



The
Geological
Society

Report and Financial Statements

Year ended

31 December 2010

The Geological Society of London
Registered Charity Number 210161

THE GEOLOGICAL SOCIETY OF LONDON

Annual report and financial statements for the year ended 31 December 2010

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THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2010

Legal and Administrative Information

Object of the Society

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

Governing Instrument

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

Bankers

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

Solicitors

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

Auditors

BDO LLP, Emerald House, East Street, Epsom, Surrey, KT17 1HS

Investment Advisers

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

Head Office

Burlington House, Piccadilly, London W1J 0BG

Registered Charity Number

210161

Office Hours

09.30 - 17.30 Monday to Friday

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2010 *(Continued)*

<i>President:</i>	Dr Bryan Lovell OBE
<i>Vice Presidents:</i>	Prof Susan Marriott Dr Colin Summerhayes Dr George Tuckwell
<i>Secretaries:</i>	Prof Philip Allen Prof David Manning Dr Jonathan Turner
<i>Secretary, Foreign & External Affairs:</i>	Prof Alan Lord
<i>Treasurer:</i>	Prof Andrew Fleet

The Council submits its annual report and financial statements for the year ended 31 December 2010.

Charitable Objectives

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

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

In meeting this Object the Society provides public benefit by advancing Earth sciences education at all levels, and by promoting knowledge of the Earth and professional standards so as to advance environmental protection and improvement of human health, and to guard against natural hazards.

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

Induction into the profession through Candidate Fellowship

During 2010, by supporting 331 undergraduates and 44 A Level students, to become professional geologists at low subsidised cost.

Chartered status (CGeol, CSci, Eur Geol)

During 2010, 95 Fellows were awarded CGeol status bringing the total to 2301. By encouraging continuing professional development, controlling entry standards and monitoring chartered status, the Society assures the quality of professional work in the geosciences for the public good.

Representing the science

By acting as the UK voice in representing the geosciences and their application.

Media contacts

By linking to the media and providing authoritative information and contacts.

External relations

By responding actively to requests for information or comment from government, opinion formers and the public as exemplified by submissions on radio active waste management.

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2010 (*Continued*)

Charitable Objectives (*Continued*)

Education

The Education Department has helped to encourage and stimulate geology for children, by providing a grant to Rockwatch, the club for young geologists as well as developing a 'Rocks and Fossils' workshop, which over the past year has introduced over 400 primary age children to geology, with hands on activities.

The Society also took part in 'Darwin in London' – a project which brought together the various Societies and organisations with which Charles Darwin was associated in London, and delivered to Westminster primary schools. Following on from the success of this event this programme moved to be a part of the Orkney Science Festival, where over 200 children had the chance to take part.

This year the School's Affiliate Scheme was launched, with approximately 100 schools signing up. The Scheme has enabled the Society to stay in touch with schools via bi-monthly newsletters, copies of Geoscientist magazine and with further events planned for next year.

In 2010, the Society ran, for the first time, the Geoscience Education Academy in August, with thanks to funding from BP and continued advice and support from the American Geological Institute (AGI). In addition the Society is hoping to work further with the AGI during Earth Science week, and plan to launch a UK version of this activity.

In the previous year the Society launched the Friends of the Geological Society, a membership scheme available to non-professional geologists, who do not have a formal qualification in Geology or a related subject, or do not otherwise qualify for Fellowship. In 2010 we now have approximately 100 members. Friends receive a range of other benefits, including Geoscientist magazine, a discount on the Special Publication book series, and a newsletter. Continued growth is expected during the year, with further Friends Only events taking place.

The existing Endorsed Courses scheme has been reviewed and improved with the addition of a set of 'short courses' on a range of subjects. The emphasis on what we offer the geological enthusiast will be maintained with the addition of extended information on Shell Lecture topics, delivered via the website.

Library

In 2010 the Library staff responded to over 10,000 enquiries both from Fellows of the Society and the general public, including many enquiries from family historians seeking information about the Society's Fellows. The Library provided Fellows with increased access to electronic journals, bringing the total number of titles accessible remotely to 70. The Society participated in Open House London which allows the general public the opportunity to see inside buildings of outstanding architectural merit. 400 members of the public were given conducted tours of the apartments by the staff. Tours of the Library and displays of Rare Books and Archive material were also provided for other visitors on a number of occasions during the year.

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2010 (*Continued*)

Charitable Objectives (*Continued*)

Website

By hosting a diverse range of electronic geological content with links to other significant websites, which is free to use. A new website was launched in 2007 built to meet international standards for disability access. The content for the website continues to be developed with the inclusion of podcasts, a new Ask a Geologist section, and the availability of Geoscientist as a downloadable pdf. In response to natural disasters, the Society has also made its papers about affected areas open access for all users for a period of time.

Journals and books

The Society continues to publish two wholly owned, two part-owned and three contract published journal titles. In addition it published 27 book titles, including the Proceedings of the 7th Petroleum Geology Conference, during 2010. All this content is hosted online on the Lyell Collection which can be used by the general public, who can view summaries of all published content without payment or a subscription.

There were a number of significant events during the year, including the Haiti and Chile earthquakes and the Society made a significant number of papers openly accessible to the public, who could access the full text without any charge. There will be further collections of papers made openly accessible to the public in the 2011.

We also continue to make the Lyell Collection free in its entirety to countries on the developing world, and well over 100 institutions are taking advantage of the scheme.

Scientific meetings

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

- Lyell Meeting 2010 – Comparing the geological and fossil records: implications and biodiversity studies
- William Smith Meeting 2010 – Landscapes into rock
- Sir Peter Kent Lecture – Climate change as a global shifting force

The Society also ran a number of one-off conferences including:-

- Past carbon isotopic events and future ecologies
- Founders Day Lecture and Dinner – From Paviland to Pakefield 700,000 years of homo britannicus

Shell continued to sponsor the Shell London lectures, a programme of 10 free lectures for the general public which were held in the lecture theatre at Burlington House. Shell also sponsored the Shell University lectures, a programme of 6 free lectures for undergraduates and the general public at a number of universities across the country.

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

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2010 (*Continued*)

Council

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

Prof P A Allen^{1,4,7}; ~Dr I D Bartholomew^{1,2,4}; *Miss S Brough³; Mr M Brown²; *Prof R W H Butler²; Dr M Daly²; ~Prof E Derbyshire^{1,2,4}; Prof A J Fleet^{1,3,4,6}; ~Prof C M R Fowler⁷; ~Prof L E Frostick^{1,2,4}; *Dr S Gibson⁵; Dr R Herrington^{1,3,7}; Dr R Hughes³; Dr A Law^{1,4}; Prof A R Lord^{1,2,7}; Dr J P B Lovell^{1,4}; Prof J N Ludden²; Mr P C Maliphant⁵; Prof D A C Manning^{1,4,5}; Prof S B Marriott^{1,4,5}; ~Prof J D Marshall⁶; Prof S K Monro OBE²; *Dr C P Summerhayes^{1,2,7}; *Professor J H Tellam⁷; Dr G W Tuckwell^{1,4,5}; Dr J P Turner^{1,4,6}; Prof D J Vaughan^{3,6}; Mr N R G Walton⁶

* New members elected at the AGM on 2 June 2010

~ Council members who retired at the AGM on 2 June 2010

Membership of the Standing Committees

¹ Elections; ² External Relations; ³ Information Management; ⁴ Management and Finance; ⁵ Professional; ⁶ Publications; ⁷ Science.

