



The
Geological
Society

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2017

The Geological Society of London
Registered Charity Number 210161

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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:

- improving knowledge and understanding*** of the history, structure, constitution and dynamics of the Earth and its processes;
- promoting all forms of education***, awareness and understanding of the Earth and their practical applications for the benefit of the public globally; and
- 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 objectives, both charitable and financial, during 2017. Fellowship is growing at a steady rate 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 very popular.

The Society's significant achievements against its objectives in 2017 are set out as follows.

1.2.2 Science and education

The Society's chosen science theme for 2017 was 'Risk', and this provided the focus for much of our conference, education and outreach programme. We held a wide range of cutting edge scientific meetings, on topics including: Building Resilience to Geohazards in the Face of Uncertainty; Ground Related Risk to Transport Infrastructure; The Future of Contaminated Land Risk (our 2017 Janet Watson early career symposium); Managing Risks Across the Mining and Oil & Gas Lifecycle; and the highly interdisciplinary Sharing an Uncertain World, which provided an opportunity to share lessons in risk across sectors as diverse as the military, aviation, finance and AI, as well a range of geoscience specialisms. Our November 2017 Bryan Lovell meeting on Mining for the Future raised the curtain on our Year of Resources programme, running throughout 2018.

Another highlight of the science programme, as mentioned by the President in his report, was our celebrations of Plate Tectonics at 50 – the subject of the 2017 William Smith meeting, which attracted significant media interest, alongside the launch of our Dan McKenzie archive and online Plate Tectonic Stories resource. Other conferences included Sticking Together – Microbes and their Role in Forming Sediments (Lyell Meeting) and Factory Earth (Fermor Meeting).

Many of our public lectures addressed aspects of risk in geoscience, as did a number of our events and activities for schools. We once again partnered with the British Geological Survey to work with school groups and families at the Lyme Regis Fossil Festival, with an activity linking geohazards to plate tectonics. Earth Science Week (7-15 October) featured over 50 events run by organisations across the UK and Ireland, many on the theme of 'Our Restless Earth'. We also attended New Scientist Live for the first time – an event that attracted 30,000 visitors – where enthusiastic Fellows joined us for 'Ask a geologist' sessions. Our Twitter and Facebook followings continue to grow, and the Society launched an Instagram account in 2017.

Our suite of school resources grew apace during 2017, and was complemented by the launch of our School Ambassadors scheme in partnership with STEMNET. Our Geoscience Education Academy aimed at secondary school science and geography teachers was a great success, once again, and this year included a microscopy workshop kindly sponsored by Zeiss. We held our first workshop for representatives of university departments seeking to achieve or renew AthenaSWAN status – part of a broad programme of activities to promote diversity, equality and inclusion at all levels of geoscience – and we worked in partnership with BGS, University Geoscience UK and the Royal Astronomical Society to hold the Future Science workshop on the next generation of research priorities. We are now working to communicate these priorities to policy makers and funding bodies. We also responded to numerous consultations, including on industrial strategy, higher education reform and the impacts of

leaving the EU. The Society was represented at events to bring the science community together with policy makers at Holyrood, Cardiff Bay and Stormont, as well as in Westminster.

1.2.3 Professional and academic standards

Society membership continues to increase steadily year on year, reflecting the ongoing relevance of the Society to those working and studying in geology and associated fields. The Society's Fellowship, as measured mid-2017, was 12,406 – a rise of 1.0% from 12,289 at the same point in 2016. The number of Chartered Geologists also continues to climb, with 2,720 registered in mid-2017, up from 2,669 in mid-2016. An event for new Fellows was held for the first time during the year and this proved to be popular so is to be repeated 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.

Regional and Specialist group activity continues to be strong, with groups running a variety of activities during 2017 including talks, field-trips and competitions to engage Fellows, students and members of the public. Two annual Careers Day events are also held each year, in Keyworth and Edinburgh, attended by undergraduate and postgraduate students from across the UK and Ireland.

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. During 2017 the Lyell Collection was transferred to HighWire's upgraded *JCore* platform, *GeoScienceWorld* launched on *Silverchair*, all journals and book series were migrated to Aries Editorial Manager system for online submission, and preparations were made for the 2018 implementation of *Produxion Manager*, an online tool for the more effective control of all stages of the production process.

1.2.5 Library and archives

In 2017 the Plate Tectonics Archive project with its three components, a new standalone website, a 3-day conference and an exhibition, was successfully completed and attracted significant media attention. The Library collections audit, during which over 8,000 volumes were preserved and 3,000 duplicate items withdrawn, was also completed. The online archive catalogue and a new print-on-demand Picture Library were also launched during the year.

1.2.6 Support and other activities

The implementation of the Society's new Fellowship database has continued throughout the year and is now anticipated to go live in 2018. As part of the same project, the Society upgraded its financial systems during 2017 and is now working with the latest version of *Sage*.

An independent review of the Society's IT systems and function was carried out towards the end of the year. This confirmed that there were no significant gaps in the operation, security or use of IT but identified a number of areas for improvement, together with options that will be acted upon and developed further during 2018.

The first part of Staff Pay and Reward Review was also completed during the year and this will see changes introduced to staff appraisal and performance pay beginning at the end of the 2018 reporting year.

1.3 Financial review

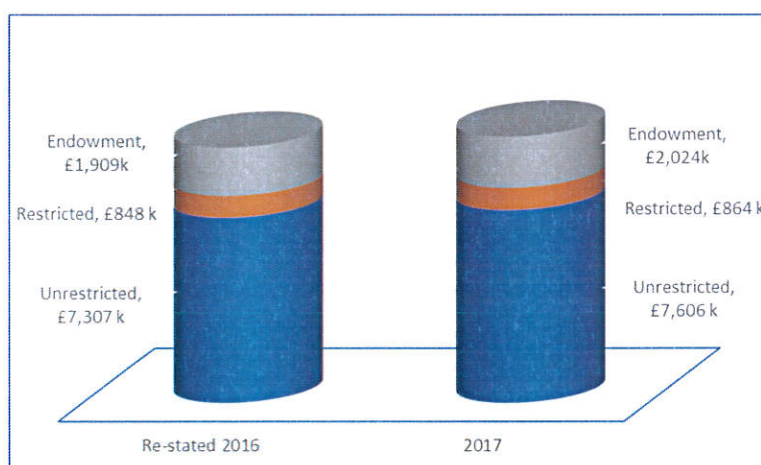
1.3.1 Financial position and performance

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 2017 were £10,493,362 (£10,062,948 re-stated at the end of 2016). This is analysed over the three categories defined above as follows:

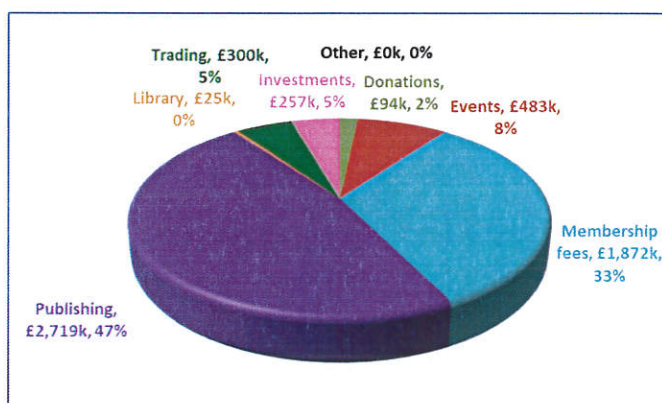


Unrestricted income funds represent the primary operation and activities of the Society and increase or decrease depending upon operating surpluses or deficits made each year. Restricted income funds and endowment funds support specific activities but are primarily dependent upon performance of the Society’s investments for growth or the provision of new legacies. In 2017 the Society received a donation of £32,000 from Professor John Dewey for the purpose of funding a new annual award. This has been recorded as a donation in the Statement of Financial Activities and as a new restricted income fund in the Balance Sheet – note 2 to the Financial Statements provides more information. Circa £6M of the Society’s funds are placed in an investment portfolio and so have benefitted from another year of strong stock market performance. 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.

