



The  
Geological  
Society

# REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2016

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 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**

In 2007 the Society set out a 10 year strategy for serving science and the profession. This included seven aims through which its charitable objects are expressed, summarized below but provided in full on the website:

- to be the respected public voice of geosciences in the UK;
- to provide lifelong professional support to geoscientists;
- to recognize and foster innovation in the geosciences;
- to show leadership in the geosciences community nationally and internationally;
- to promote geoscience education;
- to communicate geoscience research and practice;
- to assure high professional standards for the benefit of society.

In addition seven financial priorities were also identified:

- diversifying income streams;
- protecting and developing existing income streams;
- generating strategies to mitigate financial risk;
- maintaining and developing an expert and professional staff;
- ensuring the continuing involvement of Fellows in the running of the Society;
- growing Fellowship and promoting the Society throughout academia and industry;
- effectively and responsibly managing the resourcing of strategic objectives.

Specific measurement criteria were not set as part of the current strategy; instead success is measured in terms of the Society's impact on the wider community and the continued growth of its membership and activities. These are considered in more detail in section 1.2 for the year ending 31 December 2016.

Throughout 2016 the Society has been discussing its next 10 year strategy, which comes into effect from 1<sup>st</sup> January 2017. Elements of this are outlined 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**

Despite the continuing impact of economic downturn in the natural resources industries, the Society has continued to meet its objectives, both charitable and financial, during 2016. Fellowship is growing at a steady rate and publishing continues to move from strength to strength, providing the current mainstay of the Society's income. The Society's scientific, professional and public events programme also continues to be popular, as does its work with schools and universities in helping develop the next generation of geologists and geoscientists.

The Society's significant achievements against its objectives in 2016 are set out as follows.

### **1.2.2 Science and education**

The focus for much of the Society's science, education and outreach programme in 2016 was our Year of Water. This stimulated a wide range of cutting edge scientific conferences, from Martian Gullies and their Earth Analogues to the 2016 William Smith meeting on Glaciated Margins. The first Bryan Lovell meeting in November on the topic of Water, Hazards and Risk: Managing Uncertainty in a Changing World, brought the Year of Water programme to a close, and also introduced our theme for 2017 – risk. This new flagship meeting series brings together geoscientists and others from a wide range of disciplines to address major societal challenges. 2016 also saw the first Janet Watson meeting – an early career symposium, in this case on the Future of Hydrocarbon Exploration, among many other successful conferences throughout the year. A new Specialist Group, the Contaminated Land Group, was established following a very successful conference on this topic in Cardiff, organised by the Southern Wales Regional Group.

Many of our public London Lectures also addressed a diverse range of water-related topics, as did a number of our events and activities for schools. We partnered with the British Geological Survey to work with school groups and families at the Lyme Regis Fossil Festival, and again collaborated with the BGS to run an innovative schools day during Earth Science Week to investigate flood risk. The Year of Water also caught the attention of the BBC – we are a partner organisation in their online Terrific Scientific platform for 9-11 year olds, which includes an experiment for schools on variation in water hardness across the country and the geology behind this, supported by Geological Society materials. Earth Science Week (8-16 October) once again featured over 50 events run by organisations across the UK and Ireland, many on the theme of Earth Science in Action.

Our new Geology Career Pathways website, developed in collaboration with University Geoscience UK, has been very well received. Our partnership with University Geoscience UK has also strengthened the voice of the academic geoscience community to policy-makers, allowing us to respond more effectively to consultations on matters such as the Teaching Excellence Framework, reorganisation of the Research Councils and the risks and opportunities in the HE sector associated with leaving the EU. The Society has also responded to many other parliamentary inquiries and consultations on the implications of Brexit and a wide range of other topics.

### **1.2.3 Professional and academic standards**

Society membership is increasing steadily year on year, indicating that its objectives and activities continue to be relevant to those working and studying in geology and associated fields. The Society's Fellowship, as measured



mid-2016, was 12,289 – a rise of 2.5% from 11,991 at the same point in 2015. The number of Chartered Geologists also continues to climb, with 2,669 registered in mid-2016, up from 2,592 in mid-2015.

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 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 2016 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. Significant developments undertaken during 2016 were the implementation of a new online submission system for authors, editors and reviewers across all Society-published journal titles and book series, and the redevelopment of the platform on which the Lyell Collection is hosted. This latter project will improve the reader interface and experience, and is due for launch in Q1 of 2017. Also significant was the implementation of Figshare for our publications, enhancing the quality and availability of data-sets associated with published papers.

#### **1.2.5 Library and archives**

In 2016 the first phase of our Library collections audit was completed, and funding approved for completion of the project in calendar year 2017. The benefits of the new Library Management System, Heritage, were being felt, with increased access to library records and both print and electronic resources. The Library's outreach programme also continues and this year we held three public events, all of which were sold out.

