



The
Geological
Society

Report and Financial Statements

Year ended

31 December 2013

The Geological Society of London
Registered Charity Number 210161

THE GEOLOGICAL SOCIETY OF LONDON

Annual report and financial statements for the year ended 31 December 2013

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THE GEOLOGICAL SOCIETY OF LONDON

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2013

Legal and Administrative Information

Object of the Society

The Geological Society of London was instituted in 1807 for the purpose of investigating the mineral structure of the Earth.

Governing Instrument

The Society was incorporated by Royal Charter in 1825, amended by a Supplemental Charter in 2005. On 3 May 2000, the Fellows of the Society in General Meeting approved and adopted revised Bye-Laws to govern the future activities of the Society.

Bankers

Coutts & Co, 440 Strand, London, WC2R 0QS

Solicitors

Bristows, 3 Lincoln's Inn Fields, London WC2A 3AA

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Investment Advisers

UBS Wealth Management, 1 Curzon Street, London W1J 5UB

Head Office

Burlington House, Piccadilly, London W1J 0BG

Registered Charity Number

210161

Office Hours

09.30 - 17.30 Monday to Friday

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2013 *(Continued)*

<i>President:</i>	Mr David Shilston
<i>Vice Presidents:</i>	Dr Mike Armitage Mr David Cragg Mr David Jones
<i>Secretaries:</i>	Prof Alastair Fraser Mrs Patricia Henton Dr Jonathan Turner
<i>Secretary, Foreign & External Affairs:</i>	Prof Alan Lord
<i>Treasurer:</i>	Dr Adam Law

The Council submits its annual report and financial statements for the year ended 31 December 2013.

Charitable Objectives

The Object of the Society as set out in its Charter is “to investigate the mineral structure of the Earth” which is interpreted to mean

- i. improving knowledge and understanding of the history, structure, constitution and dynamics of the Earth and its process;
- 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 by advancing Earth sciences education at all levels, and by promoting knowledge of the Earth and professional standards so as to advance environmental protection and improvement of human health, and to guard against natural hazards.

In reviewing our activities for the year and our plans for the future we have had regard to the Charity Commission's general guidance on public benefit. Specifically the Society provides:

Induction into the profession through Candidate Fellowship

During 2013, by supporting 405 undergraduates and 197 A Level students, to become professional geologists at low subsidised cost.

Chartered status (CGeol, CSci, Eur Geol)

At mid-year in 2013, 2,433 Fellows had CGeol status, an increase of 50 over the previous year. By encouraging continuing professional development, controlling entry standards and monitoring chartered status, the Society assures the quality of professional work in the geosciences for the public good.

Representing the science

The Society acts as the public voice of the geoscience community in the UK, and promotes understanding of geosciences and their application. In December 2013, we published an addendum to our statement on climate change, reporting on relevant research results since the original 2010 statement.

Media contacts

The Society maintains active relationships with the media, promoting the dissemination of high-quality geoscience and providing authoritative information and contacts.

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Report of the Council for the year ended 31 December 2013 (*Continued*)

External relations

We respond actively to requests for information or comment from government, opinion formers and the public. Topics of continuing interest in 2013 included shale gas, carbon capture and storage and radioactive waste management. We responded to 18 consultations and parliamentary inquiries, alone or jointly with other organisations. The Society has also been playing a leading role in developing a more effective voice for geoscience in policy-making at a European level.

Education

We continue to support the teaching of geoscience within the mainstream school curriculum, most notably through training science and geography teachers at our Geoscience Education Academy, which successfully ran again in July 2013. We also support teachers and their students through the Schools Affiliates Scheme, providing contact with geoscientists, newsletters and highlighting the achievements of individual schools. In April, the annual National Schools Geology Challenge and Early Careers competition finals took place at our London headquarters.

We have continued to work with government and other organisations to ensure that Earth Science is well represented in the new National Curriculum for England. The curriculum for key stages 1-3 is now finalised, and that for key stage 4 is expected to be completed in 2014.

At university level, we accredit almost all undergraduate geoscience degree programmes in the UK, as well as a growing number of Masters and overseas courses. This ensures that the training given to the next generation of professional geoscientists meets the needs of employers and of society more widely, helping to ensure that their work will meet high professional standards, for the public benefit. In 2013, we continued to promote to government and others the vital role played by high-quality MSc training in many sectors of geoscience, and the need to maintain national capacity to deliver such training.

The third UK Earth Science Week took place in October 2013, on the theme of 'Geology Outside'. A variety of other bodies got involved, and organised activities during the week, including geo-walks across the country. Our 'Friends of the Geological Society' for interested amateurs continues to thrive.

Corporate Affiliates

The Society has 70+ supporters of its Corporate Affiliate Scheme.

During 2013 5 new corporate companies joined the scheme (from the UK and overseas) and several companies upgraded their level of support to reflect more accurately the status of their organisation.

The City of London Geoscience Forum (CLGF) was set up in 2012 to link geosciences with the financial sector, and continues to grow its membership.

Library

The opening of the Burlington House bookshop in April 2013, selling a wide selection of Geological Society and other publications, and two sales of duplicate and out of scope material in the Library contributed to an increase of 88% in the number of visitors compared to the previous year.

The number of Fellows using e-journals via Athens continued to grow and the Library is actively reviewing its options to better support Fellows remotely. The Malawi map scanning pilot project was completed, with permission to digitise secured with the state of Malawi. 120 maps from our collection were scanned with the support of the BGS and metadata was created for each map.

All Membership and Fellowship records from 1990-July 2012 were digitised.

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Report of the Council for the year ended 31 December 2013 (*Continued*)

Dan McKenzie's archive was acquired in September 2013 and an appointed working group will be considering how best to preserve and present this material in a Plate Tectonics Archive.

In November 2013, Council agreed the 2014 Library budget had met the requirements for cost reduction identified in the 2010 Library Review, and that the Library was well placed to proceed on a sound financial basis.

Website

In 2013, we completed initial development of the new website launched in 2012. We continued to develop new resources and content on the site, including much educational and policy-related material. A growing amount of audio-visual content is available on the site. We are also reaching new audiences of interested non-geologists through our thriving blog and social media presence.

Journals and books

The Society continues to publish two wholly owned, two part-owned and three contract published journal titles. In addition it published 17 book titles in 2013. All this content is hosted online on the Lyell Collection which can be used by the general public, who can view summaries of all published content without payment or a subscription. All seven journals are also hosted on GeoScienceWorld, the three contract published journals having been added late in 2013.

Early in 2013 Council approved the Society's involvement in a new initiative to add electronic book content to a new aggregated ebook service to be made available via GeoScienceWorld. The full package of 1000+ books from 10 publishers will be launched in 2014.

The Society is also contributing its content under license to Elsevier for inclusion in Geofacets.

We continue to attend major international conferences and events to promote publishing products and services, and in 2013 appointed our first agents to represent us in the Middle East and North Africa.

We also continue to make the Lyell Collection free in its entirety to countries in the developing world.

Scientific meetings

The Society held a number of flagship meetings during the year:-

- Lyell: The Cambrian Explosion – understanding Earth systems at the origin of modern ecosystems
- William Smith: The first century of Isotope Geochronology: the legacy of Frederick Soddy and Arthur Holmes

One off conferences:-

- 100 Years and Beyond: Petroleum Geoscience and Engineering
- Exploration, Resource & Mining Geology
- Holocene Climate Change

Joint association conferences:-

- Carbon Capture & Storage – APPG Europe
- Exploration, Resource & Mining Geology – AusIMM
- Sustainable Land Management – CL:AIRE

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Report of the Council for the year ended 31 December 2013 *(Continued)*

The Society ran its annual Careers Days in Edinburgh and Nottingham. Both events attracted a student audience of over 500.

