

PESGB
REPORT OF THE TRUSTEES AND CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019

Registered Charity Number 1085619
Registered Company Number 04128009 (England and Wales)

PESGB

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019**

	Pages
Report of the Trustees	1 - 12
Report of the Independent Auditors	13 - 16
Consolidated Statement of Financial Activites	17
Consolidated and Parent Balance Sheets	18
Consolidated Cash Flow Statement	19
Notes to the Financial Statements	20 - 34

PESGB

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF PESGB FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of PESGB (the 'company') for the year ended 31 December 2019 which comprise the Group Statement of Financial Activities (including the Group Summary Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement 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) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

PESGB

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF PESGB FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

Other information (continued)

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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report 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 trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, 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 or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and section 151 [1] of the Charities Act 2011 and report in accordance with those Acts.

PESGB

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF PESGB FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PESGB

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF PESGB
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

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 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Luke Holt, Senior Statutory Auditor
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

60 Goswell Road
London EC1M 7AD

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

PESGB

**THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST DECEMBER 2019**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total funds 2019 £	Total funds 2018 £
INCOME						
Donations and legacies	2	11,054	-	-	11,054	2,800
Income from trading subsidiary	13	546,718	-	-	546,718	889,922
Charitable activities	5					
Educational, newsletter and directory		45,588	-	-	45,588	97,328
Educational, scientific and technical conferences, meeting, seminars and field trips		91,761	-	-	91,761	243,499
Educational publications including books and maps		-	-	-	-	14,985
Other trading activities	3	216,478	-	-	216,478	279,621
Investment Income	4	13,368	-	-	13,368	14,046
		924,967	-	-	924,967	1,542,201
EXPENDITURE						
Raising funds	6	5,615	-	-	5,615	5,736
Expenditure from trading subsidiary	13	511,775	-	-	511,775	736,267
Charitable activities	7					
Educational, newsletter and directory		153,509	-	-	153,509	230,037
Educational, scientific and technical conferences, meeting, seminars and field trips		227,627	-	-	227,627	396,460
Educational publications including books and maps		33,091	-	-	33,091	32,706
Membership services		330,229	-	-	330,229	242,715
Grants and disbursements	14	30,220	-	-	30,220	33,316
		1,292,066	-	-	1,292,066	1,677,237
NET EXPENDITURE BEFORE GAINS AND LOSSES		(367,099)	-	-	(367,099)	(135,036)
Other recognised (losses)/gains (Losses)/gains on investment assets		81,393	-	(988)	80,405	(60,890)
NET EXPENDITURE		(285,706)	-	(988)	(286,694)	(195,926)
RECONCILIATION OF FUNDS						
Total funds brought forward		700,114	-	17,612	717,726	913,652
TOTAL FUNDS CARRIED FORWARD		414,408	-	16,624	431,032	717,726

A separate Statement of Financial Activities and Income and Expenditure Account are not presented for the Charity itself as the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006. The net expenditure of the Charity only for the year ended 31 December 2019 was £321,637 (2018: £349,581)

PESGB

BALANCE SHEET
AS AT 31ST DECEMBER 2019

	Note	Group		Charity	
		2019 £	2018 £	2019 £	2018 £
FIXED ASSETS					
Tangible assets	15	45,357	37	45,357	37
Intangible assets	16	-	-	-	-
Investments	17	703,729	684,366	712,024	684,466
		<u>749,086</u>	<u>684,403</u>	<u>757,381</u>	<u>684,503</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	18	186,452	158,942	61,529	52,030
Cash at bank		73,429	203,247	67,887	195,724
		<u>259,881</u>	<u>362,189</u>	<u>129,416</u>	<u>247,754</u>
CREDITORS					
Amounts falling due within one year	19	<u>(569,768)</u>	<u>(328,866)</u>	<u>(493,991)</u>	<u>(291,385)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(309,887)</u>	<u>33,323</u>	<u>(364,575)</u>	<u>(43,631)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>439,199</u>	<u>717,726</u>	<u>392,806</u>	<u>640,872</u>
Provisions for Liabilities		<u>(8,167)</u>	<u>-</u>	<u>(8,167)</u>	<u>-</u>
NET ASSETS		<u>431,032</u>	<u>717,726</u>	<u>384,639</u>	<u>640,872</u>
FUNDS					
Unrestricted funds:					
General fund		252,141	623,223	319,802	623,223
Designated fund	20	50,470	37	47,713	37
Trading funds	20	111,797	76,854	-	-
Restricted funds	20	-	-	500	-
Endowment funds	20	16,624	17,612	16,624	17,612
		<u>431,032</u>	<u>717,726</u>	<u>384,639</u>	<u>640,872</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees and were signed on its behalf by:

.....
G Robertson - Trustee (Treasurer)

.....
B Smith - Trustee

Date:

PESGB

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019	2018	
	£	£	
Cash flows from operating activities			
Net cash used in operating activities	<u>(164,318)</u>	<u>(23,683)</u>	
Cash flows from investing activities			
Dividends and interest from investments	13,368	14,046	
Purchase of property, plant and equipment	(50,433)	-	
Purchase of listed investments	-	(540)	
Proceeds from sale of listed investments	45,280	120,980	
Net cash provided by investing activities	<u>8,215</u>	<u>134,486</u>	
Change in cash and cash equivalents in the reporting period	(156,103)	110,803	
Cash and cash equivalents at the beginning of the reporting period	219,263	108,460	
Cash and cash equivalents at the end of the reporting period	<u>63,160</u>	<u>219,263</u>	
Reconciliation of net expenditure to net cash flow from operating activities			
	2019	2018	
	£	£	
Net expenditure	(286,694)	(195,926)	
Adjustments for:			
Depreciation charges	2,757	32,790	
Amortisation charges	-	-	
Dividends and interest from investments	(13,368)	(14,046)	
Losses/(gains) on investments	(80,405)	60,890	
(Increase)/decrease in debtors	(27,510)	(28,802)	
Decrease/(increase) in creditors	240,902	121,411	
Net cash used in operating activities	<u>(164,318)</u>	<u>(23,683)</u>	
Analysis of cash and cash equivalents			
Cash in hand	73,429	203,247	
Cash included within investment portfolio	8,449	16,016	
	<u>81,878</u>	<u>219,263</u>	
Analysis of changes in net debt			
	At 1	Cash Flows	At 31
	January		December
	2019		2019
	£	£	£
Cash at bank and in hand	<u>203,247</u>	<u>(129,818)</u>	<u>73,429</u>

PESGB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

1 ACCOUNTING POLICIES

Accounting Convention

The charity is a charitable company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member.

The financial statements are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), on a going concern basis under the historical cost convention, modified to include certain items such as investments at fair value.

The charitable company is a public benefit entity for the purpose of FRS102 and therefore the charity and group's financial statements have been prepared in accordance with Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic or Ireland (the FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

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 have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charitable group's 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 post year end. After making enquiries 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. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

Basis of consolidation

These financial statements consolidate the results of the charitable company and its wholly owned subsidiary PESGB Conferences Limited. A separate statement of financial activities is not presented for the charity itself as it has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The Charity's deficit for the year amounted to £349,581 (2018: deficit £277,065) which includes a bad debt provision of £nil (2018: £76,482) in relation to the loan due to the charity from PESGB Conferences Limited.

Income

All membership and sponsorship income is accounted for gross on a receiveable basis. Voluntary income including donations are accounted for as receivable by the charity. The income from fundraising ventures is shown gross, with the associated costs included in fundraising costs.

Income is included in the Statement of Financial Activities when the charity is legally entitled to the income, the amount can be quantified with reasonable accuracy, and receipt is probable.

Expenditure

Expenditure is accounted for on an accruals basis and have 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.

PESGB

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

1 ACCOUNTING POLICIES (Continued)

Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives.

