

REGISTERED COMPANY NUMBER: 04128009 (England and Wales)
REGISTERED CHARITY NUMBER: 1085619

**REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
PESGB**

Carter & Coley Limited
Chartered Accountants and Statutory Auditor
3 Durrant Road
Bournemouth
Dorset
BH2 6NE

PESGB

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal activity of the Society continued to be that of a registered Charity to promote, for the public benefit, education in the scientific and technical aspects of petroleum exploration.

The downturn in the oil price from 2015 was the most significant blow to the industry for the last 20 years and the repercussions were felt within the PESGB with the society failing to post a surplus since 2014. This has been compounded historically by issues with book-keeping that were just starting to get resolved when the global pandemic hit in 2020. It should not be forgotten that at the start of lockdown the price of oil fell briefly to less than zero and the average oil price for April 2020 was only \$18.36. The PESGB faced its most challenging year and some very difficult decisions had to be made in terms of cost-cutting. In Q2 two members of staff were made redundant and the decision was taken to close the office. This was not a decision that was taken lightly. The cost savings from the office closure will be mostly seen in 2021 because of the notice period, service charges and reparations that were needed. All conferences were either cancelled, postponed, or run virtually. This is key because without in-person events the revenue from delegates, exhibitors and sponsors is much less and the accounts show a halving of income compared to 2019. PETEX was postponed to 2021 but £100k was still spent in staged payments for the venue. Managing expenditure and tracking revenue was key and a small subset of the council met weekly with the Executive Director to monitor finances and ensure expenditure was kept to a minimum. The society was very grateful to all members that responded to the appeal for donations that started in May 2020 and pleased to report record numbers of attendees at online training events including the newly-launched 'Night School'.

Despite the challenges the trustees are pleased to report a deficit of only £50k for 2020. This compares to a deficit of £246k in 2019 and represents a phenomenal amount of hard work from Maria Iredale, the Executive Director, her team and the PESGB council. It is hoped that this is a turning point in terms of improved financial management and a secure future.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

Significant activities

MEMBERSHIP

Membership has reduced to around 3,800, although this fluctuated by only approximately 500 members during the year. Despite downsizing or closure of many oil companies, the Sustaining Company Sponsorship remained stable at 28 during 2020. The benefits on offer to the Sustaining Sponsors was reviewed and new packages were put in place for our corporate supporters. In 2020 the PESGB team focused on the recruitment of new members and worked very hard to attract new members with special offers for students and new members. The team created materials and events relevant to the current challenges faced by our members. In addition, the cost to print the Membership Directory was negated as the membership database has all the up-to-date information on the members and they have control over how much information is shared. The members also received their last printed magazine in March 2020 as the cut in income caused by the pandemic meant that the magazine became online only.

PUBLICATIONS

The PESGB continues to offer members a reduced subscription to the Journal of Petroleum Geology, the Geological Society Journal of Petroleum Geoscience and Geo ExPro. However, these offers have declined in popularity. The PESGB is very appreciative to all those involved over the last thirty years in the production of the North Sea map and to the Map's sponsors. Due to limited funding, the PESGB North Sea Structural Map has not been updated.

The PESGB Magazine continues to inform the members about not only the technical aspects of what is happening in the oil industry but also giving members the opportunities to share their stories and experiences across the network. Editorial has been included from the Special Interest Groups and the Regional Groups on their activities and it also has hosted articles from members of the PESGB staff. It has become a conduit where information travels in all directions across the network. The PESGB extends grateful thanks to its magazine editor and all volunteer news writers and other technical contributors, as well as the support received from advertisers.

VOLUNTEERS

The PESGB greatly appreciates the volunteer support of PESGB membership, those who contribute their industry knowledge regularly to the magazine, those who support the lecture and events programme in and those representatives within organisations, who assist the Society by displaying and distributing promotional material within their organisations

Magazine Content – Much of the content is written by the volunteers.

The PESGB thanks all the established and new, Special Interest Groups (si's) and Regional Branches for organising and supporting the society through online meetings and lectures that they have staged throughout 2020. These groups have flourished during the pandemic and have seen higher levels of member engagement as result of their online activities. These self-directed, independent groups, form an opportunity to engage nationally and internationally with members, the pandemic has seen the SIGs become a reason for joining the society rather than just an additional activity. During 2020 these informal groups had a Summit to discuss collaboration opportunities and best practice. This was found to be very useful, and this model will be developed further for 2021 to support these groups in achieving their ambitions.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

The SIGS increased in number in 2020 to include the Diversity and Inclusion SIG and the Exploring the Energy Transition SIG, both groups have started off very strongly with well attended meetings and a vibrant programme of activity. The PESGB office and Trustees extend a special thank you to all individuals and companies who support these events and to those members who volunteer their time to help to organise them. Volunteering by the members, to support the activities of the PESGB is an essential element in the management of the Society. Volunteers make up the governing Council of both PESGB and PESGB Conferences, they manage the content of the courses and conferences, as well as one-off projects (North Sea Map and website development). The volunteer contribution over the year is approximately 975 hours.

