

**Society of Petroleum Engineers
Europe Limited**

Consolidated financial statements
for the year ended 31 March 2009

Registered number: 2778741

Registered charity number: 1017482

Annual report and financial statements for the year ended 31 March 2009

Trustees

Leo Roodhart (Chairman)

Colin David (Appointed 5/03/09)

John Donachie (Appointed 5/03/09)

Ian Phillips

Klaus Potsch

David St. John

Mark Rubin

Company secretary

Lawrence Slade

Registered office

First Floor

Threeways House

40/44 Clipstone Street

London, W1W 5DW

Auditors

BDO Stoy Hayward LLP

Prospect Place

85 Great North Road

Hatfield, Hertfordshire, AL9 5BS

Bankers

Barclays Bank

Pall Mall Corporate Group

50 Pall Mall

London

SW1A 1QA

Solicitors

Lee Boulton Monier-Williams

1 The Sanctuary

Westminster

London SW1P 3JT

Investment Advisors

UBS Wealth Management

1 Curzon Street

London

W1J 5UB

Trustees report

For the year ended 31 March 2009

The trustees, who are also the directors, present their report, together with the consolidated financial statements and auditor's report for the year ended 31 March 2009.

Trustees and their interests

The trustees, who are also the directors, who served during the year were as follows:

Leo Roodhart (Chairman)
Colin David (Appointed 5/03/09)
John Donachie (Appointed 5/03/09)
Peter Goode (Resigned 2/10/08)
David St. John
Mark Rubin
Ian Phillips
Jeff Spath (Resigned 2/10/08)
Klaus Potsch

One-third of directors retire by rotation and, being eligible, offer themselves for re-election. Accordingly, members will be asked to confirm the re-appointment of Mark Rubin and Ian Phillips.

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 1985.

Principal officer

The principal officer of the company and group during the year was:

Lawrence Slade Managing Director - Europe, Russia, Sub Saharan Africa and Company Secretary

Structure, Governance and Management

Governing Document

Society of Petroleum Engineers Europe Limited 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 Stichting, a charitable company incorporated and operating in the Netherlands. 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.

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 report (continued)

For the year ended 31 March 2009

Organisation

The SPE Stichting board is comprised of the SPE International officers and board committee chairs. The Stichting 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 the SPE International regional directors who reside in the regions served by that respective subsidiary and a few directors selected at-large. 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 program development for the Society's worldwide activities
- The SPE Stichting board has fiduciary and operational oversight responsibility for the entire organization; and
- The regional subsidiary boards have fiduciary and operational oversight responsibility for the subsidiary operations.

The SPE Executive Director manages the worldwide staff operations. Each subsidiary has at least one Staff Director who manages the regional operations. These Staff Directors report to the Executive Director. The Executive Director works 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 programs.

Risk Management

The trustees have carried out a review during the year to examine the major strategic, business and operational risks which the charity faces. Systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Objectives and Activities

The objectives and principal activities of Society of Petroleum Engineers Europe Limited continue to be to promote (a) the science and technology of petroleum and natural gas exploration and recovery, and (b) the oil and natural gas industry and improvements in efficiency. The charity achieves its objectives through a variety of programmes including publications, specialist meetings, scholarships and internet based services.

SPE offers information about the oil and gas industry developed for the general public. It offers to provide speakers to schools and civic groups on energy and encourages SPE members to become active in their local schools, speaking to students and teachers about the importance of the energy industry and the technologies that are used to recover oil and natural gas. SPE has compiled resources to help students learn about energy and guide teachers and parents to other useful resources. SPE also offers schools and civic organizations the opportunity to request a speaker on energy topics. SPE also maintains information on the types of careers available, the importance of petroleum engineers, scholarships, and schools that offer technical degree programs.

Trustees report (continued)

For the year ended 31 March 2009

The main objectives for the previous year, as well as the trustees' assessment of the charity's actual performance during the year against these objectives, are set out below:

- To disseminate technical information through technical conferences and meetings: 25 events were held in UK, Europe, Russia and West Africa, attended by both SPE professional members, students and non-members. This figure exceeded our initial scheduling expectations. Highlights were the International HSE Conference and Russia Oil and Gas, both of which excelled in delivering SPE's global mission.
- To increase and retain membership in the region: the society achieved considerable membership growth, in particular in Russia and the Caspian Region, and by membership retention elsewhere, with particular emphasis on students and young members. The society also introduced Direct Debit as a means of payment in the UK, reducing administrations costs for the society.
- To establish a series of initiatives dedicated to recruiting the engineers of the future: This included extra support for Young Professional groups, running several Young Professional Workshops, including the first one in Moscow.