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

Short leasehold	20%	per annum
Plant and machinery	33%	per annum

Intangible assets

Tangible 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 each asset over its estimated useful life:

Software	33%	per annum
----------	-----	-----------

Investments

Listed investments are initially measured at cost and subsequently measured at fair value. Changes in fair value and profits or losses arising on disposal of investments are reflected in the Statement of Financial Activities at the Balance Sheet date. Investments in subsidiaries are stated as cost less any provision for impairment. Investment in associates are initially measured at cost and then recorded using the equity method in the consolidated financial statements.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Pension costs and other post-retirement benefits

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

PESGB

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

1 ACCOUNTING POLICIES (Continued)

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 purposes of the charity, unless further restrictions on its usage are expressed.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

PESGB

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

1 ACCOUNTING POLICIES (Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

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

Judgements and key sources of estimation uncertainty

In preparing the financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

PESGB

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

2 DONATIONS AND LEGACIES - CHARITY AND GROUP

	2019	2018
	£	£
Donations	<u>11,054</u>	<u>2,800</u>

3 OTHER TRADING ACTIVITIES - CHARITY AND GROUP

	2019	2018
	£	£
Fundraising events	4,051	197
Membership income	<u>212,427</u>	<u>279,424</u>
	<u><u>216,478</u></u>	<u><u>279,621</u></u>

4 INVESTMENT INCOME - CHARITY AND GROUP

	2019	2018
	£	£
Dividends and interest	<u>13,368</u>	<u>14,046</u>

5 INCOME FROM CHARITABLE ACTIVITIES

	2019	2018
	£	£
Activity		
Educational, newsletter and directory	45,588	97,328
Educational, scientific and technical conferences, meeting, seminars and field trips	91,761	243,499
Educational publications including books and maps	<u>-</u>	<u>14,985</u>
	<u><u>137,349</u></u>	<u><u>355,812</u></u>

6 RAISING FUNDS - CHARITY AND GROUP

	Direct costs	Support Costs (see note 12)	Total
	£	£	£
Investment manager fees	<u>5,615</u>	<u>-</u>	<u>5,615</u>
	<u><u>5,615</u></u>	<u><u>-</u></u>	<u><u>5,615</u></u>
	Direct costs	Support Costs	Total
	£	£	£
Investment manager fees	<u>5,736</u>	<u>-</u>	<u>5,736</u>
	<u><u>5,736</u></u>	<u><u>-</u></u>	<u><u>5,736</u></u>

PESGB

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

7 CHARITABLE ACTIVITIES COSTS - CHARITY AND GROUP

	Direct costs	Support Costs (see note 12)	Total 2019
	£	£	£
Educational, newsletter and directory	-	150,523	153,509
Educational, scientific and technical conferences, meeting, seminars and field trips	46,999	180,628	227,627
Educational publications including books and maps	2,986	30,105	33,091
Membership services	119,497	210,732	330,229
Donations and grants (note 14)	115	30,105	30,220
	<u>169,597</u>	<u>602,093</u>	<u>774,676</u>
	£	£	£
Educational, newsletter and directory	69,455	160,582	230,037
Educational, scientific and technical conferences, meeting, seminars and field trips	203,763	192,697	396,460
Educational publications including books and maps	590	32,116	32,706
Membership services	17,901	224,814	242,715
Donations and grants (note 14)	1,200	32,116	33,316
	<u>292,909</u>	<u>642,325</u>	<u>935,234</u>

8 SUPPORT COSTS - CHARITY AND GROUP

Support costs include costs formerly described as Governance Costs and are listed in note 12. These costs have been allocated on the basis shown and are included within the charitable cost headings on the Statement of Financial Activities as shown in note 12. Governance costs totalling £14,915 (2018: £14,145) are now included within support costs as required by FRS 102.

9 NET EXPENDITURE

Net expenditure is stated after charging/(crediting):

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Depreciation - owned assets	<u>2,757</u>	<u>32,790</u>	<u>2,757</u>	<u>32,790</u>
Amortisation - owned assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Auditor's remuneration:				
Audit	9,600	9,600	9,600	9,600
Non-audit	<u>5,315</u>	<u>5,315</u>	<u>3,900</u>	<u>3,900</u>
	<u>14,915</u>	<u>14,915</u>	<u>13,500</u>	<u>13,500</u>

PESGB

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

10 TRUSTEES' REMUNERATION AND BENEFITS - CHARITY AND GROUP

Remuneration was paid to the Chief Executive who is employed by the Charity during the year and is also a trustee/director. Remuneration for key management personnel is disclosed in note 11.

