



The
Geological
Society

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2018

The Geological Society of London

Registered Charity Number 210161

1. Report of the trustees	3
1.1 Objectives and activities	3
1.2 Achievements and performance	6
1.3 Financial review	8
1.4 Plans for future periods	13
1.5 Structure, governance and management	15
1.6 Reference and administrative details	19
2. Reports of the President, Treasurer and Executive Secretary	21
3. Responsibilities of the trustees	24
4. Independent auditor's report to the Council of the Geological Society of London	26
5. Statements of Financial Activities for year ended 31 December 2018	29
6. Balance Sheets at 31 December 2018	31
7. Consolidated Cash Flow Statement for the year ended 31 December 2018	32
8. Notes forming part of the Financial Statements	33

1. Report of the trustees

1.1 Objectives and activities

This report provides information intended to help the user understand:

- the Society's aims and how they fulfil its legal purposes;
- the activities that the Society undertakes; and
- the achievements of the Society.

This includes explanation of the Society's purpose, its strategies for achieving objectives, and how the activities undertaken contribute to fulfilling its aims.

1.1.1 Purpose and aims of the Society

The Object of the Society is set out in its Charter as being:

“To investigate the mineral structure of the Earth”.

This is interpreted to mean:

- (i) ***improving knowledge and understanding*** of the history, structure, constitution and dynamics of the Earth and its processes;
- (ii) ***promoting all forms of education***, awareness and understanding of the Earth and their practical applications for the benefit of the public globally; and
- (iii) ***promoting professional excellence*** and ethical standards in the Earth sciences for the public good.

In meeting this Object the Society provides public benefit through advancing Earth sciences education at all levels, promoting wider knowledge of the Earth, and promoting professional standards that advance environmental protection, further the improvement of human health, and guard against natural hazards. In setting the Society's aims for the year and preparing this review, the trustees have had regard to the Charity Commission guidance on public benefit.

These objectives are translated into long-term strategy and more immediate priorities and aims in a number of ways. Section 1.1.2 sets out the Society's current over-arching 10-year strategy and priorities; sections 1.2 and 1.4 explain how these are translated into the main ongoing activities of the Society and how these in turn support the charitable purpose and aims.

1.1.2 Strategies for achieving stated aims

Serving science, profession and society – a strategy for the Geological Society, 2017 - 2027

Council agreed a new 10-year strategy for the Society in January 2017, the key points of which are summarized as:

Our purpose:

- supporting the work of geoscientists;
- inspiring interest in the physical world; and
- connecting science, profession and society.

Our values:

All that we do is underpinned by scientific excellence, professional and ethical integrity, and quality of service. To that end:

- we strive to be impartial, authoritative, trustworthy and transparent;
- we promote diversity, equality, inclusion and respect for others across the geoscience community;
- we promote social and environmental sustainability, responsibility and stewardship;
- we seek opportunities to work collaboratively, and aim to be recognised as a valued partner.

Themes:

A home for geoscience: we will promote and support the geosciences and act as the scientific and professional home for an engaged, diverse and inclusive geoscience community.

Serving and supporting geoscientists: we will provide services and support for our Fellows and other geoscientists throughout their careers.

Maintaining standards: we will assure high professional standards in geoscience, for the public benefit.

Trusted voice: we will be the trusted voice of the geoscience community.

Education and outreach: we will promote geoscience education and share our science widely, to inform public debate and to inspire future geoscientists to address the challenges facing humanity.

Strengthening our organisation: we will ensure that the Geological Society remains a sustainable, resilient and thriving organisation over a generational timescale, in order to deliver our strategic aims and objectives.

Section 1.2 sets out how the Society has started to implement this strategy during the year. As part of this process, it has also developed a Business Plan to prioritize work towards strategic goals over a rolling three-year basis. This is further detailed in section 1.4.

1.1.3 The main activities of the Society

In seeking to fulfil its objectives and provide broad public benefit, the Society undertakes the following main charitable, trading and other activities:

Charitable activities

- (i) **Science and education** – development of scientific policy and advice to public and private bodies in respect of Earth science; provision of specialist and public conferences and events on aspects of Earth science; working with schools and universities to provide educational outreach support; provision of public information on geoscience matters via the website, blogs and tweets.
- (ii) **Professional and academic standards** – ensuring academic and technical rigour, and the highest standards of quality assurance through promotion of academic, professional and ethical standards, both throughout the Society's membership (individual and corporate) and, more widely, through accreditation of geoscience teaching and training.
- (iii) **Scholarly publishing** – the Society is a major international Earth sciences publisher dedicated to providing high-quality publications through a diverse range of geoscience articles, books and journals, electronically and in printed form; it promotes publishing via the Open Access route and produces over 10,000 pages of new, peer-reviewed geoscience literature every year.
- (iv) **Library and archives** – the Society maintains one of the finest Earth sciences libraries in the world, with more than 300,000 volumes of books and journals, and 40,000 maps; each year it further adds to this collection of national importance which is accessible to Fellows, Corporate Affiliates and visitors at Burlington House and increasingly online.

Trading activities

- (v) **Room hire and catering** – limited hire of spare capacity in the facilities at Burlington House, including meeting rooms and lecture theatre, to associated bodies and third parties, as permitted under our lease; associated catering.

Other activities

- (vi) **Financial investment** – activities associated with management of the Society's invested funds.

Funds generated through trading and other activities are used to support the charitable aspects of the Society's work.

Social investments, grant-making activities and use of volunteers

The Society is required to explain the purposes of any grant-making activities of a material nature, as well as its use of volunteers. Its grants and award-making activities are currently limited to a level not exceeding £60,000 per year.

The Society does not make use of volunteers in the delivery of its staff-led activities or in income generation. A number of Fellows give freely of their time to attend committee meetings and editorial boards, and to take forward the work of those committees, in support of their science and profession. Members of the trustee body (Council) and its standing committees also give their time freely to the discharge of their responsibilities under the Society's governance arrangements. We are most grateful to these Fellows.

1.2 Achievements and performance

1.2.1 Overall achievements and performance

The Society has continued to meet its charitable objectives during 2018. Fellowship numbers are relatively steady and publishing continues to offer relevant and varied content in an ever-changing environment. The Society's scientific, professional and public events programme also continues to be popular and has been supplemented in the year by additional regional events that have proved popular. In respect of the Society's financial objectives, the reported 2018 deficit largely arises from unrealised changes in value of the Society's investment portfolio and several exceptional and non-recurring items; the underlying financial performance remains broadly in line with expectations.

The Society's significant achievements against its objectives in 2018 are set out as follows.

1.2.2 Science and education

The Society's chosen science theme for 2018 was 'Resources', and this provided the focus for much of our conference, education and outreach programme. We held a wide range of well-attended scientific meetings on topics such as Lithium: from exploration to end user; Marine Minerals; and the Seismic Characterization of Carbonate Platforms and Reservoirs. Representatives of the Society also attended the inter-IUGS meeting Resourcing Future Generations in Vancouver. While there, we held the final of two roundtable discussions on the ethical resourcing of minerals.

Many of our public lectures addressed aspects of resources in geoscience, such as the ethical mining of gemstones and the use of abandoned mines to heat homes. A number of our events and activities for schools also converged on this theme, with our Minerals in a Smartphone poster proving popular in the UK and beyond. We worked with school groups and families at the Lyme Regis Fossil Festival, with an activity linking geohazards to plate tectonics, and partnered with the British Geological Survey to bring plate tectonics to life at New Scientist Live at the Excel Centre, London. This year also marked our first attendance at the Big Bang Fair in London.

Earth Science Week (13-21 October) featured over 60 events run by organisations across the UK and Ireland, many on the theme of 'Earth Science in our Lives. We sent 150 Earth Science Week resource packs to teachers across the UK including fact sheets, stickers, and a minerals card game. The cards featured mineral drawings from Hazel Gibson; the originals were displayed in the lower library for the second half of the year. We also continued to deliver our Geoscience Education Academy for secondary school science and geography teachers.

Our policy team responded to 12 government inquiries and consultations, ranging from the changing Arctic to technology supporting clean energy growth. We also partnered with University Geoscience UK on responses regarding the Research Excellence Framework 2021 and the roll out of the Teaching Excellence Framework. GSL representatives attended science policy events held at each of the devolved parliaments as well as in Westminster.

The Society hosted the launch event of Diversity in Geoscience (DiG) UK, which is the UK-based chapter of our associated society the International Association of Geoscience Diversity. We also held a workshop for representatives of university departments seeking to achieve or renew AthenaSWAN status as part of a growing programme of activities to promote diversity, equality and inclusion at all levels of geoscience. As part of this programme we launched our meetings and events code of conduct, which applies to any participants in GSL events at Burlington House or beyond.

Our LinkedIn, Twitter and Facebook followings continue to grow, as did the Society's fledgling Instagram account. GSL also featured in the media, with The Guardian covering our Earth Science Week poster competition and substantial coverage for several papers from GSL publications.

1.2.3 Professional and academic standards

Membership remains steady at 12,382, reflecting the ongoing relevance of the Society to those working and studying in geology and associated fields. The Society's Fellow grade membership (as measured at mid-2018) was 11,427 with its Candidate and Junior grade membership at 955. The number of Chartered Geologists currently stand at 2,726, with 141 elected in 2018.

The Society requires that Fellows maintain and update their academic and/or professional knowledge during the course of their career. This is done via its Continuing Professional Development (CPD) scheme, which was last reviewed and updated during 2016 by the Professional Committee, and from January 2018 the Society introduced for the first time compulsory reporting of CPD from all its Chartered Geologists.

Regional and Specialist group activity continues to be strong, with groups running a variety of activities during 2018 including talks, field-trips and competitions to engage Fellows, students and members of the public. Two annual Careers Day events are also held, in Keyworth and Edinburgh, attended by undergraduate and postgraduate students from across the UK and Ireland, with a further event planned for London in the spring of 2019.

1.2.4 Scholarly publishing

The Society's publishing programme remains a key strand of the Geological Society's activity, generating a significant proportion of the revenues required to fund other Society activities, while simultaneously fulfilling our charitable objectives. The publishing industry is undergoing a period of rapid change with new developments and competitor activities being announced on a weekly basis. In order to retain our strong market position, the Society has formed strong technology partnerships with a variety of suppliers, and continues to roll out new services for authors, readers and librarians. A challenge emerging in the scholarly publishing market place is the acceleration of open access initiatives under mandate from major European funders. The Geological Society is seeking to address this challenge via a number of initiatives, including on a collaborative basis.

1.2.5 Library and archives

In 2018, Library staff oversaw the inclusion of the journal collection in the SUNCAT catalogue, which includes collections from over 100 UK libraries. We hosted four exhibitions of archive material, and loaned four items to the Charles Dickens Museum. The library offered two hunts: a geological time scavenger hunt as part of the Courtyard Lates and a prehistoric monster hunt during the Open House in September.

1.2.6 Support and other activities

The new fellowship database (CRM) went live during 2018. After a challenging development and implementation phase, the resulting system, whilst able to meet certain minimum requirements, will require certain functional

modifications that will lead to an improved user experience and better stability. Although the outcome is currently below expectations, remedial activities have been taking place and will continue to do so during the early part of 2019.

1.3 Financial review

1.3.1 Financial position and performance

Funds

Society funds are split between three main categories, as defined by the Charity Commission:

- (i) **Unrestricted income funds** – (including both general and designated funds) that may be spent or applied at the discretion of the trustees in furtherance of the Society’s charitable objectives;
- (ii) **Restricted income funds** – that are held under specific trusts in charity law that limit how those funds might be spent or applied; and
- (iii) **Endowment funds** – that comprise gifts made either where there is no power to convert capital into income (permanent endowments) or where trustees have the power to convert capital into income (expendable endowments).

Total Society funds and reserves at the end of 2018 were £9,844,164 (2017 - £10,493,362). This is analysed over the three categories defined above as follows:

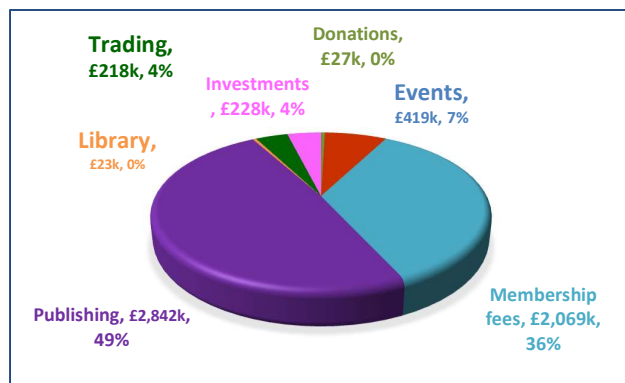
	2018 (£)	2017 (£)
Unrestricted	7,095,403	7,605,578
Restricted	823,843	863,583
Endowment	1,924,918	2,024,201

Unrestricted income funds represent the primary operation and activities of the Society and increase or decrease depending upon operating surpluses or deficits made each year. Restricted income funds and endowment funds support specific activities but are primarily dependent upon performance of the Society’s investments for growth or the provision of new legacies. Approximately £6m of the Society’s funds are placed in an investment portfolio and are subject to wider market variations. During 2018, the Society experienced a reduction in the value of the investment portfolio broadly in line with the broader world markets. Note 19 to the Financial Statements provides further information on investments; notes 26 to 29 set out material funds by category, showing significant movements in those funds during the reporting year and their position at year-end. Note 31 explains the proportion of total funds available as free reserves – see also section 1.3.2.