EVENTS

During 2020 a variety of online activities from February onwards, prior to February they were held in London and Aberdeen to promote the objectives of the Society. PETEX 2020 was postponed into 2021, in addition to the postponement of the biggest show in the calendar we also had to postpone the Geophysics Conference, the Machine Learning Conference and the Asia Pacific Conference but others took place as virtual events.

The monthly Evening Lecture series continued online, and we saw the member attendance numbers double because of the ease of access. The high calibre technical talks on a diverse range of topics were curated in partnership between the Vice President and the Aberdeen Director. These evening lectures continued to be free to attend for members of the PESGB and the organisations with whom the Society has agreements. To encourage members to bring friends and colleagues we have allowed attendance by non-members at a cost, this has been facilitated by a purchase ticket option for non-members on the website. This has proved a popular option and there have been non-members in attendance at nearly every lecture.

Conferences & Exhibitions

- DEVEX is jointly organised by PESGB/AFES/SPE and supported by the OGA. This was the 16th DEVEX conference and exhibition. The event was online and was attended by approximately 120 delegates and was chaired by the SPE. This was free to attend and did not make a profit for the organisers.

- The third YP Summit planned by the EAGE was postponed until 2021, but with support from PESGB and EAGE took place in 2019 in Aberdeen.

- PROSPEX 2020 was the 18th show in the successful series of Prospects Fairs hosted in collaboration with the OGA. This event became the PESGBs first online conference and due to the low staging costs the show was profitable with only two hundred paying delegates.

- PESGB Conferences Ltd (TRADING SUBSIDIARY COMPANY) The Charity's wholly owned trading subsidiary: PESGB Conferences Limited became responsible for all the conference activity in July 2018. The profits from all the conferences are donated to the PESGB.

- Outreach: The 2020 GEOLiteracy Tour which includes the Stoneley Lecture, though planned for May 2020 it was postponed until it could be organised without pandemic considerations.

- All networking activity and events which rely on in person activity were postponed until such a time as we can safely resume and comply with government guidance.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

Training

During 2020 we launched a new training initiative called Night School which provided high quality training for eight hours over four sessions. This usually took place over a four-week period and was designed to be affordable for the individual rather than paid for by the employer. This proved a very successful model particularly when it went online because of the pandemic. During 2020 we had over 300 attendees to the Night School programme and this number has been achieved during the first six months of 2021 as the programme goes from strength to strength.

COMPLIANCE

To ensure the Society's organisational health, several areas of compliance were focused on in 2020 to ensure that the PESGB met all requirements for both organisations and charities where applicable.

Data Protection – The PESGB had a Data Protection Audit in February 2016, and this gave clarity to many aspects of the storage of data, both financial and member related. We adopted new procedures and continued to develop them as we adopt new systems. The PESGB is now fully compliant with the GDPR legislation.

Health and Safety – The PESGB focused on the Health and Safety of both the staff and the external activities of the organisation in 2020 maintaining an excellent record of compliance.

New guidance for staff mental health in the aftermath of the pandemic and the changes to their working situation has been carefully monitored.

Contracts – Due to the closure of the PESGB admin office there has been a significant reduction in the number of contracts that the PESGB is now involved with.

Strategy – The strategy for the PESGB during 2020 changed radically from growth to survival following the closure of the UK for the pandemic. The decision was made to close the office as the initial period of the lease had expired and this could be done without penalty. The Executive Director handled the closure of the office and the termination and final payments on all accounts.

SCID (Sub Committee for Investments & Disbursements) – Due to the industry downturn and funds not being available, the Society has had to withdraw most of its funding to outside bodies.

YP/Student Mapping – Undergraduate mapping projects was not given in 2020 as universities did not have in person activity, only remote learning.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

Public benefit

The Trustees who form the Council have reviewed the Charity Commission guidance regarding public benefit and are satisfied that the objects of the Charity meet those requirements. The objective of the PESGB is to promote, for the public benefit, education into the scientific and technical aspects of petroleum exploration and production.

The 'public' are our members in this context, but the wider public also have the potential to be involved with the PESGB and benefit from the association, thus on occasion our public can mean the 'general public'. To achieve and further its objectives the PESGB organises and support supports various projects, including educational lectures, meetings, seminars, conferences and exhibitions, field trips, training courses and workshops. The annual Stoneley Lecture (although not able to be held in 2020 due to COVID-19) and related activities are an opportunity to engage the wider public with workshops for young people and those who are interested in, but not educated in, the field.

The PESGB produces a monthly educational magazine and supports other educational publications. Various member services include the publication of an online Membership Directory, lecture programme, and a comprehensive website. The PESGB Trustees wish to thank all the volunteers whose contributions throughout a very challenging 2020 made our online events, courses, and the Magazine such a success.