No other employees earned more than £60,000 during the year (or in the previous year).

Trustees' expenses

Expenses reimbursed to one (2018: three) trustee during the year for payments made on behalf of the Charity amounted to £500 (2019: £531).

11 STAFF COSTS - CHARITY AND GROUP

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Wages and salaries	289,093	288,531	289,093	270,225
Social security costs	30,773	27,675	30,773	26,290
Employers pension costs	8,136	9,693	8,136	9,693
	<u>328,002</u>	<u>325,899</u>	<u>328,002</u>	<u>306,208</u>

Particulars of employees

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

2019	2018
8	8

The remuneration of key management personnel (including pension, bonus and employers national insurance) in the year amounted to:

2019	2018
£	£
<u>77,789</u>	<u>75,603</u>

The number of employees who received total remuneration in the following bands were:

	2019	2018
£60,000 - £69,999	1	1

PESGB

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

12 SUPPORT COSTS - CHARITY AND GROUP

All support costs are apportioned to the areas below on the basis of staff time spent.

	Mem'ship	Newsletter	Publ's	Conf'ces	Don's & Grants	Total 2019
% Allocation	35%	25%	5%	30%	5%	
	£	£	£	£	£	£
Staff costs	114,802	82,001	16,400	98,401	16,400	328,002
Other costs	94,967	67,833	13,567	81,400	13,567	271,332
Depreciation/Amortisation	963	689	138	827	138	2,757
	<u>210,732</u>	<u>150,523</u>	<u>30,105</u>	<u>180,628</u>	<u>30,105</u>	<u>602,091</u>

All costs are apportioned on the basis of estimated time spent by staff and the associated costs absorbed during the time worked.

	Mem'ship	Newslet'r	Publ's	Conf'ces	Don's & Grants	Total 2018
% Allocation	35%	25%	5%	30%	5%	
	£	£	£	£	£	£
Staff costs	107,174	76,552	15,310	91,862	15,310	306,208
Other costs	106,165	75,832	15,166	90,998	15,166	303,327
Depreciation/Amortisation	11,475	8,198	1,640	9,837	1,640	32,790
	<u>224,814</u>	<u>160,582</u>	<u>32,116</u>	<u>192,697</u>	<u>32,116</u>	<u>642,325</u>

13 INCOME FROM THE SUBSIDIARY TRADING ACTIVITES

The charity owns the entire share capital of PESGB Conferences Limited, which organises a biennial exhibition. It's trading results for the year, as extracted from the approved accounts, are summarised below:-

	2019	2018
	£	£
Turnover	546,162	889,459
Cost of Sales	<u>(422,040)</u>	<u>(708,207)</u>
Gross loss/(profit)	124,122	181,252
Overhead expenses	(81,231)	(28,060)
Other operating income/(expenses)	556	83
Other interest receivable and similar income	<u>213</u>	<u>380</u>
Net income/(expenditure) for the year	43,660	153,655
Taxation	(8,504)	-
Gift aid payable to parent charity	(64,000)	-
Reserves movement in subsidiary	<u>(28,844)</u>	<u>153,655</u>

PESGB

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

14 GRANT DISBURSEMENTS - CHARITY AND GROUP

	2019	2018
	£	£
Royal Holloway University (Scholars Awards)	-	-
Mapping Project	1,200	1,200
SCID - ESTA Conference	-	-
SCID - Summer School Bursary	-	-
Oil and Gas UK - Exploration Conference	-	-
Gloucestershire Geology Trust	-	-
Previous grant commitments written back	(1,085)	-
	115	1,200
Sub-total	115	1,200
Amount allocated to support costs and overheads	30,105	32,116
	30,220	33,316