#### **1.2.6 Support and other activities**

The long-awaited implementation of the Society's new Fellowship database commenced during this year. After problems with the Society's website in January 2016, especially the *MyGSL* portal used by Fellows, the scope of the project was expanded to include website development in addition to the Fellowship database and Finance system which formed the original specification. After a thorough selection process the Society has commenced work with *FelineSoft* to implement *MS Dynamics* for its Fellowship database replacement and associated web portal; and *Codis* to implement an upgrade to its existing *Sage Financials* system. The project is progressing towards expected go-live by the end of the second quarter of 2017.

Early in 2016 the Society appointed its first HR Manager. Previously, advice in this area was provided by a retained third-party. With the retirement of the individual concerned, however, who had built up a valuable knowledge of the Society over many years, it was decided that it would be timely to make a permanent appointment. Work to review and update the Society's HR policies and procedures has already commenced and will continue into 2017.

## 1.3 Financial review

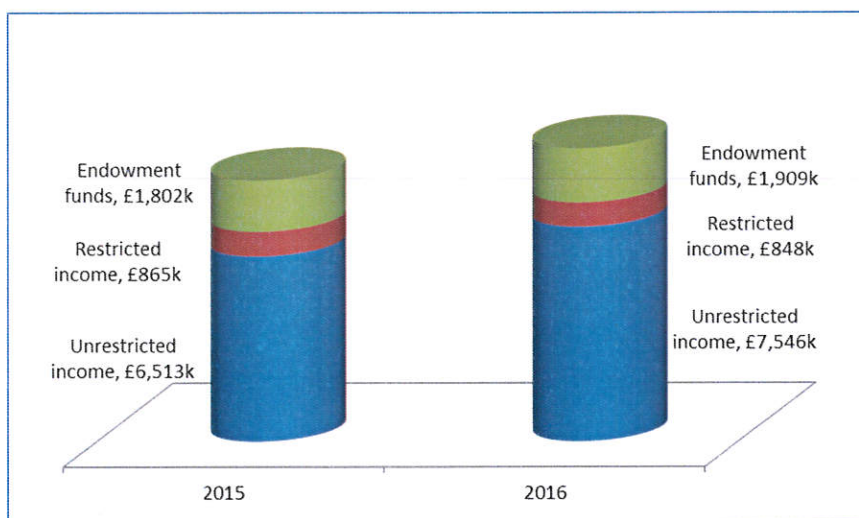
### 1.3.1 Financial position and performance

#### 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).

A full review of the Society's funds and reserves was carried out during 2016 and as a result some funds were re-classified. Note 33 to the Financial Statements provides further detail. Taking into account this re-statement, total Society funds and reserves at the end of 2016 was £10,302,342 (£9,179,788 at the end of 2015). This is analysed over the three categories defined above as follows:



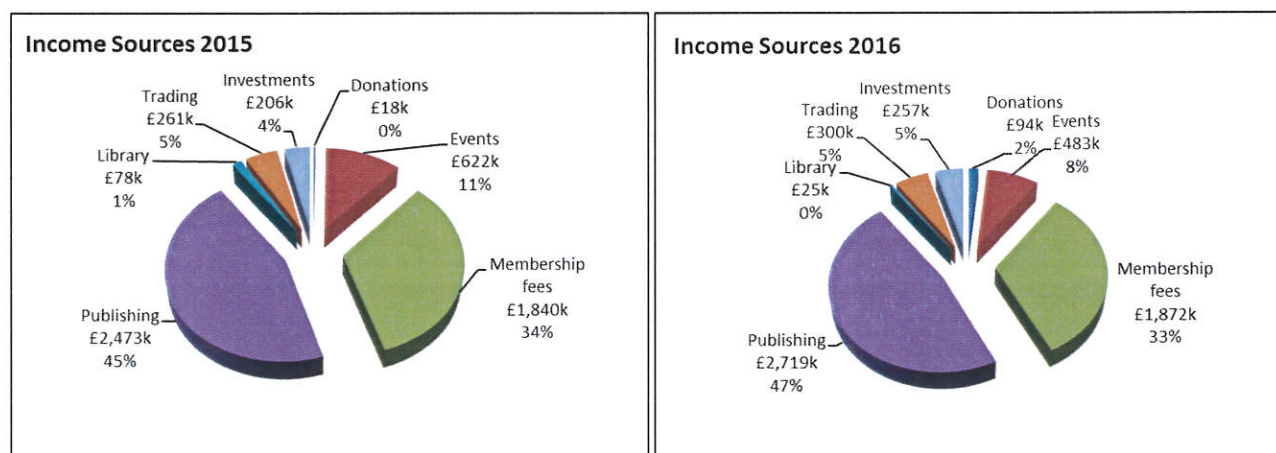
Unrestricted income funds represent the primary operation and activities of the Society and increase or decrease depending upon operating surpluses or deficits made each year. Restricted income funds and endowment funds support specific activities but are primarily dependent upon performance of the Society's investments for growth or the provision of new legacies. No significant new donations were received during 2016, although further income was received from an existing legacy provided in 2013 by Stephen Mills – note 2 to the Financial Statements provides more information. Strong performance on the stock market towards the end of 2016 has benefitted those funds held within the Society's investment pool; the effect of significant devaluation of Sterling against the US Dollar has also had a beneficial effect for the Society's US Dollar cash and current asset investments, as well as income received in US Dollars, primarily for publication subscriptions. Note 19 provides further detail.