On-going objectives, together with how the charity aims to achieve these objectives, are:

- To sustain vital programmes for membership and increase regional activities, including the scheduling of 22 events in 2009 and continue to build on major regional and niche events such as Offshore Europe and Intelligent Energy – with particular emphasis on training and students.
- To develop new sections and student chapters in the region, focussing on demand in areas such as the Caspian and West Africa, working with Universities to improve education standards and funding.
- To work supporting student chapters, with emphasis on developing member services resourcing.
- To heighten awareness amongst both membership and the wider public of the energy sector via the Energy4me programme, Ambassador visits to schools and colleges and web based services.
- To identify additional services to ensure that the Society continues to fulfil its mission and establish a charitable giving programme.
- Increase funding provision for the SPE's Distinguished Lecturer Tour.

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.

Trustees report (continued)

For the year ended 31 March 2009

Investment policy

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.

During the period there was a significant decrease in the market value of the investment portfolio. This reflected the turbulent market conditions as a whole. The Trustees consider that the performance of its fund exceeded other funds with a similar risk profile.

Financial Review

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

The end of the year saw an excellent financial result based on strong financial management and a successful year of workshops and conferences with the average customer satisfaction index of 77% (For this purpose, customer satisfaction index percentage is calculated from feedback made by attendees relating to - administration, technical content, social activities and networking opportunities received from participation. The benchmark is set by the trustees), this compares to 75% in 2008. The heaviest weighted areas relate to Technical Content and Networking Opportunities, both key elements of the Charity objective. In this financial year the technical and networking key performance indicators (KPI) were 80% and 81% respectively, both exceeding the benchmark of 67%.

Costs have been within budget and income figures exceeded in trading areas, resulting in an average workshop and conference margin of 51 per cent.

During the year the Society of Petroleum Engineers consolidated group had incoming resources of £4,021,729 and expended resources of £3,770,803. Taken together with gains on investment assets, there was a deficit for the year of £122,383. Included within the group's activities analysis of expenditure (note 3) there is £300,000 sponsorship of the Distinguished lecturer program, a corner stone initiative of the Society's charitable programs. This compares with the last non Offshore Europe conference year ending 31st March 2008, when incoming resources were £2,228,680 and a deficit of £178,366 was generated.

At the end of the financial year the Society of Petroleum Engineers consolidated group held net assets of £5,484,828. Listed investments plus cash and bank deposits totalled £5,567,104 at the end of 2009, comfortably sufficient to meet the group's obligations to creditors. Volatility in global stock markets continued in 2008/9 and led to an unrealised loss of £373,309 (2008: loss of £82,278).

The principal source of funding during the year continues to be income from conferences.

Policy on Reserves

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 Stichting to:

Trustees report (continued)

For the year ended 31 March 2009

- 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 programs as approved by the SPE Stichting Board of Directors; and
- 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. In addition to the corpus described above, funds in the amount of one-half the annual total resources expended should be accumulated for use in future capital expenditures and new ventures. Any amount over the established corpus in the Reserve Fund balance can be used for any purpose consistent with the Society's charitable status and as approved by the SPEU Board of Directors.

SPE International has instituted an Advantage Programme which allocated 2% of its global reserve funds towards new initiatives, including Public Energy Education, Dedicated Programmes for the Young, Free Meeting Attendance for Academics and Additional Distinguished Lecturer Visits to Local Sections.

Plans for Future Periods

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

- To publish and disseminate technical information through conferences, meetings, publications and the multi society technical resource OnePetro and www.spe.org
- To maintain and add information to SPE's knowledge reservoir and provide both public and membership access to such library, to include Universities and student bodies
- To institute, establish and promote educational and training courses, scholarship grants, awards and prizes
- To continually evaluate the services provided to members, customers and the public at large to ensure the society is able to provide such services at the best possible rate
- To ensure the organisation structure provides the resources necessary to meet the Society's objectives.

Financial risk management objectives and policies

The trustees constantly monitor the risks and uncertainties facing the company with particular reference to the exposure on price, exchange rates, credit, liquidity and cashflow risks. Management have procedures in place whereby forward contracts may be used to lodge against foreign exchange risks and credit control procedures are

Trustees report (continued)

For the year ended 31 March 2009

tightly monitored in order to minimise liquidity and cashflow risks. They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered.