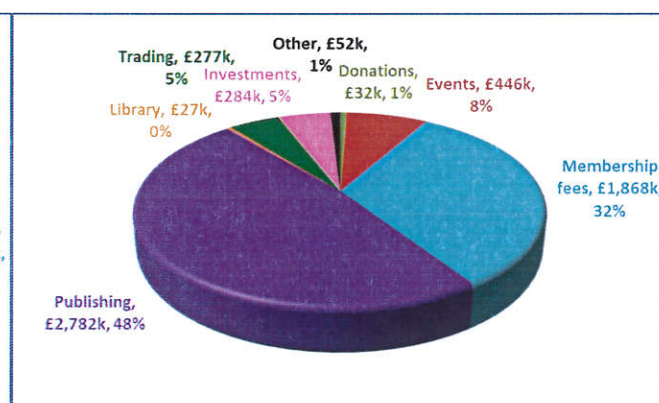
Principal sources of funding

Total consolidated income, excluding gains and losses from investments and foreign exchange, was £5,768,046 in the year ending 31 December 2017 (£5,750,171 for 2016). The Society's principal sources of funding remain closely linked to its charitable activities and these are set out below:

Income sources 2016



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	2017		2016	
	Source Reallocation	Statements	Source Reallocation	Statements
	£k	£k	£k	£k
Donations	32	-	32	94
Events (Science & Education)	446	23	483	505
Membership Fees (Professional & Academic)	1,868	(1,190)	678	717
Publishing	2,782	617	3,399	3,318
Library	27	535	562	544
Trading	277	15	292	315
Investments	284	-	284	257
Other	52	-	52	-
	5,768	-	5,768	5,750

The Society's publishing income has had a strong year with journal publishing, book publishing and electronic publishing via the Lyell Collection and associated products all exceeding expectations. Fellowship income has also grown, albeit at a lower rate than anticipated but fees from Corporate Affiliates (corporate members of the Society) have once more declined, leading to a flat position year-on-year for Membership as a whole.

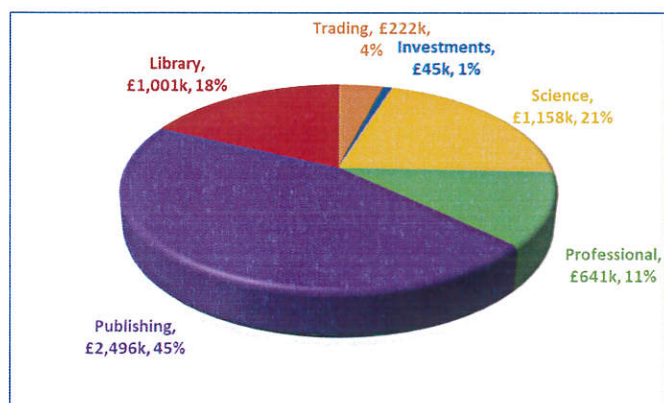
The Society's consolidated surplus of income over expenditure for 2017 is £219,158 (2016 re-stated: £188,132). Gains in the year from movements in the value of investments and losses from foreign currency valuation changes bring the total movement in funds for 2017 to £430,414 (2016 re-stated: £1,041,160). The value of the Society's investment portfolio rose from £5,918,392 at 31 December 2016 to £6,304,236 at the end of 2017, providing an investment gain of £364,955 (2016: £427,014). Foreign exchange movements were expected to show a loss in value during the year, reflecting a re-strengthening of Sterling against US Dollar value following significant depreciation in 2016 after the Brexit vote. This loss has been partially mitigated by transferring some of the Society's US Dollar holdings into Sterling at the start of 2017. Note 20 to the Financial Statements sets out the comparative US Dollar

holdings between 2016 and 2017. As a result, foreign currency losses of £153,699 are shown for 2017 (2016: gain of £426,014).

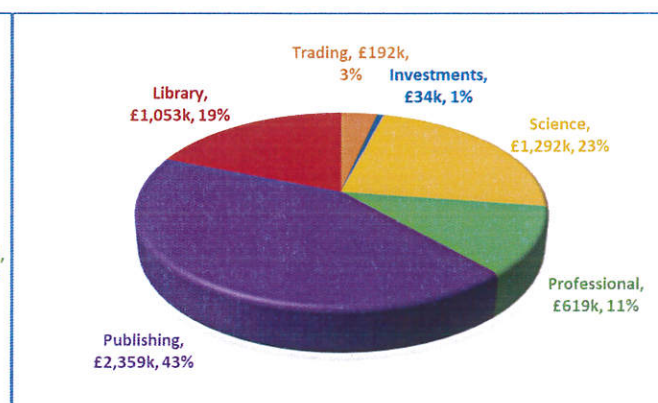
Expenditure of funds

The Society's total expenditure for the year ending 31 December 2017 was £5,548,888 (2016 re-stated: £5,562,039). Society expenditure has been in line with its charitable objectives and principal sources of funding. Note 7 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:

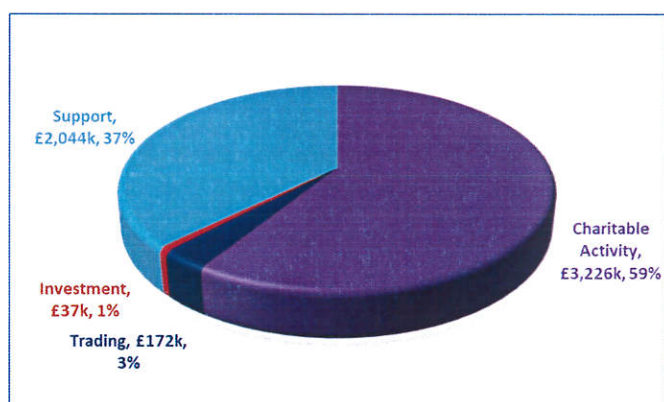
Expenditure by activity 2016



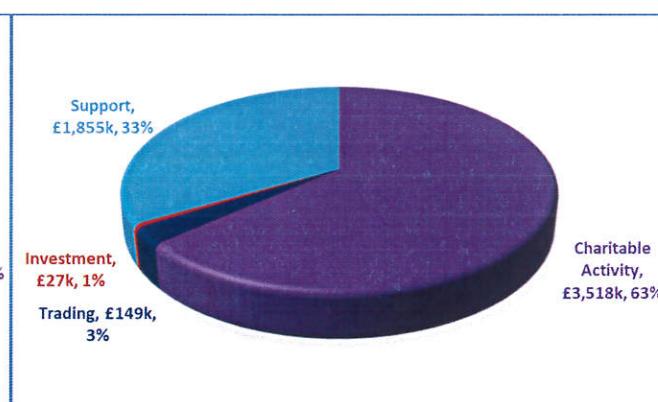
Expenditure by activity 2017



Expenditure by type 2016



Expenditure by type 2017



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

In addition to the revenue expenditure set out above, capital expenditure to the value of £644,260 was also made in 2017 (£601,110 in 2016) on the acquisition of assets, including stock for the Society's library and further expenditure on the implementation of new business IT systems for managing Fellowship and other data.

Investments

The Society maintains an investment portfolio of around £6.0M, managed by professional advisors who make regular, quarterly reports to the Treasurer's Investment Committee. After a competitive tendering exercise towards the end of 2016 the Society appointed Sarasin & Partners LLP as its new advisors. 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

measures performance. It is planned to review the Society's investment policy during 2018, including ethical investments, to ensure that the terms of operation remain fit for purpose.

Investment income in 2017 was £284,064 (2016: £257,060). 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 £33,906 in 2017 and £44,671 in 2016.

As set out above, the total value of the investment pool has risen significantly in 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 2017 trading activity provided income of £93,562 (£87,521 in 2016) against costs of sales of £41,710 (£42,261 in 2016). 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 £35,854 (2016: £27,495). The Board approved a resolution to donate the 2017 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.

1.3.2 Reserves

Council agreed a new Reserves Policy in 2016 to build and maintain a contingency sufficient to cover 9 months of core operational expenditure (within a range of 20% above or below this value). 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 2017 free reserves stood at £3,405,568 (2016 re-stated: £3,515,527) against core operational costs of £5,323,395 (2016 re-stated: £5,295,650). This represents 85.3% of the target (2016 re-stated: 88.5%) and is, therefore, within the acceptable range set out above.

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 are growing steadily but corporate membership via the Corporate Affiliate programme has declined, as a direct result of the downturn in the extractive industries.

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. These include strong commercial competitors, 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.

There remains an ongoing commitment to capital expenditure on the library and its holding of books, journals and maps in order to ensure that this is kept up to date and relevant as the depository of information on geological and related matters. There is also a commitment to invest in the Society's business systems, as evidenced by continued capital expenditure on its core IT business systems.

Uncertainty remains over future lease costs in respect of Burlington House. Despite the passage of time, details on future lease costs remain sketchy and, as at the reporting date, the sums held over for 2013 onwards have yet to be demanded by the landlord (although provision has been made). Discussions are continuing with the landlord and in the interim, against the likelihood of increased future costs, the Society continues to set aside an annual provision in its Building Fund.

1.4 Plans for future periods

1.4.1 Summary of future plans

Business Plan 2017 - 2019

In order to achieve the objectives set out in the ten-year Strategy (see section 1.1.2), Council approved a new Business Plan for the Society in November 2017. This frames priorities for achieving strategic objectives within a three-year rolling view 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.

New priorities identified in this document for 2018 are as follows.