15 TANGIBLE FIXED ASSETS - CHARITY AND GROUP

	Short leasehold	Plant and machinery	Totals
	£	£	£
COST			
At 1st January 2019	163,265	50,817	214,082
Additions	37,955	12,478	50,433
Disposals	-	(50,415)	(50,415)
	201,220	12,880	214,100
At 31st December 2019	201,220	12,880	214,100
DEPRECIATION			
At 1st January 2019	163,265	50,780	214,045
Charge for the year	-	2,757	2,757
Eliminated on disposal	-	(48,059)	(48,059)
	163,265	5,478	168,743
At 31st December 2019	163,265	5,478	168,743
NET BOOK VALUE			
At 31st December 2019	37,955	7,402	45,357
At 31st December 2018	-	37	37

PESGB

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

16 INTANGIBLE FIXED ASSETS - CHARITY AND GROUP

	Software £	Totals £
COST		
At 1st January 2019	10,252	10,252
Additions	-	-
Disposals	-	-
	10,252	10,252
At 31st December 2019	10,252	10,252
AMORTISATION		
At 1st January 2019	10,252	10,252
Charge for the year	-	-
Eliminated on disposal	-	-
	10,252	10,252
At 31st December 2019	10,252	10,252
NET BOOK VALUE		
At 31st December 2019	-	-
At 31st December 2018	-	-

17 FIXED ASSET INVESTMENTS

	Group		Charity	
Market Value	2019	2018	2019	2018
	£	£	£	£
At 1st January	660,155	849,680	668,450	849,780
Additions	-	540	-	540
Disposals	(45,280)	(120,980)	(45,280)	(120,980)
(Losses)/gains	80,405	(60,890)	80,405	(60,890)
	695,280	668,350	703,575	668,450
At 31st December	695,280	668,350	703,575	668,450
Cash	8,449	16,016	8,449	16,016
	703,729	684,366	712,024	684,466
As analysed below:				
UK fixed interests	197,108	244,796	197,108	244,796
UK equities	506,467	421,964	506,467	421,964
Cash	8,449	16,016	8,449	16,016
Investment in subsidiary & associated company	(6,605)	1,590	1,690	1,690
	703,729	684,366	712,024	684,466
Book cost 31 December	503,214	536,691	503,214	536,791

PESGB

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

17 FIXED ASSET INVESTMENTS (continued)

Investments exceeding 5% of the portfolio are as follows:

	2019		2018	
	Units	Market Value	Units	Market Value
Architas	25,864.87	35,642	31,292.38	39,084
Artemis	47,495.30	46,973	47,495.30	41,682
BlackRock Charishare	11,192.78	77,432	11,192.78	64,538
Jupiter Merlin Growth	8,583.07	37,955	8,583	32,688
Kames Ethical	33,457.25	48,720	33,457.25	41,350
Legal & Gen	79,222.84	59,092	79,222.84	54,711
LF Woodford	31,957.41	26,950	31,957.41	34,485
M&G Charifund	4,597.77	76,355	5,254.12	86,308
Margetts	9,703.96	42,074	9,703.96	34,556
Premier Multi-Asset	21,184.12	41,457	25,053.11	42,703
Royal London Sustainable	23,177.10	59,403	23,177.10	45,659

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	County of registration	Class	Proportion Held %	Nature of business
Subsidiary undertakings				
Petex Limited	England and Wales	Ordinary	100	Organising conferences and exhibitions
Participating interests				
Petroleum Geology Conferences Ltd	England and Wales	Ordinary	33	Half periodic petroleum geology conferences
Devex	England and Wales	Not incorporated	33	Organising conferences and exhibitions

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

2019	Capital and Reserves	Profit / (loss) for the year
PESGB Conferences Limited	172,271	76,953
Petroleum Geology Conferences Ltd	1,542	1,459
Devex	4,000	4,000
2018	Capital and Reserves	Profit / (loss) for the year
PESGB Conferences Ltd	76,953	153,654
Petroleum Geology Conferences Ltd	770	770
Devex	4,000	4,000

PESGB Conferences Limited is consolidated into the financial statements as 100% of the share capital is owned by PESGB.