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' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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 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 1985. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

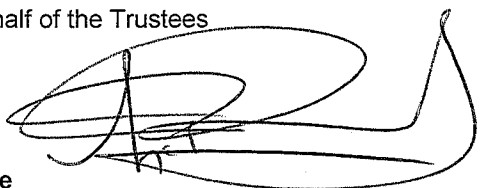
Auditor

All of the current Trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

This report has been prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Trustees



Trustee

2 September 2009

Independent auditor's report

Independent Auditor's Report to the Members of Society of Petroleum Engineers Europe Limited

We have audited the financial statements of Society of Petroleum Engineers Europe Limited for the year ended 31 March 2009 which comprise the Consolidated Statement of Financial Activities (including the Income and Expenditure Account) the consolidated and company balance sheets and the related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees (who are also the directors of the company for the purposes of company law) responsibilities 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) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Trustees' Report is consistent with those financial statements.

We also report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity and other members of the group is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and the charitable parent company's circumstances, consistently applied and adequately disclosed.

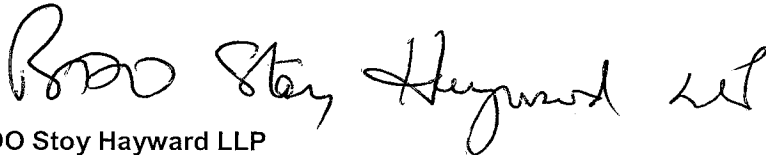
Independent auditor's report (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the group financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 31 March 2009, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the parent charitable company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent charitable company's affairs as at 31 March 2009;
- the financial statements have been prepared in accordance with the Companies Act 1985; and
- the information given in the trustees' report is consistent with the financial statements



BDO Stoy Hayward LLP

Chartered Accountants and Registered Auditors

Hatfield

Date: 2 September 2009

Consolidated statement of financial activities

(Incorporating an income and expenditure account)

For the year ended 31 March 2009

	Notes	2009 £	2008 £
Incoming resources			
Investment income – Bank interest		176,964	113,774
Incoming resources from charitable activities	2	3,844,765	5,184,851
Less: share of Joint Venture		-	(3,688,888)
Total incoming resources		4,021,729	1,609,737
Resources expended			
Costs of generating funds			
Fundraising trading: cost of goods sold and other costs		167,039	106,031
Investment management fee		19,365	25,308
Charitable activities	3	3,434,782	1,702,204
Governance costs	4	149,617	160,554
Total resources expended		3,770,803	1,994,097
Net incoming/(outgoing) resources for the year		250,926	(384,360)
Share of net interest in joint venture		-	1,844,444
Net income resources for the year before other recognized losses		250,926	1,460,084
Other recognised losses			
Losses on investment assets		(373,309)	(82,278)
Net movements in funds		(122,383)	1,377,806
Reconciliation of funds			
Total funds brought forward		5,606,211	4,228,405
Total funds carried forward		5,483,828	5,606,211

There are no recognised gains or losses other than the net incoming resources for the year.

All incoming resources and resources expended derive from activities are continuing activities.

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

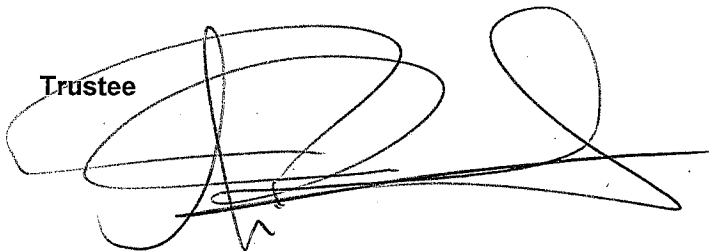
Consolidated balance sheet
for the year ended 31 March 2009

Consolidated Balance Sheet

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	8	98,847	35,199
Investments	9	<u>3,835,847</u>	<u>3,615,384</u>
		<u>3,934,694</u>	<u>3,650,583</u>
Current assets			
Debtors	10	907,838	1,259,560
Cash at bank and in hand		<u>1,731,257</u>	<u>2,208,822</u>
		<u>2,639,095</u>	<u>3,468,382</u>
Creditors: amounts falling due within one year	11	<u>(1,088,961)</u>	<u>(1,511,754)</u>
Net current assets		<u>1,550,134</u>	<u>1,956,628</u>
Net assets		<u>5,484,828</u>	<u>5,607,211</u>
Capital and funds			
Called-up share capital	12	1,000	1,000
Unrestricted funds	13	<u>5,483,828</u>	<u>5,606,211</u>
Total capital and funds		<u>5,484,828</u>	<u>5,607,211</u>

