

## REFERENCE & ADMINISTRATIVE DETAILS

### REGISTERED COMPANY NUMBER

04128009 (England and Wales)

### REGISTERED CHARITY NUMBER

1085619

### REGISTERED OFFICE

PESGB, 7th Floor, ONE Croydon  
12-16 Addiscombe Road, Croydon  
CR0 0XT

### TRUSTEES

The following Trustees have held office since 1 January 2017:

Neil Frewin      President

Gavin Ward      Treasurer

Alyson Harding    Secretary

Colin Percival

Tracey Dancy

Nick Terrell

Ann Watkins

Andy Los

Henk Kombrink

Mike Scotting

Shereen Nairne

### EXECUTIVE DIRECTOR

Maria Iredale (Appointed Jan 2016)

### SENIOR STATUTORY AUDITOR

Kingston Smith

Chartered Accountants

60 Goswell Road

London

EC1M 7AD

### INVESTMENT MANAGERS

Danamere

International House

Homewell

Havant, Hampshire

PO9 1EE

### BANKERS

Royal Bank of Scotland

28 Cavendish Square

London

W1G 0DB



PES GB

# 2017 In Review

FOR THE YEAR ENDED  
31 DECEMBER 2017

**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 31st December 2017.**

**The trustees have adopted the provisions of the Statement of Recommended Practice (FRS 102 SORP) 'Accounting and Reporting by Charities' issued in May 2015.**

## STRUCTURE, GOVERNANCE & MANAGEMENT

### GOVERNING DOCUMENT

The Society is controlled by its governing document, its Memorandum and Articles of Association, and constitutes a limited Company, limited by guarantee, as defined by the Companies Act 2006. As such the Trustees have no Share Capital interests in the organisation.

The Petroleum Exploration Society of Great Britain (PESGB) was founded in 1964, now a registered Charity with Limited Liability status and is a non-profit making organisation. It has a membership of approximately 4,000 individual members and over 50 sustaining company members.

### PUBLIC BENEFIT STATEMENT

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 general 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 objective the PESGB organises, sponsors and supports various projects, including educational lectures, meetings, seminars, conferences and exhibitions, field trips, training courses and workshops. The annual Stoneley Lecture and Geoliteracy activities

are an opportunity to engage the wider public with workshops for young people and those who are interested but not educated in the field of geoscience. In 2017 we engaged approximately 750 members of the wider public in scientific discussions.

PESGB makes educational awards to selected universities and other organisations when funds allow and provides opportunities for training for members and teachers of geology.

It produces a monthly educational magazine and supports other educational publications. Varied services included a membership directory, lecture programme, and a comprehensive website. The PESGB Trustees thank all the volunteers whose contributions throughout 2017 made all their events, field trips, courses and magazines 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 being explored. The Trustees review the short and medium term financial plan within the Council and put in contingency for cashflow anomalies and budget problems.

### LEADERSHIP

The Trustees play a key role in the leadership of the charity, volunteering both their time and their expertise. The Council meet monthly for a four-hour meeting in which the strategy, performance against objectives and financial health are fixed items within the agenda. Different viewpoints are

welcome and explored and decisions are made based on their relevance to the strategy and the charitable objects. The Trustees volunteer themselves for nomination for the council positions and are voted into position by their peers. 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 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 minuted with these minutes available to the office team. 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 staff have a full induction, up to date job descriptions, formal appraisals, contracts and performance related pay. All volunteers, similarly, receive a contract a role description and a full induction.

The trading subsidiary PETEX and its relationship with the PESGB, the parent charity is formally overseen by the Society's solicitor. There will be changes in the relationship in 2018 to ensure that all current legislation is accommodated within the agreement.



## OUR MISSION

**The PESGB will be relevant, useful and beneficial to members at every stage of their careers within the petroleum industry**



## OUR VALUES

**Sense of the possible:** Be entrepreneurial, create our own opportunities that are consistent with the values of the Society.