Shell continued to sponsor the Shell London lectures, a programme of 10 free lectures for the general public which were held in the lecture theatre at Burlington House.

In addition the Society organizes about one hundred scientific meetings annually, of which about 80% are held outside London. These meetings are open to all. The Society assists in meeting the costs of student attendees at some scientific meetings and field excursions.

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Report of the Council for the year ended 31 December 2013 (*Continued*)

Council

The members of the Council - trustees of the charity - during the year were:

Mrs Natalyn Ala⁵; Dr Mike Armitage^{1,2,8}; ~Miss Samme Brough³; Prof Rob Butler^{2,8}; Prof Neil Chapman⁷; *Dr Angela Coe⁶; *Mr Jim Coppard⁵; Mr David Cragg^{1,5}; ~Prof Jane Francis⁷; *Mrs Jane Dottridge⁶; *Mr Chris Eccles⁵; *Dr Marie Edmonds^{1,7}; Prof Al Fraser^{1,4,7,8}; ~Dr Sally Gibson^{5,8}; Mrs Tricia Henton^{1,4,5}; ~Dr Richard Hughes³; Mr David Jones^{1,5}; Dr Adam Law^{1,4}; Prof Richard Lisle⁶; Prof Alan Lord^{1,2,4,7,8}; ~Mr Paul Maliphant^{1,4,5}; *Prof David Manning (President designate); Dr Brian Marker OBE⁶; ~Prof Susan Marriott^{1,4,5}; Dr Gary Nichols⁶; Mr David Shilston^{1,4}; *Dr Lucy Slater^{7,8}; ~Dr Colin Summerhayes^{1,2,4,7,8}; ~Professor John Tellam^{1,7}; Dr Jonathan Turner^{1,4,6}; *Mr Michael Young²

* New Council members elected at the AGM on 5 June 2013

~ Council members who retired at the AGM on 5 June 2013

Membership of the Standing Committees

¹ Elections; ² External Relations; ³ Information Management (committee stood down June 2013); ⁴ Finance and Planning; ⁵ Professional; ⁶ Publications & Information; ⁷ Science; ⁸ Science & External Relations.

Method of Election of Trustees

Trustees are elected by the Fellowship in Annual General Meeting by ballot of Fellows present on a list of candidates. New trustees are annually invited to an *induction day* in order to obtain an understanding of the Society's affairs and what tasks they will undertake as a member of Council. They also receive written guidance on their responsibilities as trustees.

Audit Committee

The Audit Committee reports directly to Council. Members of the Audit Committee are: Mr Chris Bulley, Mr Doug Fenwick (Chair), Mr Nick Hardy, Prof John Mather and Dr Tim Palmer.

Risk Management

The Trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining free reserves at the levels stated on page 9, combined with annual review of the controls over key financial systems provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks faced and confirm that they have identified actions and established systems to manage the significant risks.

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Report of the Council for the year ended 31 December 2013 (*Continued*)

President's Report 2013

From Mr David Shilston, President

Developing careers

My two years as your President have come to an end, too quickly. As President I write two of these introductions; one taking the form of opening remarks, and the second almost a valediction! If there is a moral to this it is that life's opportunities must be seized, and one of this Society's purposes must be to help young colleagues take up their chosen profession as sure-footedly as possible.

Developing people, developing careers, while reminding those in power and the wider electorate of the essential work we perform for the public good: these are the driving forces behind all our efforts. Whether it is drawing attention to skills shortages, present and looming, or raising awareness of Earth science in schools, our motivation must be to foster public appreciation and understanding, and engender enthusiasm. For despite its fundamental importance, in the UK, geology has long been one of those subjects whose breadth and depth most people first properly discover at university. We must therefore be active in schools and at careers fairs where schoolchildren go to find out about science, so they are prepared to make that choice when it comes along.

I particularly enjoyed visiting the Lyme Regis Fossil Festival last May, in which the Society has long maintained an interest. The enthusiasm there is infectious – and we need to feed that enthusiasm, and help maintain it into later life. For this reason, taking an active part in last year's Geoscience Teaching Academy, at which we help develop science teachers' skills in conveying geological ideas with greater confidence, was also a particular pleasure. It brought home to me how many interrelated, but distinct, audiences there are - all of which must be addressed individually if we are to achieve our aim of creating this continuous conveyor, carrying the enthusiasm of the young onwards into rewarding careers and a lifetime of curiosity and enquiry.

We also need to address audiences new and old. I was pleased to be invited, for example, to deliver the inaugural Presidential Lecture at the William Smith Museum, in Scarborough. As President, I am a Trustee of that museum which takes us back to the founding days of our science and its practical application; but I also discovered that as President I belong *ex officio* to the Commissioners of the 1851 Great Exhibition! It was the first of its kind. It is still the most financially successful trade fair ever held, and continues to award bursaries to encourage young people into science and technology. Such old alliances must not be forgotten in the drive to forge new ones.

Old alliances came to the fore at the other end of the 'conveyor', during a particularly successful event to honour the work of Professor Peter Fookes – living treasure if ever there was, and a pioneer in my own subject of engineering geology. Peter, as instigator of our highly successful series of books based on Engineering Group Working Party Reports, received a presentation copy of our latest report – "Hot Deserts: Engineering, Geology and Geomorphology". These reports are an immensely useful aid to engineering geologists, distilling what is known and bringing the fruits of research to industrial application, in true accord with our mission to serve science and profession.

Our very active Hong Kong Regional Group welcomed me to their annual dinner. HKRG is also firmly rooted in engineering geology, part of the disciplinary bedrock of our entire fellowship. I am delighted that, as I hand over the baton in June to my successor Professor David Manning, he shares my conviction of the importance of professional formation. I wish him, as to you all, every success.

David Shilston

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Report of the Council for the year ended 31 December 2013 *(Continued)*

Treasurer's Report 2013

From Adam Law, Treasurer

Norman Lamont once made the terrible mistake of announcing the green shoots of recovery. Whether or not world economies are emerging from recession, the Geological Society continues to sail a fair course through these choppy waters. The year ending December 2013 was a successful year for your Society. The accounts included with this review show a headline surplus of over £540,000. I would like to spend a little time explaining how this has come about.

The financial health of your Society is dependent on its directorate of Publishing, Library and Information services, this year generating a surplus on its activities of over £600,000. Again, the relentless shift to electronic publishing from our traditional background of hard copy sales has continued to threaten, coupled with the uncertainty that Open Access publishing may introduce now and in the future. I would like to thank Neal Marriott and his team in Bath and London for their continued efforts over the past year.

Over £200,000 of the surplus was the result of donations made to the Society, notably a legacy from Stephen John Mills and a gift from the Cambridge Arctic Shelf Programme in memory of Robert Scott. We are eternally grateful for this generosity and that of those many Fellows who leave bequests or gifts to the Society, big or small. You will know that a theme throughout my reports to you is the active use of such gifts and bequests. Council regularly reviews the use of gifts and legacies left to the Geological Society by its Fellows, to ensure that our Fellows' generosity is recognised appropriately, and used effectively. Following our recent review, for instance, legacy funds are now being actively used in the support of younger people to develop and foster an interest in geology, through online educational resources and the support of early career researchers through small grants. Your generosity helps the Society go the extra mile in the support of our next generation.