The Trustees review the strategic direction of the Society annually to ensure that all opportunities for the PESGB to meet its charitable objectives are explored. The Trustees regularly review the short- and medium-term financial plan for the Society and put in contingency measures to manage challenges that might impact on cashflow and the Society's financial security.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

Volunteers

LEADERSHIP

The Trustees play a key role in the leadership of the charity, volunteering both their time and their expertise. The Council meet bi-monthly for a four-hour meeting in which its strategy, performance against objectives and financial health are closely managed. Due to the extreme impact on the society of the global pandemic, the Presidents, Treasurer and Executive Director met weekly, to ensure the financial security of the society. Differing viewpoints are welcome and explored and decisions are made based on their relevance to the strategy and the charitable objects of the Society.

The Trustees are voluntary positions and are elected to Council by the PESGB membership. If Trustees' circumstances change and they are no longer able to commit the time required, then they have the option to resign their position before the official end to their tenure. The Trustees are ambassadors for the Society and represent our values during interactions with the membership and in the delivery of the charitable objects.

The PESGB's Mission dictates the strategy and ensures the delivery of the charitable objects. Our values set out how we will deliver it and the overarching areas give us the necessary framework. All Council meetings are carefully documented in minute form and are available to PESGB staff. Any HR issues within the office team are brought to the attention of the Council and support and direction given to the Executive Director as required. All new staff have a full induction before starting their role, and have regular updates to their job descriptions, formal appraisals, contracts and performance related pay. All volunteers, similarly, receive a contract with a role description and a full induction.

The trading subsidiary PESGB Conferences Ltd (formerly known as PETEX) and its relationship with the PESGB, the parent charity is formally overseen by the Society's solicitor. There were changes in the relationship in 2018 to ensure that all current legislation is accommodated within the agreement. The PESGB Conferences now has a separate governing body, over which the PESGB has the authority of veto

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRATEGIC REPORT

Financial position

Where appropriate the PESGB follows the relevant guidelines of the Fundraising Regulator. The PESGB does not employ third parties to secure funds. The PESGB has not had any complaints about its fundraising practices during 2020. The PESGB does not target specific individuals or funding bodies for grant funding, although ad hoc requests to the membership have occurred. Occasionally a member may offer to donate to a specific initiative that the PESGB is involved in, and money can be given to these projects by standing order. Any money donated for a particular project is 'ring-fenced' from general spend. During 2020 members were informed about the serious impact that the pandemic was having on the PESGB finances as commitments for conferences already booked still had to be paid. The members gave generously through a special platform set up through Just Giving.

Reserves Policy

This continues to be applied in accordance with The Charities Act as follows: Given the cyclical nature of the Oil Industry and therefore the potential threat to Society income sources, the PESGB's Trustees intend to hold back enough funds from its reserves, to ensure that the Society can function effectively over a two-year period of severely reduced income. The pandemic has been a situation whereby the society has had a severely reduced income over a sustained period.

In addition, the Society will retain funds in the reserve that are designated for the specific purposes of pre-investing in its large exhibitions and in investment in the organisation for its continued growth and development as a benefit for the members. The Trustees review the sum annually to ensure it is continually up to date. The sum estimated to cover both eventualities is set at £1,000,000. The PESGB financial reserve is currently at £421,176 which is lower than required due to the downturn. No corrective action was taken 2020 to align our reserve with our target but we are planning to make contributions into the reserve in future years to meet our target.

Investment Policy and Objectives

This has been established and adopted in 2002, a segment of the Charity's unrestricted funds, known as the 'reserve', is to be invested with a view to maintaining and enhancing its value.

Value is defined by a combination of capital growth and generated income but there is no intent to create an income enough for the Charity to carry out its objectives. The Trustees employ the services of an Independent Financial Advisor to ensure that this money is invested in a manner appropriate to the policy and the written guidelines. Money from the investment was used for operating costs in 2020 due to the issues caused by the pandemic.

Key Management Personnel Remuneration

The Trustees consider their Board of Trustees and the Executive Director as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All Trustees give their time freely and no trustee remuneration other than expenses for meeting attendance was paid in the year.

Details of trustee expenses and related party transactions are disclosed in the accounts.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees are required to disclose all relevant interests and register them with the Executive Director and in accordance with the PESGB policy, withdraw from decisions where a conflict of interest arises. The pay of the PESGB Executive Director is reviewed annually and normally increased in accordance with average earnings though this did not happen in 2020 due to the financial circumstances caused by the pandemic. In view of the nature of the Charity, its role as a membership society and its funding from the public it serves, the Trustees consider that a multiple of up to three times the median average salary for UK employees is appropriate for this role. The remuneration is also benchmarked with other membership societies within the Petroleum industry of a similar size and activity to ensure that the remuneration set is fair and is aligned with that generally paid for similar roles.

Future plans

2021/2022 Outlook

The PESGB had planned to continue the promotion of education into the scientific and technical aspects of petroleum exploration during 2021 through the provision of courses, conferences, and field trips. However, this was before the COVID-19 pandemic which swept the world in Q1 of 2020.

This changed all previous plans as all face-to-face events were cancelled.