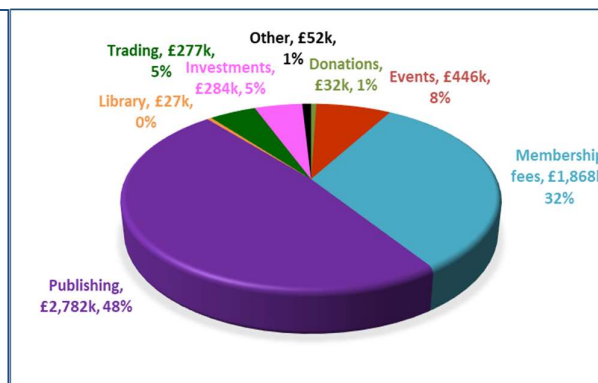
Principal sources of funding

Total consolidated income, excluding gains and losses from investments and foreign exchange, was £5.83m in the year ending 31 December 2018 (2017 - £5,77m). The Society's principal sources of funding remain closely linked to its charitable activities and these are set out below:

Income sources 2018



Income sources 2017



Note: within the Statement of Financial Activities, Fellowship and Corporate Affiliate fee income, which is included in the charts above as part of Membership Fees, is reallocated across those charitable activities from which benefit is received in return. This is set out in the following table and in further detail at Note 3 to the Financial Statements.

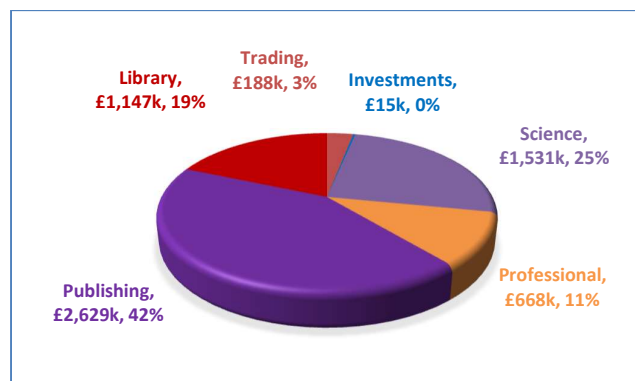
Heading	2018			2017		
	Source	Reallocation	Statements	Source	Reallocation	Statements
	£k	£k	£k	£k	£k	£k
Donations	27	-	27	32	-	32
Events (Science & Education)	419	24	443	446	23	469
Membership Fees (Professional & Academic)	2,069	(1,246)	824	1,868	(1,190)	678
Publishing	2,842	646	3,488	2,782	617	3,399
Library	23	561	584	27	535	562
Trading	218	15	233	277	15	292
Investments	228	-	228	284	-	284
Other	-	-	-	52	-	52
	5,826	-	5,826	5,768	-	5,768

The Society had a challenging year during 2018, with overall income levels slightly above 2017. Expenditure and charges of £6.18m (2017 - £5.55m) resulted in a deficit of income over expenditure of £0.35m (2017 - £0.22m surplus). Unrealised losses in the year from movements in the value of investments and gains from foreign currency valuation changes bring the total reduction in funds for 2018 to £0.649m (2017 - £0.43m gain). The value of the Society's investment portfolio fell from £6.3m at 31 December 2017 to £5.9m at the end of 2018. The weakening of Sterling against the US Dollar during the year allowed the Society to switch some of its US Dollar holdings into Sterling resulting in a realised and unrealised gain of £0.13m.

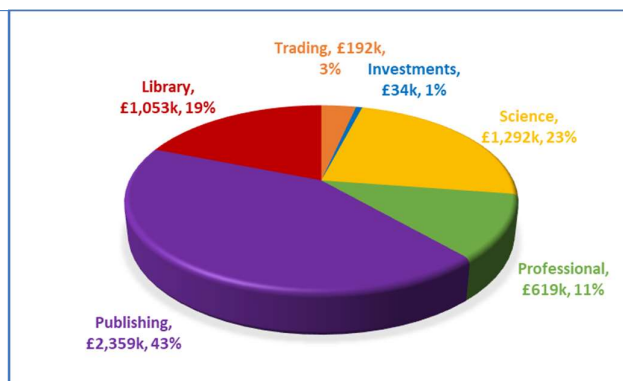
Expenditure of funds

The Society's total expenditure for the year ending 31 December 2018 was £6.18m (2017: £5.55m). Society expenditure has been in line with its charitable objectives and principal sources of funding. Note 8 to the accounts sets out expenditure for the year in further detail, including analysis of direct and support costs across each charitable activity. The following charts summarize expenditure by activity and type for the current and previous years:

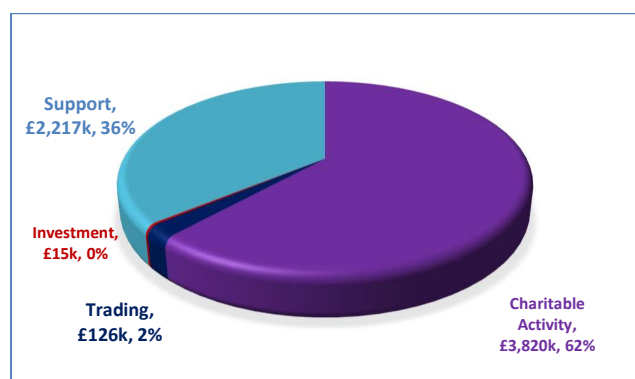
Expenditure by activity 2018



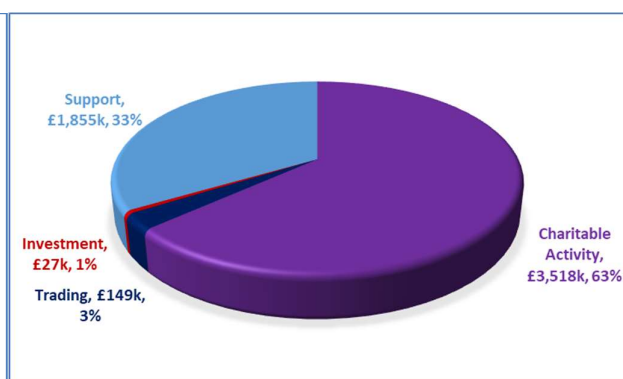
Expenditure by activity 2017



Expenditure by type 2018



Expenditure by type 2017



Support costs are detailed in note 9 to the Financial Statements and staff costs in notes 12 to 15.

Included with the expenditure figures are additional sums for writing off past debtor balances adjudged unrecoverable and providing for further doubtful debts arising during 2018 (£63k). Further, adjustments were made to transfer from the balance sheet to the SOFA certain expenses incorrectly classified as work in progress rather than cost of sales (£156k) and an additional provision for unbilled rent was made following receipt of the final rent calculation from the landlord as part of the ongoing lease renewal discussions. (£208k).

Investments

During 2018, Council adopted a comprehensive investment policy, in line with Charity Commission guidance, to ensure compliance with the Charities (Protection and Social Investment) Act 2016.

The Society invests funds held in its Unrestricted, Designated, Restricted and Endowment Funds to obtain an income whilst seeking to maintain the long term value of the investments in line with inflation. These investments are managed according to the powers defined in the Society's Bye Laws. Independent investment managers are appointed by the trustees, under the oversight of an Investment Committee of Fellows of the Society, reporting to trustees via the Finance and Planning Committee. The Society's working capital funds on deposit do not presently fall within the mandate of the Investment Committee.

The Society has adopted an ethical investment policy to ensure that investments are consistent with the Society's values and ethos and do not conflict with the Society's aims. Individual investments can be excluded if they are perceived to be in conflict with these requirements. The Society's investment manager is expected to display best

practice in the environmental, social and corporate governance stewardship of investments held on the Society's behalf.

The Society maintains an investment portfolio of around £5.9m, managed by professional advisors who make regular, quarterly reports to the Treasurer's Investment Committee. The primary purpose of the portfolio is to provide income through returns and growth in capital to support the current and future charitable activities of the Society. To achieve this, professional advisors are set performance targets against which the Investment Committee (IC) measures performance. Investment income in 2018 was £228k (2017: £284k). Note 5 to the Financial Statements provides further detail.

Investment management charges comprise the advisor's annual fees plus a share of support staff and other overhead charges to reflect internal management of this activity. These charges are apportioned to individual funds within the investment pool on the basis of the value that each fund has invested within the pool. Year on year total investment management charges were £15k in 2018 and £34k in 2017.

As set out above, the total value of the investment pool has dropped during the year. Investment valuations are further explained in note 19.

Trading activities

The Society undertakes non-primary purpose trading (i.e. the hire of facilities and associated catering other than in relation to Society events) through a wholly-owned subsidiary company, Geological Trading Limited. The company's results are consolidated into the Society's annual statement of accounts and are set out at note 32 in further detail. Hire of facilities associated with Society events is accounted for within the Society.

During 2018 trading activity provided income of £39k (£94k in 2017) against costs of sales of £18k (£42k in 2017). When administration costs are also taken into account to cover use of the Society's staff and facilities, the net profit for the year is £4,753 (2017: £35,854). The Board intends resolving to donate the 2018 profit to the Society.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement in respect of fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as 'soliciting or otherwise procuring money or other property for charitable purposes.' Such amounts receivable are presented in our accounts as donations and include legacies and grants. We confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the Senior Leadership Team, who are accountable to the trustees.

The Society is not bound by any undertaking as part of any regulatory scheme relating to fundraising. It has received no complaints in relation to fundraising activities. Its terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds we do not particularise this requirement to fundraising activities, nor do we consider it necessary to design specific procedures to monitor such activities.

Other matters

The Society occupies its apartments at Burlington House on a ten-year renewable lease, the renewal date for which was 31st January 2015. As first reported at the end of 2014, in conjunction with the other Learned Societies at Burlington House the Society continues to be involved in discussions with the landlord regarding the lease. It is anticipated that these discussions will conclude during the first half of 2019 with the signing of a lease.

1.3.2 Reserves

Council agreed a new Reserves Policy in 2016 to build and maintain a contingency sufficient to cover 9 months (75%) of core operational expenditure (within a range of 20% above or below this value, ie. within a 60%-90% range of total core operating expenditure). Core operational expenditure is defined as the full cost of undertaking the Society's charitable activities (including support and administration overheads), as identified in the Statement of Financial Activities.

Under the Charities SORP 2015 free reserves are calculated as the total of investments and net current assets classified as unrestricted funds, less any assigned to designated funds. At 31 December 2018 free reserves stood at £3.0m (2017: £3.4m) against core operational costs of £5.5m (2017: £5.3m). This represents 55.1% of the target (restated 2017: 64.0%) which is below the target range. A comprehensive review of funds, reserves and the composition of core expenditure will take place in 2019, and it is anticipated that both the free reserve and free reserve percentage will increase favourably.

Note 31 to the Financial Statements sets out the calculation of these figures.

1.3.3 Principal risks and uncertainties

The Society receives no funding from central government or public bodies. It is dependent, therefore, upon its own initiatives to generate the income required to carry out its charitable activities. With an annual turnover of £5.5m - £6.0m it is not financially a large organization and, whilst it enjoys healthy revenues at present from its various income streams, these streams are not many and are not immune to change. For these reasons financial control and decision-making is given a high priority in the Society's affairs.

The Society cannot and does not assume that individuals and corporate bodies within the geoscience community will automatically wish to become and remain members: it must keep its membership offering relevant and communicate its activities in a coherent manner. At present individual Fellowship and Chartership income and numbers and corporate membership via the Corporate Affiliate programme are static.

Publishing is a competitive activity and in order to remain successful the Society must manage this activity with a view to market changes and uncertainties. The Society faces significant revenue challenges arising from the Open Access initiative and mitigation measures are currently underway. Competition within the sector remains strong and the Society is alert to the variability of customer demand and the need to maintain investment in technology; all without eroding the high standards of service and quality of content associated with the Society's publishing activities.

Conference and events activity is also subject to volatility, that is mitigated by providing a varied events programme and adapting, where possible, to take account of likely demand peaks and troughs. During 2019, measures are being taken to improve the quality of marketing, resulting in relevant communications specifically targeted towards interested parties rather than a blanket, more passive approach.

Whilst some uncertainty remains over future lease costs in respect of Burlington House, discussions with the Landlord and their agents have and continue to take place to progress towards securing a lease resulting in a sustainable long term future for the Society at Burlington House.

1.4 Plans for future periods

1.4.1 Summary of future plans

Business Plan 2019

In order to achieve the objectives of the Society's 2017-2027 Strategy (see section 1.1.2), Council approved a 2019 Business Plan in November 2018. This sets priorities for achieving strategic objectives on a three-year rolling basis and is divided into themes that are tied back directly to the Strategy. Operational objectives and deliverables are defined, together with timescales, resources and responsibilities.

Priorities identified in the 2019 Business Plan are as follows.