Notes 24 to 27 of the Financial Statements set out individual material funds held by category, significant movements in those funds during the reporting year, and their position at year-end.

**Principal sources of funding**

Total consolidated income, excluding gains and losses from investments and foreign exchange, was £5,750,171 in the year ending 31 December 2016 (£5,497,822 for 2015). The Society's principal sources of funding remain closely linked to its charitable activities and these are set out below:



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 re-distributed across those charitable activities from which benefit is received in return. Note 3 to the Financial Statements sets out in more detail how this is shared.

Heading	2016			2015		
	Source Reallocation £k	Statements £k	Statements £k	Source Reallocation £k	Statements £k	Statements £k
Donations	94	-	94	18	-	18
Events (Science & Education)	483	22	505	622	14	636
Membership fees (Professional & Academic)	1,872	(1,155)	717	1,840	(1,176)	664
Publishing	2,719	599	3,318	2,473	481	2,954
Library	25	520	544	78	662	740
Trading	300	15	315	261	19	280
Investments	257	-	257	206	-	206
	<b>5,750</b>	<b>-</b>	<b>5,750</b>	<b>5,498</b>	<b>-</b>	<b>5,498</b>

The Society's publishing income has had a mixed year: whilst journal publishing has performed on target, electronic publishing via the Lyell Collection and associated products has continued to exceed expectations; printed book publishing under-performed, however, due in part to problems with the Society's website and the extended unavailability of discounted sales to Fellows. Membership income has performed in line with expectations, as has the income from conferences and events. In the case of the latter, and as noted in last year's report, expectations were set lower as a result of economic pressures on the extractive industries depressing Corporate Affiliate fees and event sponsorship.

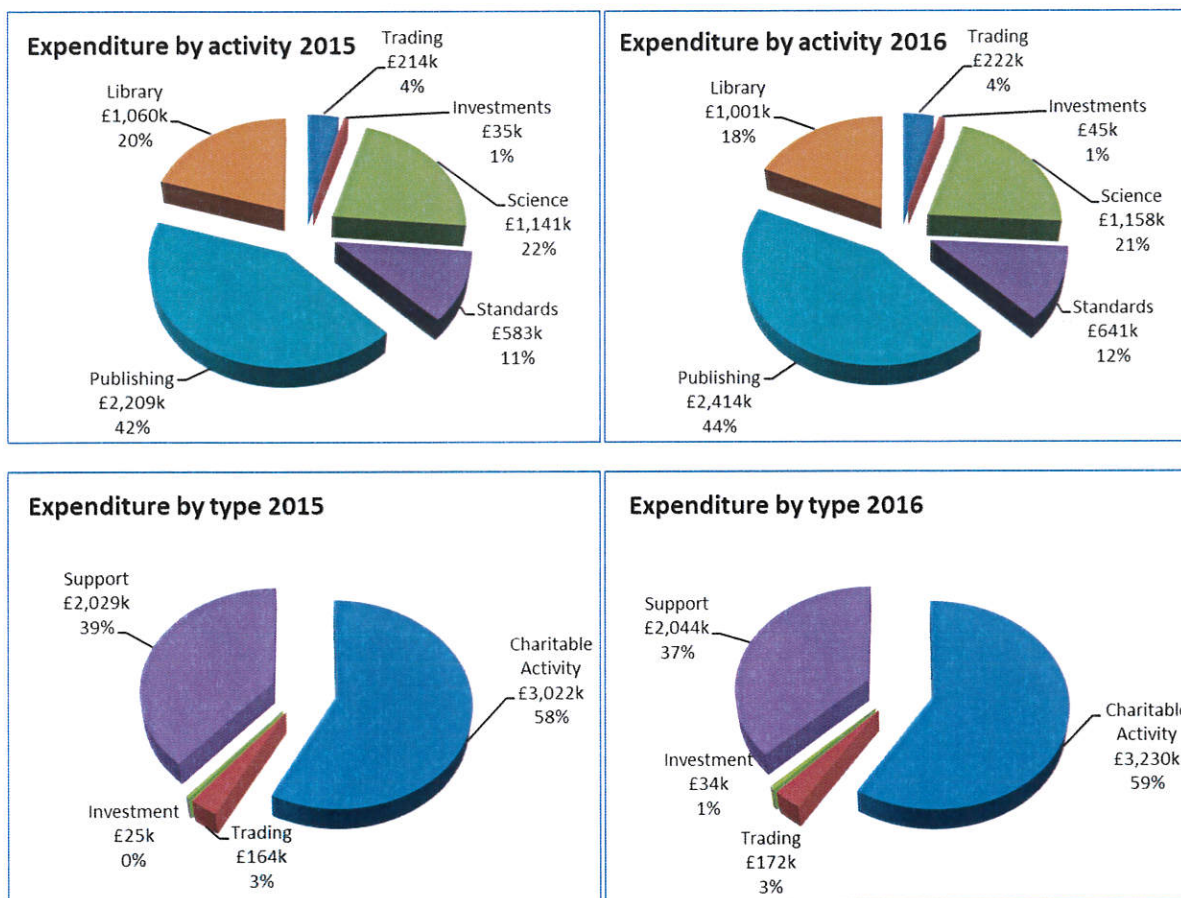
The Society's consolidated surplus of income over expenditure for 2016 is £269,524 (2015: £257,180). Significant gains in the year from movements in the value of investments and foreign currency, however, bring the total movement in funds for 2016 to £1,122,552 (2015: £235,103). The value of the Society's investment portfolio rose