The PESGB continues to stay true to its objects and will change with the circumstances to provide virtual events and educational content for the members during the enforced lockdown. Following the easing of restrictions, the PESGB will continue to offer virtual activity and hybrid events, which mix the virtual, with the 'face to face'. The 'landscape' of member engagement will be forever changed by the COVID-19 pandemic and the PESGB will strive to create positive opportunities for development from this.

The Society will continue to be impacted financially because of the pandemic and its impact on the global economy. Though there are opportunities that have come to light because of the pandemic that we will build on in 2022. The education offer, through the Night School initiative has proved incredibly successful and we are keen to build on this. The 'on demand, online based training offer which is populated by the members will go live in Q3 2021 with anticipated momentum leading to the development of a new income stream in 2022.

The 'reach' and engagement opportunities within the 2020 programme will continue to grow through the inclusive opportunities presented by online platforms and the links with other organisations who support us will be strengthened. The focus will be on the engagement of members throughout their careers, offering education and training to support the members during this difficult and unprecedented time.

The energy industries are going through a period of great change as other energy sources are explored and the skills of the geoscientists that the society represents are in demand in other fields. The PESGB is considering asking its members to consider the option of expanding the Charitable objects to include the opportunities this development provides during the 2021 AGM. If this is vote is successful it will influence the future of the society.

The PESGB will be making the most of the collaboration opportunities provided by the other societies who work in the 'energy space'. We will look at creating conferences and education opportunities for our members through these partnerships and sharing the financial risk to ensure the financial sustainability of the society.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Decision making

The Charity has a policy stating the different levels of delegated authority depending about the decision that must be made. The Council Action Register sets out the decisions made or to be made, the area of the strategy they relate to, the ownership and the time frame/ follow up; this is reviewed at every Council meeting to ensure that all necessary decisions are not missed. Any decisions that directly affect the membership are communicated through the Magazine as soon as possible. To encourage new ideas the Trustees' term of office on Council is time limited and so is regularly refreshed. However, this can cause issues for newly elected Trustees with a limited knowledge of the Society's strategy. In a non-Covid year, to mitigate this, the Past Presidents from the year 2000 up to the most recent and including the current President Elect, meet annually to discuss some of the big strategic questions facing the Society. Though they no longer have a vote on Council, the PESGB's Past Presidents have a valuable contribution to make to any big discussions that are under consideration.

BOARD EFFECTIVENESS

The Executive Council is elected from the membership and runs the Society on a voluntary basis as the Charity's Trustees. The term of office for a trustee is two years, apart from the positions of President, Treasurer and Aberdeen Director, which run for three years. Each year, half of the Council positions become vacant through retirement and nominations are sought from the PESGB membership for their replacement. A ballot takes place in October/ November and the successful candidates take up their positions in January. All active members can vote and are encouraged to vote online. In 2011, following a review of the procedures for election of Council members, it was agreed that those wishing to stand for Council should now be nominated and seconded by active PESGB members. In exceptional circumstances, the Council has authority to veto a candidate's nomination. The Society holds an AGM each year and the 2020 AGM was held on Thursday 16th November.

DIVERSITY

The PESGB Council understands its role in promoting diversity, at board level, within its membership, and in representing an industry that has been historically skewed in many respects. Regarding gender diversity the 2020 PESGB Council comprised more than 30% women. In 2020 the Society had the first meeting of the Diversity and Inclusion Special Interest Group and this group supports the society and its members to promote diversity across all its activity channels into 2021 and beyond.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees recognise that although the Society generally operates in a low-risk environment, it does face certain governance, operational and financial risks. The pandemic changed the way that the PESGB and the rest of the UK worked, challenged the PESGB risk model as it took away the usual sources of income. As a consequence, other sources were found and the risks mitigated as much as possible.

Every effort is made to quantify the possible risks and put in place controls and procedures that are designed to mitigate each identified risk. Management tools include the Risk Register and the Risk Management Plan. The risks include: Poor staff retention which could impair event delivery; protester attack at conference causing harm to delegates; investigation by Charity Commission ; loss of computer data and its impact on office efficiency; loss of funds through fraud or mismanagement leading to financial stress; fire or flood at the office impairing operations; H&S breach at an event that could result in serious injury.

The Risk Register is reviewed on a six-monthly basis with the Council and between these times on a six-monthly basis with the office team. Risk mitigation measures included three staff members trained to IOSH level in Health and Safety; new policies and dialogue with the conference venues on a co-ordinated response to protestor issues; Governance training for Council members on responsibilities and new legislation and Induction and training of new trustees. Trustees are elected to the Executive Council as described below. New Trustees receive a comprehensive welcome pack to familiarise themselves with the background and activities of the Society and its subsidiary company during induction. As existing members of the PESGB, Trustees may already be familiar with many aspects of the Society. Trustees are provided with relevant background information including a copy of the Society's statutory accounts and Charity Commission guidance regarding their responsibilities as Charity Trustees. Trustees can access Governance Training during their term through the PESGB admin function and are encouraged to do so.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04128009 (England and Wales)