Excluding these bequests, your Society's performance continues to be financially sound. With provision for the maintenance of the fabric of our Grade II* listed London apartments (see Ted Nield's wonderful article in the March Geoscientist) and our Library purchase budget, the Geological Society returned an underlying surplus of around £55,000. This is calculated as unrestricted net incoming resources (£528,114) less transfers to designated funds (£140,000 and £213,515), out of which £120,180 has been spent on library purchases.

The performance of the Geological Society is entirely due to the efforts of its Staff on your behalf, and of those many Fellows who volunteer their time. Such dedication places the Society in a strong position for the coming year, with or without the emergence of Mr Lamont's Spring.

Adam Law

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Report of the Council for the year ended 31 December 2013 *(Continued)*

Investment Policy and Performance

In accordance with the Bye-Laws of the Society, the Treasurer ensures the proper management of the Society's real estate, investments and funds on deposit. This is achieved through the actions of an Investment Panel, in conjunction with the Society's Investment Managers. The Society's investment policy is as follows;

"The primary responsibility of the investment portfolio is to provide income and capital resources to support the current and future aims of The Geological Society of London.

However, the Trustees, whilst having regard to the need to adhere to the requirement of charity law to maximise the return consistent with commercial prudence, will seek to ensure that investments are not made that are judged likely to alienate benefactors of the charity, and also encourage their fund manager to consider investments in companies which positively contribute to the communities and environments in which they operate their business."

The Investment Panel aims to ensure the delivery of a budgeted level of income in each year and to continue the investment policy of the Society.

Reserves Policy

To undertake the continued development and reinvestment in the Society's publishing, educational and other activities, and to hold a contingency sum in respect of the significant redecoration costs that the Society is obliged to meet, in the light of the lease with our landlord, the Department of Communities and Local Government (DCLG) at Burlington House, the Society considers its free reserve sufficiency to represent 1 year of core operational expenditure, and within a range of 20% above and below this value.

For the past 3 years (2010-2012) the Society has estimated core operational expenditure to be approximately £2,900,000. In 2012 available free reserves were stated as £2,337,678 (81% of the target figure and within the acceptable range). In the light of advice received in respect of usage of the Fermor Fund, however, an ongoing review of the treatment of all reserves has been commenced. This is expected to lead to a re-designation of some funds and costs, together with an adjustment of the stated Reserves Policy. In the interim, taking into account the uncertainty that this process introduces at the reporting date, free reserves available at 31 December 2013 are £2,671,623, when calculated on the same basis as used in prior years.

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Report of the Council for the year ended 31 December 2013 (*Continued*)

Executive Secretary's Report 2013

From Edmund Nickless, Executive Secretary

Going places

Although we are the world's oldest national society for Earth science, unlike most others our membership is highly international.

Sometime during 2013 our membership topped the 11,000 mark for the first time in history - itself a great achievement, and a testament to the membership value that we are delivering through our services: in science, publishing, professional accreditation and outreach.

We should be proud of our internationalism. Twenty percent of our members (that's about 2,200 geologists) are currently domiciled outside the UK. It is hard to know exactly what that means in detail, but we believe that about half are UK nationals on overseas placements. Being a geologist is, after all, one of the best ways to see the world, and many of our Fellows have unsurprisingly taken heed! But whoever they are, what this means is that the Geological Society of London is represented in no less than 88 countries worldwide.

The map of our worldwide presence shows clusters of Fellows in continental Europe, North America (especially Houston and Calgary), Australia and Hong Kong; and it may be interesting to speculate a little about what that pattern represents. It is not solely a geologically or industrially dictated pattern; rather, it reflects history – not only of the Society, but of the UK and its economy. For what this pattern reveals is the former British Empire, overlain by the principal interests of the Anglo Iranian Oil Company, better known today as the multinational BP, and its commercial kin.

Last year was a spectacularly good year for international and commercial relations, and thanks to another of our multinational Corporate Affiliates (Schlumberger) we have been able through the International Network for the Availability of Scientific Publications (INASP) to continue to make the Lyell Collection freely available in the least developed nations. Our online resources, such as the recently released Plate Tectonics teaching module, are finding grateful users worldwide, thanks to sponsorship from Centrica.

Meanwhile we have continued our cooperation with international groups like the Young Earth Scientists network (YES), the Association of Geoscientists for International Development (AGID) and the International Union for Geological Sciences.

At home we continue to provide neutral, informed and authoritative advice to government and Parliament, using this as a means of generating public information on diverse issues of societal concern, such as fracking, shale gas, nuclear waste disposal, and more. In this activity, we depend upon our excellent academic credentials – the quality of which was underlined only last year, when top science publishers Elsevier invited us to provide content for their Geofacets platform.

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2013 *(Continued)*

Executive Secretary's Report 2013 *(continued)*

Invisible to most Fellows, but important for the functioning of the Society, was the introduction of a new staff and management structure, including three Director posts reporting to me from their respective domains: Neal Marriott (library and publishing), Nic Bilham (policy and external relations) and Jonathan Silk (finance and operations). Phase four of the post-Bicentenary refurbishment was also completed, with the transformation of the Council Room and refurbishment of adjacent staff offices. We are grateful to Fellows and staff for their forbearance during the months of disruption which these works inevitably entailed.

The Society's new structures and developing activities, for and on behalf of the profession both nationally and internationally, are putting us in an ever-stronger position to face any challenges ahead.

Edmund Nickless

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2013 *(Continued)*

Trustees' responsibilities

The Trustees (Council) are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and regulations. Charity law requires the Trustees, to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 adequate 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. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.



Mr David Shilston

President



Dr Adam Law

Treasurer

2 April 2014

THE GEOLOGICAL SOCIETY OF LONDON

Independent auditors report for the year ended 31 December 2013

Independent auditors report to the Council of The Geological Society of London

We have audited the financial statements of the Geological Society of London for the year ended 31 December 2013 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and charity's affairs as at 31 December 2013, and of the Group's 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.

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 Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the 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.

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Independent auditors report for the year ended 31 December 2013 *(Continued)*

Independent auditors report to the Council of The Geological Society of London *(Continued)*

BDO LLP

Andrew Stickland (senior statutory auditor)

For and on behalf of BDO LLP

Gatwick

United Kingdom

2 April 2014

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

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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Consolidated Statement of Financial Activities for the year ended 31 December 2013

	Note	Unrestricted Income Funds £	Restricted Income Funds £	2013 £	2012 £
Income and expenditure					
Incoming resources					
Donations, legacies, gifts and similar incoming resources	2	217,629	-	217,629	8,474
Activities in furtherance of the charity's objectives:					
Publications income	3	2,317,719	-	2,317,719	2,139,429
Conferences and events	3	902,348	-	902,348	622,841
Fellowship income	3	1,535,768	-	1,535,768	1,473,190
Investment income and interest	4	102,101	168,150	270,251	266,922
Activities for generating funds:					
Hire of rooms and catering		226,315	-	226,315	265,193
Total incoming resources		5,301,880	168,150	5,470,030	4,776,049
Outgoing resources					
<i>Costs of generating funds</i>					
Investment management costs		8,898	17,797	26,695	33,046
Catering		121,726	-	121,726	144,839
<i>Charitable expenditure</i>					
Costs of activities in furtherance of the charity's objects:					
Publishing activities	5	1,665,920	43,886	1,709,806	1,640,936
Conferences and events	5	1,201,967	16,118	1,218,085	859,511
Fellowship services	5	1,748,601	72,628	1,821,229	1,703,573
<i>Governance costs</i>	6	26,654	-	26,654	35,314
Total charitable expenditure		4,643,142	132,632	4,775,774	4,239,334
Total resources expended		4,773,766	150,429	4,924,195	4,417,219

The notes on pages 20 to 34 form part of these financial statements.