A home for geoscience

- Review awards and grants to ensure maximum impact and efficient use of available funding (ongoing from 2018)
- Review existing membership categories as well as scope for any new categories of member (ongoing from 2018)
- Task the early career group to investigate and report on best practice in other professional bodies aimed at increasing early career engagement

Serving and supporting geoscientists

- Develop the Society's Conferences Team and review scope for expanding the range of Society events (ongoing from 2018)
- Roll out the Council approved Code of Conduct for all Society conferences and events
- Overhaul guidelines and support for authors, reviewers and editors
- Participate in scoping working group for Open Access initiative and, subject to approvals, implement actions to facilitate Society participation
- Plan and implement survey to measure author satisfaction with editorial, production and marketing services

Maintaining standards

- Review and update the Chartership Development Plan and associated chartership documentation to increase Chartership uptake across practitioner community

Trusted voice

- Expand, consolidate and promote the Society's suite of policy briefing documents (ongoing from 2018)
- Establish a Critical Issues Programme to address key areas of policy-relevant geoscience (ongoing from 2018)
- Promote the role of geoscience in sustainable global development
- Publicise research outputs and their relevance to society

Education and outreach

- Grow participation in Earth Science Week in the UK
- Develop and support an expanded school visit and field-trip programme
- Roll out Safeguarding Policy
- Review the degree accreditation scheme with regard to diversity, inclusion and employability (ongoing from 2018)
- Develop careers resources and activities and promote their uptake

Strengthening the organization

- Complete the implementation of the 2017/18 IT review
- Develop the Society's people, including creation of workforce, recruitment and volunteer development plans (ongoing from 2018)
- Re-structure existing committees and related groups to create a Development Committee to oversee fundraising
- Develop and implement Development (Fundraising) Strategy
- Develop and implement plans to secure the Society's long-term future at Burlington House

1.5 Structure, governance and management

1.5.1 Governing instrument

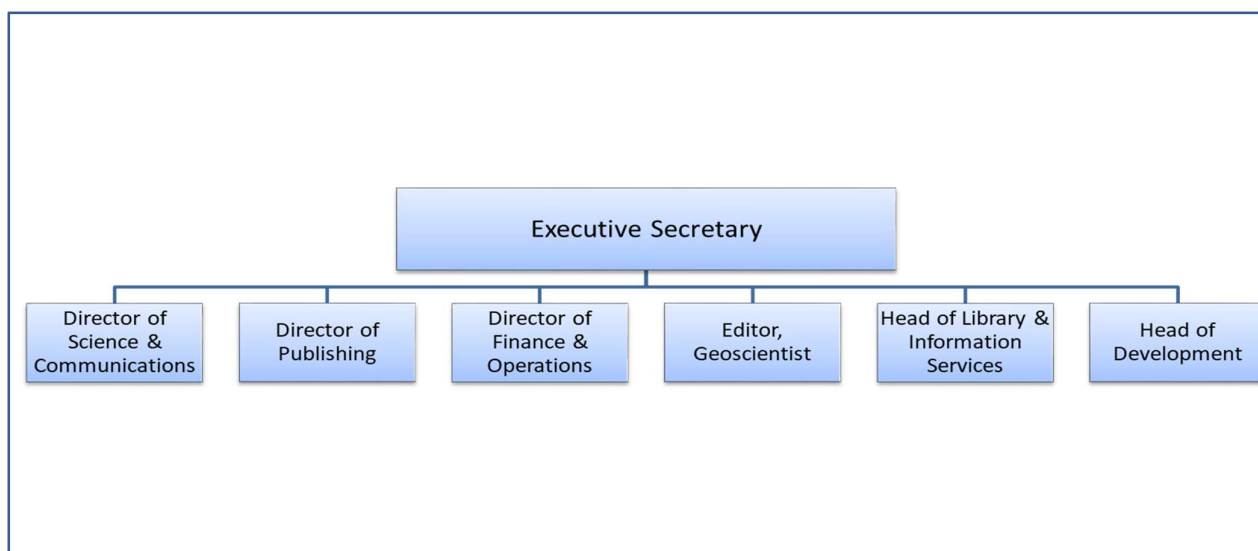
The Society was founded in 1807 and incorporated by Royal Charter in 1825 (amended by a Supplemental Charter in 2005). This remains its governing instrument, from which its Bye-Laws (revised in 2000 and amended in 2003) are derived.

1.5.2 Organizational structure of the Society

The Society is based on two sites: its headquarters at Burlington House, Piccadilly, London; and its Publishing House in Bath.

Its governing body of trustees is known as Council and its governance and decision-making structures are set out in section 1.5.3 below.

The Society's work is carried out on a day to day basis under the direction of the Executive Secretary. Staff of the Society are organized into the following areas of responsibility:



The majority of the Society's activities are undertaken by the Society as a charitable body. Geological Trading Limited is the Society's single wholly-owned subsidiary company. Its principal activity is to undertake the non-primary purpose trading of the Society, primarily hire of rooms and catering at Burlington House. The subsidiary company files separate accounts in accordance with the requirements of the Companies Act 2006; its results are also consolidated within the Society's financial statements, which are annotated accordingly.

Details relating to the organizational structure of the Society's subsidiary company are set out at section 1.5.4 below.

1.5.3 Governance and decision making

Governance structure

The Society is governed by a Council of 23 members (plus any additional co-opted members), including the President, and four secretaries; there are also up to three Vice Presidents. All official roles are honorary. Council is chaired by the President, and meets five times each year, including one strategy meeting in September.

Presidents are elected for two years, and the President-designate serves for one year on Council before assuming office. Council members are drawn from the Society's Fellowship and may be proposed by any Fellow or by Council, as set out in the Society's bye-laws. Council members are elected for three years and are collectively the Society's trustees. The Fellowship elects Council members by ballot of all present at the Annual General Meeting. All elections are overseen by an Elections Committee. There is an annual Induction Day, open to both new and existing Council members, to ensure that they are made aware of the Society's activities, objects and governance structures, as well as Charity Commission guidance on public benefit and their responsibilities as trustees.

New Fellows are elected by the Fellowship at Ordinary General Meetings (OGMs) of the Society, when names submitted to Council are formally proposed.

On President's Day, the Society has its Annual General Meeting (AGM), when the Fellowship receives reports from Officers and the Annual Accounts and approves fellowship dues for the coming year. Occasionally, for such matters as altering its Bye-laws, the Society may call a Special General Meeting (SGM). More detail about AGMs, OGMs and SGMs can be found in the Society's Bye-laws. All meetings are advertised in the Events section on the Society's website.

Decision making

All significant decisions relating to the running of the Society are taken or approved by Council. In addition, the Society has formally constituted decision-making bodies in which detail will be considered before a recommendation is made to Council. The members of these bodies are set out online at www.geolsoc.org.uk/About/Governance/Committees and comprise the following:

- (i) **Council Officers Group** – the President, Vice-Presidents, Secretaries and Treasurer meet prior to each meeting of Council and are responsible for ensuring the efficient management of the Society. Chaired by the President. The Officers group met 4 times during 2018.
- (ii) **Finance and Planning Committee** – responsible for the financial health of the Society through effective control and transparency of the accounting processes, timely financial planning and investment management. Chaired by the Treasurer. The FPC met 6 times during 2018.
- (iii) **Professional Committee** – responsible for promoting professional excellence and ethical standards in the Earth sciences for the public good. Chaired by the Secretary, Professional Matters. The PC met 5 times during 2018.
- (iv) **Science Committee** – responsible for maintaining and implementing a science strategy for the Society that reflects its charitable aims and objectives, including through the Society's conference programme. Chaired by the Secretary, Science. The SC met 3 times during 2018.
- (v) **External Relations Committee** – responsible for setting the Society's approach to policy, education and outreach, communications, media relations, international matters and links with other organizations. Chaired by the Secretary for Foreign and External Affairs. The ERC met 3 times during 2018.

- (vi) **Publications and Information Committee** – responsible for the publication and distribution of high-quality, peer-reviewed Earth science literature in accordance with the Society’s charitable aims, and maintaining a library of physical and electronic resources for the Earth science and wider community. Chaired by the Secretary, Publications. The PIC met 3 times during 2018.
- (vii) **Audit Committee** – responsible for reviewing accounting procedures, internal control and financial risk, as well as for conducting a detailed examination of the Society’s draft annual financial statements. Chaired by a Fellow of the Society. The Audit Committee met twice during 2018.
- (viii) **Awards Committee** – responsible for consideration of nominations received from the Fellowship for the Society’s awards and medals. Chaired by the President. The Awards Committee met twice during 2018.
- (ix) **Elections Committee** – responsible for ensuring the proper conduct of elections to Council, including the nomination and election of officers. Chaired by the President. The EC met twice during 2018.

The Society also operates various sub-committees and special groups which report to these standing committees.

Executive Secretary and Senior Leadership Team

The Executive Secretary is the senior executive of the Geological Society. He is responsible to the President for operational management of the Society’s affairs and successful delivery of strategy and business plans. The Executive Secretary assists Council in determining strategic objectives and ensures these are achieved through effective deployment of resources, strong relationships with key partners, and leadership of the Society’s staff.

The Executive Secretary is assisted in the day-to-day running of the Society by three Directors, as set out in the diagram at section 1.5.2. The Executive Secretary and Directors together form the Society’s Senior Leadership Team.

Risk management

The Trustees and Senior Leadership Team actively review the major risks to which the charity is exposed on a regular basis. Systems and procedures have been put in place to manage those risks. These include a formal Risk Register that is reviewed regularly by the Senior Leadership Team, standing committees and Council. The Finance and Planning Committee also carries out an annual review of all risks.

1.5.4 Subsidiary company

Geological Trading Limited, registered in England as company number 3522033, is a wholly-owned trading subsidiary of the Geological Society of London, offering room hire and associated catering services to the limited extent that is permitted under the lease. The company’s results are consolidated into the Society’s Financial Statements and further details are provided in notes 1 and 32 to the Financial Statements. The company also produces separate accounts in accordance with the Companies Act 2006.

The company is governed by a board of directors who are nominated by the Geological Society as shareholder. Directors may serve either until they decide to step down voluntarily, they leave the Society, or the Society determines that their services are no longer required. Board meetings are held at least once every year.

The company is managed on a day-to-day basis by the staff of the Geological Society, acting on behalf of the directors. For this service the Society charges the company an administration fee which is shown in the company’s accounts at note 32.

1.5.5 Related parties and wider networks

Interests in other bodies

The Society has a $\frac{1}{3}$ interest in Petroleum Geology Conferences Ltd, a joint venture with the Energy Institute and the Petroleum Exploration Society of Great Britain, for the purpose of organizing, promoting and running a series of international petroleum geology events which take place at intervals of four to six years. To date, 8 events have been organised over the years. Discussions with our partners in this entity are ongoing with a view to determining whether the current arrangement is appropriate and relevant for the mutual benefit of the stakeholders. It is anticipated that these discussions will conclude during 2019.

With the exception of listed investments, the Society holds no other interests, in whole or in part, in any other organization.

Collaborations

The Society is the oldest national geological society in the world and draws its memberships from all parts of society around the globe. It maintains a range of regional and specialist groups (details of which may be found on its website) and collaborates with a number of other organizations in fulfilling its charitable aims. These include specifically:

- (i) **University Geoscience UK** – we work together on a wide range of issues relating to higher education and research in the university sector, including through our Joint Higher Education Committee.
- (ii) **Earth Science Teachers Association** – ESTA is a key partner for delivery of our schools programme, including the annual Geoscience Education Academy.
- (iii) **Geologists' Association** – the GA plays a vital role as the national body for amateur geologists, and we work together on areas including geoconservation, public engagement and raising the visibility of geology.
- (iv) **Geology for Global Development** – we work together to identify and promote challenges in future sustainability that can be addressed and championed by the geology community.

The Society accredits undergraduate and MSc degree programmes provided by universities and other Higher Education Institutions. It also validates in-house professional training schemes provided by employers. As the UK's professional body for Earth science, it awards to suitably qualified Fellows the titles of Chartered Geologist, Chartered Scientist and European Geologist (under licence from the Science Council and European Federation of Geologists respectively); it also co-operates with other similar overseas bodies, including the American Association of Petroleum Geologists, the American Institute of Professional Geologists, the Institute of Geologists of Ireland and many others now recognised through its Associated Societies scheme. The Society is the UK adhering body to the International Union of Geological Sciences.

1.5.6 Pay policy for senior staff

The senior staff members of the charity are identified at section 1.6.3. The pay of the senior staff is reviewed annually at the same time and in line with the review of pay for all staff. Senior staff receive a recurring pay award that is the same as that awarded to all staff and which has been considered and approved by the Finance and Planning Committee. In addition and as part of a new scheme in which all staff participate, senior staff may receive an annual bonus that is linked to achievement of agreed objectives. Details relating to senior staff pay are also set out in notes 14 and 15 to the accounts.

1.6 Reference and administrative details

1.6.1 Legal and administrative information

Charity details

Name of charity:	The Geological Society of London
Charity registration number:	210161
Principal office:	Burlington House, Piccadilly, London W1J 0BG

Subsidiary company details

Name of company:	Geological Trading Limited
Company registration number:	03522033
Registered office:	Burlington House, Piccadilly, London W1J 0BG

1.6.2 Trustees

Council is the trustee body of the Society. The following named persons were trustees of the charity on the date this report was approved:

Honorary Officers -

President:	Prof Nicholas Rogers
Vice Presidents:	Mr John Booth Mr Nicholas Reynolds Mr John Talbot Mr Keith Seymour
Secretaries:	Prof Katherine Royse Dr Colin North Dr Sarah Gordon Dr Alexander Whittaker
	Treasurer: Mr Graham Goffey

Other members of Council -

Mr Thomas Backhouse, Mr Andrew Bloodworth, Dr Jason Canning, Ms Lesley Dunlop, Prof James Griffiths, Ms Naomi Jordan, Prof Chris King, Dr Robert Larter, Prof Bryne Ngwenya, Dr Sheila Peacock, Miss Jessica Smith, Dr Helen Smyth and Prof Robin Strachan.

The following named persons also served on Council as trustees during the financial year to which this report relates but stepped down prior to the date this report was approved:

Mr Rick Brassington, Mr Malcolm Brown, Miss Liv Carroll, Dr Marie Edmonds, Mrs Tricia Henton, Dr Jennifer McKinley and Prof Christine Peirce.

There are no corporate trustees of the charity and no trustee holds title to property belonging to the charity.

1.6.3 Senior Leadership Team

The following named persons were senior staff members of the charity to whom day-to-day management of the charity was delegated by the trustees for the financial year to which this report relates:

Executive Secretary	Dr Richard Hughes
Director of Science & Communications: - from Aug 2018	Dr Alicia Newton
Director of Publishing:	Mr Neal Marriott
Director of Finance & Operations: - from Aug 2018	Mr Alex McPherson

1.6.4 Professional advisors and other relevant organizations

The following named organizations and persons have been associated with the charity for the financial year to which this report relates:

Bankers:	Coutts & Co, 440 Strand, London WC2R 0QS
Solicitors:	Bristows, 100, Victoria Embankment, London EC4Y 0DH
Auditors:	RSM UK Audit LLP, 25 Farringdon Street, London, EC4A 4AB
Investment advisors:	Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

2. Reports of the President, Treasurer and Executive Secretary

2.1 President's report

From the President, Prof Nick Rogers

The theme of this year's Annual Review, 'Geology for the future', is emblematic of much of the Society's work in 2018, which marked the first full year in office of our now not so new Executive Secretary, Richard Hughes. Much of Richard's time has been spent in planning and preparing the society for the many challenges that lie ahead.