from £5,525,417 at 31 December 2015 to £5,918,392 at the end of 2016, providing an investment gain of £427,014 (2015: £22,077 loss). Foreign exchange movements account for a further £426,014 of total value (2015: nil). A significant proportion of international publishing income is received in US Dollars and as at 31 December 2016 the total value of Dollar holdings was \$3.1M. The value of the US Dollar against the Pound has appreciated by c.16% during the year.

In both instances a note of caution is necessary since the gains themselves are largely unrealized – i.e. not converted into Pounds Sterling cash by sale of the assets held. This means that the Society might also suffer should the stock-market fall and/or foreign exchange rates swing significantly in the other direction. Against this risk a review of the Society’s cash exposure is due to be undertaken in 2017.

**Expenditure of funds**

The Society’s total expenditure for the year ending 31 December 2016 was £5,480,647 (£5,240,642 in 2015). Society expenditure has been in line with its charitable objectives and principal sources of funding. Note 6 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:



Support costs are detailed in note 8 to the Financial Statements and staff costs in notes 11 to 14.

In addition to the revenue expenditure set out above, capital expenditure to the value of £601,108 was also made in 2016 (£262,071 in 2015) on the acquisition of assets, including stock for the Society’s library. The significant year-on-year increase is due primarily to two new projects started in the year: the Fellowship system upgrade (£156k); and an upgrade to the Lyell Collection delivery platform (£135k).



### ***Investments***

The Society maintains an investment portfolio of around £5.5M, managed on its behalf by UBS AG who make a regular, quarterly report to the Treasurer's Investment Committee. The primary purpose of the portfolio is to provide income through returns and growth in capital to support the current and future charitable activities of the Society. To achieve this UBS are set growth targets against which the Investment Committee measures performance. It is planned to review the terms of reference of the Investment Committee and the Society's investment policy in 2017 to ensure that they remain fit for purpose.

Dividend income in 2016 was £244,008 (£166,262 in 2015); interest on bonds was £11,709 (£37,702 in 2015) – see note 5 to the Financial Statements for further detail.

Investment management charges comprise the annual fees of UBS, 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 £44,671 in 2016 and £34,887 in 2015.

As set out above, the total value of the investment pool has risen significantly in the year. Investment valuations are further explained in note 18.

### ***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 30 in further detail.

During 2016 trading activity provided income of £87,521 (£80,458 in 2015) against reduced costs of sales of £42,261 (£45,500 in 2015). 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 £27,495 (2015: (£23,277) loss). After taking into account brought forward losses, the Board approved a resolution to donate the remaining profit to the Society. In 2016 this amounted to £4,218 (2015: £0).

### ***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 New 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 New Burlington House the Society continues to be involved in discussions with the landlord regarding the lease.

### **1.3.2 Reserves**

During 2016 a comprehensive review was undertaken of the Society's funds and reserves – note 33 to the Financial Statements provides further information. As a result of this review, Council agreed a new Reserves Policy for the Society for the year ending 31 December 2016 and thereafter. This is 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 reserves are calculated as the total of investments and net current assets classified as unrestricted funds, less any assigned to designated funds. Taking into account the re-classification of funds that also took place as a result of the review, on 31 December 2016 reserves stood at £3,754,920 (£3,285,794 re-stated for 2015) against core operational costs of £5,214,258 (£4,992,197 in 2015). This represents 96.0% of the target (87.8% in 2015) and is, therefore, within the acceptable range set out above.