The financial statements were approved by the board and authorised for issue on 2 September 2009

Trustee



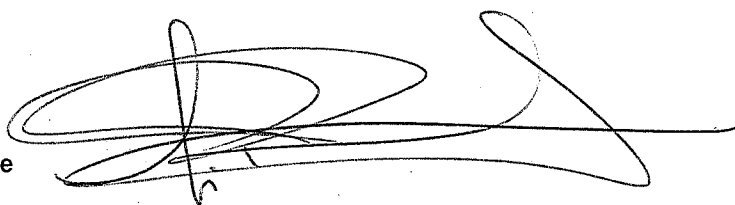
The accompanying accounting policies and notes form an integral part of the financial statements

Company balance sheet
for the year ended 31 March 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	8	98,847	35,199
Investments	9	<u>3,835,851</u>	<u>3,615,386</u>
		<u>3,934,698</u>	<u>3,650,585</u>
Current assets			
Debtors	10	1,306,659	1,692,459
Cash at bank and in hand		<u>417,929</u>	<u>484,985</u>
		<u>1,724,588</u>	<u>2,177,444</u>
Creditors: amounts falling due within one year	11	<u>(174,458)</u>	<u>(238,147)</u>
Net current assets		<u>1,550,130</u>	<u>1,939,297</u>
Total assets less current liabilities		<u>5,484,828</u>	<u>5,589,882</u>
Capital and funds			
Called-up equity share capital	12	1,000	1,000
Unrestricted funds	13	<u>5,483,828</u>	<u>5,588,882</u>
Total capital and funds		<u>5,484,828</u>	<u>5,589,882</u>

The financial statements were approved by the board and authorised for issue on: 2 September 2009

Trustee



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

Notes to the financial statements (continued)

For the year ended for the year ended 31 March 2009

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 under the historical cost convention, as modified by the revaluation of investments, and in accordance with applicable United Kingdom financial reporting and accounting standards, including the Statement of Recommended Practice: Accounting and Reporting by Charities issued in October 2005 (SORP).

b) 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 2009. 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.

No statement of financial activities (i.e. income and expenditure account) is presented for Society of Petroleum Engineers Europe Limited as provided by Section 230 of the Companies Act 1985. The company's results for the year are shown in note 13.

c) Fund accounting

General funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

d) Incoming resources

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 a declared basis.

Charitable activities

Incoming resources 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 income is recognised at the point at which the event is held.

Notes to the financial statements (continued)

For the year ended for the year ended 31 March 2009

1. Accounting policies (continued)

e) Resources expended

Fundraising trading

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

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.

f) 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	-10 years

g) Investments

Investments are stated at market value. 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 only includes those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year. Disclosure is made in note 9 of the difference between the historical cost and the sale proceeds of the investments sold during the year.

h) Operating lease commitments

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

Notes to the financial statements (continued)

For the year ended 31 March 2009

i) Foreign currency

In the accounts of individual undertakings, transactions denominated in foreign currencies are recorded in the local currency 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 income and expenditure account.

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.

j) Cash flow statement

Under the provisions of Financial Reporting Standard No. 1 'cash flow statement', the company has not prepared a cash flow statement because the directors believe it is entitled to the exemptions available in Sections 246 to 249 of the Companies Act 1985 for small companies when filing accounts with the Registrar of Companies.

k) 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.

l) Financial instruments

Forward contracts

Forward exchange contracts are used to manage currency fluctuations on stock purchasing in foreign currencies by entering into a forward exchange contract to match the future foreign currency commitment when due. Foreign exchange contracts and the amounts due are valued at the time when the contract is taken out.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Notes to the financial statements (continued)

For the year ended 31 March 2009

2. Incoming resources from charitable activities

	Total 2009 £	Total 2008 £
Activity		
Conference income	<u>3,844,765</u>	<u>5,184,851</u>

All conferences held in this year took place in Europe, Russia and Sub Saharan Africa.