Method of Election of Trustees

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

Audit Committee

The Audit Committee reports directly to Council. Members of the Audit Committee are: Mr C D Bulley, Mr D W Fenwick, Prof J D Mather, Prof D G Murchison, Dr T J Palmer, Mr M H Pattinson, Dr R Stabbins (*Chair*)

Risk Management

The Trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining free reserves at the levels stated on page 10, combined with annual review of the controls over key financial systems provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks faced and confirm that they have identified actions and established systems to manage the significant risks.

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2010 (*Continued*)

President's Report 2010

Beyond reasonable doubt

From Dr Bryan Lovell, President

Consider, please, two days in the life of our Society. It is a Tuesday in March. I am in Cardiff for a debate, about humans and their planet, between six schools - organised by the South Wales Regional Group. The standard exceeds our already high expectations, and the prizes donated by Halcrow gleam enticingly on the platform of the school hall.

Before they are awarded, I ask the participants to identify those matters in their presentations that they considered to be established "beyond reasonable doubt", and those about which they are most uncertain. As reported in *Geoscientist*, responses to this unexpected extra task are right on the money. The panel, which includes those for whom Chartered status is the essence of the Society as well as others deep into academic research, unite gladly in handing over the gleaming trophies.

The idea that we can emulate our legal friends in this way, to move "beyond reasonable doubt" in public assertions about socially significant matters, was invoked again in 2010. President Lynne Frostick and Council had asked a group of notable scholars from the Fellowship to produce a statement on climate change. Council's suggestion that the scholars concentrate on geology was almost certainly unnecessary; but we were determined to enter the bear-pit of this highly political subject, secure on our own particular ground of observational science. The result, communicated in a report presented by Group Chair Colin Summerhayes, will stand as a model of how these things should be done.

So come the second day – a Wednesday in November - we find ourselves at the second and final day of a joint meeting at Burlington House, organised jointly with the British Ecological Society. The latest research on carbon isotope excursions, and on the ecological impact of the current excursion (the one we are responsible for), is presented and discussed by another scholarly group. Following this "fundamental science" session, we are joined by policy-makers and others in public life to discuss - before a panel composed of Professors David MacKay, John Raven and myself - the social and political implications of the scientists' conclusions.

These events, and scores like them, are not instigated or delivered in isolation. Each is designed to contribute towards realising our 10-year Strategy. These plans have been debated and approved by successive elected Councils. Delivery on them is monitored; success is the norm - not least because of the commitment of the staff. Thus, the Cardiff debate was expertly integrated into a range of educational activity for which the Society is responsible. Our statement on climate change was published and featured at that November joint meeting, and is preceded and followed by many other events that serve both science and profession.

It is now two decades since science and profession came together in the present-day Geological Society of London. Guests have commented how hard it can be to tell our former tribal affiliations as we engage in our debates. In public affairs, our collective wisdom is increasingly giving us a significant voice - without jeopardising our traditional eager promotion of our individual academic specialisms to each other.

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2010 *(Continued)*

President's Report 2010 *(Continued)*

In 2010 we made it clear to our fellow citizens that, though geologists may argue a lot, it is unwise to argue with a rock.

Bryan Lovell

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2010 (*Continued*)

Treasurer's Report 2010

From Andrew Fleet, Treasurer

Despite the continuing economic uncertainties in the world at large the Society achieved a financial surplus of £178,445, £299,055 more than the 2010 budget anticipated. As with last year's good out-turn, this was again due to better than expected performances by a number of areas of the Society.

The Publishing House led the way, as in previous years, with a surplus of £512,810 against a budgeted surplus of £280,321. Journal activity played a large part in this with sales exceeding expectation and costs being below budget. The strong performance on sales is due to higher than anticipated trade subscriptions, foreign exchange gains and a better than projected share of the GeoScienceWorld (GSW) surplus. While lower journal costs largely reflect greater uptake than forecast of the Society's journals on-line by Fellows. Exactly how the world of publishing will further embrace new ways of working and electronic access in coming years remain some of life's mysteries. The ways that the Society has worked with GSW and developed the Lyell Collection give hope that it will be well placed to benefit from whatever direction, or directions, publishing moves.

Away from the Publishing House, room hire and investment income have both provided greater surpluses than expected. Cost control and new ways of working have also played their parts in the good financial result for 2010.

Beside the 'business-as-usual' income and expenditure of Burlington House and the Publishing House, the Society has invested £117,744 in the Library mainly in journal subscriptions, as well as an additional £32,791 invested in electronic journal licenses and spent £37,743 from reserves on achieving parts of this year's business plan.

The surplus of 2010 will bolster the reserves and this is welcome for three particular reasons. Firstly funds are needed for business plan items that will further the charitable objectives of the Society. Secondly there is a need to set aside funds to enable the Society to meet the obligations of its Burlington House lease for refurbishment and maintenance. Thirdly during the year Council reviewed the Society's reserves policy and agreed the need to build up further the free reserves over a number years (see page 10 for the revised policy).

As this is my final annual report as Treasurer, I would like to record my great thanks to those who have done all the work during my time in office. Edmund Nickless and the management team, with their regular scrutiny of the Society's finances, timely reactions and much improved system of monthly accounts enabled the Society to weather, and keep an ongoing eye on, the financial storm that brewed up in late 2008 and continues to hover over us. Michael Kyriakides, Head of Finance, and his team in the Accounts Office dealt with the detail and provided the technical expertise necessary to navigate the financial jungle. Nic Bilham guided and facilitated the Budget and Programme Committee which now does the initial work on shaping the budget and over-viewing the business plan before they go to the Management and Finance Committee and then to Council for approval. Neal Marriott and his colleagues in Bath wrestled to generate, and succeeded in keeping, a substantial surplus income stream coming in from the Publishing House.

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2010 (*Continued*)

Treasurer's Report 2010 (*Continued*)

I would also thank those Fellows, and one non-Fellow, on the Investment Panel, who have worked to keep our investment managers' feet 'to the fire' and those Fellows on the Remuneration and Research Grants Committees who have dispensed wisdom in delivering their conclusions.

Andrew Fleet

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2010 (*Continued*)

Investment Policy and Performance

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

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

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

The Investment Panel aims to ensure the delivery of a budgeted level of income in each year and to continue the investment policy of the Society. Further details of performance are contained within the Treasurer's Report.