A home for geoscience

- Review awards and grants to ensure maximum impact and efficient use of available funding
- Survey the Fellowship to ensure continued relevance of the membership offering
- Review existing membership categories as well as scope for any new categories of member
- Establish a new group for early career geoscientists
- Review the Society's international leadership roles and activities

Serving and supporting geoscientists

- Develop the Society's Conferences Team and review scope for expanding the range of Society events
- Develop the editorial strengths of the Society's publishing output
- Improve publishing production services in order to reduce the time taken between manuscript acceptance and posting content online
- Review book and journal print options with a view to implementing any changes in 2019
- Develop plans for new chargeable products and services

Maintaining standards

- Review and update the Chartership Development Plan and associated chartership documentation
- Achieve accreditation with the Engineering Council for the purposes of awarding Chartered Engineer status

Trusted voice

- Expand, consolidate and promote the Society's suite of policy briefing documents
- Establish a Critical Issues Programme to address key areas of policy-relevant geoscience
- Review the Society's media strategy with a view to amplifying the voice of the GSL
- Raise awareness and visibility of the Society's policy and public benefit offerings

Education and outreach

- Engage with the education sector to understand their needs and the services the Society might offer in support
- Develop an initiative to support primary school teachers in delivering Earth science curriculum content
- Develop and support an expanded school visit and field-trip programme
- Review the degree accreditation scheme with regard to diversity, inclusion and employability
- Support Regional Groups and their links to schools, universities and the local community

Strengthening the organization

- Implement the recommendations of the IT Review completed in 2017
- Complete the review of staff pay and reward commenced in 2017
- Ensure compliance with new General Data Protection Regulations by May 2018
- Develop the Society's people, including creation of workforce, recruitment and volunteer development plans
- Review the Society's brand to create a progressive, professional and attractive image for the Fellowship, potential sponsors, partners and the wider community
- Recruit a Head of Development and create a plan for income generation and diversification

1.5 Structure, governance and management

1.5.1 Governing instrument

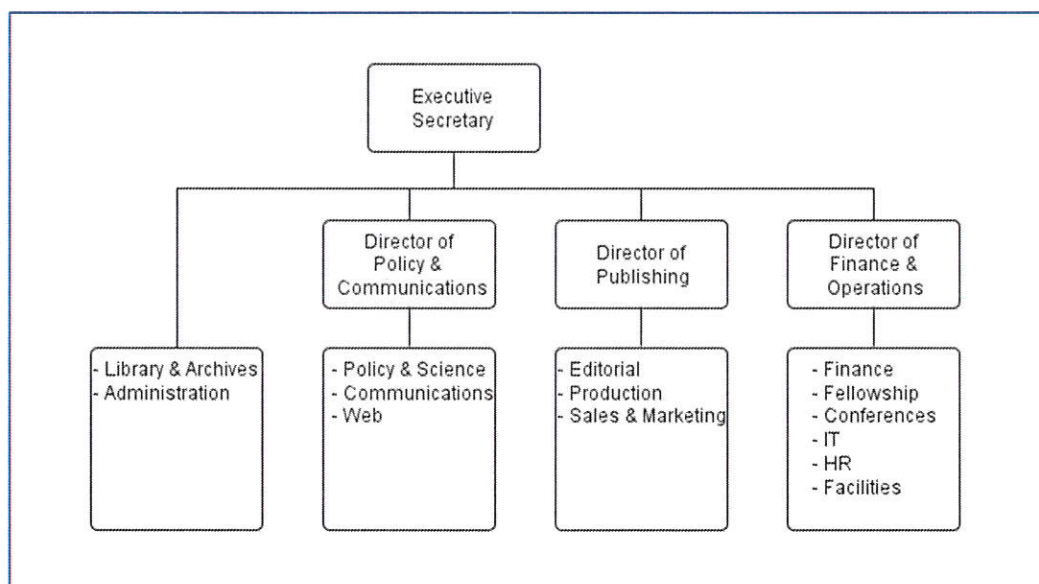
The Society was founded in 1807 and incorporated by Royal Charter in 1825 (amended by a Supplemental Charter in 2005). This remains its governing instrument, from which its Bye-Laws (revised in 2000 and amended in 2003) are derived.

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 the following formally constituted decision-making bodies in which detail will be considered before a recommendation is made to Council:

- (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.
- (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.
- (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.
- (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.
- (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.

- (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.
- (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.
- (viii) **Awards Committee** – responsible for consideration of nominations received from the Fellowship for the Society's awards and medals. Chaired by the President.
- (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 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 or she 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 Society appointed Richard Hughes as its new Executive Secretary from May 2017.

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. The latest of these events, the *8th Petroleum Geology of Northwest Europe Conference 2015*, took place in September 2015 at the Queen Elizabeth II Conference Centre in London.

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.
- (ii) **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.

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, senior staff may receive an annual bonus that is linked to achievement of agreed objectives and is determined by the President and Treasurer and agreed in conjunction with the Officers of the Society. 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:	Mr Malcolm Brown
Vice Presidents:	Mr John Talbot Mr Keith Seymour
Secretaries:	Dr Katherine Royse Dr Marie Edmonds Dr Colin North Dr Sarah Gordon
Treasurer:	Mr Graham Goffey

Other members of Council -

Mr John Booth, Mr Rick Brassington, Dr Jason Canning, Miss Liv Carroll, Ms Lesley Dunlop, Mrs Tricia Henton, Ms Naomi Jordan, Dr Robert Larter, Dr Jennifer McKinley, Dr Sheila Peacock, Prof Christine Peirce, Mr Nick Reynolds, Prof Nick Rogers, Miss Jessica Smith, Dr Alexander Whittaker.

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:

Dr Nigel Cassidy, Mr Chris Eccles, Mr David Hopkins, Prof David Norbury, Mr Michael Young.

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 – from May 2017:	Dr Richard Hughes
Director of Policy & Communications:	Mr Nic Bilham
Director of Publishing:	Mr Neal Marriott
Director of Finance & Operations:	Mr Jonathan Silk

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, Mr Malcolm Brown

Geology for all

The theme of this year's Annual Review is 'Geology for all', and the following pages demonstrate the extent of the work that the Society has done in the last twelve months to reach out to our members and to the wider public. Nowhere is this demonstrated better than in our celebrations of the 50th anniversary of the theory of plate tectonics, which took place in early October. A fantastic three day science meeting was accompanied by widespread press coverage, an archive website where anyone can find out more about the work of Dan McKenzie and the early days of the theory, and an online education resource for those wishing to find out more about plate tectonics and the geology of the UK & Ireland. On top of this, the meeting itself was streamed online, and watched live by audiences as far away as China, South Africa and Australia. In total, over 600 individuals and organisations in 36 countries joined us for the occasion over the internet – an exciting demonstration of how far our science can reach.

During the past two years, I've been working hard to achieve this goal within the Society as well. One of my aims for my Presidency was to improve the Society's ties with our Regional Groups, which are so essential to helping Fellows network and keep in touch. My 'Grand Tour' has, at time of writing, seen me visit 13 of the 15 groups to deliver my annual lecture – including our very active Hong Kong Group. It has been a great opportunity to meet Fellows and find out about their interests and challenges, and I'm grateful to everyone who's attended these events.

Our popular London Lecture series is going on the road as well - having been renamed the Geological Society's Public Lecture Series, we expect four of these to be delivered outside of London during 2018. The first has already taken place; in January I spoke in Aberdeen about the role of oil and gas in future energy supply. Keep an eye on our website for news of future lectures, at Burlington House and across the country, during 2018.

Geology for all means more, of course, than extending the geographical reach of our science. We've continued to work hard on our efforts to promote diversity, equality and inclusion, both in the Society and in the geosciences more widely. 2017 saw our participation in the Science Council/Royal Academy of Engineering's Progression Framework, assessing our progress so far and structuring our plans to deliver on our commitment to the Science Council's 2014 Declaration on DEI. We also worked with the American Geosciences Institute to develop guidelines on harassment, bullying and discrimination, and in September last year the International Association for Geoscience Diversity became an Associated Society.

2017 may have been the Society's Year of Risk – featuring a fantastic range of conferences and events, about which you can read more overleaf – but I feel the future is on anything but shaky ground. Following the arrival of our new Executive Secretary, Richard Hughes, as well as new members of our Council in June, we've strengthened the Society's leadership and put it on good footing for the future. As my two years as President come to an end, I'm confident that the future of the Society, and of our science, looks brighter than ever.

2.2 Treasurer's report

From the Treasurer, Mr Graham Goffey

Implementing our 10-year strategy

As in previous years, I will concentrate on the underlying performance of the Society's activities by discussing mainly the financial outcome before reflection of unrealised or accounting value changes which contribute to the overall reported financial outcome. Whilst it is gratifying that the Society's investment portfolio increased in value by £365k during 2017, the portfolio is being steered towards a more defensive position to limit the downside risk of likely future market volatility. Conversely, the 2017 losses of £154k on foreign exchange obscure the realisation in early 2017 of around £242k of unrealised year-end 2016 gains through the conversion to sterling of a portion of the Society's US dollar holdings.

If investment/foreign exchange gains and losses are removed, the net income surplus of £219k was slightly higher than 2016 and ahead of budget, although flattered by delayed completion of the IT upgrade project which meant that around £100k of depreciation charges were not incurred in 2017. The impact of the depressed natural resources sector continues to be felt in terms of Corporate Affiliate subscriptions, event income and perhaps Fellowship subscriptions, which continue to grow albeit at lower rates than recent prior years. From a positive perspective, fellowship growth is not common amongst learned societies.