THE GEOLOGICAL SOCIETY OF LONDON

Consolidated Statement of Financial Activities for the year ended 31 December 2013 (Continued)

	Note	Unrestricted Income Funds £	Restricted Income Funds £	2013 £	2012 £
Net incoming resources before other recognised gains and losses		528,114	17,721	545,835	358,830
Gains on investment assets		101,328	171,318	272,646	184,699
Net movement in funds		629,442	189,039	818,481	543,529
Fund balances brought forward at 1 January		17,486,170	3,701,715	21,187,885	20,644,356
Fund balances carried forward at 31 December		18,115,612	3,890,754	22,006,366	21,187,885
Application of net incoming resources					
Net incoming resources		528,114	17,721	545,835	358,830
Movements in designated funds:					
Burlington House Buildings Fund		(140,000)	-	(140,000)	(110,000)
Specialist and regional groups		68,000	-	68,000	37,637
Bicentenary Projects Fund		30,161	-	30,161	31,310
Lyell Centre Fund		-	-	-	39,729
Legacy Funds		(213,515)	-	(213,515)	-
Increase in General/Restricted net incoming resources		272,760	17,721	290,481	357,506

All amounts relate to continuing activities. All gains and losses recognised in the year are included above.

The notes on pages 20 to 34 form part of these financial statements.

THE GEOLOGICAL SOCIETY OF LONDON

Balance Sheet at 31 December 2013 - Group

	Note	2013 £	2012 £
Fixed assets			
Intangible assets: Website costs	8	49,266	88,221
Tangible assets: Heritage assets	9a	14,678,975	14,558,795
Other assets	9b	875,134	660,862
Investments: Listed and unlisted	10a	5,512,868	5,203,864
Associated company	10b	15,000	-
Portfolio cash		17,518	68,756
		<u>21,148,761</u>	<u>20,580,498</u>
Current assets			
Stocks: Finished goods		272,830	227,791
Debtors	11	546,765	510,815
Cash at bank and in hand		2,384,768	1,772,871
Held by specialist and regional groups		50,266	118,266
		<u>3,254,629</u>	<u>2,629,743</u>
Creditors: amounts falling due within one year	12	533,291	328,545
Deferred income	13	1,863,732	1,693,811
		<u>2,397,024</u>	<u>2,022,356</u>
Net current assets		<u>857,605</u>	<u>607,387</u>
Net assets		<u>22,006,366</u>	<u>21,187,885</u>
Unrestricted funds:			
General purposes	14	3,403,406	3,029,318
<i>Designated</i>			
Specialist and regional groups	14	145,068	213,068
Revaluation reserve	14	13,291,276	13,291,276
Burlington House Buildings Fund	14	580,000	440,000
Bicentenary Project Funds	14	61,919	92,080
Lyell Centre Fund	14	46,191	46,191
Bicentennial Outreach Fund	14	175,000	175,000
Alan and Charlotte Welch Fund	14	199,237	199,237
Scott and Mills Funds	14	213,515	-
Restricted income funds	15	3,890,754	3,701,715
		<u>22,006,366</u>	<u>21,187,885</u>

The financial statements were approved by the Council on 2 April 2014

Mr David Shilston (President)

Dr Adam Law (Treasurer)




The notes on pages 20 to 34 form part of these financial statements

THE GEOLOGICAL SOCIETY OF LONDON

Balance Sheet at 31 December 2013 – Charity

	Note	2013 £	2012 £
Fixed assets			
Intangible assets: Website costs	8	49,266	88,221
Tangible assets: Heritage assets	9a	14,678,975	14,558,795
Other assets	9b	875,134	660,862
Investments: Listed and unlisted	10a	5,512,868	5,203,864
Associated company	10b	15,000	-
Portfolio cash		17,518	68,756
		<u>21,148,761</u>	<u>20,580,498</u>
Current assets			
Stocks: Finished goods		272,830	227,791
Debtors	11	468,726	505,483
Cash at bank and in hand		2,368,378	1,772,953
Held by specialist and regional groups		50,266	118,266
		<u>3,160,200</u>	<u>2,624,493</u>
Creditors: amounts falling due within one year	12	438,733	323,295
Deferred income	13	1,863,732	1,693,811
		<u>2,302,595</u>	<u>2,017,106</u>
Net current assets		<u>857,605</u>	<u>607,387</u>
Net assets		<u>22,006,366</u>	<u>21,187,885</u>
Unrestricted funds:			
General purposes	14	3,403,406	3,029,318
<i>Designated</i>			
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Revaluation reserve	14	13,291,276	13,291,276
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THE GEOLOGICAL SOCIETY OF LONDON

Consolidated Cash Flow statement for the year ended 31 December 2013

	Note	2013 £	2013 £	2012 £	2012 £
Net cash inflow from operating activities	17		760,074		308,214
Returns on investments					
Bank interest received	4	125,577		136,959	
Investment income received	4	144,674		129,963	
			<u>270,251</u>		<u>266,922</u>
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(486,226)		(233,882)	
Associate company loan		(15,000)		-	
Transfer to investment portfolio		14,880		(6,196)	
			<u>(486,346)</u>		<u>(240,078)</u>
Net cash inflow before management of liquid resources			<u>543,979</u>		<u>335,058</u>
Management of liquid resources					
Money held on short-term deposits		(657,441)		(376,005)	
			<u>(657,441)</u>		<u>(376,005)</u>
Decrease in cash in the year			<u>(113,462)</u>		<u>(40,947)</u>
Net cash resources at 1 January			<u>386,474</u>		<u>427,421</u>
Net cash resources at 31 December			<u><u>273,012</u></u>		<u><u>386,474</u></u>

The notes on pages 20 to 34 form part of these financial statements

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value and heritage assets; some of which are held at market value. The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice, Accounting and Reporting by Charities ("the SORP"), published in March 2005 and which the Society has adopted.

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

The financial statements consolidate those of the charity and its wholly owned subsidiary trading company: Geological Trading Limited. The results, assets and liabilities of Geological Trading Limited are shown in Note 20. A separate Statement of Financial Activities for the charity itself is not presented as allowed by paragraph 397 of SORP 2005. The income of the parent charity was £5,403,254 (2012: £4,730,874) and the expenditure was £4,889,583 (2012: £4,372,044). The results, assets and liabilities of the constituted specialist and regional groups are also consolidated into the Society's financial statements.

Income

Income is accounted for on an accruals basis. Any tax credit arising on income received net of tax is accrued as part of the income arising. Legacies are recognised at the point of entitlement, certainty of receipt, and when it is measurable with sufficient reliability.

Expenditure

Expenditure is recognised on an accruals basis. Where expenditure cannot be wholly identified under the main categories shown in the statement of financial activities, it is apportioned over cost headings on the basis of staff employed. The costs of the Society's headquarters have been allocated between the associated charitable activities.