The amount of capital and reserves and the results of Petroleum Geology Conferences Ltd are as stated in the latest available unaudited financial statements for the year ended 31 December 2019. The conference normally runs every 5 years and hence is expected to be non trading in 2020.

PESGB

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

17 FIXED ASSET INVESTMENTS (continued)

The amount of capital and reserves and the results of Petroleum Geology Conferences Ltd are as stated in the latest available unaudited financial statements for the year ended 31 December 2016. The conference normally runs every 5 years and hence is expected to be dormant in 2020.

Petroleum Geology Conferences Ltd is required to be accounted for as an associate by including a share of the net assets owned by PESGB on a fair value basis. Our understanding is that any profit or loss arising each year is shared between the 3 members and hence the capital and reserves shown above is accurate on that basis. The event last occurred in 2015 and is usually run every 5 years.

Devex is required to be accounted for as an associate by including a share of the net assets owned by PESGB on a fair value basis, however PESGB's 1/3 share is deemed to be immaterial being only £1,333. Our understanding is that any profit or loss arising each year is shared between the 3 members and hence the capital and reserves shown above is accurate on that basis. The event is usually run annually.

18 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	163,887	144,625	36,972	41,440
Provision against doubtful debts	(77,929)		(12,487)	
Other debtors	-	1,703	-	1,494
VAT	-	-	-	-
Due from subsidiary undertaking	-	-	-	-
Bad debt provision (subsidiary)	-	-	-	-
Prepayments	100,494	12,614	37,044	9,096
Accrued income	-	-	-	-
	<u>186,452</u>	<u>158,942</u>	<u>61,529</u>	<u>52,030</u>

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	309,689	77,586	128,572	50,434
Social security and other taxes	18,139	10,686	18,139	10,686
VAT	77,676	54,477	22,826	30,483
Due to subsidiary undertaking	-	-	231,186	89,805
Other creditors	9,038	47,312	7,322	47,312
Accruals	11,640	112,540	10,340	36,400
Deferred income	143,586	26,265	75,606	26,265
	<u>569,768</u>	<u>328,866</u>	<u>493,991</u>	<u>291,385</u>

Movement in deferred income:				
Deferred income brought forward	26,265	59,223	26,265	59,223
Released in the year	(26,265)	(59,223)	(26,265)	(59,223)
New provision added	143,586	26,265	75,606	26,265
Deferred income carried forward	<u>143,586</u>	<u>26,265</u>	<u>75,606</u>	<u>26,265</u>

Deferred income relates to adverts, memberships and events income that has not been earned at year end and is therefore deferred to the following year.

PESGB

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

20 MOVEMENT IN FUNDS

2019 (group)	Brought Forward £	Income £	Expenditure £	Gains, losses and transfers £	Carried Forward £
Unrestricted funds					
General fund	623,223	378,249	(780,291)	30,960	252,141
Designated funds:					
Fixed assets	37	-	-	50,433	50,470
Trading funds	76,854	546,718	(511,775)	-	111,797
	<u>700,114</u>	<u>924,967</u>	<u>(1,292,066)</u>	<u>81,393</u>	<u>414,408</u>
Restricted funds					
Restricted	-	-	-	-	-
Endowment funds					
Karen Reed memorial fund	17,612	-	-	(988)	16,624
TOTAL FUNDS	<u>717,726</u>	<u>924,967</u>	<u>(1,292,066)</u>	<u>80,405</u>	<u>431,032</u>
2018 (group)	Brought Forward £	Income £	Expenditure £	Gains, losses and transfers £	Carried Forward £
Unrestricted funds					
General fund					
Designated funds:					
Fixed assets	938,807	650,579	(906,261)	(59,902)	623,223
Trading funds	32,827	-	(32,790)	-	37
	(76,582)	889,922	(736,486)	-	76,854
	<u>895,052</u>	<u>1,540,501</u>	<u>(1,675,537)</u>	<u>(59,902)</u>	<u>700,114</u>
Restricted funds					
Restricted	-	1,700	(1,700)	-	-
Endowment funds					
Karen Reed memorial fund	18,600	-	-	(988)	17,612
TOTAL FUNDS	<u>913,652</u>	<u>1,542,201</u>	<u>(1,677,237)</u>	<u>(60,890)</u>	<u>717,726</u>

The charity was appointed trustee of the Karen Reed Memorial Fund on 7th December 2009 and the trustees are able to use the income accruing to this fund towards grants where appropriate.