**Energetic:** Be passionate and keep the membership at the centre of all we do. Challenge ourselves to review the relevance of all our procedures and initiatives, always seeking to improve.

**Excellence:** Be the best among the societies. Use existing and emerging technologies to widen our reach whilst maintaining quality outcomes.

**Respectful:** Be collaborative, be a trusted partner to other societies, provide the structure required for a professional and successful relationship.



## The PESGB focuses on three over arching areas:

Increasing the membership of the organisation

Achieving the Charitable objects

Maintaining a robust organisation



### INTEGRITY

The Council always acts with integrity, they are informed about issues affecting the charity sector and discuss their potential impact on the charity, evidence of this can be found in the Council minutes.

The Trustees understand their responsibilities, and this is a result of training and advice given by professional representatives. The Society is over 50 years old and the legacy left by each Council is important, each Trustee wants to make a positive impact on the Society.

The Society has a Declaration of Interests Register and each trustee is informed about for reporting a conflict as part of their induction.

The charity has a Code of Conduct for both the Trustees and the members.



### 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 meeting to ensure that all necessary decisions are missed. Any decisions that directly affect the membership are communicated through the magazine as soon as possible.

The Trustees term of office is time limited, so is regularly refreshed but this can cause issues with knowledge of the Society within the Council. To negate this the Past Presidents from the year 2000 up to the most recent and including the current elect, meet annually to discuss some of the big strategic questions facing the Society. Though they no longer have a vote the previous Councils Past Presidents have a valuable contribution to make to any big discussions.

The Charity uses a third-party supplier for the compilation of its Membership directory which involves direct interaction with our members. This is a long-term relationship between the charity and the publisher and a regular dialogue as well as a strict set of guidelines within the contract facilitate the publication of a highly valued directory (member benefit).



## 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. Every effort is made to quantify these 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 impairs event delivery.
- Protester attack at conference causing harm.
- Investigation by Charity Commission reveals major issues to address.
- Loss of computer data impacts office efficiency.
- Loss of funds through fraud or mismanagement leads to financial stress.
- Fire or flood at the office impairs operations
- H&S breach at an event results in serious injury.

### *Mitigation of the risks.*

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. Mitigation steps have included 2 staff members trained to IOSH level in Health and Safety; Investors in People accreditation to improve staff retention; 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 a new membership database and website with better security and more functionality.

### *Induction and training of new trustees*

Trustees are elected to the Executive Council as described below. New trustees receive a comprehensive welcome pack and are familiarised with the background and activities of the Society and its subsidiary company during induction. Trustees may already be familiar with many aspects as existing members. Trustees are provided with relevant background information including a copy of the Society's statutory Accounts and Charity Commission guidance regarding the responsibilities of Charity Trustees. Trustees can access Governance Training during their term in office and Governance is tabled in every monthly agenda.

## BOARD EFFECTIVENESS

The Executive Council is elected from the membership and runs the Society on a voluntary basis as the Charity Trustees. The term of office for a Trustee is two years, apart from the position of President which is three years. Each year, half of the Council positions become vacant and nominations are sought from the PESGB membership. A ballot takes place in 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 election should now be proposed and seconded by active members to be eligible, and that the Council could reserve the right to veto a candidate in exceptional circumstances.

The Society holds an AGM each year and the 2017 AGM was held on 13 June 2017.

## DIVERSITY

Diversity within the industry that the Society represents is not always at the levels it should be, but both the industry and the membership understand the need for diversity. The Council are aware of the need to promote access to underrepresented groups and the benefits this can bring. This initiative has brought us our first committee with 50% women in a leadership position. A first for the industry in a non-gender focused topic. This is an area that will be developed further in 2018.