Note 29 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, as evidenced by falls in income in 2015 and reduced expectations in the current year. Further decline has been 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 capital expenditure on its Fellowship and Publishing platforms in the current year.

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 confirmed (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

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

The fundamental aims and objectives of the Society remain unchanged for 2017. The Society has been finalizing a new 10 year strategy to replace the one that expired at the end of 2016. The key points of the new strategy 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.

#### ***The activities of the Society in 2017 and beyond***

##### *Science and education*

Following the success of our Year of Mud (2015) and Year of Water (2016), 2017 is the Society's Year of Risk. This will provide the focus for a wide range of scientific meetings, education and outreach activities, including many of our public London Lectures. 2017 also marks the 50th anniversary of the coining of the term Plate Tectonics, and of key developments in this paradigm, which will also feature in various aspects of our programme of activities, including a public outreach project to launch in October.

We will continue to develop our relationship with University Geoscience UK and to engage more effectively with academic geoscientists, especially in developing a cohesive voice for the research community to funders and policy-makers. We will also further develop our school visits programme and supporting resources, and we will extend our Associated Societies scheme.

#### *Professional and academic standards*

We aim to continue to grow membership of the Society through Fellowship and Chartership and also to explore the options for broadening membership into new areas. This will be supported by the Society's new Fellowship system going live during 2017. We will continue to review the way the Society interacts with its Corporate Affiliates in terms of both the benefit the Society receives from corporate members and the benefits the Society provides in return for that membership. In all that we do, however, the importance of retaining the highest academic and professional standards will remain paramount.

#### *Publishing*

There is a strong programme of publishing development planned for 2017, the key element of which is the launch of an upgraded platform for the delivery of our online content. We will also be reviewing the range of publishing activity we undertake in the context of the Society's new ten year strategy. In particular, we will be reviewing our production, editorial and marketing effectiveness with a view to strengthening our scholarly publishing activity and ensuring long-term resilience.

#### *Library*

During 2017 we will continue with further work on the Library Inventory project to ensure we have a close understanding of all our collections, completing the work by the end of the year. Key activities for the year will include the launch of a website to show-case the archive of the scientist, Dan McKenzie. The launch will be closely tied to a major three day conference: *Plate Tectonics at 50*.

#### *Trading, support and other activities*

A review of how the Society uses its space at Burlington House was commenced just before the end of 2016 and will continue in the year ahead. Its purpose is to identify the most efficient and effective way to balance competing demands on the facilities (e.g. providing services such as the Library, holding events, and accommodating staff).

#### **Financial Strategy**

The Society adopted its first Financial Strategy early in 2015 as a means of expressing financially how the objectives of its current 10 year strategy would be achieved. One aspect of the new 10 Year Strategy summarized above is the recognition that more detailed business planning will be required to connect annual plans and budgets with longer-term strategic goals. This will be developed in the year ahead and include any revisions to the 2015 Financial Strategy to ensure that it is aligned. Consideration of broadening existing income streams and exploring new potential is likely to feature strongly, together with development of a longer-term approach to fund-raising.



## 1.5 Structure, governance and management

### 1.5.1 Governing instrument

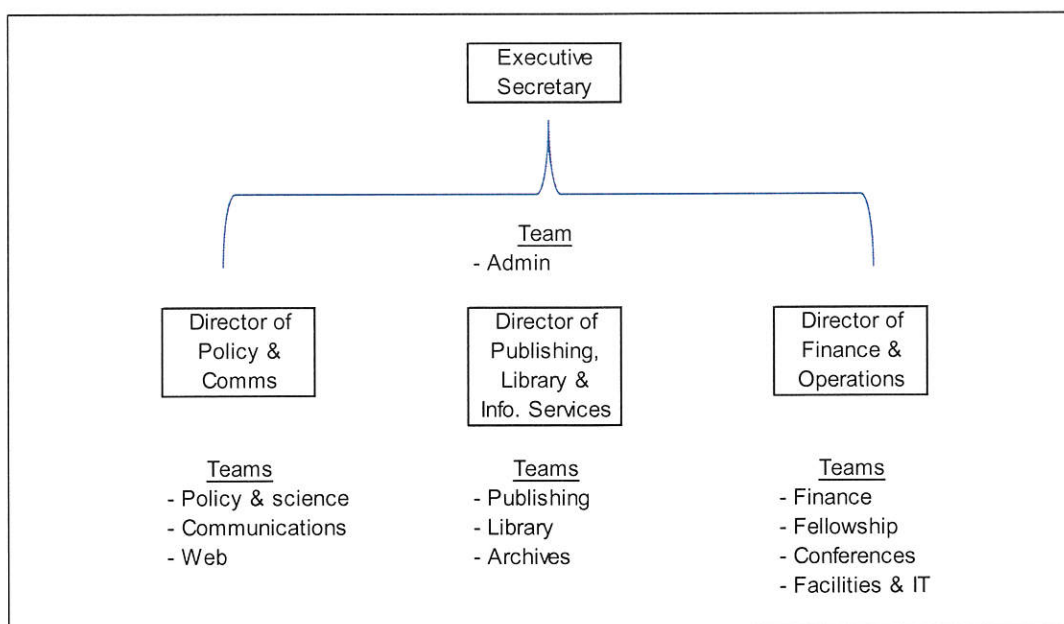
The Society was founded in 1807 and incorporated by Royal Charter in 1825 (amended by a Supplemental Charter in 2005). This remains its governing instrument, from which its Bye-Laws (revised in 2000 and amended in 2003) are derived.