Reserves Policy

To undertake the continued development and reinvestment in the Society's publishing, educational and other activities, and to hold a contingency sum in respect of the significant redecoration costs that the Society is obliged to meet, in the light of the lease with our landlord, the Department of Communities and Local Government (DCLG) at Burlington House, the Society considers its free reserve sufficiency to represent 1 year of core operational expenditure, and within a range of 20% above and below this value. At 31 December 2010 the Society's core operational expenditure was approximately £2,900,000, which would be required to meet the short to medium term operational requirements as well as to provide some contingency in any temporary shortfalls of income. Free reserves, as defined by the Charity Commission, at 31 December 2010 stood at £1,662,556 (2009: £1,329,661). The Society aims to set aside funds from its annual core surplus in order to increase the free reserve, year on year until the reserve policy has been satisfied.

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2010 (*Continued*)

Executive Secretary's Report 2010

Experience of age, enthusiasm of youth

From Edmund Nickless, Executive Secretary

In the year that this Society achieved a standing membership of 10,000 Fellows for the first time, statistics reveal that its Fellowship has an average age of a rather sprightly 42 – rather low when compared to many learned and professional bodies. As well as allegedly being the answer to Life the Universe and Everything, 42 neatly bisects the difference between two groups we might, kindly or unkindly, describe as the “old” and the “young”.

We need both, of course, to survive; and the services we as a Society provide must cater equally for those who are high on experience, as well as those whose enthusiasm remains undimmed by it. With luck, if we get this balance right, we can not only transfer the experience of age to the young, but even perhaps persuade the spark of youth to travel a little too!

The year 2010 witnessed a great expansion in our work for the very young. As you will read below, we set up a Schools Affiliate Scheme to provide support for schools in teaching Earth science. For school teachers, we ran the first ever Geoscience Education Academy in August, with the aim of supporting teachers who have to deliver course elements in Earth science but who themselves lack any formal, taught background in our discipline.

This sort of practical, nuts-and-bolts help for practising teachers, combined with exciting and educational experiences for their pupils (and as exemplified by our online teaching materials) is just the sort of thing that practitioners ask for, but all too rarely receive. And, mindful of the rapid pace of scientific and technical advance, 2010 also saw an expansion in our Lifelong Learning Initiative, which helps to ensure there is a one-stop-shop for relevant “updating” courses in our universities and colleges.

The year also saw us embracing new media with renewed vigour, via Twitter and Facebook. A complete redesign of our Fellowship magazine was initiated, while our series of Society Podcasts, already proving highly popular, came to fruition and went from strength to strength. Being more “experienced”, alas, offers no respite from this relentless need to update and modernise; and we were pleased to announce in 2010 that two new titles were added to the Lyell Collection – the *Journal of Micropalaeontology*, and *Petroleum Geoscience* –. This brought the total number of journal titles and key book series available to 12.

We are also broadening our reach in terms of policy influence. It is this Society's strategy to involve itself in “science for policy” (rather than attempting to devise our own “policy for science”), and so keep our work with Government and Parliament firmly rooted in our discipline. The 2010 Sir Peter Kent Lecture, our flagship science and policy forum, was delivered by former Chief Scientific Adviser Sir David King, who addressed a packed meeting on *Climate Change as a Global Shifting Force* – a subject on which, as geologists, we believe we can make a unique contribution in understanding the causes and possible consequences. Our ambition (see Annual Review 2009) to bring forward a statement on climate change rooted in geological evidence, was finally realised in November 2010 with the publication of *Climate change: evidence from the geological record*.

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2010 (*Continued*)

Executive Secretary's Report 2010 (*Continued*)

While that statement, which was widely welcomed by scientific and policy-making communities alike, strove to confine itself within the bounds of geological evidence, there is no denying that the Earth recognises no disciplinary boundaries. For this reason, reaching out to other subjects and constituencies is crucial, and we were pleased to organise a conference jointly with the British Ecological Society, entitled *Past Carbon Isotopic Events and Future Ecologies*. This looked at past examples of rapid climate change – especially the Paleocene-Eocene Thermal Maximum – and included a panel discussion on the policy implications of the meeting's scientific sessions, to which policy makers were invited.

The year also saw us revitalise our programme of Honorary Fellowship, for which new criteria, commensurate with our Long Term Strategy, were drawn up and agreed. One of those newly elected Honorary Fellows, the distinguished Chinese palaeontologist Xu Xing, (Institute of Vertebrate Palaeontology and Palaeoanthropology, Chinese Academy of Sciences) delivered a fascinating public lecture on the evolutionary turning-point that saw the birds originate from dinosaur stock. Neatly bringing together experience and youth, Professor Xu was joined by University College London postgraduate student Michael Pittman, whose participation in the Inner Mongolia Research Project had led to his discovery of a new species of carnivorous dinosaur, *Linheraptor exquisitus*, earlier that year.

The Society's Shell Lectures, in London and in regional university centres, continue to bring a wider public than ever before into contact with geology - proof of which can be seen in the fact that in 2010, membership of the Society's Friends scheme, which extends a form of affiliation to amateur geologists who lack the qualifications and experience necessary for Fellowship, grow to over 100 strong.

This bringing together of youth and age, professional, amateur, practitioner and academic, is what this Society has always been about, from its very first injunction (in our founding document) to make geologists "acquainted with each other" and to "stimulate their zeal". We hope that this Report amply demonstrates these noble objectives achieved. Bring on 2011!

Edmund Nickless

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2010 (*Continued*)

Trustees' responsibilities

Charity law requires Council, who are the Trustees, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, 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 which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with law applicable to charities. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

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



Dr Bryan Lovell
President



Professor Andrew Fleet
Treasurer

13 April 2011

THE GEOLOGICAL SOCIETY OF LONDON

Independent auditors report for the year ended 31 December 2010

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

We have audited the financial statements of the Geological Society of London for the year ended 31 December 2010 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement (set out on page 13), the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2010, and of its 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 1993.