Considerable effort was invested in 2017 by staff, Trustees and committee members to develop a 3-year business plan from the broad objectives and aspirations set in the 10-year strategy. Robust income is required in order to implement this plan and overall income (excluding gains/losses, as above) continues to increase gently (£5.4M – 2014, £5.5M – 2015, £5.75M – 2016, and 2017 - £5.8M).

Overall expenditure is also on a general rising trend (£4.75M – 2014, £5.2M – 2015, £5.5M – 2016, and 2017 - £5.5M) and will continue to track income as we implement the business plan. Several new staff have been recruited in the Publishing House to alleviate excessive workloads and to develop and protect revenue streams. Publishing House income remains strong in an uncertain sector and is a significant financial contributor to the Society whilst enhancing the Society's external reputation through the dissemination of high quality, peer-reviewed science. In line with a recommendation from a 2017 review of the potential for philanthropic support for the Society's activities, it is planned to recruit a head of development in 2018.

The development of dependable, regular financial reporting by Jonathan Silk and his team has allowed the Society to budget in a way that permits commitment during the year to additional activities based on the developing financial performance. Jonathan has made huge strides over the last four years in improving the Society's accounts and financial processes in particular, for which I sincerely thank him and wish him well in his chosen move to seek new challenges outside the Society.

As noted in previous years, the Society's ageing accounting and Fellowship services IT systems, were no longer fit for purpose and new accounting software was implemented in 2017. Due in part to issues with historic fellowship databases, implementation of the fellowship services software has been protracted but is expected to be in use by the time that Fellows read this report.

Finally, the Society continues to set aside funds to mitigate future costs regarding its Burlington House premises and to pursue routes to secure its long-term tenure here. There has been some engagement with the relevant government department during 2017 and Council is forming an ad hoc work group to assess possible options and contingencies in anticipation of further dialogue with government in 2018.

2.3 Report of the Executive Secretary

From Dr Richard Hughes

Geology for All

One of my first duties on joining the Geological Society in May 2017 was also one of the most enjoyable – that of welcoming new members to the Society at our first ever event for new Fellows. It was a great pleasure to meet so many enthusiastic new members, and to introduce them to the many benefits that joining the Society brings.

Our membership is growing year on year, with Fellowship now standing at just under 12,500 in mid-2017. Among these, the biggest area of growth amongst Candidate Fellows – those studying for their first degree in geology. It's extremely heartening to see membership growing amongst those starting out in their geoscience careers – an indication that the Society's future looks bright.

Also, on the increase is Chartership, with just over 2,700 members maintaining Chartered Geologist status. 2017 saw the launch of our new and improved CPD scheme, which we hope maps better to your CPD aims and activities. We hope that Chartered Fellows are already finding the new scheme helpful, in advance of the relaunch of the online CPD recording system this year.

2017 saw the launch of our strategy for the next 10 years – the result of much hard work and collaboration between the staff, governance and Fellowship of the Society. We also now have in place a three-year, rolling Business Plan, through which we will deliver the priorities identified in our strategy.

The theme of this annual review, 'Geology for All', reflects many of the aims set out in our strategy. By broadening and growing our membership, we want the next ten years to see an increasingly diverse Fellowship, and are committed to promoting diversity, equality, inclusion and respect for others across the geoscience community.

Our strategy also highlights a commitment to promoting our science beyond the Fellowship, by promoting geoscience education, informing public debate and stimulating public awareness and enthusiasm for the geosciences through our communications and outreach initiatives. At the heart of this goal lie our Regional Groups, who between them cover the length and breadth of the UK and – in the case of our Hong Kong group – beyond. Developing closer ties with the Society's Regional and Specialist groups has been one of my aims since taking up my role at the Society. I hope 2018 will see more engagement and involvement with the Regional Groups, who are so important to the Society's continued growth and success, and to our goal to extend our footprint beyond London.

At the heart of our strategy, of course, is our Fellowship and the support we can provide to members throughout their professional careers. We aim to provide a home for geoscience wherever our members are based, through providing high quality remote access services, facilitating communication and access to networks, and maintaining excellence in our programme of publications, conferences, library and information services.

One of the high points of 2017 was the William Smith Meeting, 'Plate Tectonics at 50.' This celebration of one of our science's most fundamental theories encapsulated all these aims – an outstanding science meeting, it also engaged Fellows and non-Fellows throughout the world through live streaming, as well as the launch of our much-praised Dan

McKenzie archive website. Thanks to associated press coverage and the launch of our Plate Tectonic Stories education resource, we spread the word about our science and the work that we do to public audiences across the globe.

None of this could be delivered without the support and enthusiasm of our members. We're always keen to engage Fellows, both new and established, with the work the Society does, whether through membership of Society committees and working groups, contributions to our responses to government consultations or volunteering your time to communicate your science with public audiences. If you're interested in getting involved with any of these initiatives, we'd love to hear from you.

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 aware of the early adoption by the charity of the Charities SORP (FRS 102) issued in July 2014, rather than applying the Charities 2005 SORP which has been withdrawn but is still referred to in the extant Charities (Accounts and Reports) Regulations 2008. This departure has been necessary for the financial statement 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.

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:



Mr Malcolm Brown

President

Date: 18th April 2018



Mr Graham Goffey

Treasurer

Date: 18th April 2018

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 2017 which comprise the group and parent charity Statement of Financial Activities, the Group and parent charity Balance Sheets, the group Cash Flow Statements 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 2017 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.

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: 26 April 2018

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 2017

	Note	2017				Re-stated 2016			
		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Income and endowments from:									
Donations and legacies	2	426	32,000	-	32,426	94,309	-	-	94,309
Charitable activities									
- Science & education	3.a	468,768	-	-	468,768	504,968	-	-	504,968
- Professional & academic standards	3.b	677,876	-	-	677,876	716,528	-	-	716,528
- Scholarly publishing	3.c	3,398,502	-	-	3,398,502	3,318,085	-	-	3,318,085
- Library & archives	3.d	562,501	-	-	562,501	544,414	-	-	544,414
Other trading activities									
- Room hire & catering	4	291,896	-	-	291,896	314,807	-	-	314,807
Investments	5	170,084	113,980	-	284,064	153,627	103,433	-	257,060
Other income	6	52,013	-	-	52,013	-	-	-	-
Total income		5,622,066	145,980	-	5,768,046	5,646,738	103,433	-	5,750,171
Expenditure on:									
Raising funds									
- Room hire & catering	7.a	191,588	-	-	191,588	220,176	1,542	-	221,718
- Investment management costs	7.b	20,553	13,353	-	33,906	26,602	18,069	-	44,671
Charitable activities									
- Science & education	8.a	1,249,897	41,962	-	1,291,859	1,116,085	41,797	-	1,157,882
- Professional & academic standards	8.b	614,064	4,983	-	619,047	637,560	3,296	-	640,856
- Scholarly publishing	8.c	2,280,994	78,271	-	2,359,265	2,393,236	70,047	32,526	2,495,809
- Library & archives	8.d	1,034,042	19,181	-	1,053,223	981,989	19,114	-	1,001,103
Total expenditure		5,391,138	157,750	-	5,548,888	5,375,648	153,865	32,526	5,562,039
Surplus/(Deficit) of income over expenditure		230,928	(11,770)	-	219,158	271,090	(50,432)	(32,526)	188,132
Net gains on investments	19	217,337	28,415	119,203	364,955	254,294	33,247	139,473	427,014
Net income/(expenditure)		448,265	16,645	119,203	584,113	525,384	(17,185)	106,947	615,146
Other gains/(losses) in year	20	(149,234)	(859)	(3,606)	(153,699)	426,014	-	-	426,014
Net movement in funds		299,031	15,786	115,597	430,414	951,398	(17,185)	106,947	1,041,160
Reconciliation of funds:									
Total funds brought forward		7,306,547	847,797	1,908,604	10,062,948	6,355,149	864,982	1,801,657	9,021,788
Total funds carried forward		7,605,578	863,583	2,024,201	10,493,362	7,306,547	847,797	1,908,604	10,062,948

The notes on pages 33 - 57 form an integral part of these Financial Statements.