## OPENNESS & ACCOUNTABILITY

The society is appreciated by its members and receives feedback to this effect which is shared with the Council. Members are actively encouraged to give their suggestions for improving the society and are always responded to promptly and courteously. All members are informed about the charities performance against its targets at the AGM and in the Members magazine. Any questions arising from the AGM are discussed at the following Council Meeting. All the contact details for the trustees are available on the website, along with their pictures and short bios so Members can recognise them at events.

## Objectives & 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 is the most significant blow to the industry for the last 20 years and the repercussions will be felt within the petroleum exploration and related fields for the foreseeable future. This downturn is evident in our accounts. Our challenge has been to continue to serve our members in these difficult times, offering opportunities through education and networking to secure current and future employment.



IT

The website overhaul began in 2016 though it did not see completion until 2017. The new package allows us to make many changes to the way that we run things at the PESGB, increasing the efficiency of the office and reducing the admin workload of the staff. Following a commissioning exercise, CITE were chosen for both their value offer and their understanding of the brief. The new website was designed with the membership in mind and the feedback from the member's focus group was considered all through the website delivery process.

The PESGB has also been advancing its presence in social networks and now has a very visible presence online, with prescheduled posts being 6 months in advance for the various conferences.

Our previous website hosting provider SomCom took the PESGB to a small claims court over a disputed bill as they insisted on charging us a year's notice to cancel the contract. This was completely resolved in 2018.

## PUBLICATIONS

The PESGB continues to offer members a reduced subscription to the Journal of Petroleum Geology, the Petroleum Geoscience Journal and GeoExPro. This is a popular benefit for our members with approximately 250 taking advantage of this benefit. The PESGB is very appreciative to all involved in the production of the North Sea map and to all sponsors. Due to the lack of finance, the PESGB North Sea Structural Map which is due in 2018 will be delayed.

### Magazine

In 2017 the monthly educational magazine developed dramatically to become one of the most respected benefits of the society. This is through the development of the content which now informs the members about not only the technical aspects of what's 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.





## MEMBERSHIP

Membership has reduced to 4,400 members, with sustaining company membership reduced by 15% to 50, during the year due to the downsizing or closure of many oil companies. In 2017 the PESGB team focused on the recruitment of new members and worked very hard to bring in new memberships with special offers for students and new members. In addition, the team created materials and events pertinent to the current challenges faced by our members.

The Membership Directory was overhauled in 2016 by contracting the production out to Publishing Events. The PESGB database made it difficult to transfer the data but perseverance got us there in the end and the members received a new style directory which was easier to navigate and pleasing to read. In addition the Directory reduced in cost due to the smaller sizes, better use of page space and reduction in postage charges to send it out. In 2017 with the benefit of a new database and website the process was easier with a significant number of the members updating their details to ensure that the information was current. Participation from sponsors was up and this made the directory nearly self-funding. This is an area we will continue to develop in 2018.

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 Aberdeen and London and those representatives within organisations, who assist the Society by displaying and distributing promotional material within their organisations.

- ◆ **Geophysics Conference** – organised by the Geophysics Committee and generating a surplus for the organisation.
- ◆ **GEOLiteracy Festival** – members took part in the delivery of field trips and the staging of external events.
- ◆ **Magazine content** – Much of the content is written by the volunteers.
- ◆ **Student fairs** – During 2016 the focus given by Council was the acquisition of new members. To achieve this, the PESGB team attended careers events for students all over the UK and encouraged them to join. This was a very successful initiative and one we may repeat soon.
- ◆ **Africa Conference** - In 2017 it was London's turn to host the Africa conference and this is put together by the volunteer Africa Committee with support from the office.

The PESGB thanks all its established Special Interest Groups and Regional Branches for organising and supporting the various activities and meetings they hold throughout the year. These self-directed, independent groups, form an opportunity to engage nationally with members, this has not been explored to its full potential so far but it forms part of the strategy for 2017 in order to expand the benefit offer outside of the London and Aberdeen areas.