THE GEOLOGICAL SOCIETY OF LONDON

Independent auditors report for the year ended 31 December 2010 *(Continued)*

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

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 1993 requires us to report to you if, in our opinion:

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

BDO LLP

Andrew Stickland (senior statutory auditor)

For and on behalf of BDO LLP statutory auditor

Epsom

United Kingdom

13 April 2011

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

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

THE GEOLOGICAL SOCIETY OF LONDON

Consolidated Statement of financial activities for the year ended 31 December 2010

	Note	Unrestricted Income Funds £	Restricted Income Funds £	Endowment Funds £	Total 2010 £	Total 2009 £
Income and expenditure						
Incoming resources						
Donations, legacies, gifts and similar incoming resources	2	12,964	-	-	12,964	7,717
Activities in furtherance of the charity's objectives:						
Publications income	3	1,990,116	-	-	1,990,116	1,858,102
Conferences and events	3	684,613	-	-	684,613	618,721
Fellowship income	3	1,302,672	-	-	1,302,672	1,282,111
Investment income	4	65,162	125,936	-	191,098	169,608
Activities for generating funds:						
Hire of rooms		68,598	-	-	68,598	94,727
Catering		178,194	-	-	178,194	169,778
Total incoming resources		4,302,319	125,936	-	4,428,255	4,200,764
Outgoing resources						
<i>Costs of generating funds</i>						
Investment management costs		5,591	15,171	-	20,762	13,175
Catering		152,808	-	-	152,808	137,320
<i>Charitable expenditure</i>						
Costs of activities in furtherance of the charity's objects:						
Publishing activities	5	1,477,306	-	-	1,477,306	1,568,719
Conferences and events	5	918,336	-	-	918,336	855,892
Fellowship services	5	1,626,647	15,576	-	1,642,223	1,609,828
<i>Governance costs</i>	6	38,375	-	-	38,375	34,722
Total charitable expenditure		4,060,664	15,576	-	4,076,240	4,069,161
Total resources expended		4,219,063	30,747	-	4,249,810	4,219,656

The notes on pages 21 to 35 form part of these financial statements.

THE GEOLOGICAL SOCIETY OF LONDON

Consolidated Statement of financial activities for the year ended 31 December 2010 (Continued)

	Note	Unrestricted Income Funds £	Restricted Income Funds £	Endowment Funds £	Total 2010 £	Total 2009 £
Net incoming/(outgoing) resources before transfers		83,256	95,189	-	178,445	(18,892)
Transfer between funds		-	-	-	-	-
		-----	-----	-----	-----	-----
Net incoming/(outgoing) resources		83,256	95,189	-	178,445	(18,892)
Net gains on investment assets		48,370	82,167	49,070	179,607	408,731
Gains on heritage assets		-	-	-	-	82,964
		-----	-----	-----	-----	-----
Net movement in funds		131,626	177,356	49,070	358,052	472,803
Fund balances brought forward at 1 January 2010		16,663,871	2,297,200	1,064,421	20,025,492	19,552,689
		-----	-----	-----	-----	-----
Fund balances carried forward at 31 December 2010		16,795,497	2,474,556	1,113,491	20,383,544	20,025,492
		=====	=====	=====	=====	=====

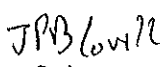
All amounts relate to continuing activities. All gains and losses recognised in the year are included above.

THE GEOLOGICAL SOCIETY OF LONDON

Balance sheet at 31 December 2010 - Group

	Note	2010 £	2009 £
Fixed assets			
Tangible assets: Heritage assets	8a	14,332,247	14,214,503
Other assets	8b	951,139	1,173,906
Investments: Listed and unlisted	9	4,197,716	3,965,981
Portfolio cash		14,247	100,296
		<hr/>	<hr/>
		19,495,349	19,454,686
Current assets			
Stocks: Finished goods		225,747	210,499
Debtors	10	648,569	572,595
Cash at bank and in hand		1,833,155	1,588,376
Held by specialist and regional groups		133,998	135,142
		<hr/>	<hr/>
		2,841,469	2,506,612
Creditors: amounts falling due within one year	11	420,120	516,734
Deferred income	12	1,533,154	1,419,072
		<hr/>	<hr/>
		1,953,274	1,935,806
		<hr/>	<hr/>
Net current assets		888,195	570,806
		<hr/>	<hr/>
Net assets		20,383,544	20,025,492
		<hr/>	<hr/>
Unrestricted funds:			
General purposes	13	2,425,580	2,084,185
<i>Designated</i>			
Specialist and regional groups	13	178,159	189,203
Revaluation reserve	13	13,291,276	13,291,276
Burlington House Redecoration Fund	13	240,730	285,918
Bicentenary Project Funds	13	194,642	310,437
Lyell Centre Fund	13	90,873	128,615
Bicentennial Outreach Fund	13	175,000	175,000
Alan and Charlotte Welch Fund	13	199,237	199,237
Restricted income funds	14	2,474,556	2,297,200
Endowment funds	15	1,113,491	1,064,421
		<hr/>	<hr/>
		20,383,544	20,025,492
		<hr/>	<hr/>

The financial statements were approved by the Council on 13 April 2011


Dr Bryan Lovell (President)


Professor Andrew Fleet (Treasurer)

The notes on pages 21 to 35 form part of these financial statements.

THE GEOLOGICAL SOCIETY OF LONDON

Balance sheet at 31 December 2010 – Charity

	Note	2010 £	2009 £
Fixed assets			
Tangible assets: Heritage assets	8a	14,332,247	14,214,503
Other assets	8b	951,139	1,173,906
Investments: Listed and unlisted	9	4,197,716	3,965,981
Portfolio cash		14,247	100,296
		<hr/>	<hr/>
		19,495,349	19,454,686
Current assets			
Stocks: Finished goods		225,747	210,499
Debtors	10	644,751	578,100
Cash at bank and in hand		1,834,794	1,582,871
Held by specialist and regional groups		133,998	135,142
		<hr/>	<hr/>
		2,839,290	2,506,612
Creditors: amounts falling due within one year	11	417,941	516,734
Deferred income	12	1,533,154	1,419,072
		<hr/>	<hr/>
		1,951,095	1,935,806
		<hr/>	<hr/>
Net current assets		888,195	570,806
		<hr/>	<hr/>
Net assets		20,383,544	20,025,492
		<hr/>	<hr/>
Unrestricted funds:			
General purposes	13	2,425,580	2,084,185
<i>Designated</i>			
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Burlington House Redecoration Fund	13	240,730	285,918
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Lyell Centre Fund	13	90,873	128,615
Educational Outreach Fund	13	175,000	175,000
Alan and Charlotte Welch Fund	13	199,237	199,237
Restricted income funds	14	2,474,556	2,297,200
Endowment funds	15	1,113,491	1,064,421
		<hr/>	<hr/>
		20,383,544	20,025,492
		<hr/>	<hr/>

The financial statements were approved by the Council on 13 April 2011

JPB Lovell

Dr Bryan Lovell (President)

A. J. Fleet

Professor Andrew Fleet (Treasurer)

The notes on pages 21 to 35 form part of these financial statements.