2018 also marked the Society's Year of Resources, a topic which is increasingly high on the news agenda as humanity becomes ever more hungry for natural resources, and we face serious questions as to the capability of our planet to satisfy our ravenous appetite for energy and minerals. Geologists have of course been critical to the discovery and development of mineral and energy resources and will continue to be in the future. The themed year saw a busy programme of meetings, conferences, lectures and discussions on topics as diverse as the future of energy, lithium, ethically-sourced gem stones and many others. As always, the subjects varied from highly specialised to general interest, and from pure science to applied. This is one of the great pleasures of our science and of the Society, in that it provides a home for all those interested in the origin and use of 'the mineral structure of the Earth'. Indeed, I have been consciously trying to attend events that are outside my somewhat limited field of expertise and as a result have learned much about engineering geology and the role of the geologist in capacity building in the developing world, to cite just two examples.

Our successful exploitation of the Earth's mineral resources has however led to serious environmental consequences, the most significant being climate change, the amelioration of which will require considerable global effort. Our political classes have been far too sluggish in responding to a problem that is arguably the greatest challenge humanity has yet faced. Students and school children are aware of the issue, but they seem less aware that geology has a significant role to play in those solutions. Young people are our most significant resource for the future, yet numbers of students applying for university places to study geology are declining. The reasons for this are unclear but we do need to make a continued concerted effort to promote a positive image of our science amongst the younger generation in order to reverse that trend.

To that end the Society's education and outreach programme continued through 2018 with plenty of activities to engage younger people. This included our increasingly popular Schools Geology Challenge and Early Career Award, now held on separate days because of the increase in interest from Regional Groups. Our Plate Tectonic Stories competition featured categories for schools and young people, who rose to the challenge to tell a story about plate tectonics in a form of their choosing. The results ranged from posters and videos to models and dance! And of course, Earth Science Week gathers an increasing number of activities each year while our Geoscience Education Academy was oversubscribed.

For the society to continue to play a part in the future of geology we need to ensure that we have a secure home. The Fellowship is aware that the society occupies Burlington House under a lease arrangement from the landlord, HM Government. Discussions at ministerial level began in late 2018 with a view to reaching an agreement that would guarantee the society's long-term future at Burlington House. At the time of writing those discussions are still in progress but are looking positive and we hope that later in 2019 we will be able to let the Fellowship know of the results.

2.2 Treasurer's report

From the Treasurer, Mr Graham Goffey

Strengthening the organisation

Following a number of strong financial years for the Society, the full year 2018 outturn may slightly surprise Fellows, recording as it does a significant loss of £649k. As ever, the devil is in the detail, and I will first characterise the underlying financial performance of the Society before addressing several exceptional items contributing to the overall outturn.

As reported last year, income has historically been on a rising trend and at £5.8m, 2018 income was directly comparable to that in 2017. Conversely, expenditure and charges increased from £5.5m in 2017 to £6.2m in 2018. We typically look for growth in expenditure to follow growth in income, and the differential in 2018 reflects a combination of an absence of budgeted income growth in several areas, and certain unforeseen costs. Staff numbers have increased through 2018, both in the Publishing House and through the addition of a dedicated head of development in the Society, and there is likely to be a lag before these new roles generate an anticipated income increase. Additionally, the conference activities of the Society did not perform in line with expectations in 2018. The recruitment of a new head of events, under our new Director of Science and Communications, Alicia Newton, is bringing renewed energy and enthusiasm to this area of the Society's activities, which contributes appreciably to income.

On the expenditure side, since 2014 and following the unsuccessful arbitration proceedings, the Courtyard Societies had not received formal rent demands for Burlington House, necessitating provision for rent on an estimated basis; this was an uncertain amount given the nature of the lease. Outstanding rent has now been invoiced, in parallel with ongoing discussions regarding the Burlington House lease with the landlord, the Department of Housing, Communities and Local Government. The outstanding rent contributed some £200k of unforecast expenditure, which will be met through monies set aside in the Society's building fund, but is a significant contribution to the negative year end outturn. A number of other variances from budget contributed to over-expenditure, in particular costs incurred to finalise the the long-awaited customer relationship module (CRM). It is hoped that a further update on the lease status can be given at the Society's 2019 AGM.

The overall negative financial outturn of £649k also reflects several unrealised and exceptional items. After many years of strong growth, as a result of volatility in financial markets, the value of the Society's investment portfolio fell by £427k, largely reversing the unrealised gains of the previous year. The Society's portfolio is managed mainly to generate income whilst maintaining overall fund value in real terms over the long term, and this unrealised loss was limited by the adoption in early 2018 of a more defensive investment position. As I write (March 2019) much of these losses have been recovered, with recovery of the markets. Also in 2018, Council approved a comprehensive policy for the society's investment funds, and work continues to assess the scope to develop the ethical aspects of this policy.

On the positive side, the Society deliberately took advantage of the weakness of the GB pound to liquidate a significant part of our US dollar currency holdings, contributing towards realised and unrealised gains of £130k. Finally, our newly recruited Director of Finance and Operations, Alex McPherson, has been conducting a thorough review of elements underlying the Society's balance sheet and this review has necessitated a material charge in connection with prior year cost of Publishing House sales (£156k). Additionally, certain historic debtor balances have also been written off following a review of the prospect for further recovery (£63k). This process is part of a wider review of financial

controls, procurement and reporting is expected to lead to future benefits including long term cost savings and better treasury management.

From a wider operational perspective, the upgraded CRM and financial management software finally went live in 2018. This has been a difficult process exacerbated by factors including the complex and bespoke historic processes utilised in a number of areas of the Society's activities. Work continues to improve system stability and the user experience. A further major task during 2018 was an overhaul of the Society's staff remuneration structures, including a salary benchmarking of all roles within the organisation. This has led to a revised salary and benefits structure which is better aligned to the goals regularly laid out in the Society's annual 'business plan'. This review inevitably led to some uncertainties within the organisation as the protracted process took place, and the forbearance of staff during this lengthy process is appreciated.

The Society has long needed to improve its systems and processes and the delay to the CRM has set this process back, whilst several long term staff members also left the organisation during 2018. However the influx of new staff – both in the Publishing House and in Burlington House – has brought a refreshing willingness to consider how the Society can function differently and better, and an enthusiasm to bring aspects of the Society into the 21st Century. This organisational strengthening and process of culture change within the organisation can be expected to gain momentum in 2019 as new staff settle in. It is hoped that this will alleviate a general concern regarding the high level of demand being placed on staff in several areas of the organisation. By addressing our systems, processes and resourcing, 2019 will continue an overall organisational strengthening process, to allow the Society to better undertake its core purposes, serving science, society and Fellowship.

2.3 Report of the Executive Secretary

From Dr Richard Hughes

Geology is sometimes called a science of slow, incremental change – thanks in part to the work of our illustrious former Fellow, Charles Lyell. 2018 was, in contrast, a year of relatively rapid change for the Society, with a number of long-standing staff members moving on to new challenges. We wish them all the best, and thank them for their hard work and commitment to the Society. In particular, we said goodbye to Commissioning Editor Angharad Hills after 32 years, Director of Policy and Communications Nic Bilham and Geoscientist Editor Ted Nield, both of whom were with the Society for more than 20 years.

Change is an opportunity as well as a challenge, and we were pleased to welcome several new staff members to the Society last year, including two new Directors, Alicia Newton and Alex McPherson. We've also recruited our first Head of Development, Jenny Boland – a welcome addition to the team as we look towards ways to diversify our income streams.

Our science theme for 2018 was 'Resources', and we spent the year exploring the many ways in which geology contributes to our lives, both in the search for critical minerals and materials, and in growing our understanding of the Earth around us by promoting geology as a career opportunity. Our meetings programme marking the Year of Resources began early with the second Bryan Lovell meeting in late 2017, exploring 'Mining for the Future'. It was followed up in 2018 by a flagship meeting, 'Lithium: from exploration to end user' in April, and the William Smith meeting, 'Mineral resources at the frontier' in July. We also explored the theme of resources with an expanded range of education resources, including a free poster for schools outlining the many minerals within smartphones, and October's Earth Science Week, focusing on 'Earth science in our lives.'

Alongside staff, the Society's greatest resource, of course, is our ever-growing Fellowship, many of whom contribute significant amounts of time to voluntary activities within the Society – whether as members of committees, attendees at our outreach events or in providing their expertise to working groups, policy responses, statements and press releases. Without these contributions, much of our work simply wouldn't happen – our thanks, as ever, to all of you.

Our thanks as well to everyone who contributed to our Fellowship survey last year – we were pleased to receive nearly three thousand responses in total. This has provided us with hugely valuable information with which to go about improving member services and benefits in the future. Of course, we're always happy to hear Fellows' views on what aspects of membership they find most valuable, so if you weren't able to complete the survey, you're always welcome to contact us.

In our 211th year, that survey revealed Society membership is not just growing in the UK, but further afield, with 21% stating they reside outside the UK. Around 37% were under the age of 45, suggesting the Society continues to cater to the needs of early career members. There is still work to be done in terms of the diversity of our membership, and indeed the science – our work with Diversity in Geoscience UK, Athena SWAN and the Science Council/Royal Academy of Engineering's Diversity and Inclusion Progression Framework continues to address this.

Among the most gratifying findings from the 2018 survey is that nearly three quarters of respondents view Geological Society Fellowship as beneficial to their career, and wish to be a Fellow in two years' time – an indication that, in times of change, membership of the Geological Society remains as relevant as ever to geoscientists at every stage of their career.

3. Responsibilities of the trustees

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law that is applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and the charity and of the incoming resources and application of resources of the group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities Statement Of Recommended Practice ('SORP') 2015;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. This is published in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements and may differ from legislation in other jurisdictions.

The Trustees who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Signed on behalf of the Trustees:



Prof Nicolas Rogers
President

Date: 9th May 2019



Mr Graham Goffey

Treasurer

Date: 9th May 2019

4. Independent auditor's report to the Council of the Geological Society of London

Opinion on financial statements

We have audited the financial statements of The Geological Society of London (the 'charity') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the group and parent charity Statement of Financial Activities, the Group and parent charity 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"(United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 December 2018 and of their incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 the financial statements section of our report. We are independent of the group and parent charity 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 or parent charity'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 trustees are responsible for the other information. The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Report of the Trustees; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 25 the trustees 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's and parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters 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 anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
Date: 20 May 2019

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

5. Statements of Financial Activities

5.1 Consolidated Statement of Financial Activities as at 31 December 2018

	Note	2018				2017			
		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Income and endowments from:									
Donations and legacies	2	26,741	-	-	26,741	426	32,000	-	32,426
Charitable activities									
- Science & education	3.a	442,856	-	-	442,856	468,768	-	-	468,768
- Professional & academic standards	3.b	823,739	-	-	823,739	677,876	-	-	677,876
- Scholarly publishing	3.c	3,487,876	-	-	3,487,876	3,398,502	-	-	3,398,502
- Library & archives	3.d	584,095	-	-	584,095	562,501	-	-	562,501
Other trading activities									
- Room hire & catering	4	233,085	-	-	233,085	291,896	-	-	291,896
Investments	5	210,526	17,176	-	227,702	170,084	113,980	-	284,064
Other income	6	-	-	-	-	52,013	-	-	52,013
Total income		5,808,918	17,176	-	5,826,094	5,622,066	145,980	-	5,768,046
Expenditure on:									
Raising funds									
- Room hire & catering	7.a	188,018	-	-	188,018	191,588	-	-	191,588
- Investment management costs	7.b	15,072	-	-	15,072	20,553	13,353	-	33,906
Charitable activities									
- Science & education	8.a	1,495,139	33,726	2,000	1,530,864	1,249,897	41,962	-	1,291,859
- Professional & academic standards	8.b	667,686	-	-	667,686	614,064	4,983	-	619,047
- Scholarly publishing	8.c	2,628,881	-	-	2,628,881	2,280,994	78,271	-	2,359,265
- Library & archives	8.d	1,146,923	-	-	1,146,923	1,034,042	19,181	-	1,053,223
Total expenditure		6,141,718	33,726	2,000	6,177,444	5,391,138	157,750	-	5,548,888
(Deficit) / Surplus of income over expenditure		(332,800)	(16,550)	(2,000)	(351,350)	230,928	(11,770)	-	219,158
Net gains / (losses) on investments	19	(254,569)	(33,283)	(139,621)	(427,473)	217,337	28,415	119,203	364,955
Net income/(expenditure)		(587,369)	(49,833)	(141,621)	(778,823)	448,265	16,645	119,203	584,113
Other gains / (losses) in year	20	77,194	10,093	42,338	129,625	(149,234)	(859)	(3,606)	(153,699)
Net movement in funds		(510,175)	(39,740)	(99,283)	(649,198)	299,031	15,786	115,597	430,414
Reconciliation of funds:									
Total funds brought forward		7,605,578	863,583	2,024,201	10,493,362	7,306,547	847,797	1,908,604	10,062,948
Total funds carried forward		7,095,403	823,843	1,924,918	9,844,164	7,605,578	863,583	2,024,201	10,493,362

The notes on pages 33-58 form an integral part of these Financial Statements.