### 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 and External Relations Committee** – responsible for maintaining a science policy for the Society that reflects its charitable aims and objectives, and informs its approach to communications, conferences, public information and educational outreach. Chaired by the Secretary, Science.
- (v) **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.

- (vi) **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.
- (vii) **Awards Committee** – responsible for consideration of nominations received from the Fellowship for the Society's awards and medals. Chaired by the President.
- (viii) **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**

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.

Following the departure of Sarah Fray on 31<sup>st</sup> August 2016 the Society appointed a new Executive Secretary who will take up post in May 2017. In the interim the Society's three directors (its next most senior tier of staff, as detailed in section 1.6.3) have been working in close conjunction with the President and Treasurer to ensure that the Society's operations continue as normal.

### **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: regular review of financial issues and reporting thereon at both the Finance and Planning Committee and Council; annual scrutiny of financial statements and controls by the Audit Committee; and a policy to build and maintain a prudent level of reserves. Both the Society's risk management framework and its reserves have been reviewed during 2016.

## **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 30 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 30.



### 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 *8<sup>th</sup> 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 13 and 14 to the accounts.

## 1.6 Reference and administrative details

### 1.6.1 Legal and administrative information

#### *Charity details*

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

#### *Subsidiary company details*

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

### 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 -*

<b>President:</b>	Mr Malcolm Brown
<b>Vice Presidents:</b>	Mr Chris Eccles Mr Keith Seymour
<b>Secretaries:</b>	Miss Liv Carroll Dr Marie Edmonds Dr Colin North Mr Michael Young
<b>Treasurer:</b>	Mr Graham Goffey

#### *Other members of Council -*

Mr Rick Brassington, Dr Jason Canning, Dr Nigel Cassidy, Dr Sarah Gordon, Mrs Tricia Henton, Mr David Hopkins, Ms Naomi Jordan, Dr Robert Larter, Dr Jennifer McKinley, Prof David Norbury, Dr Sheila Peacock, Prof Christine Peirce, Mr Nick Reynolds, Dr Katherine Royse, 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:



Prof David Manning, Mr David Jones, Mrs Natalyn Ala, Dr Angela Coe, Mr Jim Coppard, Mrs Jane Dottridge, Dr Lucy Slater.

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:

<b>Executive Secretary</b> – until 31 Aug 2016:	Ms Sarah Fray
<b>Director of Policy &amp; Communications:</b>	Mr Nic Bilham
<b>Director of Publishing:</b>	Mr Neal Marriott
<b>Director of Finance &amp; Operations:</b>	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:

<b>Bankers:</b>	Coutts & Co, 440 Strand, London WC2R 0QS
<b>Solicitors:</b>	Bristows, 100, Victoria Embankment, London EC4Y 0DH
<b>Auditors:</b>	BDO LLP, 2 <sup>nd</sup> Floor, 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA
<b>Investment advisors:</b>	UBS AG, 1 Finsbury Avenue, London EC2M 2AN

## 2. Reports of the President, Treasurer and Executive Secretary

### 2.1 President's report

*From the President, Mr Malcolm Brown*

#### **Serving science, profession and society**

'Serving science and profession' has been the Society's strapline since 1997, reflecting the merger between the Institution of Geologists and the Geological Society. After decades of coexisting, the professional and academic geological communities unified under one banner, promoting both aspects of our work.

As you will see from the title above, the time has come to revisit our strapline, and with it the Society's strategy. Our 2016 Year of Water highlighted the wide ranging impact the geosciences have on society, from mitigation of flood risk, to finding new sources of energy, to the search for water on Mars. Geoscience affects every area of our lives, and we hope our new strapline, 'Serving science, profession and society', reflects this.