THE GEOLOGICAL SOCIETY OF LONDON

Cash flow statement as at 31 December 2010

	Note	2010 £	2010 £	2009 £	2009 £
Net cash inflow from operating activities	17		209,511		125,298
Returns on investments					
Bank interest received	4	42,928		40,694	
Investment income received	4	148,170		128,914	
			191,098		169,608
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(190,895)		(189,756)	
Transfer (to)/from investment portfolio		(15,150)		525,135	
			(206,045)		335,379
Net cash inflow before management of liquid resources			194,564		630,285
Management of liquid resources					
Money held on short-term deposits		(98,470)		(628,206)	
			(98,470)		(628,206)
Net cashflow before financing			96,094		2,079
Financing					
Net movement in cash flows attributable to endowment fund investments		49,070		-	
			49,070		-
Increase in cash in the year			145,164		2,079
Net cash resources at 1 January 2010	18		225,504		223,425
Net cash resources at 31 December 2010	18		370,668		225,504

The notes on pages 21 to 35 form part of these financial statements

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2010

1 Accounting policies

Basis of preparation

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

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

The financial statements consolidate those of the charity and its wholly owned subsidiary trading company: Geological Trading Limited. The results, assets and liabilities of Geological Trading Limited are shown in Note 19. A separate Statement of Financial Activities for the charity itself is not presented as allowed by paragraph 397 of SORP 2005. The income of the parent charity was £4,393,092 (2009: £4,170,459) and the expenditure was £4,214,647 (2009: £4,189,351). The results, assets and liabilities of the constituted specialist and regional groups are also consolidated into the Society's financial statements.

Income

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

Expenditure

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

Designated funds

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

Constituted and Regional Group Funds

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

Burlington House Redecoration Fund

As a consequence of the lease agreement with the Department of Communities and Local Government (DCLG) the Geological Society of London is required to undertake extensive decorations to Burlington House. Given that this financial undertaking is significant, the trustees have agreed to set aside funds from general reserves in advance of these costs which will occur in the ensuing years.

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2010 (*Continued*)

1 Accounting policies (*Continued*) *Designated funds (Continued)*

Bicentenary Project Fund

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

Lyell Centre Fund

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

Educational Outreach Fund

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

Alan and Charlotte Welch Fund

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

Restricted funds

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

The restricted funds are for the following purposes:

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

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2010 (*Continued*)

1 Accounting policies (*Continued*)

Endowments

Where funds are given to be held by the Society as capital, they are shown as endowment funds in the financial statements. Expendable endowments are those where the trust terms provide for conversion of capital to income under certain circumstances, permanent endowments are those for which the capital may not ever be applied as income. The value of the capital held in endowment funds is maintained by allocation of investment gains to the fund. Gains are allocated to increase the fund by the increase in the Retail Price Index for the year under review. The endowment fund is held as follows:

Fermor

To further research into the origins of Precambrian rocks, ores and mineral deposits.

Tangible fixed assets – Heritage assets

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

The Library Collection (maps, books and journals)

Portraits, The Society's Charter, busts and historical furniture

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

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

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

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

Tangible fixed assets - other

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

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

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2010 (*Continued*)

1 Accounting policies (*Continued*)

Investments

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

Publications stock

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

Pension costs

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

Foreign currencies

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

Irrecoverable Value Added Tax

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

Intangible income

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

Deferred income

Income received in the year which relates to activities and benefits that occur in the following year is excluded from the Statement of Financial Activities and is included as deferred income in the Balance Sheet. All income of this nature will be released to the Statement of Financial Activities in the financial year that the activities and benefits occur.

Grant expenditure

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

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2010 *(Continued)*

1 Accounting policies *(Continued)*

Liquid resources

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

2 Donations, legacies, gifts and similar incoming resources

	2010 £	2009 £
Donations and gifts	12,964	7,717

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

	Publishing £	Conferences £	Fellowship £	2010 £	2009 £
Publishing	1,990,116	-	-	1,990,116	1,858,102
Conferences and meetings	-	241,311	-	241,311	303,964
Fellowship income	-	-	1,253,955	1,253,955	1,243,763
Corporate affiliation	-	125,750	-	125,750	113,400
Library	-	-	21,116	21,116	23,649
Specialist & regional groups	-	317,552	-	317,552	201,357
Accreditation	-	-	11,600	11,600	12,900
Other	-	-	16,001	16,001	1,799
	1,990,116	684,613	1,302,672	3,977,401	3,758,934

4 Investment income

	2010 £	2009 £
Listed investments: UK and overseas	148,170	128,914
Interest received: UK	42,928	40,694
	191,098	169,608

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2010 (*Continued*)

5 Resources expended	Publishing £	Conferences £	Fellowship £	2010 £	2009 £
<i>Costs of activities in furtherance of the charity's objects</i>					
Direct publishing costs	680,691	-	145,916	826,607	933,290
Scientific meetings	-	124,710	-	124,710	182,785
Education & committees	-	-	69,366	69,366	71,586
Library	-	-	61,382	61,382	66,504
Annual report	-	-	7,359	7,359	8,325
Specialist and Regional Groups	-	253,045	14,701	267,746	148,108
- Staff recharge	-	35,000	-	35,000	35,000
Grants, donations, awards & scholarships	-	-	48,346	48,346	33,320
Staff costs					
- Library	-	-	212,101	212,101	202,131
- Scientific meetings	-	102,329	-	102,329	99,965
- Lyell Centre project	75,071	-	-	75,071	53,174
<i>Total direct charitable expenditure</i>	755,762	515,084	559,171	1,830,017	1,834,188
<i>Support costs</i>					
Staff costs – publishing	466,569	-	-	466,569	450,313
Publishing	254,975	-	-	254,975	272,747
Staff costs - Burlington House	-	83,340	519,399	602,739	612,794
Burlington House establishment costs	-	69,467	136,699	206,166	191,901
Operating and computer	-	99,679	180,664	280,343	257,384
<i>Total support costs</i>	721,544	252,486	836,762	1,810,792	1,785,139
<i>Management and administration</i>					
Establishment	-	38,729	82,298	121,027	114,554
Operating and computer	-	110,082	146,401	256,483	279,582
Legal and professional	-	1,955	17,591	19,546	20,976
	-	150,766	246,290	397,056	415,112
	1,477,306	918,336	1,642,223	4,037,865	4,034,439

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2010 *(Continued)*

6 Governance costs	2010	2009
	£	£
Audit fees*	16,875	16,949
Trustees' expenses	19,629	16,198
Trustees' indemnity insurance	1,871	1,575
	<u>38,375</u>	<u>34,722</u>

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

Auditors' remuneration – audit (included within publishing costs)	<u>10,000</u>	<u>9,600</u>
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THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2010 (Continued)

7 Staff costs

	2010 £	2009 £
Wages and salaries	1,222,179	1,200,635
Temporary and agency staff	45,941	33,323
Social security costs	125,694	124,784
Pension contributions	72,670	73,874
Insurance contributions	18,028	16,660
Recruitment costs	9,297	4,101
	<u>1,493,809</u>	<u>1,453,377</u>
<i>Staff costs by committee:</i>		
Management, Finance and Administration	602,739	612,794
Library	212,101	202,131
Conferences	137,329	134,965
Publications	466,569	450,313
Lyell Centre	75,071	53,174
	<u>1,493,809</u>	<u>1,453,377</u>

During the year employees earning in excess of £40,000 per annum, including taxable benefits, fell into the following ranges:

	Number	Number
£100,000 - £109,999	1	-
£90,000 - £99,999	-	1
£60,000 - £69,999	1	1
£50,000 - £59,999	1	1
£40,000 - £49,999	2	1
	<u>5</u>	<u>4</u>

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

Burlington House	20	20
Publishing House	11	11
Library	5	5
Project staff	2	2
	<u>38</u>	<u>38</u>

No member of Council received remuneration during the current and previous year. Expenses reimbursed for out of pocket expenditure totalled £19,629 (2009 - £16,198) paid to 23 Council members (2009 - 23). In addition to staff costs, the Society paid £68,750 (2009 - £56,625) to consultants.