Designated funds

Council may, at their discretion, set aside unrestricted funds for specific future purposes. Where such funds are no longer required for the intended purposes they are released to general funds. The following designated funds have been created:

Constituted Specialist and Regional Group Funds

The Geological Society of London 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 the Groups should be designated as Group Funds. These funds are held as cash and short term investments.

Burlington House Buildings Fund

The fund was created to make provision for the future costs of the ongoing upkeep with respect to refurbishment and redecoration of Burlington House and of the courtyard to ensure that building and its surroundings are maintained to a standard which befits that of its status of a heritage building.

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2013 (*Continued*)

1 Accounting policies (*Continued*)

Designated funds (Continued)

Bicentenary Project Fund

As a part of the bicentenary sponsorship activities, the Geological Society of London received sponsorship in order to embark on a number of projects, which culminated in the creation of the *Lyell Centre*. All income is being recognised in the financial statements in the year of the Bicentenary, but the costs will only appear as expenditure over a period of years, as most of the costs have been recognised as fixed assets. The Bicentenary Project Fund recognises and makes provision for the future costs to ensure that they continue to be funded from bicentenary sponsorship.

Lyell Centre Fund

Since the creation of the *Lyell Centre*, it is anticipated that these activities are ongoing and therefore require future funding. Both the Society's website and the publishing digitisation project will require further investment and therefore funds have been set aside in order to continue with these innovations.

Educational Outreach Fund

The Geological Society of London has set aside funds with respect to educational outreach activities, which commenced in the bicentenary year and which will continue in subsequent years.

Alan and Charlotte Welch Fund

The creation of the fund is to recognise the legacy of Mr Alan and Mrs Charlotte Welch. The purpose of this legacy is to fund geological research.

Scott and Mills Funds

The creation of these funds is to recognise a gift received from the Cambridge Arctic Shelf Programme (CASP) in memory of Mr Robert Scott and a legacy from Mr Stephen Mills. Usage of these donations is to be determined.

Restricted funds

Where income is received for purposes specified by the donor or the terms of appeal under which it was raised, that income is shown as restricted in the statement of financial activities. This includes income arising from endowment funds which is restricted in use. Expenditure for the specified purposes is shown as restricted fund expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted income fund. The restricted funds are for the following purposes:

- i) Bicentenary - For activities relating to the Society's Bicentenary.
- ii) Fossil Fish Fund - To clean, conserve and digitise 2,000 drawings of fossil fish from the Society's archive.
- iii) Coke - For general purposes other than the purchase of property.
- iv) Fermor - To further research into the origins of Precambrian rocks, ores and mineral deposits.
- v) Pool C - To finance memoirs, publications and other general purposes.
- vi) Trust Funds - For medals and awards.
- vii) Distinguished Geologists' Memorial Fund - To support professional training.
- viii) Mike Coward Memorial fund - To support fieldwork in structural and tectonic geology.

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2013 (Continued)

1 Accounting policies (Continued)

Intangible fixed assets – Website costs

Website development costs are capitalised at cost and depreciated at the following rates calculated to write off the cost of each asset evenly over its expected useful life.

Website Development costs	25-33 ¹ / ₃ % per annum
---------------------------	---

Costs of maintaining the website are classified as expenditure within the income and expenditure account.

Tangible fixed assets – Heritage assets

There are two main classes of heritage assets that the Society possesses which are;

- The Library Collection (maps, books and journals)
- Portraits, The Society's Charter, busts and historical furniture

The Society's library collection is reported in the Balance Sheet at market value or at cost. The revaluation of the library collection in 2000 & 2006 was conducted by an antiquarian bookseller who is also a Fellow of the Society. The collection is revalued if the Trustees decide that the benefits of doing so outweigh the cost. All gains and losses on revaluation are recognised in the Statement of Recognised Gains and Losses. All book, map and journal purchases are included in the balance sheet at cost, and any disposals in excess of its proceeds are shown within the Statement of Financial Activities.

The portraits, The Charter, busts and historical furniture are included in the Balance Sheet at valuation if a valuation can be obtained. If a valuation cannot be obtained, the description of the asset is included in the notes to the financial statements.

The library collection is preserved by storing, cataloguing and archiving all items, with the most valuable books kept in secure and dry storage. The portraits, Charter, busts and historical furniture are also continually preserved in order to maintain their values.

All heritage assets are subject to depreciation or impairment if, in any period, capitalised cost or valuation is no longer applicable, in the event that either internal or external factors that may influence the condition or valuation of the Society's holding of heritage assets.

Tangible fixed assets - other

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

Leasehold properties	2% per annum
Leasehold improvements	10% per annum
Office equipment, fixtures and fittings	15% per annum
Warehouse equipment	20% per annum
Computer equipment	25-33 ¹ / ₃ % per annum

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2013 *(Continued)*

1 Accounting policies *(Continued)*

Investments

Fixed asset investments are stated at market valuation, where market value represents the mid market value at the cost on the last trading day before the year end. Investments purchased as part of treasury management, which are intended to be held for less than one year are shown as current assets; investments held to generate longer term income and capital growth are shown within fixed assets. Any unrealised or realised gains arising from investments are taken to the fund for which the investments are held.

Publications stock

The value of unsold publications is included in the balance sheet at the lower of cost and net realisable value less provision, which is charged against stock that is greater than one year old, to ensure that the stocks are fully written off within a thirty seven month period.

Pension costs

The Society makes contributions to a group personal pension scheme. The pension cost charge 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 shown in the balance sheet as a liability or asset.

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.

Irrecoverable Value Added Tax

Value added tax on purchases and expenses disallowed under the regulations dealing with partially exempt schemes has been charged against management and administration costs during the year.

Intangible income

No value has been placed on the support given to the Society by way of volunteer assistance.

Deferred income

Income received in the year 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.

Grant expenditure

Grants payable are charged in the year when an obligation arises in accordance with the requirements of the Statement of Recommended Practice, and are allocated to appropriate charitable expenditure headings.

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2013 *(Continued)*

1 Accounting policies *(Continued)*

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

2 Donations, legacies, gifts and similar incoming resources

	2013 £	2012 £
Donations and gifts	217,629	8,474

Donations and gifts for 2013 include a legacy from Mr Stephen Mills (£163,516) and a gift from the Cambridge Arctic Shelf Programme in memory of Mr Robert Scott (£50,000).