5.2 Charity only Statement of Financial Activities as at 31 December 2017

	Note	2017				Re-stated 2016			
		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Income and endowments from:									
Donations and legacies	2	36,280	32,000	-	68,280	94,309	-	-	94,309
Charitable activities									
- Science & education	3.a	472,427	-	-	472,427	504,968	-	-	504,968
- Professional & academic standards	3.b	677,876	-	-	677,876	716,528	-	-	716,528
- Scholarly publishing	3.c	3,398,502	-	-	3,398,502	3,318,085	-	-	3,318,085
- Library & archives	3.d	562,501	-	-	562,501	544,414	-	-	544,414
Other trading activities									
- Room hire & catering	4	219,021	-	-	219,021	245,051	-	-	245,051
Investments	5	170,084	113,980	-	284,064	153,627	103,433	-	257,060
Other income	6	43,000	-	-	43,000	-	-	-	-
Total income		5,579,691	145,980	-	5,725,671	5,576,982	103,433	-	5,680,415
Expenditure on:									
Raising funds									
- Room hire & catering	7.a	149,213	-	-	149,213	150,420	1,542	-	151,962
- Investment management costs	7.b	20,553	13,353	-	33,906	26,602	18,069	-	44,671
Charitable activities									
- Science & education	8.a	1,249,897	41,962	-	1,291,859	1,116,085	41,797	-	1,157,882
- Professional & academic standards	8.b	614,064	4,983	-	619,047	637,560	3,296	-	640,856
- Scholarly publishing	8.c	2,280,994	78,271	-	2,359,265	2,393,236	70,047	32,526	2,495,809
- Library & archives	8.d	1,034,042	19,181	-	1,053,223	981,989	19,114	-	1,001,103
Total expenditure		5,348,763	157,750	-	5,506,513	5,305,892	153,865	32,526	5,492,283
Surplus/(Deficit) of income over expenditure		230,928	(11,770)	-	219,158	271,090	(50,432)	(32,526)	188,132
Net gains on investments	19	217,337	28,415	119,203	364,955	254,294	33,247	139,473	427,014
Net income/(expenditure)		448,265	16,645	119,203	584,113	525,384	(17,185)	106,947	615,146
Other gains/(losses) in year	20	(149,234)	(859)	(3,606)	(153,699)	426,014	-	-	426,014
Net movement in funds		299,031	15,786	115,597	430,414	951,398	(17,185)	106,947	1,041,160
Reconciliation of funds:									
Total funds brought forward		7,306,547	847,797	1,908,604	10,062,948	6,355,149	864,982	1,801,657	9,021,788
Total funds carried forward		7,605,578	863,583	2,024,201	10,493,362	7,306,547	847,797	1,908,604	10,062,948

The notes on pages 33 – 57 form an integral part of these Financial Statements.

6. Balance Sheets at 31 December 2017

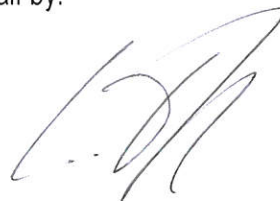
	Note	Consolidated Balance Sheet				Charity Only Balance Sheet			
		2017		2016 Re-stated		2017		2016 Re-stated	
		£	£	£	£	£	£	£	£
Fixed assets:									
Intangible assets									
- website development	16	46,773		24,722		46,773		24,722	
- IT systems development	16	667,074	713,847	310,478	335,200	667,074	713,847	310,478	335,200
Tangible assets									
- leasehold property	17	411,439		437,630		411,439		437,630	
- equipment, fixtures & fittings	17	96,118		113,242		96,118		113,242	
- computer equipment	17	102,101	609,658	112,099	662,971	102,101	609,658	112,099	662,971
Heritage assets									
- library holdings	18		1,140,670		1,084,381		1,140,670		1,084,381
Investments									
- listed and traded investments	19	6,122,117		5,791,227		6,122,117		5,791,227	
- portfolio cash	19	182,119	6,304,236	127,165	5,918,392	182,119	6,304,236	127,165	5,918,392
Total fixed assets:			8,768,411		8,000,944		8,768,411		8,000,944
Current assets									
Stocks	21								
- finished stock		252,013		230,956		252,013		230,956	
- work in progress		136,154		104,963		136,154		104,963	
Debtors	22	518,022		267,341		593,846		261,766	
Investments	23	1,508,233		950,373		1,508,233		950,373	
Cash at bank and in hand		2,336,117		3,392,452		2,251,674		3,381,420	
Total current assets		4,750,539		4,946,085		4,741,920		4,929,478	
Liabilities									
Creditors									
- amounts falling due within 1 year	24	(3,025,588)		(2,884,081)		(3,016,969)		(2,867,474)	
Net current assets			1,724,951		2,062,004		1,724,951		2,062,004
Total net assets or liabilities		10,493,362		10,062,948		10,493,362		10,062,948	
The funds of the charity:	26								
Unrestricted funds	27	7,605,578		7,306,547		7,605,578		7,306,547	
Restricted income funds	28	863,583		847,797		863,583		847,797	
Endowment funds	29	2,024,201		1,908,604		2,024,201		1,908,604	
Total funds		10,493,362		10,062,948		10,493,362		10,062,948	

The notes on pages 33 - 57 form an integral part of these Financial Statements.

Approved by the trustees on 18th April 2018 and signed on their behalf by:



Mr Malcolm Brown
President



Mr Graham Goffey
Treasurer

7. Consolidated Cash Flow Statement for the year ended 31 December 2017

	Note	2017		2016 Re-stated	
		£	£	£	£
Cash flows from operating activities:					
<i>Net cash provided by operating activities:</i>	33		33,753		347,317
Cash flows from investing activities:					
Dividends and interest from investments:		284,064		257,060	
Purchase of property, plant and equipment		(641,703)		(601,108)	
Proceeds from sale of investments:	19	5,727,642		1,226,111	
Purchase of investments:	19	(5,748,532)		(1,192,064)	
<i>Net cash provided by investing activities:</i>			(378,529)		(310,001)
Cash flows from financing activities:					
<i>Net cash provided by financing activities:</i>			-		-
Change in cash and cash equivalents in the reporting period:					
			(344,776)		37,316
Cash and cash equivalents at the beginning of the reporting period:	34		4,342,825		3,879,495
Change in cash and cash equivalents due to exchange rate movements:	20		(153,699)		426,014
Cash and cash equivalents at the end of the reporting period:	34		3,844,350		4,342,825

The notes on pages 33 – 57 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 2018 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 2017 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.
- (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, including 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 16 details costs, depreciation and net book value held, as well as the basis for charging depreciation to Income and Expenditure accounts. Land owned by the Society is not depreciated.

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 for re-sale produced by third parties. 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

The Society received a donation of £32,000 in 2017 from Professor John Dewey for the purpose of funding a new annual award to recognize geologists who have made substantial and significant contributions to geology through sustained field mapping and/or field observation of rocks. This has been recorded as a donation in the Statement of Financial Activities and as a new restricted income fund in the Balance Sheet. The Directors of Geological Trading Limited agreed to donate the company's profit for the year of £35,854. This is excluded from the consolidated Statement of Financial Activities but included as a donation in the charity-only statement for the year.

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			
	2017		2016		2017		2016	
	%	£	%	£	%	£	%	£
Science & education	1.1%	15,058	1.1%	14,624	6.3%	7,749	6.1%	7,460
Professional & academic	18.1%	257,206	18.1%	249,803	79.9%	98,277	80.4%	97,686
Publishing	43.4%	616,777	43.4%	599,023				
Library & archives	37.4%	533,240	37.4%	517,890	1.5%	1,845	1.5%	1,816
Trading					12.3%	15,129	12.0%	14,519
	100.0%	1,422,281	100.0%	1,381,340	100.0%	123,000	100.0%	121,481

Analysis of charitable income:

Analysis of Charitable activity	2017				2016			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£	£	£	£	£
3.a Science & Education								
Flagship meetings & events	178,986	-	-	178,986	144,919	-	-	144,919
Petroleum Group meetings	258,447	-	-	258,447	293,391	-	-	293,391
Other meetings & events	1,000	-	-	1,000	33,660	-	-	33,660
Grants & other direct funding	-	-	-	-	6,800	-	-	6,800
Friends of the GSL	3,475	-	-	3,475	4,114	-	-	4,114
Other Income	4,053	-	-	4,053	-	-	-	-
Membership fees redistributed	22,807	-	-	22,807	22,084	-	-	22,084
Sub-total:	468,768	-	-	468,768	504,968	-	-	504,968
3.b Professional & academic standards								
Fellowship & Chartership fees	502,800	-	-	502,800	540,364	-	-	540,364
Corporate Affiliate fees	98,277	-	-	98,277	94,440	-	-	94,440
Accreditation	25,425	-	-	25,425	19,963	-	-	19,963
Specialist & Regional Groups	51,374	-	-	51,374	60,554	-	-	60,554
Other Fellowship Income	-	-	-	-	1,207	-	-	1,207
Sub-total:	677,876	-	-	677,876	716,528	-	-	716,528
3.c Scholarly publishing								
Book sales & distribution	400,285	-	-	400,285	366,157	-	-	366,157
Lyell Collection	1,486,657	-	-	1,486,657	1,363,005	-	-	1,363,005
GSL journals	563,920	-	-	563,920	659,855	-	-	659,855
Non-GSL Journals	35,153	-	-	35,153	43,166	-	-	43,166
Geology Today	11,761	-	-	11,761	6,192	-	-	6,192
Geofacets	36,363	-	-	36,363	37,591	-	-	37,591
Geoscientist	10,896	-	-	10,896	11,809	-	-	11,809
GSW Ebooks	65,199	-	-	65,199	74,156	-	-	74,156
Royalties & copying income	171,491	-	-	171,491	157,131	-	-	157,131
Membership fees redistributed	616,777	-	-	616,777	599,023	-	-	599,023
Sub-total:	3,398,502	-	-	3,398,502	3,318,085	-	-	3,318,085
3.d Library & Archives								
Library Income	27,416	-	-	27,416	24,708	-	-	24,708
Membership fees redistributed	535,085	-	-	535,085	519,706	-	-	519,706
Sub-total:	562,501	-	-	562,501	544,414	-	-	544,414
Grand total:	5,107,647	-	-	5,107,647	5,083,995	-	-	5,083,995