The pension cost charged represents employer's contributions paid over to the Society's group personal scheme during the year. There was £9,286 outstanding to the scheme at 31 December 2010 (2009: £9,087). Contributions are made to the scheme by employees at a minimum rate of 5% and by the Society at 10%.

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2010 (*Continued*)

8a Tangible fixed assets – heritage assets – Group and Charity

Cost or valuation	Library books, journals & maps £	Portraits, busts & furniture £	Total £
At 1 January 2010	14,154,503	60,000	14,214,503
Additions	117,744	-	117,744
At 31 December 2010	14,272,247	60,000	14,332,247

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

The library collection was valued at 31 December 2000 by an antiquarian bookseller who is also a Fellow of the Society at a value of £13,208,312. All subsequent movements have been stated at cost. A subsequent internal revaluation took place in 2006, which resulted in no change in its valuation.

During the year the Society increased its collection by £117,744. During the previous year the Society increased the library collection by £105,521, purchasing books, journals, periodicals and maps. There was also a revaluation of a 16th Century book *De re metallica* and which was valued at £22,964.

The Society also has a collection of paintings of founder's and early members of the Society, some marble and plaster busts, its original Charter, historical furniture and three copies of the William Smith Map. During the previous year the Society revalued one painting, The Piltdown Painting was valued by Christie's auctioneers for £60,000 in October 2008.

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

	2010 £	2009 £	2008 £	2007 £	2006 £
Additions					
Library purchases	117,744	105,521	126,676	94,769	97,882
Revaluations					
Library purchases	-	22,964	-	-	-
Portraits, busts and furniture	-	60,000	-	-	-
	<u>117,744</u>	<u>188,485</u>	<u>126,676</u>	<u>94,769</u>	<u>97,882</u>

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2010 *(Continued)*

8a Tangible fixed assets – heritage assets *(Continued)*

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

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

8b Tangible fixed assets – other assets – Group and Charity

	Leasehold properties & improvements £	Equipment, fixtures & fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2010	1,156,427	603,278	1,539,217	3,298,922
Additions	17,186	9,505	46,460	73,151
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	1,173,613	612,783	1,585,677	3,372,073
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2010	453,959	434,010	1,237,047	2,125,016
Charge for the year	78,963	45,320	171,635	295,918
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	532,922	479,330	1,408,682	2,420,934
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2010	640,691	133,453	176,995	951,139
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2009	702,468	169,268	302,170	1,173,906
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2010 (Continued)

9 Fixed asset investments – Group and Charity

	2010		2009	
	Cost £	Market value £	Cost £	Market value £
UK Equities	2,190,066	2,283,083	1,634,648	1,629,535
UK Fixed interest	1,862,824	1,862,627	1,993,099	1,901,925
Overseas equities	50,555	52,006	476,431	434,521
	<u>4,103,445</u>	<u>4,197,716</u>	<u>4,104,178</u>	<u>3,965,981</u>

	2010 £	2009 £
Market value at 1 January 2010	3,965,981	3,265,092
Purchases in the year	1,441,992	732,867
Sales in the year	(1,389,864)	(440,709)
Net gains on revaluation at 31 December 2010	179,607	408,731
Market value at 31 December 2010	<u>4,197,716</u>	<u>3,965,981</u>

Individual assets, and their market values at 31 December 2010, representing over 5% of the investment portfolio are as follows:

General Electric Capital Corp 6.125%	£294,406
--------------------------------------	----------

10 Debtors

Amounts falling due within one year	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Trade debtors	417,698	361,356	402,752	348,916
Sundry debtors	44,418	22,518	55,546	40,463
Prepayments	186,453	188,721	186,453	188,721
	<u>648,569</u>	<u>572,595</u>	<u>644,751</u>	<u>578,100</u>

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2010 *(Continued)*

11 Creditors: amounts falling due within one year

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Trade creditors	131,920	170,682	131,920	170,682
Sundry creditors and accruals	243,831	288,889	241,652	288,889
Taxation and social security costs	44,369	57,163	44,369	57,163
	<u>420,120</u>	<u>516,734</u>	<u>417,941</u>	<u>516,734</u>

12 Deferred income

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Fellowship fees	797,049	667,186	797,049	667,186
Journal subscriptions	643,268	563,168	643,268	563,168
Income contributions on unpublished books	40,550	50,346	40,550	50,346
Meetings and events	52,287	138,372	52,287	138,372
	<u>1,533,154</u>	<u>1,419,072</u>	<u>1,533,154</u>	<u>1,419,072</u>

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2010 (Continued)

13 Unrestricted funds	At 1 Jan 2010 £	Incoming resources £	Resources expensed £	Gains/ (losses) and transfers £	At 31 Dec 2010 £
General purposes	2,084,185	3,984,767	(3,916,317)	272,945	2,425,580
<i>Designated funds</i>					
Revaluation Reserve - library	13,291,276	-	-	-	13,291,276
Specialist and Regional Groups	189,203	317,552	(302,746)	(25,850)	178,159
Burlington House Redecoration Fund*	285,918	-	-	(45,188)	240,730
Bicentenary Projects Fund	310,437	-	-	(115,795)	194,642
Lyell Centre Fund	128,615	-	-	(37,742)	90,873
Alan and Charlotte Welch Fund	199,237	-	-	-	199,237
Educational Outreach Fund	175,000	-	-	-	175,000
	<u>16,663,871</u>	<u>4,302,319</u>	<u>(4,219,063)</u>	<u>48,370</u>	<u>16,795,497</u>

*The Burlington House Redecoration Fund balance relates to the refurbishment that took place in 2007 and which has yet to be fully depreciated.

14 Restricted income funds	At 1 Jan 2010 £	Incoming resources £	Resources expensed £	Gains/ (losses) and transfers £	At 31 Dec 2010 £
Bicentenary Fund	248,024	-	-	-	248,024
Fermor Fund	504,628	60,470	(7,285)	13,946	571,759
Coke Fund	970,569	41,138	(4,956)	42,869	1,049,620
Pool C	172,359	7,305	(880)	7,613	186,397
Trust funds	309,742	13,128	(17,158)	13,681	319,393
Distinguished Geologists' Memorial Fund	54,391	2,305	(278)	2,402	58,820
Mike Coward Memorial Fund	37,487	1,590	(190)	1,656	40,543
	<u>2,297,200</u>	<u>125,936</u>	<u>(30,747)</u>	<u>82,167</u>	<u>2,474,556</u>

The purposes for which the restricted income funds are held are set out in the accounting policies on page 23.

