



REFERENCE & ADMINISTRATIVE DETAILS

REGISTERED COMPANY NUMBER 04128009 (England and Wales)

REGISTERED CHARITY NUMBER 1085619

REGISTERED OFFICE – The Business and Technology Centre, Bessemer Drive, Stevenage, SG1 2DX

TRUSTEES The following Trustees have held office since January 2020: Dr Raquel Arzola, James Churchill, David Offer, Beverley Smith, Graham Robertson, Stephen Pickering, Nicholas Cope, Julie Branston, Dave Moseley, Cliff Lovelock, Holly Marie Owen. The following have held office since 12 Jan 2021: Aidan Joy, Andrea De Silva, Julian Bessa

EXECUTIVE DIRECTOR Maria Iredale

SENIOR STATUTORY AUDITOR Carter and Coley, 3 Durrant Road, Bournemouth, BH2 6NE

INVESTMENT MANAGERS Danamere, International House, Homewell Havant, Hampshire, PO9 1EE

BANKERS Royal Bank of Scotland, 28 Cavendish Square, London, W1G 0DB

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 31st December 2020.

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 3,800 individual members and 28 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 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.

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

Report of the Trustees For the year ended 31 December 2020

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.

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 PESGB's peer group of 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.

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 for this can be found in the Council minutes. The Trustees understand their roles and responsibilities, this is a result of a comprehensive induction pack produced annually. 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 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

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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.

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 Charity's performance against its targets at the PESGB AGM and through the PESGB 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 biographical summaries.

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

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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.

OBJECTIVES & ACTIVITIES

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.

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

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For the year ended 31 December 2020

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 (SIGs) 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. 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.

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.

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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.

FINANCIAL REVIEW

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 adhoc 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 £520,499 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. Trustees are required to disclose all relevant interests and register them with the Executive Director and in accordance with

Report of the Trustees For the year ended 31 December 2020

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 DEVELOPMENTS

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.

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 situation 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 Charities SORP (Statement of Recommended Practice); 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 and Coley were approved as auditors at the 2020 Annual General Meeting

Signed on behalf of the Trustees

Beverley Smith 07/07/21

James Churchill 07/07/21