Registered Charity number

1085619

Registered office

Business and Technology Centre
Bessemer Drive
Stevenage
Hertfordshire
SG1 2DX

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees

Dr R Arzola
J L Bessa
J M Churchill
N Cope
A S DSilva
A M Joy
C E Lovelock
D P Moseley
Miss H Owen
G M Robertson
Ms B A Smith
N Allan
Mrs J M Branston
Mrs T A Dancy
D J Offer
G H F Ward
S Pickering

Senior Statutory Auditor

Andrew A Clark FCA

Auditors

Carter & Coley Limited
Chartered Accountants and Statutory Auditor
3 Durrant Road
Bournemouth
Dorset
BH2 6NE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

AUDITORS

The auditors, Carter & Coley Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 9 November 2021 and signed on the board's behalf by:


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Ms B A Smith - Trustee

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds	Restricted fund	Endowment fund	2020 Total funds	2019 Total funds Restated
	Notes	£	£	£	£	£
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	6,422	-	-	6,422	11,054
Income from trading subsidiary		74,843	-	-	74,843	596,927
Other trading activities	3	327,543	-	10,000	337,543	353,827
Investment income	4	6,989	-	390	7,379	13,368
Government grants		14,272	-	-	14,272	-
Total		430,069	-	10,390	440,459	975,176
EXPENDITURE ON						
Raising funds	5	4,957	-	-	4,957	5,615
Expenditure from trading subsidiary	21	39,451	-	-	39,451	521,315
Charitable activities						
Charitable purposes	6	417,733	-	-	417,733	744,456
Other		24,945	-	-	24,945	30,220
Total		487,086	-	-	487,086	1,301,606
NET EXPENDITURE BEFORE GAINS AND LOSSES		(57,017)	-	10,390	(46,627)	(326,430)
Net gains/(losses) on investments		(11,383)	-	7,485	(3,898)	80,405
NET INCOME/(EXPENDITURE)		(68,400)	-	17,875	(50,525)	(246,025)
RECONCILIATION OF FUNDS						
Total funds brought forward as previously reported		414,408	-	16,624	431,032	717,726
Prior Year Adjustment	22	40,669	-	-	40,669	
TOTAL FUNDS CARRIED FORWARD		386,677	-	34,499	421,176	471,701

The notes form part of these financial statements

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2020**

		Unrestricted funds	Restricted fund	Endowment fund	2020 Total funds	2019 Total funds Restated
	Notes	£	£	£	£	£
FIXED ASSETS						
Tangible assets	13	7,251	-	-	7,251	45,358
Investments	14	<u>486,001</u>	<u>-</u>	<u>34,499</u>	<u>520,500</u>	<u>703,729</u>
		493,252	-	34,499	527,751	749,087
CURRENT ASSETS						
Debtors	15	87,365	-	-	87,365	186,451
Cash at bank and in hand		<u>106,060</u>	<u>-</u>	<u>-</u>	<u>106,060</u>	<u>73,429</u>
		193,425	-	-	193,425	259,880
CREDITORS						
Amounts falling due within one year	16	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>(529,099)</u>
NET CURRENT ASSETS		<u>(106,575)</u>	<u>-</u>	<u>-</u>	<u>(106,575)</u>	<u>(269,219)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		386,677	-	34,499	421,176	479,868
PROVISIONS FOR LIABILITIES	18	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,167)</u>
NET ASSETS		<u><u>386,677</u></u>	<u><u>-</u></u>	<u><u>34,499</u></u>	<u><u>421,176</u></u>	<u><u>471,701</u></u>

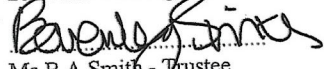
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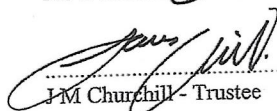
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STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2020

		2020 £	2019 £ restated
FUNDS	19	386,677	455,077
Unrestricted funds		<u>34,499</u>	<u>16,624</u>
Endowment funds			
TOTAL FUNDS		<u>421,176</u>	<u>471,701</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 9 November 2021 and were signed on its behalf by:

 28/11/21
Ms B A Smith - Trustee

 25/11/21
J M Churchill - Trustee

The notes form part of these financial statements

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CHARITY STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted fund £	Endowment fund £	2020 Total funds £	2019 Total funds £
FIXED ASSETS						
Tangible assets	13	7,251	-	-	7,251	45,358
Investments	14	487,691	-	34,499	522,190	712,024
		494,942	-	34,499	529,441	757,382
CURRENT ASSETS						
Debtors	15	31,900	-	-	31,900	61,528
Cash at bank and in hand		38,690	-	-	38,690	67,887
		70,590	-	-	70,590	129,417
CREDITORS						
Amounts falling due within one year	16	(245,359)	-	-	(245,359)	(493,991)
NET CURRENT ASSETS		(174,769)	-	-	(174,769)	(364,576)
TOTAL ASSETS LESS CURRENT LIABILITIES		320,173	-	34,499	354,672	392,806
PROVISIONS FOR LIABILITIES	18	-	-	-	-	(8,167)
NET ASSETS		320,173	-	34,499	354,672	384,639
FUNDS	19					
Unrestricted funds					320,173	368,015
Endowment funds					34,499	16,624
TOTAL FUNDS					354,672	384,639