The Society's new ten year strategy sets out our aims for the decade to come. Supporting our ever growing Fellowship, whether in academia, industry or the wider geoscience community, is at the heart of everything we do, and over the next ten years we hope to strengthen our links with members all over the world. Through providing professional support, career advice, Chartership and networking opportunities, we hope that the next ten years will see an even stronger geoscience community, who in turn will benefit society through their work.

Much of what you will see in this report reflects these aims. 2016 saw the launch of 'Geology Career Pathways', a website offering studying and careers advice to students interested in pursuing geology from GCSE level onwards, produced in partnership with University Geoscience UK. We also continue to build on our outreach work with schools and members of the public, through initiatives such as the Lyme Regis Fossil Festival and Earth Science Week.

The Year of Water has been an opportunity to facilitate discussion between science, policy and industry, something which we hope to build on in future years. In particular, the first Bryan Lovell Meeting, 'Water, hazards and risk' highlighted the importance of applying geoscience knowledge to policy decisions, and the value of cross-fertilisation of ideas across traditional disciplinary boundaries. 2017's Year of Risk should provide even greater opportunities to engage with different sectors in addressing some of the most pressing concerns facing society today.

Whilst these collaborations have taken place on a larger scale, the Society itself has also seen its own increasingly effective communication amongst staff, Fellows and committee members. All have had the opportunity to share their thoughts on where they think our Society is headed, and how we might get there; a great opportunity for more and better discussion amongst us all. I look forward to working with colleagues across the organisation as we begin to implement the new Strategy and set our sights on the next ten years to come.



## 2.2 Treasurer's report

*From the Treasurer, Mr Graham Goffey*

### **Securing our future**

A large net income surplus of £1,122k in 2016 is mostly derived from unrealised or accounting value changes, as opposed to actual cash earnings. Some £411k of the £427k gains on investments and £426k of other gains are unrealised 'paper' gains. These arise respectively from late 2016 stock market movements and from foreign exchange gains on the Society's US Dollar holdings following the Brexit vote. By contrast the Society's investments showed an unrealised loss of £181k in 2015, underlining the inherent market volatility that lies behind the investment gains which will remain largely unrealized. The Society will, however, review its cash holdings in 2017 to determine whether there is scope to crystallise some of the foreign exchange gains.

If the exceptional unrealised gains are removed, net income surplus was slightly higher in 2016 than 2015 helped in part by the unanticipated but most welcome receipt of a further £88k from the estate of the late Stephen Mills. The targeted 2017 surplus of £126k is below the modest 2016 outcome before this additional bequest and is a long way below the (restated) surplus of £694k achieved in 2014. The continuing impact of the depressed natural resources industries is seen particularly in further reduced Corporate Affiliate subscriptions. Notwithstanding this impact, income (excluding investment and foreign exchange gains/losses) has been gently increasing over the last several years (£5.4mm – 2014, £5.5mm - 2015 and £5.75mm - 2016).

The Society's overall budgetary objective is to generate a modest surplus, reflecting anticipated expenditure of the majority of revenues in line with its charitable objectives. However the budgeted surplus acts as a cushion against unexpected changes in cost or income during the year and as such, a higher net surplus would be desirable. However rising costs and historic under-investment mean that the society has to work harder each year simply to undertake the same activities. In order to broaden its activities in line with the new 10 year strategy the Society will need to develop and expand income streams. To this end, the Society has recently engaged advisors to assist in evaluating the scope to seek philanthropic support for its present and future activities.

Gratifyingly, Fellowship numbers continued to increase during 2016, albeit at levels slightly below expectations and the Publishing House continues to perform extremely well in a challenging environment. We continue to see a downward trend in sales of physical copy whilst electronic access via the Lyell Collection continues to grow ahead of expectations. The hard work of Neal Marriot and his publishing team in maintaining strong revenues from the Publishing House are very much appreciated.

As noted last year, the Society's ageing accounting and Fellowship services IT systems, are no longer fit for purpose. These deficiencies have regrettably impacted Fellows during 2016 and have also affected Publishing House book sales. A substantial project to replace these ageing systems is now well advanced and implementation is expected in Q2 2017.

A review of funds and reserves was undertaken during 2016 and the Society's Reserves Policy revised with a new free reserves target set at 75% of core operational expenditure. As of year-end 2016, free reserves had reached c. 96% of this target. The Society continues to set aside funds to mitigate future costs regarding its Burlington House premises and continues to pursue routes to secure its long term tenure in Burlington House.

Finally, Fellows will be aware that during the course of 2016, the relatively newly recruited executive secretary left the Society and, as discussed in the senior management team section of this report, the senior leadership team



have with the President and Treasurer ensured the ongoing running of the Society's activities. I should like to record here my appreciation for the role played by the senior leadership team, by Stephanie Jones the Society's Administrative Secretary, and by all the Society's staff in ensuring the continued smooth-running of the Society whilst a new Executive Secretary has been sought.

