biennial conferences for petroleum engineers. Audited accounts are prepared for the Offshore Europe Partnership every two years. The last Offshore Europe Partnership conference was held virtually during the year ending 31 December 2021, audited accounts are not yet available for the 24 months ended 31 December 2021. The E&P Events LLP audited accounts are not yet available for the year ended 31 December 2021.

The Group is entitled to draw the whole of its share of the profit of both Offshore Europe Partnership and E&P Events LLP. The Group has received, as part of its entitlement under the Offshore Europe Partnership agreement, an amount of £43,849 (2021: £25,316), and under the E&P Events LLP agreement, an amount of £Nil (2021: £31,281) in the year ending 31 March 2022.

The Group's aggregate interests in the joint ventures are as follows;	2022	2021
	£	£
Turnover	-	-
Tangible fixed assets		
Current assets	52,931	190,001
Liabilities due within one year	(63,031)	(127,439)
Net assets	(10,100)	62,562

Included in incoming resources from charitable activities, in addition to conference programming income receivable, there are cost reimbursements, sponsorship and management fees from the two joint ventures amounting to £43,849 (2021 £Nil).

Principal Group investments

The Company has two wholly-owned subsidiary undertakings at the year end: SPE Trading Limited and SPE Ventures Limited, both of which are registered in England and Wales (see note 16).

Notes to the financial statements (continued)

for the year ended 31 March 2022

10. Fixed asset investments (continued)

Listed investments

	2022 £	2021 £
Market value as at beginning of year	5,833,078	4,760,199
Additions	10,339	-
Disposal proceeds	(1,001,602)	(16,064)
Net investment gain in year	<u>342,084</u>	<u>1,088,943</u>
Market value at end of year	<u>5,183,899</u>	<u>5,833,078</u>
Historical cost at end of year	<u>4,425,733</u>	<u>5,285,764</u>
Unrealised gain at end of year	<u>758,165</u>	<u>547,315</u>
Realised gain on historical cost basis	<u>131,232</u>	<u>(1,615)</u>

Listed investments comprise investments listed on the UK Stock Exchange.

11. Debtors: Amounts falling due within one year

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	220,906	72,945	2,709	24,769
Amount owed by related entities	74,944	92,867	74,944	92,867
Amounts owed by subsidiary undertakings	6,289	932	2,240,379	1,933,574
Other debtors	67,071	1,242	10,118	11,824
Prepayments and accrued income	<u>125,804</u>	<u>141,524</u>	<u>163,513</u>	<u>120,843</u>
	<u>495,014</u>	<u>309,510</u>	<u>2,491,663</u>	<u>2,183,877</u>

Notes to the financial Statements (continued)
for the year ended 31 March 2022

12. Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade Creditors	212,186	192,802	77,488	61,462
Amounts owed to related group entities	330,372	293,186	299,234	237,831
Amount owed to subsidiary undertakings	-	-	918,561	1,021,714
Taxation and social security	66,441	43,274	45,084	39,973
Other Creditors	-	898	-	-
Accruals and deferred income	423,411	197,164	204,692	150,784
	1,032,410	727,324	1,545,059	1,511,764

Deferred Income

Income deferred in the current year relates to advanced conference registrations, exhibition and sponsorship income for conferences taking place after 31 March 2022.

	Group	Company
	£	£
Balance as at 1 April 2021	20,565	-
Amount released to incoming resources	(20,565)	-
Amount deferred in year	195,424	-
Balance as at 31 March 2022	195,424	-

Notes to the financial Statements (continued)

for the year ended 31 March 2022

13. Called-up equity share capital

	2022	2021
	£	£
Group and Company		
<i>Allotted, called-up and fully-paid</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

14. Reconciliation of movements in capital and funds

	Balance 1 April 2021	Income	Net gains on investment	Expenditure	Balance 31 March 2022
2022					
Group	£	£	£	£	£
Called-up equity share capital	1,000	-	-	-	1,000
Unrestricted general funds	7,694,188	675,070	348,014	(2,198,507)	6,518,765
SPE Members Program fund	-			(1,000,000)	(1,000,000)
Total capital and funds	<u>7,695,188</u>	<u>675,070</u>	<u>348,014</u>	<u>(3,198,507)</u>	5,519,765
Company	£	£	£	£	£
Called-up equity share capital	1,000	-	-	-	1,000
Unrestricted general funds	8,163,959	639,547	348,014	(2,721,795)	6,429,725
Members Program fund	-				
Total capital and funds	<u>8,164,959</u>	<u>639,547</u>	<u>348,014</u>	<u>(2,721,795)</u>	6,430,725
	Balance 1		Net gains/		Balance 31
	April 2020	Income	(losses) on	Expenditure	March 2021
			investment		
2021					
Group	£	£	£	£	£
Called-up equity share capital	1,000	-	-	-	1,000
Unrestricted general funds	7,997,812	741,651	1,088,943	(2,134,218)	7,694,188
Total capital and funds	<u>7,998,812</u>	<u>741,651</u>	<u>1,088,943</u>	<u>(2,134,218)</u>	7,695,188
Company	£	£	£	£	£
Called-up equity share capital	1,000	-	-	-	1,000
Unrestricted general funds	5,652,857	3,055,084	1,088,943	(1,632,925)	8,163,959
Total capital and funds	<u>5,653,857</u>	<u>3,055,084</u>	<u>1,088,943</u>	<u>(1,632,925)</u>	8,164,959

Notes to the financial Statements (continued)

for the year ended 31 March 2022

The Members Programme fund comprises funds designated by the Trustees to support the Members Programme, both of which are administered by the Company in line with the funding programme set out in the 2017 strategic plan. The level of funding made available to these programmes will be reviewed annually by the Board.