The financial statements were approved by the Board of Trustees and authorised for issue on 9 November 2021 and were signed on its behalf by:

Ms B A Smith - Trustee

Baende Smith 28/11/21

J M Churchill - Trustee

James Churchill 25/11/21

The notes form part of these financial statements

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £ restated
Cash flows from operating activities			
Cash generated from operations	1	<u>(159,741)</u>	<u>(145,600)</u>
Net cash used in operating activities		<u>(159,741)</u>	<u>(145,600)</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(943)	(50,433)
Purchase of fixed asset investments		(28,742)	-
Sale of tangible fixed assets		-	-
Sale of fixed asset investments		206,229	45,280
Interest received		87	268
Dividends received		<u>7,292</u>	<u>13,100</u>
Net cash provided by investing activities		<u>183,923</u>	<u>8,215</u>
 Change in cash and cash equivalents in the reporting period		<u>24,182</u>	<u>(137,385)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>81,878</u>	<u>219,263</u>
 Cash and cash equivalents at the end of the reporting period		<u>106,060</u>	<u>81,878</u>

The notes form part of these financial statements

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company and its subsidiary, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees made this assessment for a period of one year from the date of approval of the financial statements. In particular the trustees have considered the forecasts and projections and have taken account of pressures on income, amendments to the delivery of resources to members and the move towards online and virtual events as a result of the COVID-19 pandemic.

The trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future, using reserves if necessary and they are satisfied that there are no material uncertainties.

Income

All membership and sponsorship income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

The income from fundraising ventures is shown gross, with the associated costs included in fundraising costs.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Intangible assets

Intangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of amortisation and any impairment losses.

Amortisation is at the following annual rates to write off the asset over its estimated useful life:

Software - 33% per annum

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NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 20% on cost
Plant and machinery	- 33% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds are funds received which the donor has expressly provided to be retained as permanent capital of the charity. the income generated by the fund can be applied for the general purpose of the charity, unless further restrictions on its usage are expressed.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Government grants

Grants will be included in the Statement of Financial Activities on a receivable basis. Where entitlement occurs before income is received, the income will be accrued.

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NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

2. DONATIONS AND LEGACIES			
	2020	2019	
	£	£	
Donations	6,422	11,054	
3. OTHER TRADING ACTIVITIES			
	2020	2019	
	£	£	
Fundraising events	50,533	95,812	
Membership	238,571	199,344	
Sponsorships	19,787	13,083	
Magazine	26,819	41,822	
Room hire	1,833	3,766	
	<u>337,543</u>	<u>353,827</u>	
4. INVESTMENT INCOME			
	2020	2019	
	£	£	
Dividend income	7,292	13,155	
Interest receivable	87	213	
	<u>7,379</u>	<u>13,368</u>	
5. RAISING FUNDS			
	2020	2019	
	£	£	
Investment manager fees	4,957	5,615	
6. CHARITABLE ACTIVITIES COSTS			
2020			
	Direct Costs	Support costs (see note 7)	Totals
	£	£	£
Educational, newsletter and directory	15,643	54,969	70,612
Educational, conferences and seminars	11,872	65,962	77,734
Educational publications	-	10,994	10,994
Membership services	-	272,244	272,244
Donations and grants	-	10,994	10,994
Charitable purposes	<u>27,515</u>	<u>415,163</u>	<u>442,678</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

6. CHARITABLE ACTIVITIES COSTS (continued) 2019

	Direct Costs £	Support costs (see note 7) £	Totals £
Educational, newsletter and directory	-	150,523	150,523
Educational, conferences and seminars	49,985	180,628	230,613
Educational publications	2,986	30,105	33,091
Membership services	119,497	210,732	330,229
Donations and grants	<u>15</u>	<u>30,105</u>	<u>30,220</u>
Total charitable purposes	<u>172,583</u>	<u>602,093</u>	<u>774,676</u>

7. SUPPORT COSTS

The allocation of support costs remained constant in percentage terms for 2020 and 2019. The rates applied to Staff Costs, General and Depreciation were Membership 35%, Newsletter 25%, Publications and Donations 5% and Conferences 30%.

	Staff	General	Depreciation
2020	63,288	68,352	13,667
Membership	45,206	48,823	9,762
Newsletter	9,041	9,764	1,952
Publications	54,249	58,586	11,716
Conferences	<u>9,041</u>	<u>9,764</u>	<u>1,952</u>
Donations and grants	<u>180,825</u>	<u>195,289</u>	<u>39,049</u>
Total			
2019	Staff	General	Depreciation
Membership	114,802	94,967	963
Newsletter	82,001	67,833	689
Publications	16,400	13,567	138
Conferences	98,403	81,400	827
Donations and grants	<u>16,400</u>	<u>827</u>	<u>138</u>
Total	<u>328,004</u>	<u>271,332</u>	<u>2,757</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration – previous auditor	32,890	34,195
Audit fee – current	7,000	-
Depreciation - owned assets	39,050	2,757
Hire of plant and machinery	<u>3,287</u>	<u>741</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

Remuneration was paid to the Chief Executive who is employed by the Charity as shown in note 10.