5.2 Charity only Statement of Financial Activities as at 31 December 2018

	Note	2018				2017			
		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Income and endowments from:									
Donations and legacies	2	26,741	-	-	26,741	36,280	32,000	-	68,280
Charitable activities									
- Science & education	3.a	442,856	-	-	442,856	472,427	-	-	472,427
- Professional & academic standards	3.b	823,739	-	-	823,739	677,876	-	-	677,876
- Scholarly publishing	3.c	3,487,876	-	-	3,487,876	3,398,502	-	-	3,398,502
- Library & archives	3.d	584,095	-	-	584,095	562,501	-	-	562,501
Other trading activities									
- Room hire & catering	4	194,015	-	-	194,015	219,021	-	-	219,021
Investments	5	210,526	17,176	-	227,702	170,084	113,980	-	284,064
Other income	6					43,000	-	-	43,000
Total income		5,769,848	17,176	-	5,787,024	5,579,691	145,980	-	5,725,671
Expenditure on:									
Raising funds									
- Room hire & catering	7.a	153,700	-	-	153,700	149,213	-	-	149,213
- Investment management costs	7.b	15,072	-	-	15,072	20,553	13,353	-	33,906
Charitable activities									
- Science & education	8.a	1,495,138	33,726	2,000	1,530,864	1,249,897	41,962	-	1,291,859
- Professional & academic standards	8.b	667,686	-	-	667,686	614,064	4,983	-	619,047
- Scholarly publishing	8.c	2,628,881	-	-	2,628,881	2,280,994	78,271	-	2,359,265
- Library & archives	8.d	1,146,923	-	-	1,146,923	1,034,042	19,181	-	1,053,223
Total expenditure		6,107,400	33,726	2,000	6,143,126	5,348,763	157,750	-	5,506,513
(Deficit) / Surplus of income over expenditure		(337,552)	(16,550)	(2,000)	(356,102)	230,928	(11,770)	-	219,158
Net gains / (losses) on investments	19	(254,569)	(33,283)	(139,621)	(427,473)	217,337	28,415	119,203	364,955
Net income/(expenditure)		(592,121)	(49,833)	(141,621)	(783,575)	448,265	16,645	119,203	584,113
Other gains / (losses) in year	20	77,193	10,093	42,338	129,624	(149,234)	(859)	(3,606)	(153,699)
Net movement in funds		(514,928)	(39,740)	(99,283)	(653,951)	299,031	15,786	115,597	430,414
Reconciliation of funds:									
Total funds brought forward		7,605,578	863,583	2,024,201	10,493,362	7,306,547	847,797	1,908,604	10,062,948
Total funds carried forward		7,090,650	823,843	1,924,918	9,839,411	7,605,578	863,583	2,024,201	10,493,362

The notes on pages 33-58 form an integral part of these Financial Statements.

6. Balance Sheets at 31 December 2018

	Note	Consolidated Balance Sheet				Charity Only Balance Sheet			
		2018		2017		2018		2017	
		£	£	£	£	£	£	£	£
Fixed assets:									
Intangible assets									
- website development	16	24,401		46,773		24,401		46,773	
- IT systems development	16	765,520	789,921	667,074	713,847	765,520	789,921	667,074	713,847
Tangible assets									
- leasehold property	17	378,005		411,439		378,005		411,439	
- equipment, fixtures & fittings	17	95,315		96,118		95,315		96,118	
- computer equipment	17	91,248	564,568	102,101	609,658	91,248	564,568	102,101	609,658
Heritage assets									
- library holdings	18		1,200,102		1,140,670		1,200,102		1,140,670
Investments									
- listed and traded investments	19	5,763,243		6,122,117		5,763,243		6,122,117	
- portfolio cash	19	145,363	5,908,606	182,119	6,304,236	145,363	5,908,606	182,119	6,304,236
Total fixed assets:			8,463,197		8,768,411		8,463,197		8,768,411
Current assets									
Stocks	21								
- finished stock		212,295		252,013		212,295		252,013	
- work in progress		79,745		136,154		79,745		136,154	
Debtors	22	287,890		518,022		367,788		593,846	
Investments	23	318,573		1,508,233		318,573		1,508,233	
Cash at bank and in hand		3,563,052		2,336,117		3,475,770		2,251,674	
Total current assets			4,461,555		4,750,539		4,454,171		4,741,920
Liabilities									
Creditors									
- amounts falling due within 1 year	24	(3,080,588)		(3,025,588)		(3,077,957)		(3,016,969)	
Net current assets			1,380,967		1,724,951		1,376,214		1,724,951
Total net assets or liabilities			9,844,164		10,493,362		9,839,411		10,493,362
The funds of the charity:	26								
Unrestricted funds	27	7,095,403		7,605,578		7,090,650		7,605,578	
Restricted income funds	28	823,843		863,583		823,843		863,583	
Endowment funds	29	1,924,918		2,024,201		1,924,918		2,024,201	
Total funds			9,844,164		10,493,362		9,839,411		10,493,362

The notes on pages 33-58 form an integral part of these Financial Statements.

Approved by the trustees on 9th May 2019 and signed on their behalf by:



Mr Nick Rogers
President



Mr Graham Goffey
Treasurer

7. Consolidated Cash Flow Statement for the year ended 31 December 2018

	Note	2018		2017	
		£	£	£	£
Cash flows from operating activities:					
Net cash provided by operating activities:	33		125,075		33,753
Cash flows from investing activities:					
Dividends and interest from investments:		227,702		284,064	
Purchase of property, plant and equipment		(413,284)		(641,703)	
Proceeds from sale of investments:	19	543,608		5,727,642	
Purchase of investments:	19	(575,451)		(5,748,532)	
Net cash provided by investing activities:			(217,425)		(378,529)
Cash flows from financing activities:					
Net cash provided by financing activities:			-		-
Change in cash and cash equivalents in the reporting period:			(92,350)		(344,776)
Cash and cash equivalents at the beginning of the reporting period:	34		3,844,350		4,342,825
Change in cash and cash equivalents due to exchange rate movements:	20		129,625		(153,699)
Cash and cash equivalents at the end of the reporting period:	34		<u>3,881,625</u>		<u>3,844,350</u>

The notes on pages 33-58 form an integral part of these Financial Statements.

8. Notes forming part of the Financial Statements

1 Accounting policies

The accounting policies set out below have been applied consistently in the preparation of the financial statements.

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, the Charities Act 2011, and the Statement of Recommended Practice, Accounting and Reporting by Charities ('SORP'), effective 1 January 2015 and Financial Reporting Standard ('FRS') 102, which the Society has adopted. The 2005 Charities SORP, which has been withdrawn but is still referred to in the extant Charities (Accounts and Reports) Regulations 2008, is not used in order for the financial statements to show a true and fair view in accordance with United Kingdom Generally Accepted Accountancy Practice effective for accounting periods beginning on or after 1 January 2015.

Figures are prepared using the historical cost convention, with the exception of investments which are included at market value.

The Society's accounts are prepared on the basis that it is a going concern. It continues to produce an annual surplus of income over expenditure and has set its 2019 budget on the reasonable assumption that this will continue. The trustees have assessed the Society's ability to continue on this basis and are assured of the validity of this assumption.

(b) Changes in accounting policy

There were no changes to accounting policy in the 2018 financial year.

(c) Consolidated accounts

These financial statements are consolidated, bringing together on a line by line basis the accounts of the Geological Society of London and its wholly owned subsidiary trading company: Geological Trading Limited. The reporting dates for both entities is 31 December of each year.

Separate Statements of Financial Activities and Balance Sheets are also provided that show the charity-only position at the reporting date. The results, assets and liabilities of Geological Trading Limited are shown in Note 32.

(d) Income

Income is recognized and accounted for on an accruals basis. This means that it is attributed to the reporting year to which it relates rather than the year in which it may be received. For example, income received which relates to activities and benefits that occur in the following year is excluded from the Statement of Financial Activities and is included as deferred income in the Balance Sheet. All income of this nature will be released to the Statement of Financial Activities in the financial year that the activities and benefits occur.

Fellowship fees, Corporate Affiliate fees and subscriptions for publications are usually collected in the months leading up to the membership year (and financial year) to which they relate. Generally, those fees collected from September of each year when the fee renewal process is commenced are attributable to the following year and treated as set out above. Income relating to conferences, events and room-hire may also be received in advance and so is treated in accordance with the accruals concept.

Recognized income collected through Fellowship fees and a proportion of income collected as Corporate Affiliate fees is re-allocated to those activities from which the fee payers derive benefit. Note 3 provides further detail.

Income from legacies is recognized when receipt becomes probable, i.e. probate is granted, the executors have established that sufficient funds exist for distribution, and any conditions attached are either discharged or fall within the Society's control.

Any tax credit arising on income received net of tax is accrued as part of the income arising. Legacies are recognized when there is a legal entitlement, it is probable that they will be received and when they are measurable with sufficient reliability.

(e) Expenditure

Expenditure is recognized and accounted for on an accruals basis. This means that it is attributed to the reporting year to which it relates rather than the year in which it may be made. For example, creditor invoices received after year-end but relating to goods or services received by the Society prior to year-end are included as costs in the Statement of Financial Activities and shown as accruals in the Balance Sheet.

Expenditure relating to purchase of fixed assets is capitalized and not included in the Statement of Financial Activities at point of purchase. Depreciation is charged back to the Statement of Financial Activities, however, over the useful life of the asset. Notes 16-18 set out further details of capital costs, depreciation and net book value held.

Expenditure relating to support activities, facilities costs and governance is allocated to front-line activities in the form of overheads. Note 9 describes how this is done.

Grants payable are charged in the year when an obligation arises in accordance with the requirements of the Charities SORP 2015 and are allocated to appropriate charitable expenditure headings.

The Society makes contributions to a group personal pension scheme. The pension cost charge shown represents contributions payable by the Society to the scheme. Any difference between amounts charged in the Statement of Financial Activities and paid to the pension scheme is included in the balance sheet as a liability or asset.

Value Added Tax on purchases and expenses, the reclamation of which is disallowed under partial exemption regulations, is charged as a cost against activities during the year.

(f) Accounting estimates and judgements

Accounting estimates and judgements are continually evaluated based upon experience and reasonable expectations of future events. These include:

- (i) *Income recognition of legacies* – income may be recognized prior to receipt of all funds from a legacy. Where this is the case an estimate of the likely benefit will be made based upon information available from the donor's estate.
- (ii) *Provisions for bad debt* – the Society provides in full for all debt that is over 12 months old. This is based upon experience and ongoing review of debt recovery. Any debt adjudged unrecoverable is fully written off.
- (iii) *Provisions for lease payments due* – provisions are included in creditors for the sums due but not yet billed relating to previous years' lease payments. These are based upon best estimates from information provided by the landlord's agent.

- (iv) *Reserves* – the Society’s reserves policy is set out at section 1.3.2 and is based upon covering expenditure for up to nine months. This was reviewed during 2016 by reference to the reserve levels of other similar organizations and adjusted to a level that the trustees deem to be prudent and appropriate.

(g) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities as foreign exchange gains or losses.

(h) Fixed assets

Redevelopment of the Society’s website, which is seen as an important mechanism for delivering its charitable activities, is classified as an intangible fixed asset. Upgrade of core business systems, and those used for Fellowship and Publishing is treated in the same way. Note 16 sets out further details of capital costs, amortization and net book value held.

Tangible fixed assets include improvements to the leasehold property occupied by the Society at Burlington House, capitalized equipment, fixtures and fittings at both London and Bath sites, and computer equipment. Note 17 details costs, depreciation and net book value held, as well as the basis for charging depreciation to Income and Expenditure accounts. No land is owned by the Society.

The Society classifies its library collection and collection of portraits, busts, historical furniture and the Society’s Charter as heritage assets. Note 18 sets out how such assets are treated.

Equities and bonds held by the Society to generate income over a period longer than a single year are classified as fixed asset investments. Note 19 sets out further details.

(i) Current assets

The Society holds stock of scientific publications produced by its Publishing House, as well as a small stock of works produced by third parties for re-sale. These are recognized as current assets in the balance sheet and note 21 provides further detail, including policy on the treatment of Work In Progress.

Debtors include amounts owed to the Society and incorporate a provision for bad debt. This is based on providing for non-payment of all debt that is more than 12 months old. Note 22 sets out further details.

In addition to its fixed asset investments, the Society separately operates a money market account, which is classified as current asset investments. These are further described in note 23.

Cash is held by the Society and its Regional Groups primarily in Sterling but also in US Dollars and Euros. Foreign currency is accounted for as set out above.

(j) Current liabilities

Creditors include amounts owed by the Society. Deferred income collected during the year but relating to following years (see above) is also classified as a creditor. Note 24 sets out further details.

(k) Funds and reserves

The Society recognizes the following classifications of funds and reserves:

- (i) **Unrestricted general funds** – balances arising from income that is not otherwise restricted or designated in any manner;
- (ii) **Unrestricted designated funds** – unrestricted balances that the trustees have earmarked for specific purposes (and which may be re-assigned at trustees' discretion);
- (iii) **Restricted income funds** – balances that are restricted by a deed of trust to use only for specific purposes;
- (iv) **Endowment funds** – expendable endowments where the trustees have the power to convert funds into income as established by the terms of the trust under which the endowment was provided;

Notes 26 to 29 analyse the make-up of these funds and include summaries of each separate, material fund. Note 30 analyses how assets are allocated across funds.

The reserves policy set by the trustees is to build and maintain a contingency sufficient to cover nine months of core operational expenditure (within a range of 20% above or below this value). Note 31 sets out how this is calculated.

As a result of its review of funds in 2016, Council also adopted a Policy for Effective Use of Funds, which will govern how income held in different funds types is applied, taking into account any restrictions imposed by donors or by the nature of the fund.

(I) Cash flow statement

A consolidated cash flow statement is provided that is compliant with FRS 102 and the Charity SORP 2015. Notes 33 and 34 detail reconciliation of the financial statements to the cash flow statement and total cash and cash equivalents.

No charity only cash flow statement has been prepared as advantage has been taken of the reduced disclosure framework at paragraph 1.12 of FRS 102.

2 Donations and legacies

During the year the Society received a number of donations totalling £26.7k (2017: £68.3k) including a further £20k from the estate of Stephen Mills. These have been recorded as donations in the Statement of Financial Activities and as additions to the unrestricted income fund in the Balance Sheet. The Directors of Geological Trading Ltd agreed to donate the company's profit for the year of £4,753. This will be included in the 2019 financial statements.