4 Other trading activities

Consolidated Income Analysis of Other trading activities	2017				2016			
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Room hire: Fellows & associates	107,594	-	-	107,594	111,785	-	-	111,785
Room hire: subsidiary company	56,286	-	-	56,286	47,191	-	-	47,191
Catering: Fellows & associates	84,624	-	-	84,624	100,843	-	-	100,843
Catering: subsidiary company	28,263	-	-	28,263	40,330	-	-	40,330
Other activities	-	-	-	-	139	-	-	139
Membership fees redistributed	15,129	-	-	15,129	14,519	-	-	14,519
Grand total:	291,896	-	-	291,896	314,807	-	-	314,807

Charity-only Income Analysis of Other trading activities	2017				2016			
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Room hire: Fellows & associates	107,594	-	-	107,594	111,785	-	-	111,785
Catering: Fellows & associates	84,624	-	-	84,624	100,843	-	-	100,843
Other activities	-	-	-	-	139	-	-	139
Membership fees redistributed	15,129	-	-	15,129	14,519	-	-	14,519
Management Charge to GTL	11,674	-	-	11,674	17,765	-	-	17,765
Grand total:	219,021	-	-	219,021	245,051	-	-	245,051

5 Investment income

Analysis of Investment income	2017				2016			
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Investment income received	167,799	113,980	-	281,779	152,284	103,433	-	255,717
Bank interest on funds held	2,285	-	-	2,285	1,343	-	-	1,343
Grand total:	170,084	113,980	-	284,064	153,627	103,433	-	257,060

6 Other income

Other Income records £43,000 of legal fees recovered in 2017 as a result of the conclusion of the lease arbitration process. It also includes a reimbursement of £9,013 overpaid tax by the Society's subsidiary company, also received in the year. The latter sum is included within the consolidated Statement of Financial Activities but excluded from the charity only statement.

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	2017				2016			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£	£	£	£	£
Room hire costs	30,676	-	-	30,676	28,426	-	-	28,426
Catering costs	102,951	-	-	102,951	127,675	-	-	127,675
Direct staff costs	14,897	-	-	14,897	16,332	-	-	16,332
Overheads recharged	43,064	-	-	43,064	47,743	1,542	-	49,285
Grand total:	191,588	-	-	191,588	220,176	1,542	-	221,718

Analysis of Charity Only Room hire & catering costs	2017				2016			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£	£	£	£	£
Room hire costs	27,003	-	-	27,003	24,024	-	-	24,024
Catering costs	79,957	-	-	79,957	89,816	-	-	89,816
Direct staff costs	10,864	-	-	10,864	11,910	-	-	11,910
Overheads recharged	31,389	-	-	31,389	24,670	1,542	-	26,212
Grand total:	149,213	-	-	149,213	150,420	1,542	-	151,962

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	2017				2016 Re-stated			
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
8.a Science & education								
Flagship meetings & events	99,184	-	-	99,184	99,010	-	-	99,010
Petroleum Group meetings	150,356	-	-	150,356	146,211	-	-	146,211
Other scientific & educational events	59,269	-	-	59,269	56,570	-	-	56,570
Friends of the GSL	177	-	-	177	185	-	-	185
Science & Education Committee	51,160	41,962	-	93,122	47,204	34,460	-	81,664
Direct staff costs	431,933	-	-	431,933	296,997	-	-	296,997
Overheads recharged	457,818	-	-	457,818	469,908	7,337	-	477,245
Sub-total:	1,249,897	41,962	-	1,291,859	1,116,085	41,797	-	1,157,882
8.b Professional & academic standards								
Fellowship support	81,612	-	-	81,612	78,732	-	-	78,732
Corporate Affiliates	24,133	-	-	24,133	30,569	-	-	30,569
Accreditation	2,001	-	-	2,001	1,723	-	-	1,723
Professional Committee	14,958	-	-	14,958	5,764	-	-	5,764
Specialist & Regional Groups	96,303	-	-	96,303	83,873	-	-	83,873
Direct staff costs	200,218	-	-	200,218	206,991	-	-	206,991
Overheads recharged	194,839	4,983	-	199,822	229,908	3,296	-	233,204
Sub-total:	614,064	4,983	-	619,047	637,560	3,296	-	640,856
8.c Scholarly publishing								
Book sales & distribution	232,171	2,691	-	234,862	241,139	6,866	-	248,005
Lyell Collection	215,130	-	-	215,130	264,305	-	-	264,305
GSL journals	182,510	33,504	-	216,014	190,164	13,184	32,526	235,874
Non-GSL Journals	23,510	-	-	23,510	29,164	-	-	29,164
Geoscientist	175,723	-	-	175,723	173,771	-	-	173,771
GSW E-books	5,530	-	-	5,530	7,086	-	-	7,086
Publishing House running costs	153,975	-	-	153,975	184,923	-	-	184,923
Direct staff costs	679,283	42,076	-	721,359	594,414	46,790	-	641,204
Overheads recharged	613,162	-	-	613,162	708,270	3,207	-	711,477
Sub-total:	2,280,994	78,271	-	2,359,265	2,393,236	70,047	32,526	2,495,809
8.d Library & Archives								
Library running costs	165,182	-	-	165,182	131,745	2,941	-	134,686
Direct staff costs	353,474	-	-	353,474	300,554	-	-	300,554
Overheads recharged	515,386	19,181	-	534,567	549,690	16,173	-	565,863
Sub-total:	1,034,042	19,181	-	1,053,223	981,989	19,114	-	1,001,103
Grand total:	5,178,997	144,397	-	5,323,394	5,128,870	134,254	32,526	5,295,650

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	2017 Total Costs £	2016 Total Costs £
Burlington House running & maintenance costs	450,434	453,584
Facilities manager staff cost	44,784	44,315
Grand total:	495,218	497,899

Note: £94,328 of the above total in 2017 (2016: £108,636) 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	2017 Total Costs £	2016 Total Costs £
Executive	404,581	558,809
Finance	283,694	300,240
HR Support	105,075	36,285
IT Support	456,870	524,470
Marketing	100,581	129,252
Grand total:	1,350,801	1,549,056

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	2017 Total Costs £	2016 Total Costs £
Audit fees	26,513	31,925
Annual report	5,863	7,063
Council elections	5,252	4,720
Trustees' expenses	35,510	32,814
Share of Facilities overhead recharged	30,205	29,614
Grand total:	103,343	106,136

(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	2017				2016			
	Facilities £	Support		Total Costs £	Facilities £	Support		Total Costs £
		Staff	Governance			Staff	Governance	
Charitable activities								
Science & education	103,251	344,983	9,584	457,818	96,144	372,039	9,062	477,245
Professional & academic standards	19,028	168,658	12,136	199,822	9,844	188,234	35,126	233,204
Scholarly publishing	6,211	544,307	62,644	613,162	6,062	654,390	51,025	711,477
Library & archives	248,212	275,987	10,368	534,567	255,366	310,033	464	565,863
Other activities								
Trading	23,909	15,333	3,822	43,064	21,505	22,145	5,635	49,285
Investments	279	1,533	4,789	6,601	342	2,215	4,824	7,381
	400,890	1,350,801	103,343	1,855,034	389,263	1,549,056	106,136	2,044,455

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	2017 Totals	2016 Totals
	£	£
Total value of expenses paid	35,510	32,814
Total number of trustees paid	23	21

11 Transactions with related parties

The Society charged its trading company, Geological Trading Limited, a management fee in the year of £15,707 (2016: £17,765). The Board of Geological Trading Limited has approved a resolution to donate any profit to the Society. The value of this donation for 2017 was £35,854 (2016: £4,218).

12 Staff costs and employee benefits

Total staff costs for the Society are set out below:

Analysis of Staff costs	2017 Total Costs £	2016 Total Costs £
Wages and salaries	1,941,469	1,903,599
Social security costs	205,588	202,050
Pension contributions	161,618	157,470
Sub-total:	2,308,675	2,263,119
Temps & agency staff	263,795	222,732
Staff insurance	22,638	27,064
Recruitment costs	41,020	6,684
Sub-total:	327,453	256,480
Grand total:	2,636,128	2,519,599

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.

13 Staff numbers

Total staff numbers (average headcount) by activity for the reporting period were as follows:

Analysis of Staff numbers (average headcount)	2017 Totals	Re-stated 2016 Totals
Charitable activities		
Science & education	12.9	9.8
Professional & academic standards	5.5	5.5
Scholarly publishing	17.8	16.5
Library & archives	9.0	7.3
Other activities		
Trading	0.5	0.5
Investments	0.1	0.1
Support		
Support staff	9.8	13.2
Grand total:	55.6	52.9

The 2016 figures have been re-stated to show average headcount (the mean total headcount across 12 months).