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. The highly intelligent and skilled individuals who make up the membership are generous with both their time and knowledge. Volunteers make up the governing Council of both PESGB and PETEX, they manage the content of the courses and conferences, they run field trips and they volunteer in the office, conducting day to day activity as well as one-off projects (North Sea Map and website development). The volunteer contribution over the year is approximately 1555 hours.





## EVENTS

**During 2017 a variety of activities were held in London and Aberdeen to promote the objectives of the Society.**

**The monthly Evening Lecture series** continues to go from strength to strength providing members with high calibre technical talks on a diverse range of topics and the invaluable opportunity to network. These evening lectures are free to attend for members of the PESGB and the organisations with whom the Society has agreements. Attendance figures remain at approximately 100, with the London lectures held at the Geological Society and the Aberdeen lectures at the Jurys Inn.

New MOUs were set up with the Petroleum Group and EAGE to formalise the lectures that are proposed by other organisations outside the PESGB.

### Conferences & Exhibitions

- **DEVEX** is jointly organised by PESGB/AFES/SPE and supported by the OGA. This was the 14th DEVEX conference and exhibition. The event was attended by approximately 300 delegates and was free for the second time, in response to the industry downturn. This risky approach has proved justified and the conference was a success and will continue in this free format.
- **The African E&P Conference** entitled “New Thinking, New Technology, New Hydrocarbons” was hosted in London in 2017 by the PESGB Africa Special Interest Group. There were 33 technical presentations over 2 days, 50 Poster sessions, and one interactive session. The exhibition had 54 exhibitors and 9 International Pavilion exhibitors. This was up 43% on the original budgeted number. We used an outsourced social media campaign for the first time to support the conference. We had 567 attendees which is 30% over original budget. The conference made a budget surplus of £49,129. A great success!
- **Geophysics Seminar** entitled ‘Quantitative Interpretation’ was hosted by the Geophysics Special Interest Group over two days in London. The event was fully sponsored and was attended by over 100 delegates. It was considered a big success and has inspired the group to plan their participation for PETEX on a larger scale than previously executed.
- **PROSPEX 2017** was the 15th show in the highly successful series of Prospects Fairs hosted in collaboration with the OGA. The event is becoming increasingly international and the feedback received in relation to reasons to attend, opportunities offered and the general organisation of the event were positive even though the business situation was

not. There were 832 delegates in attendance, 74 exhibitors, 6 pavilion poster presenters. The event attracted 5 sponsors netting £10,750, making a surplus of £53,259.91 (assuming VAT not reclaimed is 30%), beating our expected total by nearly £18K (we budgeted for surplus of £35.6K)!

- **PETEX (TRADING SUBSIDIARY COMPANY)**

The Charity’s wholly owned trading subsidiary: PETEX Limited holds a biennial show, the profits of which are donated to the PESGB. There was no PETEX in 2017.

### Outreach

- **The 2017 GEOLiteracy Tour** was the PESGB’s most successful public outreach initiative to date, impacting more than 1500 people nationwide, approximately 50% of whom were non-members, with the youngest active participant being just 4 years old. Headlining the tour was TED speaker, Professor Ken Lacovara of Rowan University. He visited 8 locations across the country and engaged in 4.5 hours of questions with the public, inspiring audiences from Dorset to Edinburgh on a subject that first made many of us fall in love with geology; dinosaurs. The established Stoneley Lecture became part of the GEOLiteracy Festival which engaged members of the public via lectures, field trips and museum visits. Many of the events were free to attend and were done in collaboration with other organisations whom we had previously funded in order to build the relationships. The impact of this outreach campaign is evident as it resulted in a student who attended the lecture to become an intern at Professor Lacovara’s Fossil Park in the USA. We have also inspired an 11 year old and his family to attend the Fossil Park to take part in the young Geoplayers camp. The 2017 GEOLiteracy campaign was also recognised at the European Association Awards 2018 and was awarded Bronze for ‘Best Membership Initiative’.
- **ESTA Conference** – The PESGB have been involved with the Earth Science Teachers Association for many years with the primary focus on supporting their conference that inspires and informs teachers from all over the UK. In 2017 a member of the PESGB attended the conference and could experience first-hand the wonderful work of the organisation.