15 Endowment funds	At 1 Jan 2010 £	Incoming resources £	Resources expensed £	Gains/ (losses) and transfers £	At 31 Dec 2010 £
Fermor Fund	1,064,421	-	-	49,070	1,113,491

The purposes for which the endowment funds are held are set out in the accounting policies on page 24.

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2010 (*Continued*)

16 Analysis of net assets over funds	Tangible fixed assets £	Fixed asset investments £	Net current assets £	Total funds £
Unrestricted funds	15,132,941	1,022,385	640,171	16,795,497
Restricted income funds	150,445	2,076,087	248,024	2,474,556
Endowment funds	-	1,113,491	-	1,113,491
	<u>15,283,386</u>	<u>4,211,963</u>	<u>888,195</u>	<u>20,383,544</u>

17 Reconciliation of surplus/(deficit) of income to net cash inflows from operating activities

	2010 £	2009 £
Net movement in funds in the year	178,445	(18,892)
Less – investment income	(191,098)	(169,608)
Add Depreciation for the year	295,918	286,184
(Increase)/Decrease in stock and work in progress	(15,248)	22,320
(Increase)/Decrease in trade debtors	(56,342)	85,999
Increase in other debtors	(19,632)	(40,585)
(Decrease)/increase in trade creditors	(38,762)	16,634
Decrease in other creditors	(57,852)	(10,437)
Increase/(decrease) in deferred income	114,082	(46,317)
	<u>209,511</u>	<u>125,298</u>

18 Analysis of net cash resources

	At 1 Jan 2010 £	Movement £	At 31 Dec 2010 £
<i>Cash at bank</i>			
Cash at bank and in hand	90,362	146,308	236,670
Held by specialist and regional groups	135,142	(1,144)	133,998
	<u>225,504</u>	<u>145,164</u>	<u>370,668</u>
<i>Cash held as liquid resources</i>			
Monies held on short-term deposit	1,498,014	98,471	1,596,485
	<u>1,723,518</u>	<u>243,635</u>	<u>1,967,153</u>

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2010 *(Continued)*

19 Geological Trading Limited

Geological Trading Limited, registered in England, company number 3522033, is a wholly owned trading subsidiary of the Geological Society of London, offering room hire and catering services. The company's results for the year ended 31 December 2010 are shown below:

	2010 £	2009 £
Profit and Loss Account		
Turnover	64,102	53,361
Cost of sales	(33,813)	(27,255)
Administrative expenses	(1,350)	(3,050)
	<hr/>	<hr/>
Operating profit	28,939	23,056
Amount transferred to the Geological Society of London under Gift Aid	(28,939)	(23,056)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
	2010 £	2009 £
Balance Sheet		
Debtors	3,817	12,883
Cash at bank	-	5,505
Creditors: Amounts falling due within one year	(3,815)	(18,386)
	<hr/>	<hr/>
	2	2
	<hr/>	<hr/>
Share Capital – 2 ordinary shares of £1 each, allotted and called up	2	2
	<hr/>	<hr/>

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

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2010

Summarised Accounts

	2009 Out-turn	2010 Out-turn	2011 Core Budget	2012 Core Forecast	2013 Core Forecast
	£ (000's)	£ (000's)	£ (000's)	£ (000's)	£(000's)
Income					
Book Sales	628	660	609	619	629
Other Publications	1,230	1,330	1,308	1,351	1,389
Fellowship fees	1,244	1,254	1,250	1,288	1,327
Corporate Affiliation, legacies and donations	121	139	121	122	123
Dividends and Interest	170	191	200	203	207
Conferences, events and other income	319	269	353	362	305
Specialist and regional groups	201	318	332	340	351
Room hire and catering	257	237	281	284	290
Library	31	31	25	26	27
	4,201	4,429	4,479	4,595	4,648
Expenditure					
Direct Publication costs	933	827	902	885	904
Staff Costs - Publishing House	503	542	574	591	609
Staff Costs - Burlington House	915	917	990	1,020	1,056
Library	67	61	74	75	76
Conferences and events	320	278	303	305	282
Education, committee costs & Annual Report	98	96	126	129	132
Grants, donations and awards	33	48	33	44	35
Establishment costs	192	206	205	208	211
Overheads	689	674	691	716	736
Depreciation	146	152	154	152	151
Depreciation - Bicentenary activities	140	144	70	32	30
Specialist and regional groups	183	303	264	271	279
	4,219	4,248	4,386	4,428	4,501
Net Surplus/(Deficit)	(18)	181	93	167	147
Realised & unrealised gains on investments	408	179	-	-	-
Net Surplus after investment gains	390	360	93	167	147
Add: Applied to redecoration funds	50	45	50	50	50
Add: Lyell Centre Fund	59	38	81	50	50
Add: Bicentenary projects funds	158	116	70	32	30
Less: Educational Outreach Fund	-	-	-	-	-
Less: Alan & Charlotte Welch Fund	-	-	-	-	-
Less: Burlington House Buildings Fund	-	-	(130)	(130)	(130)
Add: Surplus of Petroleum Group repatriated to general funds	24	26	-	-	-
Surplus after designations	681	585	164	169	147

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2010 (*Continued*)

Publishing House income and expenditure

Income	2010 £	2009 £
Book sales	659,966	628,120
Journal sales	673,419	680,515
Lyell Collection sales	458,785	347,929
Other	178,814	169,392
	<u>1,970,984</u>	<u>1,825,956</u>
Expenditure		
Cost of book sales	176,270	177,577
Journal costs	253,157	303,533
Lyell Collection	71,378	107,981
Other	67,180	59,163
	<u>567,985</u>	<u>648,254</u>
Gross surplus	<u>1,402,999</u>	<u>1,177,702</u>
Staff costs - general	541,640	503,487
Building costs	31,610	30,729
Operating costs	213,365	232,419
Marketing and distribution	112,705	144,234
Audit and legal costs	10,000	9,600
	909,320	920,469
Support surplus	<u>493,679</u>	<u>257,233</u>
Publishing House charge for supplying Fellows with journals	29,556	96,702
Net surplus after Fellowship re-charge	<u>523,235</u>	<u>353,935</u>

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2010 (*Continued*)