3 Income: Activities in furtherance of the charity's objective

	Publishing £	Conferences £	Fellowship £	2013 £	2012 £
Publishing	2,317,719	-	-	2,317,719	2,139,429
Conferences and meetings	-	391,629	-	391,629	174,910
Fellowship income	-	-	1,426,892	1,426,892	1,383,817
Corporate affiliation	-	188,350	-	188,350	117,950
Library	-	-	83,401	83,401	25,930
Specialist & regional groups	-	322,369	-	322,369	329,981
Accreditation	-	-	17,235	17,235	13,435
Plate Tectonics website sponsorship	-	-	-	-	44,500
Other	-	-	8,240	8,240	5,508
	2,317,719	902,348	1,535,768	4,755,835	4,235,460

4 Investment income

	2013 £	2012 £
Listed investments: UK and overseas	144,674	129,963
Interest received: UK	125,577	136,959
	270,251	266,922

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2013 *(Continued)*

5 Resources expended

	Publishing £	Conferences £	Fellowship £	2013 £	2012 £
<i>Costs of activities in furtherance of the charity's objects</i>					
Direct publishing costs	701,451	-	155,073	856,525	866,674
Scientific meetings	-	315,967	-	315,967	139,780
Education & committees	-	-	91,005	91,005	73,906
Library	-	-	69,651	69,651	51,102
Annual report	-	-	5,942	5,942	5,405
Specialist and Regional Groups	-	299,778	-	299,778	258,707
- Staff recharge	-	35,000	-	35,000	35,000
Grants, donations, awards & scholarships	-	-	77,355	77,355	98,618
Staff costs					
- Library	-	-	244,306	244,306	205,299
- Scientific meetings	-	110,162	-	110,162	92,228
- Lyell Centre project	69,072	-	-	69,072	60,598
<i>Total direct charitable expenditure</i>	770,523	760,907	643,332	2,174,762	1,887,317
<i>Support costs</i>					
Staff costs – publishing	655,339	-	-	655,339	581,962
Publishing	283,944	-	-	283,944	280,930
Staff costs - Burlington House	-	102,364	661,265	763,629	642,104
Establishment costs	-	105,940	167,866	273,806	204,413
Establishment costs – refurbishment	-	-	-	-	7,045
Operating and computer	-	131,980	155,110	287,090	302,710
<i>Total support costs</i>	939,283	340,284	984,241	2,263,808	2,019,164
<i>Management and administration</i>					
Establishment	-	25,605	54,411	80,016	114,959
Operating and computer	-	90,989	136,545	227,534	170,724
Legal and professional	-	300	2,700	3,000	11,856
<i>Total management & administration costs</i>	-	116,894	193,656	310,550	297,539
	1,709,806	1,218,085	1,821,229	4,749,120	4,204,020

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2013 *(Continued)*

6 Governance costs

	2013	2012
	£	£
Audit fees*	15,543	16,596
Trustees' expenses	11,111	16,979
Trustees' indemnity insurance**	-	1,739
	<hr/>	<hr/>
	26,654	35,314
	<hr/> <hr/>	<hr/> <hr/>

* Included within publishing costs are the audit fees applicable to the Publishing House as follows:

Auditors' remuneration – audit (included within publishing costs)	11,000	10,600
	<hr/> <hr/>	<hr/> <hr/>

**Trustees' indemnity insurance is included within general insurances that are allocated across resources expended (note 5). The proportion allocable to trustees remains the same in 2013 as previous years, i.e. £1,739.

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2013 (Continued)

7 Staff costs

	2013 £	2012 £
Wages and salaries	1,573,935	1,344,588
Temporary and agency staff	8,178	19,346
Social security costs	168,266	143,717
Pension contributions	96,057	83,049
Insurance contributions	20,976	19,579
Recruitment costs	10,096	6,912
	<u>1,877,508</u>	<u>1,617,191</u>
<i>Staff costs by committee:</i>		
Management, Finance and Administration	763,629	642,104
Library	244,306	205,299
Conferences	145,162	127,228
Publishing House	655,339	581,962
Lyell Centre	69,072	60,598
	<u>1,877,508</u>	<u>1,617,191</u>

During the year employees earning in excess of £60,000 per annum, including taxable benefits, fell into the following ranges:

	Number	Number
£120,000 - £129,999	1	-
£110,000 - £119,999	-	1
£100,000 - £109,999	-	1
£90,000 - £99,999	1	-
£80,000 - £89,999	1	1
	<u>1</u>	<u>1</u>

The average number of employees (full-time equivalents) was as follows:

Burlington House	23	20
Publishing House	14	12
Library	5	5
Project staff	2	2
	<u>44</u>	<u>39</u>

No member of Council received remuneration during the current and previous year. Expenses reimbursed for out of pocket expenditure totalled £11,933 (2012 - £16,979) paid to 23 Council members (2012 - 23). In addition to staff costs, the Society paid £50,063 (2012- £66,937) to consultants.

The pension cost charged represents employer's contributions paid over to the Society's group personal scheme during the year. There was £11,804 outstanding to the scheme at 31 December 2013 (2012: £11,124). Contributions are made to the scheme by employees at a minimum rate of 5% and by the Society at 10%.

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2013 (Continued)

8a Intangible fixed assets – website costs – Group and Charity

	Total £
Cost	
At 1 January 2013	116,982
Additions	-
	<hr/>
At 31 December 2013	116,982
	<hr/>
Depreciation	
At 1 January 2013	28,761
Charge for the year	38,955
	<hr/>
At 31 December 2013	67,716
	<hr/>
Net book value	
At 31 December 2013	49,266
	<hr/> <hr/>
At 31 December 2012	88,221
	<hr/>

9a Tangible fixed assets – heritage assets – Group and Charity

	Library books, journals & maps £	Portraits, busts & furniture £	Total £
Cost or valuation			
At 1 January 2013	14,498,795	60,000	14,558,795
Additions	120,180	-	120,180
	<hr/>	<hr/>	<hr/>
At 31 December 2013	14,618,975	60,000	14,678,975
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The contents of the library are considered to be a heritage asset by virtue of the library's collection of historical geological journals, maps and books.

The library collection was valued at 31 December 2000 by an antiquarian bookseller who is also a Fellow of the Society at a value of £13,208,312. A subsequent internal revaluation took place in 2006, which resulted in no change in its valuation, but another internal valuation increased the market value by £82,964. All subsequent movements have been stated at cost with the exception of paintings of founders and early members of the Society, some marble and plaster busts, its original Charter, historical furniture and three copies of the William Smith Map, which were included at market value in 2009.

During the year the Society increased its collection by £120,180. During the previous year the Society increased the library collection by £105,484, purchasing books, journals, periodicals and maps.

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2013 *(Continued)*

9a Tangible fixed assets – heritage assets – Group and Charity *(Continued)*

The five year financial summary of heritage asset transactions is shown below;

	2013 £	2012 £	2011 £	2010 £	2009 £
Additions					
Library purchases	120,180	105,484	121,064	117,744	105,521
Revaluations					
Library purchases	-	-	-	-	22,964
Portraits, busts and furniture	-	-	-	-	60,000
	<u>120,180</u>	<u>105,484</u>	<u>121,064</u>	<u>117,744</u>	<u>188,485</u>

The collection of books, journals and maps are held for historical, scientific and educational purposes. The collection is available to be viewed by Fellows of the Society and to the public.

Acquisitions are made by purchase or donation. The library does not dispose of any of its collection, because maintaining it enhances the Society's standing of providing transfer knowledge through its holdings. The Society's historical holdings also engage those interest groups that want to learn about the history of science.