3 Income from charitable activities

Income from the Society's charitable activities is analysed over the following areas of activity. Core Fellowship fees are collected annually from members of the Society and allocated across activities to reflect the benefit received in return. Similarly, those elements of the Corporate Affiliate fee, collected from bodies which support the Society, and which are attributable directly to benefits provided in return, are allocated to the appropriate activity.

Allocation of Fellowship fee and Corporate Affiliate income:

Activity	Core Fellowship Fee Income				Corporate Affiliate Fee Income			
	2018		2017		2018		2017	
	%	£	%	£	%	£	%	£
Science & education	1.1%	15,778	1.1%	15,058	6.3%	7,802	6.3%	7,749
Professional & academic	18.1%	269,512	18.1%	257,206	79.9%	98,953	79.9%	98,277
Publishing	43.4%	646,286	43.4%	616,777				
Library & archives	37.4%	558,752	37.4%	533,240	1.5%	1,858	1.5%	1,845
Trading					12.3%	15,233	12.3%	15,129
	100.0%	1,490,327	100.0%	1,422,281	100.0%	123,847	100.0%	123,000

Analysis of charitable income:

Analysis of Charitable activity	2018				2017			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£	£	£	£	£
3.a Science & Education								
Flagship meetings & events	134,815	-	-	134,815	178,986	-	-	178,986
Petroleum Group meetings	280,249	-	-	280,249	258,447	-	-	258,447
Other meetings & events	-	-	-	-	1,000	-	-	1,000
Grants & other direct funding	-	-	-	-	-	-	-	-
Friends of the GSL	3,173	-	-	3,173	3,475	-	-	3,475
Other Income	1,039	-	-	1,039	4,053	-	-	4,053
Membership fees redistributed	23,580	-	-	23,580	22,807	-	-	22,807
Sub-total:	442,856	-	-	442,856	468,768	-	-	468,768
3.b Professional & academic standards								
Fellowship & Chartership fees	576,772	-	-	576,772	502,800	-	-	502,800
Corporate Affiliate fees	98,953	-	-	98,953	98,277	-	-	98,277
Accreditation	21,500	-	-	21,500	25,425	-	-	25,425
Specialist & Regional Groups	126,514	-	-	126,514	51,374	-	-	51,374
Other Fellowship Income	-	-	-	-	-	-	-	-
Sub-total:	823,739	-	-	823,739	677,876	-	-	677,876
3.c Scholarly publishing								
Book sales & distribution	448,949	-	-	448,949	400,285	-	-	400,285
Lyell Collection	1,522,993	-	-	1,522,993	1,486,657	-	-	1,486,657
GSL journals	543,643	-	-	543,643	563,920	-	-	563,920
Non-GSL Journals	34,659	-	-	34,659	35,153	-	-	35,153
Geology Today	12,937	-	-	12,937	11,761	-	-	11,761
Geofacets	38,390	-	-	38,390	36,363	-	-	36,363
Geoscientist	7,164	-	-	7,164	10,896	-	-	10,896
GSW Ebooks	73,285	-	-	73,285	65,199	-	-	65,199
Royalties & copying income	159,570	-	-	159,570	171,491	-	-	171,491
Membership fees redistributed	646,286	-	-	646,286	616,777	-	-	616,777
Sub-total:	3,487,876	-	-	3,487,876	3,398,502	-	-	3,398,502
3.d Library & Archives								
Library Income	23,486	-	-	23,486	27,416	-	-	27,416
Membership fees redistributed	560,609	-	-	560,609	535,085	-	-	535,085
Sub-total:	584,095	-	-	584,095	562,501	-	-	562,501
Grand total:	5,338,566	-	-	5,338,566	5,107,647	-	-	5,107,647

4 Other trading activities

Consolidated Income	2018				2017			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
Analysis of Other trading activities	£	£	£	£	£	£	£	£
Room hire: Fellows & associates	70,053	-	-	70,053	107,594	-	-	107,594
Room hire: subsidiary company	20,873	-	-	20,873	56,286	-	-	56,286
Catering: Fellows & associates	86,728	-	-	86,728	84,624	-	-	84,624
Catering: subsidiary company	18,198	-	-	18,198	28,263	-	-	28,263
Other activities	22,000	-	-	22,000	-	-	-	-
Membership fees redistributed	15,233	-	-	15,233	15,129	-	-	15,129
Grand total:	233,085	-	-	233,085	291,896	-	-	291,896

Charity-only Income	2018				2017			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
Analysis of Other trading activities	£	£	£	£	£	£	£	£
Room hire: Fellows & associates	70,054	-	-	70,054	107,594	-	-	107,594
Catering: Fellows & associates	86,728	-	-	86,728	84,624	-	-	84,624
Other activities	22,000	-	-	22,000	-	-	-	-
Membership fees redistributed	15,233	-	-	15,233	15,129	-	-	15,129
Management Charge to GTL	-	-	-	-	11,674	-	-	11,674
Grand total:	194,015	-	-	194,015	219,021	-	-	219,021

5 Investment income

Analysis of Investment income	2018				2017			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£	£	£	£	£
Investment income received	203,428	17,176	-	220,604	167,799	113,980	-	281,779
Bank interest on funds held	7,098	-	-	7,098	2,285	-	-	2,285
Grand total:	210,526	17,176	-	227,702	170,084	113,980	-	284,064

6 Other income

No other income was recorded. In 2017, other income totalled £52k and comprised reimbursements of legal fees and corporation tax received by its subsidiary.

7 Expenditure on raising funds

Expenditure relating to trading and investment activities is shown below. This includes a fair share of support and governance costs, apportioned to the Society's activities as explained in note 9.

Non-staff costs include payments to outside bodies for the provision of catering services. Direct staff costs represent the time of a member of the Conference Office who is involved in administering room hire bookings.

7.a Room hire and catering

Analysis of Consolidated Room hire & catering costs	2018				2017			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£	£	£	£	£
Room hire costs	16,248	-	-	16,248	30,676	-	-	30,676
Catering costs	109,403	-	-	109,403	102,951	-	-	102,951
Direct staff costs	-	-	-	-	14,897	-	-	14,897
Overheads recharged	62,367	-	-	62,367	43,064	-	-	43,064
Grand total:	188,018	-	-	188,018	191,588	-	-	191,588

Analysis of Charity Only Room hire & catering costs	2018				2017			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£	£	£	£	£
Room hire costs	12,647	-	-	12,647	27,003	-	-	27,003
Catering costs	94,403	-	-	94,403	79,957	-	-	79,957
Direct staff costs	-	-	-	-	10,864	-	-	10,864
Overheads recharged	46,650	-	-	46,650	31,389	-	-	31,389
Grand total:	153,700	-	-	153,700	149,213	-	-	149,213

7.b Investment management

Investment management costs are allocated across fund classes on the basis of share of the total investment fund attributable to each class.

8 Expenditure on charitable activities**Analysis of charitable expenditure:**

Analysis of Charitable activity	2018				2017			
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
8.a Science & education								
Flagship meetings & events	111,960	-	-	111,960	99,184	-	-	99,184
Petroleum Group meetings	177,551	-	-	177,551	150,356	-	-	150,356
Other scientific & educational events	42,101	-	-	42,101	59,269	-	-	59,269
Friends of the GSL	-	-	-	-	177	-	-	177
Science & Education Committee	62,376	33,726	2,000	98,102	51,160	41,962	-	93,122
Direct staff costs	497,928	-	-	497,928	431,933	-	-	431,933
Overheads recharged	603,222	-	-	603,222	457,818	-	-	457,818
Sub-total:	1,495,138	33,726	2,000	1,530,864	1,249,897	41,962	-	1,291,859
8.b Professional & academic standards								
Fellowship support	48,232	-	-	48,232	81,612	-	-	81,612
Corporate Affiliates	3,037	-	-	3,037	24,133	-	-	24,133
Accreditation	2,151	-	-	2,151	2,001	-	-	2,001
Professional Committee	34,511	-	-	34,511	14,958	-	-	14,958
Specialist & Regional Groups	131,237	-	-	131,237	96,303	-	-	96,303
Direct staff costs	233,548	-	-	233,548	200,218	-	-	200,218
Overheads recharged	214,970	-	-	214,970	194,839	4,983	-	199,822
Sub-total:	667,686	-	-	667,686	614,064	4,983	-	619,047
8.c Scholarly publishing								
Book sales & distribution	363,411	-	-	363,411	232,171	2,691	-	234,862
Lyell Collection	149,391	-	-	149,391	215,130	-	-	215,130
GSL journals	166,863	-	-	166,863	182,510	33,504	-	216,014
Non-GSL Journals	19,553	-	-	19,553	23,510	-	-	23,510
Geoscientist	178,685	-	-	178,685	175,723	-	-	175,723
GSW E-books	2,965	-	-	2,965	5,530	-	-	5,530
Publishing House running costs	284,974	-	-	284,974	153,975	-	-	153,975
Direct staff costs	822,051	-	-	822,051	679,283	42,076	-	721,359
Overheads recharged	640,988	-	-	640,988	613,162	-	-	613,162
Sub-total:	2,628,881	-	-	2,628,881	2,280,994	78,271	-	2,359,265
8.d Library & Archives								
Library running costs	137,582	-	-	137,582	165,182	-	-	165,182
Direct staff costs	314,216	-	-	314,216	353,474	-	-	353,474
Overheads recharged	695,125	-	-	695,125	515,386	19,181	-	534,567
Sub-total:	1,146,923	-	-	1,146,923	1,034,042	19,181	-	1,053,223
Grand total:	5,938,628	33,726	2,000	5,974,354	5,178,997	144,397	-	5,323,394

9 Support, facilities and governance costs

The Society identifies three types of support cost relating to: facilities; support staff; and governance. Each is allocated to charitable activities on the bases set out below in methods of calculation adopted by the Society in 2015.

(i) Facilities overheads

Facilities costs are those relating to the running of the buildings occupied by the Society. Those used at Bath by the Publishing House are 100% attributable to Publishing activities and included in Publishing House running costs. The costs of Burlington House, however, are allocated across support and frontline services on the basis of space usage.

Analysis of Facilities overheads	2018 Total Costs £	2017 Total Costs £
Burlington House running & maintenance costs	783,336	450,434
Facilities manager staff cost	47,228	44,784
Grand total:	830,564	495,218

Note: £158,203 of the above total in 2018 (2017: £94,328) is allocated to support staff and governance costs before being re-allocated as part of those costs.

(ii) Support staff overheads

These costs relate to the Society's general management and administration functions that provide a support service across the whole organization. This includes both staff and non-staff expenditure for the following:

Analysis of Support overheads	2018 Total Costs £	2017 Total Costs £
Executive	449,247	404,581
Finance	297,844	283,694
HR Support	117,756	105,075
IT Support	462,859	456,870
Marketing	92,699	100,581
Business Development	21,915	
Grand total:	1,442,320	1,350,801

Marketing includes 50% of the staff costs of a member of the Publishing House. Support staff overheads, including a share of Facilities costs, are allocated to activities on the basis of the number of staff engaged in providing the main activity. As all main activities are reliant upon the use of people to effect delivery, a *per capita* basis of allocation is deemed to reflect both the scale of the activity and its use of Support functions.

(iii) Governance costs

These relate to the overview provided by the trustees through Council and by independent audit scrutiny of the Society's accounts. Governance costs are shared on the basis of total income for each activity, this being deemed to reflect the levels of scrutiny each is likely to require from both audit and trustees.

Analysis of Governance overheads	2018 Total Costs £	2017 Total Costs £
Audit fees	25,603	26,513
Annual report	6,829	5,863
Council elections	5,126	5,252
Trustees' expenses	20,829	35,510
Share of Facilities overhead recharged	50,658	30,205
Grand total:	109,045	103,343

(iv) Allocation of overhead costs

Overhead costs are shown individually against activities in note 7. The following table shows the reconciliation of total costs with the analysis above.

Overhead Allocation

	2018				2017			
	Facilities £	Support Staff £	Governance £	Total Costs £	Facilities £	Support Staff £	Governance £	Total Costs £
Charitable activities								
Science & education	173,169	419,940	10,113	603,222	103,251	344,983	9,584	457,818
Professional & academic standards	31,914	170,251	12,805	214,970	19,028	168,658	12,136	199,822
Scholarly publishing	10,417	564,470	66,101	640,988	6,211	544,307	62,644	613,162
Library & archives	416,293	267,891	10,941	695,125	248,212	275,987	10,368	534,567
Other activities								
Trading	40,100	18,234	4,033	62,367	23,909	15,333	3,822	43,064
Investments	468	1,534	5,054	7,056	279	1,533	4,789	6,601
	672,361	1,442,320	109,047	2,223,728	400,890	1,350,801	103,343	1,855,034

The allocation to trading includes charges that are levied on the trading subsidiary (see note 7.a) as well as charges on the Society's charitable room-hire activities.

10 Trustees' remuneration and expenses

None of the trustees have been paid any remuneration or received other benefits from an employment with the Society or related entity. Expenses claimed by trustees or met directly by the Society are to cover costs incurred whilst fulfilling their duties. These relate primarily to travel and accommodation.

Analysis of Trustees' expenses	2018 Totals	2017 Totals
	£	£
Total value of expenses paid	20,829	35,510
Total number of trustees paid	23	23

11 Transactions with related parties

The Society recharged costs to its trading company, Geological Trading Limited, in the year of £15,716 (2017: £15,707).

12 Staff costs and employee benefits

Total staff costs for the Society are set out below:

Analysis of Staff costs	2018 Total Costs	2017 Total Costs
	£	£
Wages and salaries	2,041,618	1,941,469
Social security costs	199,996	205,588
Pension contributions	175,762	161,618
Sub-total:	2,417,376	2,308,675
Temps & agency staff	263,310	263,795
Staff insurance	25,980	22,638
Recruitment costs	37,014	41,020
Sub-total:	326,304	327,453
Grand total:	2,743,680	2,636,128

Pension contributions represent employer payments made by the Society during the year into its group personal pension scheme. Contributions are paid at a rate of 10% of salary cost by the Society and 5% by employees.