Trustees' expenses

Expenses of £71 were paid to one trustee for the year ended 31 December 2020 (2019 one trustee £500).

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NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

10. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	231,874	289,095
Social security costs	22,893	30,773
Other pension costs	<u>6,058</u>	<u>8,136</u>
	<u>260,825</u>	<u>328,004</u>

The average monthly number of employees during the year was as follows:

	2020	2019
	<u>8</u>	<u>8</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
	<u>1</u>	<u>1</u>

The remuneration of key management personnel (including pension, bonus and employers national insurance) in the year was £61,812. (2019 - £77,789).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – restated

	Unrestricted funds £	Restricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	11,054	-	-	11,054
Trading activities of subsidiary	596,927	-	-	596,927
Other trading activities	353,827	-	-	353,827
Investment income	<u>13,368</u>	<u>-</u>	<u>-</u>	<u>13,368</u>
Total	975,176	-	-	975,176
EXPENDITURE ON				
Raising funds	5,615	-	-	5,615
Expenditure from trading subsidiary	521,315	-	-	521,315
Charitable activities				
Charitable purposes	744,456	-	-	744,456
Other	<u>30,220</u>	<u>-</u>	<u>-</u>	<u>30,220</u>
Total	1,301,606	-	-	1,301,606
Net gains/(losses) on investments	81,393	-	(988)	80,405

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NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – restated - continued

	Unrestricted funds £	Restricted fund £	Endowment fund £	Total funds £
NET INCOME/(EXPENDITURE)	(245,037)	-	(988)	(246,025)
RECONCILIATION OF FUNDS				
Total funds brought forward	700,114	-	17,612	717,726
TOTAL FUNDS CARRIED FORWARD	<u>455,077</u>	<u>-</u>	<u>16,624</u>	<u>471,701</u>

12. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 January 2020	10,252
Disposals	<u>(10,252)</u>
At 31 December 2020	<u>-</u>
AMORTISATION	
At 1 January 2020	10,252
Eliminated on disposal	<u>(10,252)</u>
At 31 December 2020	<u>-</u>
NET BOOK VALUE	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>-</u>

Software is written off over a three year period straight line.

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NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

14. FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiary

PESGB Conferences Limited

Registered office: Business and Technology Centre, Bessemer Drive, Stevenage, SG1 2DX

Nature of business: Organising conferences

	% holding	2020	2019
Class of share:		£	£
Ordinary	100	68,220	88,778
Aggregate capital and reserves		<u>35,442</u>	<u>75,825</u>
Profit for the year			

Associated companies

Petroleum Geology Conferences Limited

Registered office:

Nature of business: Half periodic petroleum geology conferences

	% holding	2020	2019
Class of share:		£	£
Ordinary	33	1,542	1,542
Aggregate capital and reserves		<u>-</u>	<u>1,459</u>
Profit for the year			

This company was wound up on 25th May 2021.

Devex

Registered office:

Nature of business: Organising conferences and exhibitions

	% holding	2020	2019
Class of share:		£	£
Unincorporated	33	4,000	4,000
Aggregate capital and reserves		<u>-</u>	<u>4,000</u>
Profit for the year			

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NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

14. FIXED ASSET INVESTMENTS - continued

Investments exceeding 5% of portfolio

	2020		2019	
	Units	Market Value	Units	Market Value
Liontrust	25,864.87	37,168	25,864.87	35,642
Artemis	14,422.29	14,376	47,495.30	46,973
Black Rock Charishare	15,067.76	71,596	11,192.78	77,432
Jupiter Merlin Growth	8,580.07	39,855	8,583.07	37,955
Aegon	33,457.25	49,804	33,457.25	48,720
Legal & General	72,697.98	58,086	79,222.84	59,092
LF Woodford	-	-	31,957.41	26,950
M&G Charifund	-	-	4,597.77	76,355
Margetts	9,703.96	46,128	9,703.96	42,074
Premier Multi-Asset	12,318.35	24,452	21,184.12	41,457
Royal London Sustainable	23,177.09	71,409	23,177.10	49,403
Jupiter Merlin Balanced	25,886.49	35,154	-	-
Charibond Charities Fixed Interest	24,374.25	30,585	-	-

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR GROUP

	2020	2019
	£	£
Trade debtors	82,699	85,957
Other debtors	1,608	-
Prepayments and accrued income	3,058	100,494
	<u>87,365</u>	<u>186,451</u>

CHARITY

	2020	2019
	£	£
Trade debtors	29,170	24,484
Other debtors	1,608	-
Prepayments and accrued income	1,122	37,044
	<u>31,900</u>	<u>61,528</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR GROUP

	2020	2019
	£	£
		restated
Trade creditors	64,270	309,689
Social security and other taxes	17,335	27,679
VAT	56,371	27,467
Other creditors	75,639	20,678
Deferred income	<u>86,385</u>	<u>143,586</u>
	<u>300,000</u>	<u>529,099</u>