The PESGB Conferences accumulated funds and loss provision have been fully utilised during 2019 and any excess transferred to general funds.

The fixed asset fund represents the net book value of fixed assets used in carrying out the charities activities and hence is not held in liquid funds and cannot be readily spent.

PESGB

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

20 MOVEMENT IN FUNDS (continued)

2019 (charity)	Brought Forward £	Income £	Expenditure £	Gains, losses and transfers £	Carried Forward £
Unrestricted funds					
General fund	623,223	442,462	(776,843)	30,960	319,802
Designated funds:					
Fixed assets	37	-	(2,757)	50,433	47,713
	<u>623,260</u>	<u>442,462</u>	<u>(779,600)</u>	<u>81,393</u>	<u>367,515</u>
Restricted funds					
Restricted	-	500	-	-	500
Endowment funds					
Karen Reed memorial fund	17,612	-	-	(988)	16,624
TOTAL FUNDS	<u>640,872</u>	<u>442,962</u>	<u>(779,600)</u>	<u>80,405</u>	<u>384,639</u>
	Restated				Restated
2018 (charity)	Brought	Income	Expenditure	Gains, losses	Carried
	Forward	£	£	and transfers	Forward
	£	£	£	£	£
Unrestricted funds					
General fund	862,325	650,579	(829,779)	(59,902)	623,223
Designated funds:					
Fixed assets	32,827	-	(32,790)	-	37
	<u>895,152</u>	<u>650,579</u>	<u>(862,569)</u>	<u>(59,902)</u>	<u>623,260</u>
Restricted funds					
Restricted	-	1,700	(1,700)	-	-
Endowment funds					
Karen Reed memorial fund	18,600	-	-	(988)	17,612
TOTAL FUNDS	<u>913,752</u>	<u>652,279</u>	<u>(864,269)</u>	<u>(60,890)</u>	<u>640,872</u>

The charity was appointed trustee of the Karen Reed Memorial Fund on 7th December 2009 and the trustees are able to use the income accruing to this fund towards grants where appropriate.

The fixed asset fund represents the net book value of fixed assets used in carrying out the charities activities and hence is not held in liquid funds and cannot be readily spent.

PESGB

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)**

21 OTHER FINANCIAL COMMITMENTS

At 31st December 2019 the organisation has total commitments under non-cancellable operating leases as follows:

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Land and buildings				
Less than 1 year	17,307	9,015	17,307	9,015
Between 1 and 5 years	488	976	488	976
Greater than 5 years	-	488	-	488
	<u>17,795</u>	<u>10,479</u>	<u>17,795</u>	<u>10,479</u>

The group entered into a contract with Olympia as the venue for the Asia Pacific E & P Conference 2020. The outstanding commitment in respect of the venue hire for this event at the year end is £24,822 (2019: £31,658 committed for Olympia venue hire for Africa Conference 2019).

22 RELATED PARTY DISCLOSURES

Transactions with PESGB Conferences Limited, PESGB's wholly owned subsidiary, are not required to be disclosed.

Transactions with associated companies are disclosed in note 17.

We are not aware of any other related party transactions that require disclosure.

23 POST BALANCE SHEET EVENTS

After the year ended 31 December 2019, but prior to the approval of these financial statements, the COVID-19 pandemic affected the UK, including PESGB and PESGB Conferences. As a result of the pandemic and its effects on certain PESGB and PESGB Conferences income streams (most significantly conferences and events), running costs have been significantly reduced, partially through taking advantage of the furlough scheme, and further cuts can be made if the business model changes in response to external events. Our PETEX Conference has been postponed until November 2021 and we have made use of other additional income streams, such as the use of online platforms to continue delivering to our members worldwide. The Trustees and Directors are confident that PESGB can continue to respond positively to external situations that impact the industry that it represents.