3. Net outgoing resources for the year

Net outgoing resources for the year are stated after charging:

	2009 £	2008 £
Staff costs (see note 5)	632,394	468,698
Depreciation	23,705	35,897
Auditors' remuneration	<u>22,753</u>	<u>18,608</u>

Resources expended in respect of charitable activities

Activity	Activities undertaken directly	Support Costs Management	Support Costs Other	Total 2009	Total 2008
Conferences	2,178,395	618,097	238,464	3,034,957	1,318,984
Members' Programs	<u>16,560</u>	<u>75,058</u>	<u>308,207</u>	<u>399,825</u>	<u>383,220</u>
	<u>2,194,956</u>	<u>693,155</u>	<u>546,671</u>	<u>3,434,782</u>	<u>1,702,204</u>

Support costs are analysed as follows:

	2009 £	2008 £
Support costs:		
Staff costs	550,459	375,215
Other operating expenses	142,696	81,211
Administration costs	<u>546,671</u>	<u>516,230</u>
	<u>1,239,826</u>	<u>972,656</u>

Notes to the financial statements (continued)

For the year ended for the year ended 31 March 2009

4. Governance costs

Governance costs are stated in respect of:

	2009 £	2008 £
External audit	13,260	13,000
Other Financial services and consultancy	24,203	39,318
Board expenses	7,477	7,695
Management salaries	<u>104,677</u>	<u>100,541</u>
	<u>149,617</u>	<u>160,554</u>

5. Staff costs

	2009 £	2008 £
Wages and salaries	540,507	411,320
Social security costs	60,976	40,847
Other pension costs (note 14c)	<u>30,911</u>	<u>16,531</u>
	<u>632,394</u>	<u>468,698</u>

The average number of employees including directors (who are trustees) employed by the group during the year was:

	2009 Number	2008 Number
Members Program	4	1
Conference organisation	5	3
Support	3	4
Management and administration	<u>4</u>	<u>4</u>
	<u>16</u>	<u>12</u>

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

	2009 Number	2008 Number
Income band - £90,001 - £100,000	1	-
Income band - £80,001 - £90,000	<u>-</u>	<u>1</u>

Pension contributions to money purchase pension schemes in respect of the above employee during the year were £8,006 (2008 - £5,390).

Notes to the financial statements (continued)

For the year ended for the year ended 31 March 2009

Trustees' remuneration

No remuneration was paid, nor was due, to any of the trustees during the year.

The trustees expenses for the year amounted to £ NIL (2008: £603.15).

6. Income from joint venture

The group is entitled to draw the whole of its 50% share of the profits of both Offshore Europe Partnership and E & P events, a trading partnership. The group's interest is held and is accounted for in the financial statements through a subsidiary undertaking, SPE Trading Limited (see note 15).

The partnerships hold biennial conferences for petroleum engineers. Audited accounts are prepared for the partnerships in each year in which the conference takes place and thus audited accounts are only produced every two years. The last Offshore Europe Partnership conference was held during the year ended 31 March 2008, and therefore the audited accounts are now available for the two years ended 31 March 2008. The E&P Events LLP partnership accounts will be available shortly for the year ending 31 December 2008.

The group is entitled to receive, as part of its entitlement under the partnership agreement, an amount of £Nil (2008 £1,871,475) in the year ended 31 March 2009.

7. 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 for the year ended 31 March 2009

8. Tangible fixed assets

Group and company	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At beginning of year	90,132	61,202	151,334
Additions	17,718	72,113	89,831
Disposal	-	(52,723)	(52,723)
At end of year	107,850	80,592	188,441
Depreciation			
At beginning of year	61,685	54,450	116,135
Charge for the year	16,433	7,272	23,705
Disposals	-	(50,246)	(50,246)
At end of year	78,118	11,476	89,594
Net book value			
At 1 April 2008	28,447	6,752	35,199
At 31 March 2009	29,732	69,116	98,847

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

9. Fixed asset investments

	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Listed investments	3,758,783	3,375,898	3,758,783	3,375,898
Cash awaiting investment	77,064	239,486	77,064	239,486
Subsidiary undertakings	-	-	4	2
	3,835,847	3,615,384	3,835,851	3,615,386

Notes to the financial statements (continued)

For the year ended for the year ended 31 March 2009

9. Fixed asset investments (continued)

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.

Listed investments

	2009 £	2008 £
Market value as at beginning of year	3,375,898	3,432,353
Additions	2,124,657	1,408,219
Disposal proceeds	(1,368,462)	(1,382,396)
Net investment loss unrealised in year	<u>(373,309)</u>	<u>(82,278)</u>
Market value at end of year	<u>3,758,784</u>	<u>3,375,898</u>
Historical cost at end of year	<u>3,363,237</u>	<u>3,363,237</u>
Unrealised gain at end of year	<u>(370,376)</u>	<u>12,661</u>
Realised gain on historical cost basis	<u>70,258</u>	<u>59,002</u>

Listed investments comprise investments listed on the UK Stock Exchange.