One termination-related settlement payment was made during the reporting period amounting to £10k plus the notice entitlements under the recipient's contract of employment.

13 Staff numbers

Total staff numbers (full time equivalent) by activity for the reporting period were as follows:

Analysis of Staff numbers (average headcount)	2018 Totals	Restated 2017 Totals
Charitable activities		
Science & education	11.6	12.3
Professional & academic standards	5.8	3.5
Scholarly publishing	18.2	15.8
Library & archives	6.5	8.7
Other activities		
Trading	0.5	0.5
Investments	0.1	0.1
Support		
Support staff	9.1	8.7
Grand total:	51.8	49.6

The 2017 totals have been re-stated to show full time equivalent for year.

14 Remuneration of higher paid staff

Employees who received total payments in excess of £60,000 (excluding employer pension costs) for the reporting period fell into the following ranges:

	2018 Number	2017 Number
£130,000 - £139,999	1	-
£90,000 - £99,999	1	2
£70,000 - £79,999	-	1
£60,000 - £69,999	-	2
	2	5

Further analysis of key management personnel is provided in note 15.

15 Remuneration of key management personnel

Total employee benefits received by key management personnel for the reporting period are set out below:

Analysis of Key management personnel costs	2018			2017		
	Contractual Salary payments £	Employer pension contribution £	2018 Total £	Contractual Salary payments £	Employer pension contribution £	2017 Total £
Executive Secretary	134,580	12,360	146,940	78,308	7,831	86,139
Director of Publishing	93,225	8,137	101,362	93,326	8,268	101,594
Director of Finance & Operations	36,417	3,642	40,059	96,990	8,755	105,745
Director of Policy & Communications	24,167	2,417	26,584	66,263	6,050	72,313
Grand total:	288,389	26,556	314,945	334,887	30,904	365,791

The Directors of Policy & Communications and Finance & Operations took up their positions during the year and the Executive Secretary took up his position during 2017.

16 Intangible assets: website and systems development

Major redevelopment of the Society's website and business systems is capitalized at cost and amortized at a rate of 25% per annum with the expectation of a four-year life-cycle. This policy is reviewed and amended from time to time as is appropriate. Costs of running and maintaining the website are charged directly to income and expenditure accounts, together with amortization charges on the capitalized sum. IT Systems includes membership, finance and publishing systems. Implementation of a new membership system commenced in August 2015 and went live during 2018. This system, based on the Microsoft Dynamics 365 platform, will be amortised over a 10 year period.

Analysis of Intangible assets	Website		IT Systems		Total Intangible Assets	
	2018 Totals £	2017 Totals £	2018 Totals £	2017 Totals £	2018 Totals £	2017 Totals £
Cost or valuation brought forward:	211,405	168,250	710,787	319,116	922,192	487,366
- Acquisitions in year:	-	43,155	183,625	393,860	183,625	437,015
- Disposals in year:	-	-	-	-	-	-
- Revaluations in year:	-	-	-	(2,189)	-	(2,189)
- Transfers in year:	-	-	-	-	-	-
Cost or valuation carried forward:	211,405	211,405	894,412	710,787	1,105,817	922,192
Cumulative amortization b/fwd:	(164,632)	(143,528)	(43,713)	(8,638)	(208,345)	(152,166)
- Adjustments on disposal:	-	-	-	-	-	-
- Amortization charged:	(22,372)	(21,104)	(85,179)	(35,075)	(107,551)	(56,179)
- Impairment provisions	-	-	-	-	-	-
- Transfers:	-	-	-	-	-	-
Cumulative amortization c/fwd:	(187,004)	(164,632)	(128,892)	(43,713)	(315,896)	(208,345)
Net book value brought forward:	46,773	24,722	667,074	310,478	713,847	335,200
Total movements in year:	(22,372)	22,051	98,446	356,596	76,074	378,647
Net book value carried forward:	24,401	46,773	765,520	667,074	789,921	713,847

17 Tangible assets

Tangible fixed assets are capitalized at cost and depreciated at the following rates calculated to write-off the value of each asset evenly over its expected useful life:

Leasehold property:	10% per annum
Equipment, fixtures and fittings:	15% per annum
Computer equipment:	25% per annum

Analysis of Tangible assets	Property		Equipment		Computers		Total Tangible Assets	
	2018 Totals £	2017 Totals £	2018 Totals £	2017 Totals £	2018 Totals £	2017 Totals £	2018 Totals £	2017 Totals £
Cost or valuation brought forward:	1,496,969	1,484,848	810,781	799,241	1,897,497	1,860,253	4,205,247	4,144,342
- Acquisitions in year:	631	12,120	29,499	11,540	34,882	37,612	65,012	61,272
- Disposals in year:	-	-	-	-	-	-	-	-
- Revaluations in year:	-	1	-	-	-	(368)	-	(367)
- Transfers in year:	-	-	-	-	-	-	-	-
Cost or valuation carried forward:	1,497,600	1,496,969	840,280	810,781	1,932,379	1,897,497	4,270,259	4,205,247
Cumulative depreciation b/fwd:	(1,085,531)	(1,047,219)	(714,663)	(685,999)	(1,795,396)	(1,748,154)	(3,595,590)	(3,481,372)
- Adjustments on disposal:	-	-	-	-	-	-	-	-
- Depreciation charged:	(34,064)	(38,312)	(30,302)	(28,664)	(45,735)	(47,242)	(110,101)	(114,218)
- Impairment provisions	-	-	-	-	-	-	-	-
- Transfers:	-	-	-	-	-	-	-	-
Cumulative depreciation c/fwd:	(1,119,595)	(1,085,531)	(744,965)	(714,663)	(1,841,131)	(1,795,396)	(3,705,691)	(3,595,590)
Net book value brought forward:	411,439	437,630	96,118	113,242	102,101	112,099	609,658	662,971
Total movements in year:	(33,434)	(26,191)	(803)	(17,124)	(10,853)	(9,998)	(45,090)	(53,313)
Net book value carried forward:	378,005	411,439	95,315	96,118	91,248	102,101	564,568	609,658

18 Heritage assets

The Society classifies the following assets as Heritage Assets within the terms defined by the Charities SORP 2015:

- (i) the Library (collection of books, maps and journals); and
- (ii) portraits, busts, historical furniture and the Society's Royal Charter.

The Society's Heritage Assets are held in order to provide a single archive of geological knowledge for the benefit of future generations. Economic benefit is not derived through trade or investment for future trade but through the membership fees individuals and corporate bodies are prepared to pay in order to access this material for research and reference purposes. The duration of scientific currency, which drives this model, varies from item to item but diminishes over time. Even allowing for geological texts having a longer shelf-life than those of other sciences, it is estimated that this period does not exceed 20 years.

The Society's policy on the valuation of Heritage Assets, therefore, is to report capital value on the Balance Sheet at cost value, where known, and to depreciate assets over 20 years through a charge to income and expenditure.

The Society only disposes of heritage assets in the event that there is a duplicate surplus to requirements or if an asset has reached the end of its useful life and does not warrant preservation. Library holdings, portraits and busts acquired prior to 2001 are not shown in the balance sheet as their cost value is unknown and alternative forms of valuation would not reliably reflect the economic value at a reasonable cost.

THE GEOLOGICAL SOCIETY OF LONDON

Annual report and financial statements for the year ended 31 December 2018

Analysis of Heritage assets	Heritage Assets	
	2018 Totals £	2017 Totals £
Cost or valuation brought forward:	1,939,654	1,793,681
- Acquisitions in year:	164,647	145,973
- Disposals in year:	-	-
- Revaluations in year:	-	-
- Transfers in year:	-	-
Cost or valuation carried forward:	2,104,301	1,939,654
Cumulative depreciation brought forward:	(798,984)	(709,300)
- Adjustments on disposal:	-	-
- Depreciation charged:	(105,215)	(89,684)
- Impairment provisions	-	-
- Transfers:	-	-
Cumulative depreciation carried forward:	(904,199)	(798,984)
Net book value brought forward:	1,140,670	1,084,381
Total movements in year:	59,432	56,289
Net book value carried forward:	1,200,102	1,140,670

Analysis of Net Book Value by class of assets	2018	2017
	Totals £	Totals £
(i) General holdings	8,000	12,000
(ii) Books	38,726	38,844
(iii) Bindings	60,574	59,474
(iv) Maps	30,984	32,008
(v) Periodicals	1,061,818	998,344
Grand total:	1,200,102	1,140,670

The Charities SORP 2015 requires that the Society provide a 5-year summary of Heritage Asset transactions. This is set out below:

Five-year summary of Heritage asset transactions	2014 £	2015 £	2016 £	2017 £	2018 £
Cost of acquisition:					
(i) General holdings	-	-	-	-	-
(ii) Books	1,269	5,961	4,766	3,119	3,934
(iii) Bindings	6,824	6,235	6,148	6,585	6,713
(iv) Maps	1,447	5,267	6,072	699	2,002
(v) Periodicals	93,916	114,928	153,151	135,570	151,998
	103,456	132,391	170,137	145,973	164,647

In none of the years shown were there any donated assets, disposals or impairments, the value of which is required to be disclosed. Assets are reviewed on an annual basis for any impairments in value other than depreciation already accounted for.

19 Fixed asset investments

Fixed asset investments include equities and bonds held by the Society to generate income, together with any associated portfolio cash. Investments are stated at cost value when purchased and at market value (being the bid price value of the asset), as advised by the Society's Investment Managers, on the last trading day before the year end. Only those investments that are held to generate long-term income and capital growth are shown within fixed assets; those purchased as part of treasury management, which are intended to be held for less than one year, are shown as current assets. Any unrealized and realized gains arising from fixed asset investments are taken to the fund for which the investments are held and shown at the appropriate point on the Statement of Financial Activities.

Income earned by invested funds and charges levied are apportioned across funds on the basis of share of total capital. As at the end of the current and previous reporting years, funds are invested as set out in the following tables. Investment income, management and other charges are further analysed in notes 5 and 7b to the Financial Statements.

Summary of Fixed asset investment totals	2018 Total £	2017 Total £
Listed and traded investments	5,763,243	6,122,117
Portfolio cash	145,363	182,119
Grand total:	5,908,606	6,304,236

Movements in invested funds are set out in the following notes.

Analysis of Fixed asset investments	Listed & Traded		Portfolio Cash	
	2018 Totals £	2017 Totals £	2018 Totals £	2017 Totals £
Market valuation brought forward:	6,122,117	5,791,227	182,119	127,165
- Purchases in year at cost	575,451	5,748,532	(575,451)	(5,748,532)
- Sales in year at cost	(419,392)	(5,667,961)	419,392	5,667,961
- Gains or losses on disposal:		-	26,583	114,637
- Changes in market value of assets:	(514,933)	250,319	5,828	(11,040)
- Other charges and adjustments:	-	-	86,892	31,928
Market valuation carried forward:	5,763,243	6,122,117	145,363	182,119

FRS 102 requires that material amounts held within investment classes must be individually identified. The table below sets out all individual holdings with a market valuation of £150,000 or greater as at 31 December 2018:

Analysis of Significant investments held	Market value at 31 Dec 2018 £
Bonds:-	
SARASIN RESPONSIBLE CORPORATE BOND - I INC	215,541
	215,541
Equities:-	
SARASIN UK EQUITY - I INC	645,200
UNICORN UK INCOME-INST B INC	387,665
SARASIN GLOBAL DIVIDEND - I INC	455,647
SARASIN GLOBAL HIGHER DIVIDEND (STERLING HEDGED) - I INC	400,976
SARASIN GLOBAL HIGHER DIVIDEND - I INC	1,955,006
	3,844,494
Property & Other funds:-	
AEW UK CORE PROPERTY FUND	251,100
THE CHARITIES PROPERTY FUND	437,591
ALPES 2008	198,895
THE PROPERTY INCOME TRUST FOR CHARITIES	181,543
	1,069,129

20 Other gains/(losses) in year

The Society maintains US Dollar bank accounts which are accounted for in these statements at equivalent Sterling value. The Society embarked on a FX conversion programme during 2018 whereby surplus US Dollar balances were switched to Sterling. This resulted in both realised and unrealised currency gains of £130k. The programme will continue into 2019 should exchange rates offer a favourable opportunity.

	2018 £	2017 £
Total value of US Dollar cash at bank included in balance sheet	830,624	1,652,656
Foreign currency exchange rate gains/(losses) in year:	129,625	(153,699)

21 Stocks

The Society holds stocks of scientific publications produced by its Publishing House. These are shown in the balance sheet at the lower of cost and net realizable value, less an impairment provision of 4% per month which is charged from the thirteenth month after publication to reflect a decline in value due to age. When stock is sold the costs of sale are transferred to income and expenditure accounts, together with any reversal of impairment charged, to offset sale income.

Income and expenditure relating to unpublished works is recorded as Work In Progress and transferred to stock at cost value on the date of publication. Production schedules vary year on year and this is reflected in variations in value between total finished stock and total Work In Progress.

In addition to its own publications, the Society also buys in and sells on a small stock of third-party published books, also of a geological nature.

Analysis of Stock	2018 Total £	2017 Total £
Geological Society finished stock:	210,928	215,420
Geological Society Work In Progress:	79,745	136,154
Third-party sale stock:	1,367	36,593
Total:	292,040	388,167
Total finished stock:	212,295	252,013
Total work in progress:	79,745	136,154
Total:	292,040	388,167

22 Debtors

Debtors include amounts owed to the Society for the provision of goods and services and amounts paid in advance by the Society for goods and services it will receive. Debt is measured at its anticipated recoverable amount, in accordance with the Charities SORP 2015. Debt over 12 months old is provided for in full and written off when adjudged unrecoverable. Where this provision is adjusted year on year, the charge or credit is taken to the Statement of Financial Activities.