9b Tangible fixed assets – other assets – Group and Charity

	Leasehold properties & improvements £	Equipment, fixtures & fittings £	Computer Equipment £	Total £
Cost or valuation				
At 1 January 2013	1,173,613	642,715	1,662,555	3,478,883
Additions	263,054	67,673	35,320	366,047
At 31 December 2013	<u>1,436,667</u>	<u>710,388</u>	<u>1,697,875</u>	<u>3,844,930</u>
Depreciation				
At 1 January 2013	681,394	568,157	1,568,470	2,818,021
Charge for the year	79,795	37,529	34,451	151,775
At 31 December 2013	<u>761,189</u>	<u>605,686</u>	<u>1,602,921</u>	<u>2,969,796</u>
Net book value				
At 31 December 2013	<u>675,478</u>	<u>104,702</u>	<u>94,954</u>	<u>875,134</u>
At 31 December 2012	492,219	74,558	94,085	660,862

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2013 (Continued)

10a Fixed asset investments – Group and Charity

	2013		2012	
	Cost £	Market value £	Cost £	Market value £
UK Equities	2,526,994	2,986,973	2,233,030	2,424,265
UK Fixed interest	2,553,567	2,525,895	2,719,694	2,779,599
	<u>5,080,561</u>	<u>5,512,868</u>	<u>4,952,724</u>	<u>5,203,864</u>
			2013 £	2012 £
Market value at 1 January			5,203,864	5,044,640
Purchases in the year			1,251,421	1,539,159
Sales in the year			(1,215,063)	(1,564,634)
Net (loss)/gains on revaluation at 31 December			272,646	184,699
			<u>5,512,868</u>	<u>5,203,864</u>

Individual assets and their market values at 31 December 2013, representing over 5% of the investment portfolio are as follows:

ISHARES GBP Corporate Bond Fund SHS (GBP)	<u>£598,224</u>
---	-----------------

10b Fixed asset investments – Group and Charity – Associate company

	2013		2012	
	Cost £	Market Value £	Cost £	Market Value £
Loan	<u>15,000</u>	<u>15,000</u>	-	-

During the year, the Society made a loan to Petroleum Geology Conferences Limited, its 33 1/3 % owned associate, to provide working capital for the 8th Petroleum Geology Conference in September 2015. Any surplus/(deficit) arising will be shared in the same proportion as the shareholdings.

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2013 (Continued)

11 Debtors

Amounts falling due within one year	Group		Charity	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	240,659	297,231	206,539	257,711
Sundry debtors	215,217	40,776	171,298	74,964
Prepayments	90,889	172,808	90,889	172,808
	<u>546,765</u>	<u>510,815</u>	<u>468,726</u>	<u>505,483</u>

12 Creditors: amounts falling due within one year

	Group		Charity	
	2013 £	2012 £	2013 £	2012 £
Bank overdraft	-	82	-	82
Trade creditors	147,620	86,128	147,620	84,700
Sundry creditors and accruals	341,367	199,001	246,809	195,179
Taxation and social security costs	44,304	43,334	44,304	43,334
	<u>533,291</u>	<u>328,545</u>	<u>438,733</u>	<u>323,295</u>

13 Deferred income

	Group		Charity	
	2013 £	2012 £	2013 £	2012 £
Fellowship fees	969,510	892,765	969,510	892,765
Journal subscriptions	744,985	704,127	744,985	704,127
Income contributions on unpublished books	47,816	34,742	47,816	34,742
Meetings and events	53,094	62,177	53,094	62,177
Corporate affiliate fees	18,827	-	18,827	-
Open access fees	29,500	-	29,500	-
	<u>1,863,732</u>	<u>1,693,811</u>	<u>1,863,732</u>	<u>1,693,811</u>

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2013 (Continued)

14 Unrestricted funds	At 1 Jan 2013 £	Incoming resources £	Resources expensed £	Gains/ (losses) and transfers £	At 31 Dec 2013 £
General purposes	3,029,318	4,979,511	(4,408,827)	(196,596)	3,403,406
<i>Designated funds</i>					
Revaluation Reserve - library	13,291,276	-	-	-	13,291,276
Specialist and Regional Groups	213,068	322,369	(334,778)	(55,591)	145,068
Burlington House Buildings Fund	440,000	-	-	140,000	580,000
Bicentenary Projects Fund	92,080	-	(30,161)	-	61,919
Lyell Centre Fund	46,191	-	-	-	46,191
Alan and Charlotte Welch Fund	199,237	-	-	-	199,237
Bicentennial Outreach Fund	175,000	-	-	-	175,000
Scott and Mills Funds	-	-	-	213,515	213,515
	<u>17,486,170</u>	<u>5,301,880</u>	<u>(4,773,766)</u>	<u>101,328</u>	<u>18,115,612</u>
15 Restricted income funds	At 1 Jan 2013 £	Incoming resources £	Resources expensed £	Gains/ (losses) and transfers £	At 31 Dec 2013 £
Bicentenary Fund	188,014	-	(50,370)	-	137,644
Fossil Fish Fund	8,885	-	-	-	8,885
Fermor Fund	1,734,271	83,205	(67,972)	84,756	1,834,260
Coke Fund	1,158,506	55,582	(5,883)	56,639	1,264,844
Pool C	205,734	9,870	(1,045)	10,058	224,617
Trust funds	295,292	14,167	(24,596)	14,437	299,300
Distinguished Geologists' Memorial Fund	66,263	3,179	(336)	3,240	72,346
Mike Coward Memorial Fund	44,750	2,147	(227)	2,188	48,858
	<u>3,701,715</u>	<u>168,150</u>	<u>(150,429)</u>	<u>171,318</u>	<u>3,890,754</u>
16 Analysis of net assets over funds		Fixed assets £	Fixed asset investments £	Net current assets £	Total funds £
Unrestricted funds		15,443,989	1,869,222	802,401	18,115,612
Restricted income funds		159,386	3,676,164	55,204	3,890,754
		<u>15,603,375</u>	<u>5,545,386</u>	<u>857,605</u>	<u>22,006,366</u>

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2013 (Continued)

17 Reconciliation of surplus of income to net cash inflows from operating activities

	2013 £	2012 £
Net movement in funds in the year	545,835	358,830
Less: Investment Income	(270,251)	266,922
Add: Depreciation for the year	190,730	168,602
(Increase)/decrease in stock and work in progress	(45,039)	58,963
Decrease/(increase) in trade debtors	56,572	(43,686)
(Increase)/decrease in other debtors	(92,522)	(12,852)
Increase/(decrease) in trade creditors	61,492	(99,091)
Increase/(decrease) in other creditors	143,336	24,274
Increase in deferred income	169,921	91,335
	<u>760,074</u>	<u>279,453</u>

18 Analysis of net cash resources

	At 1 Jan 2013 £	Movement £	At 31 Dec 2013 £
<i>Cash at bank</i>			
Bank overdrafts	(82)	82	-
Cash at bank and in hand	268,290	(45,544)	222,746
Held by specialist and regional groups	118,266	(68,000)	50,266
	<u>386,474</u>	<u>(113,462)</u>	<u>273,012</u>
<i>Cash held as liquid resources</i>			
Monies held on short-term deposit	1,504,581	657,441	2,162,022
	<u>1,891,055</u>	<u>543,979</u>	<u>2,435,034</u>

19 Capital Commitments

As at 31 December 2013 the Society was committed to making the following payments under contractual obligations within the next twelve months.