CHARITY

	2020	2019
	£	£
Trade creditors	47,645	128,572
Amounts owed to group undertakings	130,807	231,186
Social security and other taxes	7,795	18,139
VAT	13,877	22,826
Other creditors	9,524	7,322
Accruals and deferred income	<u>35,711</u>	<u>85,946</u>
	<u>245,359</u>	<u>493,991</u>

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	-	17,307
Between one and five years	<u>-</u>	<u>488</u>
	<u>-</u>	<u>17,795</u>

18. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Provisions	<u>-</u>	<u>8,167</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

19. MOVEMENT IN FUNDS - GROUP

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
Unrestricted funds			
General fund	318,686	(8,792)	309,894
Fixed assets	47,713	(39,050)	8,663
Trading funds	88,678	(20,558)	68,120
	455,077	(68,400)	386,677
Restricted funds			
Restricted fund	-	-	-
Endowment funds			
Karen Reed memorial fund	16,624	17,875	34,499
TOTAL FUNDS	471,701	(50,525)	421,176

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	355,176	(408,585)	44,617	(8,792)
Fixed assets	-	(39,050)	-	(39,050)
Trading funds	74,893	(39,451)	(56,000)	(20,558)
Endowment funds				
Karen Reed memorial fund	10,390	-	7,485	17,875
TOTAL FUNDS	440,459	(487,086)	(3,898)	(50,525)

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds - restated

	At 1/1/19 £	Net movement in funds £	At 31/12/19 £
Unrestricted funds			
General fund	623,223	(304,537)	318,686
Fixed assets	37	47,676	47,713
Trading funds	<u>76,854</u>	<u>11,824</u>	<u>88,678</u>
	700,114	(245,037)	455,077
Restricted funds			
Restricted	-	-	-
Endowment funds			
Karen Reed memorial fund	17,612	(988)	16,624
TOTAL FUNDS	<u>717,726</u>	<u>(246,025)</u>	<u>471,701</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains/losses and transfers £	Movement in funds £
Unrestricted funds				
General fund	378,037	(777,534)	94,960	(304,537)
Fixed assets	-	(2,757)	50,433	47,676
Trading funds	597,139	(521,315)	(64,000)	11,824
Endowment funds				
Karen Reed memorial fund	-	-	(988)	(988)
TOTAL FUNDS	<u>975,176</u>	<u>(1,301,606)</u>	<u>80,405</u>	<u>(246,025)</u>

PESGB

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

19. MOVEMENT IN FUNDS – CHARITY

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
Unrestricted funds			
General fund	319,802	(8,792)	311,010
Fixed assets	<u>47,713</u>	<u>(39,050)</u>	<u>8,663</u>
	367,515	(47,842)	319,673
Restricted funds			
Restricted fund	500	-	500
Endowment funds			
Karen Reed memorial fund	16,624	17,875	34,499
TOTAL FUNDS	<u>384,639</u>	<u>(29,967)</u>	<u>354,672</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains/losses and transfers £	Movement in funds £
Unrestricted funds				
General fund	411,176	(408,585)	(11,383)	(8,792)
Fixed assets	-	(39,050)	-	(39,050)
Endowment funds				
Karen Reed memorial fund	10,390	-	7,485	17,875
TOTAL FUNDS	<u>421,566</u>	<u>(447,635)</u>	<u>(3,898)</u>	<u>(29,967)</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/1/19 £	Net movement in funds £	At 31/12/19 £
Unrestricted funds			
General fund	623,223	(303,421)	319,802
Fixed assets	<u>37</u>	<u>47,676</u>	<u>47,713</u>
	623,260	(255,745)	367,515
Restricted funds			
Restricted fund	-	500	500
Endowment funds			
Karen Reed memorial fund	17,612	(988)	16,624
	<u>640,872</u>	<u>(256,233)</u>	<u>384,639</u>
TOTAL FUNDS			

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains/losses and transfers £	Movement in funds £
Unrestricted funds				
General fund	442,462	(776,843)	30,960	(303,421)
Fixed assets	-	(2,757)	50,433	47,676
Restricted funds				
Restricted fund	500	-	-	500
Endowment funds				
Karen Reed memorial fund	-	-	(988)	(988)
	<u>442,962</u>	<u>(779,600)</u>	<u>80,405</u>	<u>(256,233)</u>
TOTAL FUNDS				

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PESGB

Opinion

We have audited the financial statements of PESGB (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities (including the Group Summary Income and Expenditure account), the Statement of Financial Position for the Group and Parent Charitable Company, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 parent charitable company's affairs as at 31 December 2020 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 and 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.

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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PESGB

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 or returns adequate for our audit have not been received from branches not visited by us; or
- the 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, 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 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 and parent charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PESGB

Our 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 auditors' 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.

Andrew A Clark FCA (Senior Statutory Auditor)
for and on behalf of Carter & Coley Limited
Chartered Accountants and Statutory Auditor
3 Durrant Road
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Date: 9 November 2021