### Networking

- Granite City Reception
- The President’s Evening
- Surviving the Downturn Workshops
- Regular Regional Branch meetings in Surrey, Henley-on-Thames, Cumberland & Lake District, Liverpool, North Wales and Ireland





### Field Trips

- Brittle Deformation, Hydrocarbon Generation and Fluid Migration, Triassic-Lower Jurassic, North Somerset
- Syn-rift lacustrine carbonates; cycles, microbial mounds, and brackish to hypersaline facies models; Purbeck Group, Wessex Basin, UK. Analogues for south Atlantic pre-salt carbonates?
- Tectono-Stratigraphy, Sedimentology and Reservoir Geology of the Cleveland Basin Jurassic – North Sea Reservoir Analogues
- The Old Red Sandstone and Highland Border Complex at Glen Esk



### Courses

- Carbonate Reservoirs
- North Sea Petroleum Geology
- Petroleum Systems of North Africa and the Mediterranean
- Reservoir Characterization of Deep Water Systems - Impact from Exploration to Production
- Sequence Stratigraphy for Petroleum Exploration
- What Geoscientists Need To Know About Developments



### COLLABORATION

The PESGB has established ties with other organisations and jointly organised a number of seminars/conferences, most significantly with the American Association of Petroleum Geologists (AAPG). Working together with the AAPG allowed the PESGB to offer a significant number of highly technical courses to members at a minimal fee of £40 per day. Oil Finders' Lunches were also hosted with the nominal cost of £7.



### AAPG/PESGB Basin Mastery Workshops

- East Brasil Atlantic Margin
- Geology, tectonic evolution, and hydrocarbon systems of the greater Gulf of Mexico, Caribbean and northern South American Region



### AAPG/PESGB Technical Mastery Workshops

- Sand Injectites: characteristics and implications for exploration and production



### AAPG/PESGB Oil Finders' Lunches

- Chrysaor – Injecting energy into the North Sea
- Statoil Exploration in the UK; a 'One North Sea' approach
- The Corona Ridge, West of Shetland: an under-explored intrabasinal high
- The Rona Ridge Basement Play: What we thought and what we think



MOUs were also set up with the EAGE to allow our members to access their training at a reduced cost. These joint initiatives proved financially successful for all involved.



### EAGE/PESGB

- Understanding Seismic Anisotropy in Exploration and Exploitation

Members can continue to attend events organised by the Society of Petroleum Engineers (SPE), Geological Society of London, European Association of Geoscientists and Engineers (EAGE). In 2017 these relationships were strengthened and they will continue to develop for the benefit of the membership and the wider public.



## COMPLIANCE

**To ensure the Society's organisational health, several areas of compliance were focused on in 2017 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 through 2017 in preparation for the 2018 legislation changes.

### Health and Safety

The PESGB focused on the Health and Safety of both the staff and the external activities of the organisation in 2017 maintaining an excellent record of compliance.

### Contracts

All contracts from suppliers were reviewed in 2016 and all quotes challenged for a better deal, this resulted in major savings on operational costs and a change in many of our long-standing suppliers.

### Investors in People

The PESGB achieved Investors in People Bronze award within the first 3 months of 2016 and this formed the basis of an overhaul of the HR procedures in the office and a way of offsetting one of the major risks around staff retention. This has been maintained. We had a resignation of one staff member in 2017 and this position was amalgamated with an existing role to cut costs.

### Strategy

To better establish the charity's priorities and inform its direction a new strategy document for the PESGB was produced in 2016 and reviewed in 2017. The strategy includes an operational plan and a series of measurable goals for the next 3 years and the document will be reviewed annually by the Council.