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:

	2017 Number	2016 Number
£120,000 - £129,000	-	1
£110,000 - £119,999	-	1
£90,000 - £99,999	2	1
£70,000 - £79,999	1	-
£60,000 - £69,999	2	-
	5	3

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	2017			2016		
	Contractual Salary payments £	Employer pension contribution £	2017 Total £	Contractual Salary payments £	Employer pension contribution £	2016 Total £
Executive Secretary	78,308	7,831	86,139	124,576	10,285	134,861
Director of Publishing	93,326	8,268	101,594	115,191	9,728	124,919
Director of Finance & Operations	96,990	8,755	105,745	93,240	8,583	101,823
Director of Policy & Communications	66,263	6,050	72,313	56,720	5,240	61,960
Grand total:	334,887	30,904	365,791	389,727	33,836	423,563

The Executive Secretary took up position in May 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. 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 will go live during 2018. Capital costs will be accrued until the system goes into live usage, at which point amortization will also become chargeable.

Analysis of Intangible assets	Website		IT Systems		Total Intangible Assets	
	2017 Totals £	2016 Totals £	2017 Totals £	2016 Totals £	2017 Totals £	2016 Totals £
Cost or valuation brought forward:	168,250	150,585	319,116	27,694	487,366	178,279
- Acquisitions in year:	43,155	17,665	393,860	291,422	437,015	309,087
- Disposals in year:	-	-	-	-	-	-
- Revaluations in year:	-	-	(2,189)	-	(2,189)	-
- Transfers in year:	-	-	-	-	-	-
Cost or valuation carried forward:	211,405	168,250	710,787	319,116	922,192	487,366
Cumulative amortization b/fwd:	(143,528)	(129,295)	(8,638)	-	(152,166)	(129,295)
- Adjustments on disposal:	-	-	-	-	-	-
- Amortization charged:	(21,104)	(14,233)	(35,075)	(8,638)	(56,179)	(22,871)
- Impairment provisions	-	-	-	-	-	-
- Transfers:	-	-	-	-	-	-
Cumulative amortization c/fwd:	(164,632)	(143,528)	(43,713)	(8,638)	(208,345)	(152,166)
Net book value brought forward:	24,722	21,290	310,478	27,694	335,200	48,984
Total movements in year:	22,051	3,432	356,596	282,784	378,647	286,216
Net book value carried forward:	46,773	24,722	667,074	310,478	713,847	335,200

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	
	2017 Totals £	2016 Totals £	2017 Totals £	2016 Totals £	2017 Totals £	2016 Totals £	2017 Totals £	2016 Totals £
Cost or valuation brought forward:	1,484,848	1,452,073	799,241	756,832	1,860,253	1,813,551	4,144,342	4,022,456
- Acquisitions in year:	12,120	32,775	11,540	42,409	37,612	46,702	61,272	121,886
- Disposals in year:	-	-	-	-	-	-	-	-
- Revaluations in year:	1	-	-	-	(368)	-	(367)	-
- Transfers in year:	-	-	-	-	-	-	-	-
Cost or valuation carried forward:	1,496,969	1,484,848	810,781	799,241	1,897,497	1,860,253	4,205,247	4,144,342
Cumulative depreciation b/fwd:	(1,047,219)	(960,753)	(685,999)	(658,262)	(1,748,154)	(1,700,958)	(3,481,372)	(3,319,973)
- Adjustments on disposal:	-	-	-	-	-	-	-	-
- Depreciation charged:	(38,312)	(86,466)	(28,664)	(27,737)	(47,242)	(49,432)	(114,218)	(163,635)
- Impairment provisions	-	-	-	-	-	-	-	-
- Transfers:	-	-	-	-	-	2,236	-	2,236
Cumulative depreciation c/fwd:	(1,085,531)	(1,047,219)	(714,663)	(685,999)	(1,795,396)	(1,748,154)	(3,595,590)	(3,481,372)
Net book value brought forward:	437,630	491,321	113,242	98,570	112,099	112,593	662,971	702,484
Total movements in year:	(26,191)	(53,691)	(17,124)	14,672	(9,998)	(494)	(53,313)	(39,513)
Net book value carried forward:	411,439	437,630	96,118	113,242	102,101	112,099	609,658	662,971

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

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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.

Analysis of Heritage assets	Heritage Assets	
	2017 Totals £	2016 Totals £
Cost or valuation brought forward:	1,793,681	1,623,544
- Acquisitions in year:	145,973	170,137
- Disposals in year:	-	-
- Revaluations in year:	-	-
- Transfers in year:	-	-
Cost or valuation carried forward:	1,939,654	1,793,681
Cumulative depreciation brought forward:	(709,300)	(620,517)
- Adjustments on disposal:	-	-
- Depreciation charged:	(89,684)	(88,783)
- Impairment provisions	-	-
- Transfers:	-	-
Cumulative depreciation carried forward:	(798,984)	(709,300)
Net book value brought forward:	1,084,381	1,003,027
Total movements in year:	56,289	81,354
Net book value carried forward:	1,140,670	1,084,381

Analysis of Net Book Value by class of assets	2017 Totals £	2016 Totals £
(i) General holdings	12,000	16,000
(ii) Books	38,844	39,424
(iii) Bindings	59,474	57,837
(iv) Maps	32,008	34,201
(v) Periodicals	998,344	936,919
Grand total:	1,140,670	1,084,381

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	2013 £	2014 £	2015 £	2016 £	2017 £
Cost of acquisition:					
(i) General holdings	-	-	-	-	-
(ii) Books	2,840	1,269	5,961	4,766	3,119
(iii) Bindings	5,930	6,824	6,235	6,148	6,585
(iv) Maps	1,417	1,447	5,267	6,072	699
(v) Periodicals	109,994	93,916	114,928	153,151	135,570
	120,181	103,456	132,391	170,137	145,973

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	2017 Total £	2016 Total £
Listed and traded investments	6,122,117	5,791,227
Portfolio cash	182,119	127,165
Grand total:	6,304,236	5,918,392

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

Analysis of Fixed asset investments	Listed & Traded		Portfolio Cash	
	2017 Totals £	2016 Totals £	2017 Totals £	2016 Totals £
Market valuation brought forward:	5,791,227	5,372,024	127,165	153,393
- Purchases in year at cost:	5,748,532	1,192,064	(5,748,532)	(1,192,064)
- Sales in year at cost:	(5,667,961)	(1,171,562)	5,667,961	1,171,562
- Gains or losses on disposal:	-	-	114,637	15,414
- Changes in market value of assets:	250,319	398,701	(11,040)	12,897
- Other charges and adjustments:	-	-	31,928	(34,037)
Market valuation carried forward:	6,122,117	5,791,227	182,119	127,165

The Society changed its Investment Manager at the start of 2017 from UBS to Sarasin & Partners. The high value of purchases and sales in the year reflects the transfer of the portfolio from old to new manager.

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 2017:

Analysis of Significant investments held	Market value at 31 Dec 2017 £
Bonds:-	
SARASIN RESPONSIBLE CORPORATE BOND - I INC	230,304
	230,304
Equities:-	
SARASIN UK EQUITY - I INC	758,299
UNICORN UK INCOME-INST B INC	476,964
SARASIN GLOBAL HIGHER DIVIDEND (STERLING HEDGED) - I INC	804,339
SARASIN GLOBAL HIGHER DIVIDEND - I INC	2,068,842
	4,108,444
Property funds:-	
AEW UK CORE PROPERTY FUND	241,873
THE CHARITIES PROPERTY FUND	425,629
THE PROPERTY INCOME TRUST FOR CHARITIES	174,448
	841,950

20 Other gains/(losses) in year

The Society maintains US Dollar bank accounts which are accounted for in these statements at equivalent Sterling value. As a result of significant devaluation of Sterling against the Dollar in 2016, the Society showed a large foreign currency gain at the end of 2016. As anticipated, however, during 2017 Sterling has re-strengthened against the US Dollar, leading to a foreign exchange loss at the end of 2017.

	2017 £	2016 £
Total value of US Dollar cash at bank included in balance sheet:	1,652,656	3,054,034
Foreign currency exchange rate gains/(losses) in year:	(153,699)	426,014

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.