Transfers represent the intercompany funds transfer between SPE Europe Limited and its subsidiaries, SPE Trading Limited and SPE Ventures Limited.

15. Guarantees and financial commitments

a. Capital commitments

At the end of the year, there were no capital commitments (2021: £Nil).

b. Lease commitments

At 31 March 2022 the Group and Company had aggregate minimum lease payment commitments under non-cancellable operating leases as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Operating leases for land and buildings, which expire:				
In less than one year	157,110	182,650	157,110	158,160
one to 5 years				
	<u>209,480</u>	<u>369,040</u>	<u>209,480</u>	<u>369,040</u>

c. Pension arrangements

The Group provides defined contribution pension schemes for all employees.

The amount charged to the statement of financial activities is the contributions payable in the year and amounted to £43,931 (2021: £43,777).

d. Contingent liabilities

As a partner in Offshore Europe Partnership and E & P Events LLP, SPE Trading Limited is jointly and severally liable, without limit, for the debts of the partnerships. In the event that either partnership fails to pay any debt for which it has primary liability or is unable to pay amounts due, creditors may look directly to SPE Trading Limited for settlement of their debts or obligations.

Notes to the financial Statements (continued)
for the year ended 31 March 2022

16. Subsidiary undertakings

	SPE Ventures Limited	SPE Trading Limited
	£	£
Turnover	614,201	-
Income from joint venture	-	43,849
Costs	<u>(1,899,571)</u>	<u>(118,228)</u>
Net Loss	(1,285,351)	(74,379)
Interest receivable	<u>19</u>	<u>-</u>
Profit/(loss) before tax	(1,285,370)	(74,379)
Tax charge	<u>-</u>	<u>-</u>
Loss before tax	<u>(1,285,370)</u>	<u>(74,379)</u>
Retained earnings at start of year	<u>(469,770)</u>	<u>-</u>
Gift Aid payment	<u>-</u>	<u>-</u>
Retained earnings at end of year	<u>(1,755,140)</u>	<u>(74,379)</u>
Net (liabilities)	<u>(1,285,370)</u>	<u>(74,379)</u>

The Company owns the whole of the issued ordinary share capital of SPE Ventures Limited and SPE Trading Limited, both companies being registered in England (company no. 02538982 and 02365974) and sharing the same registered office as SPE Europe (see note 1).

The Group conducts its trading activities through its two trading subsidiaries, SPE Ventures Limited and SPE Trading Limited. These companies organise and hold workshops, training courses and conferences to further the aims of the charitable organisation.

The value of the parent Company's investment in each of its subsidiary companies is £2. SPE Ventures Limited and SPE Trading Limited are registered at the Company's offices at 4th Floor West, America House, 2 America Square, London EC3N 2LU.

Notes to the financial Statements (continued)

for the year ended 31 March 2022

17. Ultimate parent undertaking

The ultimate parent company and controlling related party is Society of Petroleum Engineers (SPE) Inc, registered at 222 Palisades Creek Drive, Richardson, Texas 75080 USA.

At year end, the Group had the following related party transactions and year end balances with Group entities:

	Transactions charged to related parties in the year	Transactions charged from related parties in the year	Receivable from related party at year end	Payable to related party at year end
	£	£	£	£
2022				
SPE International	1,683	(60,687)	74,944	(272,035)
SPE Canada	-	-	597	-
SPE Foundation	-	-	-	-
SPE Middle East	12,466	(3,882)	5,692	(2,848)
SPE Asia Pacific	-	-	-	-
SPE sections and chapters	-	-	-	(55,488)
	<u>14,149</u>	<u>(64,569)</u>	<u>81,233</u>	<u>(330,371)</u>
2021				
SPE International	-	(97,414)	92,867	(223,954)
SPE Canada	-	-	-	-
SPE Foundation	-	-	-	-
SPE Middle East	932	(23,750)	932	(7,190)
SPE Asia Pacific	-	-	-	-
SPE sections and chapters	-	-	-	(62,042)
	<u>932</u>	<u>(121,164)</u>	<u>93,799</u>	<u>(293,186)</u>

18. Financial instruments

The charity held assets at fair value through income and expenditure of £5,183,899 (2021: £5,833,078). Movements in the year through the statement of financial activities comprised income of £Nil (2021: £Nil) and gain of £342,084 (2021: gain of £1,088,943).