	2013 £	2012 £
Other	-	23,925
	<u>-</u>	<u>23,925</u>

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2013 *(Continued)*

20 Geological Trading Limited

Geological Trading Limited, registered in England, 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 for the year ended 31 December 2013 are shown below:

	2013 £	2012 £
Profit and Loss Account		
Turnover	66,776	87,737
Cost of sales	(33,211)	(43,775)
Selling and distribution costs	-	-
Administrative expenses	(1,400)	(1,400)
	<u> </u>	<u> </u>
Operating profit	32,165	42,562
Amount transferred to the Geological Society of London under Gift Aid	(32,165)	(42,562)
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

20 Geological Trading Limited

	2013 £	2012 £
Balance Sheet		
Debtors	34,120	39,522
Cash at bank	16,390	-
Creditors: Amounts falling due within one year	(50,508)	(39,520)
	<u> </u>	<u> </u>
	2	2
	<u> </u>	<u> </u>
Share Capital – 2 ordinary shares of £1 each, allotted and called up	2	2
	<u> </u>	<u> </u>

**The pages which follow do not form part of the audited
financial statements**

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2013

Summarised Accounts		2012	2013	2014	2015	2016
		Out-turn	Out-turn	Core Budget	Core Forecast	Core Forecast
		£ (000's)	£ (000's)	£ (000's)	£ (000's)	£(000's)
Income						
Book Sales		430	345	511	542	
Other Publications		1,710	1,973	1,774	1,841	
Fellowship fees		1,384	1,427	1,562	1,520	
Corporate Affiliation, legacies and donations		126	406	187	152	
Dividends and Interest		267	270	250	266	
Conferences, events and other income		238	418	98	292	
Specialist and regional groups		330	322	326	355	
Room hire and catering		265	226	270	286	
Library		26	83	68	33	
		4,776	5,470	5,046	5,305	
Expenditure						
Direct Publication costs		867	857	991	1,031	
Staff Costs - Publishing House		643	724	955	722	
Staff Costs - Burlington House		940	1,118	1,164	1,242	
Library		51	70	46	37	
Conferences and events		285	438	237	316	
Education, committee costs & Annual Report		96	97	29	117	
Grants, donations and awards		99	77	46	50	
Establishment costs		211	274	274	223	
Overheads		733	743	943	836	
Depreciation		165	161	95	211	
Depreciation - Bicentenary activities		33	30	30	20	
Specialist and regional groups		294	335	187	219	
		4,417	4,924	4,997	5,024	
Net Surplus		359	546	49	281	
Realised & unrealised gains/(losses) on investments		184	272	-	-	
Net Surplus after investment gains		543	818	49	281	
Add:	Applied to redecoration funds	-	-	-	50	
Add:	Lyell Centre Fund	40	-	-	11	
Add:	Bicentenary projects funds	31	30	30	30	
Less:	Educational Outreach Fund	-	-	-	-	
Less:	Legacy Funds	-	(213)	-	-	
Less:	Burlington House Buildings Fund	(110)	(140)	(140)	(98)	
Add:	Surplus of Petroleum Group repatriated to general funds & Others (TBA)	38	68	-	43	
		542	563	(61)	317	
Surplus/(deficit) after designations		542	563	(61)	317	

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2013 (*Continued*)

Publishing House income and expenditure

Income	2013 £	2012 £
Book sales	344,595	429,606
Journal sales	629,098	636,283
Lyell Collection sales	1,074,586	860,561
Other	250,543	191,875
	<u>2,298,822</u>	<u>2,118,325</u>
Expenditure		
Cost of book sales	184,581	163,166
Journal costs	250,440	237,281
Lyell Collection	108,591	137,372
Other	36,224	65,788
	<u>579,836</u>	<u>603,607</u>
Gross surplus	1,718,986	1,514,718
Staff costs - general	724,411	642,560
Building costs	29,413	28,969
Operating costs	243,531	241,360
Marketing and distribution	121,615	113,839
Audit and legal costs	11,000	10,600
	<u>1,129,970</u>	<u>1,037,329</u>
Support surplus	589,016	477,390
Publishing House charge for supplying Fellows with journals	18,897	41,814
	<u>607,913</u>	<u>519,204</u>

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2013 (*Continued*)

Conference office income and expenditure

Income	2013 £	2012 £
Corporate affiliation	188,350	117,950
Conference and meetings	391,629	174,910
Petroleum Group meetings and conferences	322,369	276,389
Hire of rooms	107,239	82,702
Catering income	119,076	182,491
	<u>1,128,663</u>	<u>834,442</u>
Direct expenditure		
Catering costs	121,726	144,839
Scientific meeting costs	315,967	139,780
Staff costs	110,162	92,228
Petroleum Group meetings and conferences costs	225,790	185,799
Petroleum Group staff re-charge	35,000	35,000
	<u>808,645</u>	<u>597,646</u>
Gross surplus	320,018	236,796
Support costs		
Staff costs - Burlington House	102,364	76,536
Establishment costs	105,940	71,350
Operating and computer	131,980	103,511
	<u>340,284</u>	<u>251,397</u>
Management and administration		
Establishment	25,605	36,787
Operating and computer	90,989	70,320
Legal and professional	300	1,186
Audit fees*	4,543	5,996
	<u>121,437</u>	<u>114,289</u>
Net deficit	<u>(141,703)</u>	<u>(128,890)</u>
Specialist Group Income and Expenditure (excluding Petroleum Group)		
	2013 £	2012 £
Meeting and Conference Income	-	36,303
Meeting and Conference Expenditure (incl. prior year provision)	73,988	47,014
Net Deficit	<u>(73,988)</u>	<u>(10,711)</u>

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2013 (Continued)

Fellowship Income and expenditure	2013	2012
	£	£
Income		
Fellowship Income	1,426,892	1,383,817
Donations	217,629	8,474
Contribution of costs from the Library	83,401	25,930
Accreditation	17,235	13,435
Geoscientist (included within publishing income)	18,897	21,104
Other income	8,240	5,508
Income arising from Regional Groups	-	17,289
Plate tectonics website sponsorship	-	44,500
	1,772,294	1,520,057
Costs of activities in furtherance of the charity's objects		
Geoscientist (included within direct publishing costs)	155,073	149,228
Education and committees	91,005	73,906
Library	69,651	51,102
Annual report	5,942	5,405
Grants, donations, awards & scholarships (excluding Fermor)	77,355	79,164
Staff costs - library	244,306	205,299
Expenditure arising from Regional Groups	-	25,894
	-	589,998
Support costs		
Staff costs - Burlington House	661,265	565,568
Establishment costs	167,866	140,108
Operating and computer	155,110	199,197
	984,241	904,873
Management and administration		
Establishment	54,411	78,172
Operating and computer	136,545	100,404
Legal and professional	2,700	10,670
Audit and accountancy	11,000	10,600
Trustees expenses and professional indemnity insurance	11,111	18,718
	215,767	218,564
Deficit before Publishing House re-charge	(71,046)	(193,378)
Publishing House costs relating to providing Fellow Journal copies	(18,897)	(41,814)
Deficit for the year	(89,943)	(235,192)

The figures above do not include the annual cost of purchasing books and periodicals for the Library. These costs amount to £120,180 (2012 - £105,484)

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2013 (Continued)

Bye-laws instruct the Society to publish financial information relating to thematic meetings and to Chartered Geologists.

Thematic meetings held during 2013 (Bye-law 9.23)

Meetings – marginal costs ¹

	Income	Expenditure	Surplus/ (Deficit)
	£	£	£
William Smith	31,256	24,736	6,520
Lyell	3,403	6,275	(2,872)
Fermor	-	-	-

¹ No allowance has been made for internal staff costs or related overheads

Chartered Geologists

Income

	2013 £
Validation fee @ £75 (Bye-law 3.1)	6,525
Annual registration fee @ £28 (Bye-law 3.2)	68,352
	<u>74,877</u>

Costs¹

43,772

Surplus

31,105

¹ No allowance has been made for internal staff costs or related overheads