10. Debtors: Amounts falling due within one year

	Group 2009 £	2008 £	Company 2009 £	2008 £
Trade debtors	384,320	559,742	684	3,973
Amount owed by ultimate parent undertaking	42,121	17,265	42,121	17,204
Amounts owed by subsidiary undertakings	245,482	144,247	1,204,348	1,633,655
Other debtors	27,648	23,069	8,224	9,076
Prepayments and accrued income	<u>208,267</u>	<u>515,237</u>	<u>51,282</u>	<u>28,551</u>
	<u>907,838</u>	<u>1,259,560</u>	<u>1,306,659</u>	<u>1,692,459</u>

Amounts due from group undertakings have been recovered in full since the balance sheet date, or are to be subject to formal repayment schedules and will be interest bearing.

Notes to the financial statements (continued)

For the year ended for the year ended 31 March 2009

11. Creditors: amounts falling due within one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade Creditors	376,496	428,830	30,007	132,765
Amounts owed to group parent undertaking	196,161	83,354	7,882	-
Amount owed to subsidiary undertakings	10,973	36,374	-	-
Taxation and social security	25,706	13,006	18,797	12,433
Accruals and deferred income	479,625	950,190	117,772	92,949
	<u>1,088,961</u>	<u>1,511,754</u>	<u>174,458</u>	<u>238,147</u>

12. Called-up equity share capital

	2009	2008
	£	£
<i>Authorised</i> 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called-up and fully-paid</i> 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

13. Reconciliation of movements in capital and funds

	Balance April 2008	Income	Net gains /(losses) on investment	Expenditure	Balance 31 March 2009
Group	£	£	£	£	£
Called-up equity share capital	1,000	-	-	-	1,000
Unrestricted general funds	<u>5,606,211</u>	<u>4,021,729</u>	<u>(373,309)</u>	<u>(3,770,803)</u>	<u>5,483,828</u>
Total capital and funds	<u>5,607,211</u>	<u>4,021,729</u>	<u>(373,309)</u>	<u>(3,770,803)</u>	<u>5,484,828</u>
Company	£	£	£	£	£
Called-up equity share capital	1,000	-	-	-	1,000
Unrestricted general funds	<u>5,588,882</u>	<u>1,648,568</u>	<u>(373,309)</u>	<u>(1,380,313)</u>	<u>5,483,828</u>
Total capital and funds	<u>5,589,882</u>	<u>1,648,568</u>	<u>(373,309)</u>	<u>(1,380,998)</u>	<u>5,484,828</u>

Notes to the financial statements (continued)
For the year ended for the year ended 31 March 2009

14. Guarantees and financial commitments

a. Capital commitments

At the end of the year there were no capital commitments (2008: £Nil).

b. Lease commitments

Annual commitments under non-cancellable operating leases are as set out below:

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Operating leases, for land and buildings, which expire within two to five years	<u>111,375</u>	<u>50,055</u>	<u>111,375</u>	<u>50,055</u>

c. Pension arrangements

The company 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 £30,911 (2008: £16,531). There were no outstanding or prepaid contributions at 31 March 2009 (2008 - £Nil).

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.

Detailed profit and loss account

for the year ended for the year ended 31 March 2009

15. Subsidiary undertakings

	SPE Ventures Limited £	SPE Trading Limited £
Turnover	3,594,102	232,543
Interest receivable	12	37,570
Costs	<u>(2,664,697)</u>	<u>(260,682)</u>
Net profit	929,417	9,431
Gift Aid payment	<u>(917,043)</u>	<u>(591)</u>
Tax charge	<u>(2,669)</u>	<u>(8,840)</u>
Retained funds	<u>9,705</u>	<u>-</u>
Net Assets	<u>2</u>	<u>2</u>

16. Ultimate parent undertaking

The company is a subsidiary undertaking of Society of Petroleum Engineers (SPE) Stichting, registered in The Netherlands.

The largest and smallest group in which the results of the company are consolidated is that headed by Society of Petroleum Engineers (SPE) Stichting. The consolidated accounts of this group are available to the public and may be obtained from the company's offices at First Floor, Threeways House, 40/44 Clipstone Street, London W1W 5DW.

As a wholly owned subsidiary the company has taken advantage of the exemption conferred in Financial Reporting standard 8 "Related Party Disclosures" not to disclose transactions with other members of the group headed by the Society of Petroleum Engineers (SPE) Stichting.