Conference office income and expenditure

Income	2010 £	2009 £
Corporate affiliation	125,750	113,400
Conference and meetings	241,311	303,964
Petroleum Group meetings and conferences	272,503	190,659
Hire of rooms	68,598	94,727
Catering income	178,194	169,778
	<u>886,356</u>	<u>872,528</u>
Direct expenditure		
Catering costs	152,808	137,320
Scientific meeting costs	124,710	182,785
Staff costs	102,329	99,965
Petroleum Group meetings and conferences costs	205,545	121,970
Petroleum Group staff re-charge	35,000	35,000
	<u>620,392</u>	<u>577,040</u>
Gross surplus	265,964	295,488
Support costs		
Staff costs - Burlington House	83,340	92,403
Establishment costs	69,467	65,409
Operating and computer	99,679	84,038
	<u>252,486</u>	<u>241,850</u>
Management and administration		
Establishment	38,729	36,657
Operating and computer	110,082	124,129
Legal and professional	1,955	2,098
Audit and accountancy	6,875	7,349
	<u>157,641</u>	<u>170,233</u>
Net deficit	<u><u>(144,163)</u></u>	<u><u>(116,595)</u></u>
Specialist Group Income and Expenditure (excluding Petroleum Group)		
	2010 £	2009 £
Meeting and Conference Income	34,323	6,180
Meeting and Conference Expenditure	36,649	11,437
Net Deficit	<u><u>(2,326)</u></u>	<u><u>(5,257)</u></u>

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2010 (*Continued*)

Fellowship Income and expenditure	2010	2009
	£	£
Income		
Fellowship Income	1,253,955	1,243,763
Donations	12,964	7,717
Contribution of costs from the Library	21,116	23,649
Accreditation	11,600	12,900
Geoscientist (included within publishing income)	18,845	32,072
Other income	16,001	1,799
Income arising from Regional Groups	10,726	4,518
	<u>1,345,207</u>	<u>1,326,418</u>
Costs of activities in furtherance of the charity's objects		
Geoscientist (included within direct publishing costs)	145,916	140,805
Education and committees	69,366	71,586
Library	61,382	66,504
Annual report	7,359	8,325
Grants, donations, awards & scholarships (excluding Fermor)	32,770	19,819
Staff costs - library	212,101	202,131
Expenditure arising from Regional Groups	25,551	14,701
	<u>554,445</u>	<u>523,871</u>
Support costs		
Staff costs - Burlington House	519,399	520,391
Establishment costs	136,699	126,492
Operating and computer	180,663	173,344
	<u>836,761</u>	<u>820,227</u>
Management and administration		
Establishment	82,298	77,897
Operating and computer	146,401	155,453
Legal and professional	17,591	18,878
Audit and accountancy	10,000	9,600
Trustees expenses and professional indemnity insurance	21,500	17,773
	<u>277,790</u>	<u>279,601</u>
Deficit before Publishing House re-charge	<u>(323,789)</u>	<u>(297,281)</u>
Publishing House costs relating to providing Fellow Journal copies	(29,556)	(96,702)
Deficit for the year	<u>(353,345)</u>	<u>(393,983)</u>

The figures above do not include the annual cost of purchasing books and periodicals for the Library. These costs amount to £117,744 (2009 - £105,521)

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2010 (Continued)

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

Thematic meetings held during 2010 (Bye-law 9.23)

Meetings – marginal costs ¹

	Income	Expenditure	Surplus/ (Deficit)
	£	£	£
William Smith	18,685	8,841	9,844
Lyell	-	202	(202)
Fermor	783	423	360
	<hr/>	<hr/>	<hr/>

¹No allowance has been made for internal staff costs

Chartered Geologists

Income

	2010
	£
Validation fee @ £50 (Bye-law 3.1)	4,300
Annual registration fee @ £26 (Bye-law 3.2)	57,148
	<hr/>
	61,448

Costs¹

39,127

Surplus

22,321

¹No allowance has been made for internal staff costs

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2010 (Continued)

Analysis of Fund Balances

Unrestricted funds	At 01 January 2010 £	Incoming resources £	Resources Expensed £	Gains/ (losses) & transfers £	At 31 December 2010 £
General purposes	(255,648)	3,906,407	3,910,726	235,255	(33,948)
Dennis Curry Fund	1,831,187	61,722	5,591	37,690	1,925,008
Albert Curry Fund	508,646	16,638	-	-	525,284
<i>Designated funds</i>					
Revaluation reserve - library	13,291,276	-	-	-	13,291,276
Specialist & regional groups	189,203	317,552	(302,746)	(25,850)	178,159
Burlington House Redecoration Fund	285,918	-	-	(45,188)	240,730
Bicentenary Project Fund	310,437	-	-	(115,795)	194,642
Lyell Centre Fund	128,615	-	-	(37,742)	90,873
Educational Outreach Fund	175,000	-	-	-	175,000
Alan and Charlotte Welch Fund	199,237	-	-	-	199,237
	16,663,871	4,302,319	(4,219,063)	48,370	16,795,498
Restricted income funds					
Bicentenary Fund	248,024	-	-	-	248,024
Fermor	504,628	60,470	(7,285)	13,946	571,759
Coke	970,569	41,138	(4,956)	42,869	1,049,620
Pool C	172,359	7,305	(880)	7,613	186,397
Trust funds (see below)	309,742	13,128	(17,158)	13,681	319,393
Distinguished Geologists' Memorial Fund	54,391	2,305	(278)	2,402	58,820
Mike Coward Memorial Fund	37,487	1,590	(190)	1,656	40,543
	2,297,200	125,936	(30,747)	82,167	2,474,556
Endowment funds					
Fermor	1,064,421	-	-	49,070	1,113,491
Total Fund Balances	20,025,492	4,428,255	4,249,810	179,607	20,383,542
Analysis of Trust Funds					
Barlow Jameson	2,591	110	144	114	2,671
Bigsby	10,497	445	581	464	10,825
Blandford	1,584	67	88	70	1,633
E Eastwood	2,703	115	150	119	2,787
W G Fearnside	24,625	1,044	1,364	1,088	25,393
E J Garwood	14,243	604	789	629	14,687
Gloyne Outdoor Geological Research	14,183	601	786	627	14,625
Annie Greenly	12,752	540	706	563	13,149
Bernard Hobson	6,099	258	338	269	6,288
Lyell Geological	20,713	878	1,147	915	21,359
E Matthews	36,645	1,553	2,030	1,618	37,786
Murchison Geological	18,408	780	1,020	813	18,981
Daniel Pidgeon	13,477	571	747	595	13,896
Prestwich	11,771	499	652	520	12,138
Field Research	16,749	710	928	740	17,271
Sue Tyler Friedman	6,749	286	374	298	6,959
J B Tyrrell	26,082	1,105	1,445	1,152	26,894
Wollaston Donation	17,807	755	986	787	18,363
R G H Worth	33,389	1,415	1,849	1,475	34,430
The Gill Harwood Fund	7,475	317	414	330	7,708
British Sedimentary Research Group	11,199	475	620	495	11,549
	309,742	13,128	17,158	13,681	319,393