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Analysis of Stock	2017 Total £	2016 Total £
Geological Society finished stock:	215,420	201,329
Geological Society Work In Progress:	136,154	104,963
Third-party sale stock:	36,593	29,627
Total:	388,167	335,919
Total finished stock:	252,013	230,956
Total work in progress:	136,154	104,963
Total:	388,167	335,919

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. 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	
	2017 Total £	Re-stated 2016 Total £	2017 Total £	Re-stated 2016 Total £
Amounts falling due within one year				
Trade debtors:	327,759	45,334	296,593	-
Group and associated undertakings:	-	-	106,990	39,759
Prepayments and accrued income:	163,055	79,701	163,055	79,701
Other debtors:	27,208	142,306	27,208	142,306
Grand total:	518,022	267,341	593,846	261,766

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	2017 Total £	2016 Total £
Money market account:	1,508,233	686,094
Deposit accounts	-	264,279
Grand total:	1,508,233	950,373

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	
	2017 Total £	2016 Total Re-stated £	2017 Total £	2016 Total Re-stated £
Amounts falling due within one year				
Trade creditors:	(346,983)	(300,476)	(346,163)	(269,676)
Group and associated undertakings:	-	-	-	(20,950)
Accruals:	(448,436)	(288,165)	(448,436)	(288,163)
Deferred income:	(2,056,042)	(2,161,677)	(2,056,042)	(2,161,677)
Taxation and social security:	(91,763)	(73,319)	(83,964)	(66,564)
Other creditors:	(82,364)	(60,444)	(82,364)	(60,444)
Grand total:	(3,025,588)	(2,884,081)	(3,016,969)	(2,867,474)

25 Financial instruments

Analysis of Financial Instruments	Group		Charity	
	2017 Total £	Re-stated 2016 Total £	2017 Total £	Re-stated 2016 Total £
Carrying amount of financial assets				
Equity instruments measured at cost less impairment	6,122,117	5,791,227	6,122,117	5,791,227
Debt instruments measured at amortized cost	354,967	187,640	392,167	182,065
Total carrying amount of financial assets	6,477,084	5,978,867	6,514,284	5,973,292
Carrying amount of financial liabilities				
Liability instruments measured at amortized cost	521,110	434,239	473,867	417,634

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	
	2017 Total £	Re-stated 2016 Total £	2017 Total £	2016 Total £	2017 Total £	2016 Total £	2017 Total £	Re-stated 2016 Total £
Balance brought forward:*	7,306,547	6,355,148	847,797	864,981	1,908,604	1,801,657	10,062,948	9,021,786
Income in year:	5,579,691	5,646,737	145,981	103,433	-	-	5,725,672	5,750,170
Expenditure in year:	(5,348,764)	(5,375,646)	(157,750)	(153,864)	-	(32,526)	(5,506,514)	(5,562,036)
Transfers in year:	-	-	-	-	-	-	-	-
Gains and losses:	68,104	680,308	27,555	33,247	115,597	139,473	211,256	853,028
Balance carried forward:	7,605,578	7,306,547	863,583	847,797	2,024,201	1,908,604	10,493,362	10,062,948

* Funds brought forward from 2016 were re-stated as follows:

Unrestricted funds 2016	£
Balance b/fwd as previously stated:	7,545,940
Prior period adjustments (note 35):	(239,393)
Re-stated balance b/fwd:	<u>7,306,547</u>

Further information is provided in note 35.

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.

e. Other General Funds

£5,000 was bequeathed to the Society in November 1944 by Abraham Farrar without condition except that a fund be established. Henry Clifton Sorby and William Hudleston were friends who both died in 1909 and left money to the Society without condition.

Designated funds: -**f. 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.

g. 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.

h. Other Designated Funds

A small, residual amount remained in the Bicentenary Project Fund, created in 2007 to offset building improvement costs associated with the Society's 200th Anniversary. This was fully spent in 2017.

Analysis of Unrestricted income funds	Re-stated Balance			Transfers	Gains & Losses	Balance C/fwd
	B/fwd	Income	Expenditure			
	£	£	£	£	£	£
General funds -						
a. General Fund	412,336	5,402,896	(5,321,235)	-	(142,398)	351,599
b. Curry Funds	3,163,669	90,679	(5,272)	-	113,887	3,362,963
c. Mills Fund	263,903	5,098	(296)	-	6,403	275,108
d. Coke Fund	1,524,844	69,822	(4,059)	-	87,692	1,678,299
e. Other General Funds	46,067	-	-	-	-	46,067
Sub-total:	5,410,819	5,568,495	(5,330,862)	-	65,584	5,714,036
Designated funds -						
f. Constituted groups	142,485	53,571	(57,028)	-	2,519	141,547
g. Buildings Fund	1,749,995	-	-	-	-	1,749,995
h. Other Designated Funds	3,248	-	(3,248)	-	-	-
Sub-total:	1,895,728	53,571	(60,276)	-	2,519	1,891,542
Grand Total:	7,306,547	5,622,066	(5,391,138)	-	68,103	7,605,578

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	175,200	8,022	(940)	-	10,076	192,358
b. Alan & Charlotte Welch Fund	216,725	9,924	(1,163)	-	12,464	237,950
c. Other Restricted Income Funds	455,872	128,034	(155,647)	-	5,016	433,275
Grand Total:	847,797	145,980	(157,750)	-	27,556	863,583

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	1,849,679	-	-	-	112,088	1,961,767
b. Robert Scott	58,925	-	-	-	3,509	62,434
Grand Total:	1,908,604	-	-	-	115,597	2,024,201

30 Summary of net assets by funds category

Summary of Net assets by funds category		2017 Total £	Re-stated 2016 Total £
Unrestricted funds	Fixed assets	2,308,469	1,895,292
	Investments	3,754,299	3,512,556
	Net current assets	1,542,811	1,898,699
	Sub-total:	7,605,579	7,306,547
Restricted funds	Fixed assets	155,706	187,260
	Investments	490,848	459,233
	Net current assets	217,028	201,304
	Sub-total:	863,582	847,797
Endowment funds	Fixed assets	-	-
	Investments	2,059,090	1,926,540
	Net current assets	(34,889)	(17,936)
	Sub-total:	2,024,201	1,908,604
Grand Total:		10,493,362	10,062,948

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	2017 Total £	Re-stated 2016 Total £
Investments held in unrestricted funds	3,754,299	3,512,556
Net current assets held in unrestricted funds	1,542,811	1,898,699
	5,297,110	5,411,255
Less investments and assets held in designated funds	(1,891,542)	(1,895,728)
Free Reserves:	3,405,568	3,515,527

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%. Core operational expenditure is defined as the sum expended on charitable activities during the year, as reported on the Statement of Financial Activities.

Calculation of Free reserves achieved against target	2017 Total £	Re-stated 2016 Total £
Free reserves as calculated above:	3,405,568	3,515,527
Total core operational expenditure for year:	5,323,394	5,295,650
75% of core operational expenditure for year (Reserves Target):	3,992,546	3,971,738
Free Reserves expressed as a percentage of Core Operational Expenditure:	85.3%	88.5%

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:

Geological Trading Limited Summary balance sheet	2017 Total £	2016 Total £
Assets		
- debtors:	15,834	51,955
- cash at bank and in hand:	84,444	11,033
Liabilities		
- creditors falling due within one year:	(100,276)	(62,986)
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.

Geological Trading Limited Summary statement of income, expenditure and retained earnings	2017 Total £	2016 Total £
Turnover:	93,562	87,521
Cost of sales:	(41,710)	(42,261)
Administrative expenses:	(15,998)	(17,765)
Operating profit before taxation	35,854	27,495
Tax liability	-	-
Charitable donation to parent	(35,854)	(4,218)
Retained profit for financial year	-	23,277
Funds brought forward	-	(23,277)
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	2017 Total £	Re-stated 2016 Total £
Net income / (expenditure) for the reporting period as per Statement of Financial Activities:	584,113	615,146
Adjusted for -		
Depreciation charges:	260,081	273,052
(Gains) / losses on investments:	(364,955)	(427,014)
Dividends and interest from investments:	(284,064)	(257,060)
Loss / (profit) on the sale of fixed assets:	-	-
(increase) / decrease in stocks:	(52,248)	58,530
(increase) / decrease in debtors:	(250,682)	(92,429)
increase / (decrease) in creditors:	141,508	177,092
Net cash provided by operating activities:	33,753	347,317

34 Analysis of cash and cash equivalents

Analysis of Cash and cash equivalents	2017 Total £	Re-stated 2016 Total £
Cash in hand:	2,336,117	3,392,452
Notice deposits (less than 3 months):	1,508,233	950,373
Overdraft facilities:	-	-
Total cash and cash equivalents:	3,844,350	4,342,825

35 Prior period adjustments

Two prior period adjustments have been made to re-state figures shown for 2016:

(a) Correction of debtors for irrecoverable VAT

An adjustment has been made to brought forward funds and to VAT debtors to correct balances accrued prior to 2013 for irrecoverable VAT. These should have been charged to the Statement of Financial Activities in the years charged as they represent a cost to the Society; instead they were recorded as debtors on the balance sheet. The effect of this adjustment is to reduce Unrestricted Funds balances brought forward in 2016 and to reduce the VAT debtor by £158,000.

(b) Accrual for 2016 payment of profit share in journals

A provision was not recorded in 2016 to reflect share of profit payable for the journals *Petroleum Geoscience* and *Geochemistry: Exploration, Environment, Analysis*. Publishing expenditure for 2016 has been increased, together with expenditure accruals at 2016 year-end by £81,393.