### Governance Training

To equip the Council to better serve the membership it was felt important that the Council had professional training and a revised information and induction for the new council members. This emphasis on the legal implications and the importance of good governance has moved the Society forward in finance management and strategic direction.

### 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. Funding was granted to a small handful of initiatives that directly impacts the 'grass-roots' education of Geology for individuals and schools around the UK:

#### ESTA

Annual conference and Schools competition  
£6,200

#### ESTA/Keele University

Summer School Training Bursary for a Geology Teacher £1,800

#### YP/Student Mapping

Undergraduate mapping projects  
£2,900

#### Gloucester Geology Trust

Dinosaur events for families  
£1,000

#### Total

£11,900

Instead, funds were focused on the PESGB GEOLiteracy initiative which ensured that money was directed in a way that would fulfil the PESGB's charitable objectives and where the impact would be significant and measurable for the public and members alike.

In addition, the PESGB offered 3 short-term Internships to graduates in 2017. These placements offer graduates the opportunity to see a different side to the industry and to build their much-needed connections and the quality of their CVs. The PESGB also offered volunteering opportunities for graduates where internships are not available. The interns proved incredibly valuable to the PESGB and we will continue to offer these opportunities.



## Fundraising

- The fundraising approach – The PESGB does not seek funds from Trusts and Foundations or publicly available funds. If additional funds are needed to support the organisations charitable activity, this is achieved by marketing sponsorship opportunities to companies whose staff are members. WE also offer paid opportunities for our members to be further involved in the Outreach work, through personal patronage.
- Where appropriate the PESGB follows the relevant guidelines of the Fundraising Regulator. The PESGB do not employ third parties to secure funds.
- The PESGB has not had any complaints about its fundraising practices during 2017
- The PESGB does not target individuals for funds. Sometimes a wealthy member may offer to donate to a particular 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.

## 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

the PESGB Trustees intend to hold back sufficient funds from the reserves, to ensure that the Society can function effectively over a two-year period of severely reduced income.

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 within this figure.

## Investment Policy and Objectives

This has been established and adopted in 2002 follows:

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 sufficient 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 2017 due to the issues caused by

## Key Management Personnel Remuneration

The trustees consider the 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.

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. 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 not out of line with that generally paid for similar role.



## FUTURE DEVELOPMENTS

### 2017 Outlook

The PESGB plans to further promote education into the scientific and technical aspects of petroleum exploration during 2018 and to continue to provide and organise education activities and services. It will continue its external relationships with other societies and look for opportunities to work together. The health of the PESGB finances will underpin the operational activity for 2017 as we ensure that funds are spent in the areas where the most impact will be felt and where the objectives of the charity are best served.

We will develop a programme for 2018 which works collaboratively with other organisations and societies across the industry and it will engage with non-members and friends and family of the existing membership with the ambition of spreading the excitement and relevance of geology. The 'reach' and engagement opportunities within 2018 programme will 'go' further than any other year for the PESGB in the past. The focus will be on the engagement of members throughout their careers will a particular interest in those who have retired but remain committed to gaining and sharing knowledge across the industry.

The downturn in the oil industry began in late 2014 and the industry experts expect the repercussions to have an impact for several years to come. A largescale and at times brutal economic upheaval, in any industry, produces changes at all levels, some permanent and others temporary. The PESGB is committed to continuing to serve the membership, with a focus on those who have lost their employment and those just entering the industry. There were green shoots of recovery starting in some areas in 2017.

The Young Professionals Network which is a successful SIG for those with less than 10 years industry experience. In 2018 we will explore the opportunities to work together with other organisations and their networks to create a YP focused event that is new and innovative.

The 2017 Strategy will direct the PESGB through 2018. In order to stay 'true' to the message and our charitable objectives we strive to achieve the milestones and continue to support the membership through the services we offer.



### 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).

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, Kingston Smith, will be proposed for re-appointment at the forthcoming Annual General Meeting.