Analysis of Debtors	Group		Charity	
	2018 Total £	2017 Total £	2018 Total £	2017 Total £
Amounts falling due within one year				
Trade debtors:	59,879	327,759	58,313	296,593
Group and associated undertakings:	-	-	81,464	106,990
Prepayments and accrued income:	187,316	163,055	187,316	163,055
Other debtors:	40,695	27,208	40,695	27,208
Grand total:	287,890	518,022	367,788	593,846

23 Current asset investments

Current asset investments are those balances held by the Society for investment purposes, but which have a maturity date of less than a year. This is a separate portfolio from the Society's long-term investments (set out in note 19), and consists primarily of balances from its current accounts invested on a short-term basis in order to maximize returns on balances held.

Current asset investments are shown at Sterling cash value as advised by the Society's bankers on the last day of the financial year.

Analysis of Current asset investments	2018 Total £	2017 Total £
Money market account:	318,573	1,508,233
Grand total:	318,573	1,508,233

24 Creditors

Creditors includes those amounts that the Society owes in payment for goods and services received, as well as advance payments received by the Society for goods or services that it is yet to provide. In both cases the settlement date falls within one year and value is measured at anticipated settlement amount, in accordance with the Charities SORP 2015. There are no amounts falling due to creditors after one year.

Analysis of Creditors	Group		Charity	
	2018 Total £	2017 Total £	2018 Total £	2017 Total £
Amounts falling due within one year				
Trade creditors:	(101,963)	(346,983)	(98,773)	(346,163)
Group and associated undertakings:	-	-	(559)	-
Accruals:	(862,916)	(448,436)	(862,916)	(448,436)
Deferred income:	(2,017,808)	(2,056,042)	(2,017,808)	(2,056,042)
Taxation and social security:	(64,921)	(91,763)	(64,921)	(83,964)
Other creditors:	(32,980)	(82,364)	(32,980)	(82,364)
Grand total:	(3,080,588)	(3,025,588)	(3,077,957)	(3,016,969)

25 Financial instruments

Analysis of Financial Instruments	Group		Charity	
	2018 Total £	2017 Total £	2018 Total £	2017 Total £
Carrying amount of financial assets				
Equity instruments measured at cost less impairment	5,763,243	6,122,117	5,763,243	6,122,117
Debt instruments measured at amortized cost	100,574	354,967	180,472	430,791
<i>being: -</i>				
Trade debtors	59,879	327,759	58,313	296,593
Group undertakings	-	-	81,464	106,990
Prepayments and accrued income	187,316	163,055	187,316	163,055
<i>Less prepayments and accrued income</i>	<i>(187,316)</i>	<i>(163,055)</i>	<i>(187,316)</i>	<i>(163,055)</i>
Other debtors	40,695	27,208	40,695	27,208
Total carrying amount of financial assets	5,863,817	6,477,084	5,943,715	6,552,908
Carrying amount of financial liabilities				
Liability instruments measured at amortized cost	199,864	521,110	197,233	512,491

26 Funds summary

The Society's funds are set out in notes 27 to 29 and summarized by type in the following tables:

Summary of Funds	Unrestricted		Restricted		Endowment		Total Funds	
	2018 Total £	2017 Total £	2018 Total £	2017 Total £	2018 Total £	2017 Total £	2018 Total £	2017 Total £
Balance brought forward:*	7,605,578	7,306,547	863,583	847,797	2,024,201	1,908,604	10,493,362	10,062,948
Income in year:	5,808,918	5,622,066	17,176	145,981	-	-	5,826,093	5,768,047
Expenditure in year:	(6,141,718)	(5,391,138)	(33,726)	(157,750)	(2,000)	-	(6,177,443)	(5,548,888)
Transfers in year:	-	-	-	-	-	-	-	-
Gains and losses:	(177,375)	68,103	(23,190)	27,555	(97,283)	115,597	(297,848)	211,255
Balance carried forward:	7,095,403	7,605,578	823,843	863,583	1,924,918	2,024,201	9,844,164	10,493,362

27 Unrestricted funds -

The Society holds the following unrestricted funds:

General funds: -

a. General Fund

The Society's General Fund consists of balances of unrestricted income not otherwise allocated to specific or designated funds.

b. Albert & Dennis Curry Funds

Funds arising from donations made by Dennis Curry. In keeping with the origin of the income, these funds are applied from time to time in support of technology and IT development activity.

c. Stephen John Mills Fund

Money was left to the Society without any restriction on use by the estate of Mr Stephen John Mills in 2013.

d. Coke Fund

A fund established under the will of Lt Col Basil Elmsley Coke in memory of his cousin's sons, Maj John Sacheverell A'Deane Coke and Maj Edward D'Ewes Fitzgerald Coke, both of whom were killed in action in 1944.

Designated funds: -

e. Constituted Specialist and Regional Groups

The Society allocates a proportion of its income to its Constituted Specialist and Regional Groups. These groups also raise their own funds through course fees, publications and other sundry income. The Trustees have agreed that any accumulated reserves in respect of groups should be designated as Group Funds. These are held as cash and short-term investments.

f. Burlington House Buildings Fund

This fund was created to provide against future costs chargeable to the Society under the terms of its lease for the occupancy of Burlington House, a grade II* listed building. From time to time the landlord will carry out major repairs to the fabric of the building and notify the tenants of charges due. The fund is also used for the ongoing upkeep and refurbishment of the internal apartments, which must likewise be maintained to a standard befitting that of a heritage building. In February 2015 Council agreed to set aside additional funds, drawn initially from part of any surplus in the 2014 accounts, to offset likely costs arising from lease renewal in 2015, including legal expenses and associated costs. This has continued in subsequent years.

g. Other Designated Funds

Analysis of	Re-stated Balance				Gains & Losses	Balance C/fwd
	B/fwd	Income	Expenditure	Transfers		
Unrestricted income funds	£	£	£	£	£	£
General funds -						
a. General Fund	351,599	5,808,918	(5,933,428)	-	(177,375)	49,714
b. Curry Funds	3,362,963	-	-	-	-	3,362,963
c. Mills Fund	275,108	-	-	-	-	275,108
d. Coke Fund	1,678,299	-	-	-	-	1,678,299
e. Other General Funds	46,067	-	-	-	-	46,067
Sub-total:	5,714,036	5,808,918	(5,933,428)	-	(177,375)	5,412,151
Designated funds -						
f. Constituted groups	141,547	-	-	-	-	141,547
g. Buildings Fund	1,749,995	-	(208,290)	-	-	1,541,705
h. Other Designated Funds	-	-	-	-	-	-
Sub-total:	1,891,542	-	(208,290)	-	-	1,683,252
Grand Total:	7,605,578	5,808,918	(6,141,718)	-	(177,375)	7,095,403

28 Restricted income funds

The Society holds the following restricted income funds:

a. Henry Woods Fund

Established in 1955 to fund those memoirs deemed too long to be included as part of the Quarterly Journal of the Geological Society. In 1960 the Society began its Special Publications series with the purpose of providing this facility. For at least 10 years prior to 2016, however, this fund has not been used to support those publications. As a result of

the 2016 Review of Funds, therefore, Council have agreed that this fund will continue to contribute towards the costs of Special Publications.

b. Alan and Charlotte Welch Fund

This fund was created as the result of a legacy from Mr Alan and Mrs Charlotte Welch. The purpose of this legacy is to fund geological research. Although the fund remained untouched for a number of years, following the 2016 Review of Funds it is planned to use it to contribute towards the Society's increased Research Grants scheme, as well as in supporting those conferences and publications that encourage geological research.

c. Other Restricted Income Funds

In addition to the two larger funds described above, the Society has 26 other Restricted Income Funds, each with individual balances of less than £100,000 as at the end of the financial year. The main purpose of these funds is the financing of awards and medals.

Analysis of Restricted income funds	Balance B/fwd £	Income £	Expenditure £	Transfers £	Gains & Losses £	Balance C/fwd £
a. Henry Woods Fund	192,358	3,826	-	-	(5,166)	191,018
b. Alan & Charlotte Welch Fund	237,950	4,733	-	-	(6,390)	236,293
c. Other Restricted Income Funds	433,275	8,618	(33,726)	-	(11,635)	396,532
Grand Total:	863,583	17,176	(33,726)	-	(23,190)	823,843

29 Endowment funds

The Society holds two expendable endowment funds, summarized as follows:

a. Fermor fund

The Fermor Fund is an expendable endowment to further research into the principles governing ore deposition, the occurrence of minerals and of mineral-bearing rocks, and fundamental research into the origins of Pre-Cambrian rocks, including extra-terrestrial occurrence. At present the majority of this fund is invested, although amounts are also drawn down each year against the publication costs of books and journals that satisfy the terms of this fund.

b. Robert Scott

In 2013 the Society received an expendable endowment from the Cambridge Arctic Shelf Programme (CASP) in memory of Mr Robert Scott to be used to fund field work within the Arctic Circle.

Analysis of Endowment funds	Balance B/fwd £	Income £	Expenditure £	Transfers £	Gains & Losses £	Balance C/fwd £
a. Fermor	1,961,767	-	-	-	(94,282)	1,867,485
b. Robert Scott	62,434	-	(2,000)	-	(3,001)	57,433
Grand Total:	2,024,201	-	(2,000)	-	(97,283)	1,924,918

30 Summary of net assets by funds category

Summary of Net assets by funds category		2018 Total £	2017 Total £
Unrestricted funds	Fixed assets	2,398,885	2,308,469
	Investments	3,518,693	3,754,299
	Net current assets	1,177,825	1,542,811
	Sub-total:	7,095,403	7,605,579
Restricted funds	Fixed assets	155,706	155,706
	Investments	460,044	490,848
	Net current assets	208,093	217,028
	Sub-total:	823,843	863,582
Endowment funds	Fixed assets	-	-
	Investments	1,929,869	2,059,090
	Net current assets	(4,951)	(34,889)
	Sub-total:	1,924,918	2,024,201
Grand Total:		9,844,164	10,493,362

31 Reserves

Free reserves are calculated according to the Charities SORP 2015 as the total of unrestricted funds, excluding any investments and net current assets in designated funds or other commitments of funds not provided in the accounts or held as fixed assets.

Calculation of Free reserves	2018 Total £	2017 Total £
Investments held in unrestricted funds	3,518,693	3,754,299
Net current assets held in unrestricted funds	1,177,825	1,542,811
	4,696,518	5,297,110
Less investments and assets held in designated funds	(1,683,252)	(1,891,542)
Free Reserves:	3,013,266	3,405,568

In 2016 Council set a free reserves target equivalent to 75% of annual core operational expenditure (i.e. 9 months), within a range of tolerance of +/- 20% of target. In practical terms, this sets the free reserves target at no lower than 60% of core operational expenditure, which is defined as the sum expended on charitable activities during the year, as reported on the Statement of Financial Activities. It is intended to perform a detailed review of the 2018 fund allocation during 2019, which is likely to result in an increase in free reserves as consumption of designated and restricted funds becomes evident.

The free reserve expressed as a percentage for 2017 has been restated to more accurately reflect the policy, namely, that the free reserve is expressed as a percentage of core expenditure rather than the 75% core expenditure target.

	2018 Total £	2017 Total £
Calculation of Free reserves achieved against target		
Free reserves as calculated above:	3,013,266	3,405,568
Total core operational expenditure for year:	5,472,205	5,323,394
75% of core operational expenditure for year (Reserves Target):	4,104,154	3,992,546
Free Reserves expressed as a percentage of Core Operational Expenditure (2017 % restated):	55.1%	64.0%

32 Geological Trading Limited

Geological Trading Limited, registered in England as company number 3522033, is a wholly-owned trading subsidiary of the Geological Society of London, offering room hire and catering services. The company's results are consolidated into this statement of accounts on a line by line basis and are summarized as follows:

	2018 Total £	2017 Total £
Geological Trading Limited		
Summary balance sheet		
Assets		
- debtors:	2,127	15,834
- cash at bank and in hand:	87,283	84,444
Liabilities		
- creditors falling due within one year:	(89,408)	(100,276)
Total net assets or liabilities:	2	2
Funds		
- retained profit / (losses):	-	-
- share capital:	2	2
Total funds:	2	2

Share capital consists of 2 ordinary shares, each of £1, allotted and fully called-up.

	2018 Total £	2017 Total £
Geological Trading Limited		
Summary statement of income, expenditure and retained earnings		
Turnover:	39,070	93,562
Cost of sales:	(18,153)	(41,710)
Administrative expenses:	(16,164)	(15,998)
Operating profit before taxation	4,753	35,854
Tax liability	-	-
Charitable donation to parent	(4,753)	(35,854)
Retained profit for financial year	-	-
Funds brought forward	-	-
Funds carried forward	-	-

33 Reconciliation of net income / (expenditure) to net cash flow from operating activities

Reconciliation of Net income / (expenditure) to net cash flow from operating activities	2018 Total £	2017 Total £
Net income / (expenditure) for the reporting period as per Statement of Financial Activities:	(778,823)	584,113
Adjusted for -		
Depreciation charges:	322,867	260,081
(Gains) / losses on investments:	427,473	(364,955)
Dividends and interest from investments:	(227,702)	(284,064)
Loss / (profit) on the sale of fixed assets:	-	-
 (increase) / decrease in stocks:	 96,127	 (52,248)
(increase) / decrease in debtors:	230,132	(250,682)
increase / (decrease) in creditors:	55,001	141,508
Net cash provided by operating activities:	125,075	33,753

34 Analysis of cash and cash equivalents

Analysis of Cash and cash equivalents	2018 Total £	2017 Total £
Cash in hand:	3,563,052	2,336,117
Notice deposits (less than 3 months):	318,573	1,508,233
Overdraft facilities:	-	-
Total cash and cash equivalents:	3,881,625	3,844,350