## 2.3 Report of the Senior Leadership Team

*From Mr Jonathan Silk, Mr Neal Marriott and Mr Nic Bilham*

### **Delivering our objectives**

As we look forward to welcoming our new Executive Secretary in May 2017, the Directors thought it would be useful to offer Fellows an 'inside view' of the Society, from a staff perspective.

The Finance and Operations directorate covers a range of support services as well as the Fellowship Team and Conference Office. Focusing upon some of those areas that Fellows may be less directly aware of, in March the Society appointed its first HR Manager. With a staff base of over 50 and against a background of increasingly complex regulation, it was considered timely to bring in-house professional expertise that previously we have had to seek from external advisors.

Across the summer we undertook a review of the Society's funds and reserves which resulted in a much better understanding of each of the individual pots that are reflected upon the Society's balance sheet. This will lead to more effective use of the Society's funds in future.

Throughout the year the project to replace the Society's aged Fellowship database system has also been progressing, from a tendering and selection process in early summer, through to the commencement of implementation towards the end of the year. This will bring about a much-needed and welcome update both to back-office systems for handling membership records and to the web-based front-end for Fellows. We plan to go live with these new systems in 2017.

We continue to look at ways of improving our usage of Burlington House, whether that be through facilities provided to Fellows and attendees at events, or accommodation of staff. Whilst minor improvements have continued to be made, however, the overshadowing cloud of lease uncertainty frustrates investment in any significant changes or major upgrades.

The Publishing House and Library provide valued information services not just to our Fellows, but to a wide range of users internationally.

These services are increasingly available online and the Library has seen markedly increased numbers of registrations for the Athens system for remote access to our subscribed content. The online availability of our new Library Catalogue has also made it easier to find and request access to rarer and previously little used parts of our collections, and we have seen a notable increase in usage. The Society's Burlington House centred activities also continue apace, with work in-hand to preserve and make available papers from Dan McKenzie's archive documenting the development of the theory of plate tectonics. In-house Library events were held throughout the year and were always fully booked.

The Publishing House continues publishing a wide range of peer-reviewed books and journals, with ongoing success in selling subscriptions to corporations and academic institutions worldwide. Considerable work is also ongoing in moving to an upgraded online platform to ensure that the Lyell Collection conforms to user and customer



expectations. Although the Society is a small publisher in relation to the commercial giants, it is an important and respected publisher of Earth science literature.

The Society recognises the importance of our publishing, library and information services in supporting the professional activities and development of the Earth science community and remains committed to investing widely in this area.

The Policy and Communications team is the smallest in terms of staff numbers, with eight people responsible for taking forward our policy-related work, our education programme, communications through traditional and social media, public engagement, oversight of website content and Society newsletters, development of our science programme, and links with international bodies. The President's report refers to some of the highlights of this diverse programme of activities, and many more are reported in the subsequent pages of the Annual Review.

Our policy, education, outreach and strategic science activities have been more wide-ranging than ever, and none of this would be possible without the involvement of many of the Society's Fellows. Their input, working alongside the staff, both underpins the scientific quality of what we do across these areas, and allows us to achieve a great deal more than the staff would be able to do alone.

Indeed, right across the Society's activities, we are dependent on the support, engagement and hard work of you, the Society's membership – from sustaining our publishing programme to ensuring that high professional standards are maintained through the validation of Chartered Geologists and accreditation of degree programmes and company training schemes. Over the past year, we have been more conscious than ever of the importance of the partnership between the Society's staff and its Fellows, especially through Council and its committees, and we have been pleased to see this relationship strengthen and develop. It is an invaluable asset for the Society as it looks to the years ahead.

### 3. Responsibilities of the trustees

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

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

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

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

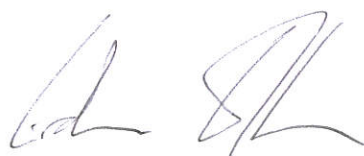
The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. This is published in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements and may differ from legislation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

**Signed on behalf of the Trustees:**



**Mr Malcolm Brown**  
*President*

Date: 5<sup>th</sup> April 2017



**Mr Graham Goffey**  
*Treasurer*

Date: 5<sup>th</sup> April 2017



#### 4. Independent auditor's 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 2016 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

##### Respective responsibilities of trustees and auditor

As explained more fully in the Responsibilities of the Trustees, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

##### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

##### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2016, and of the group's and parent charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

##### Matters on which we are required to report by exception

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

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



**BDO LLP**

Statutory Auditor  
Gatwick  
United Kingdom

Date: 5 April 2017

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).



## 5. Statements of Financial Activities

### 5.1 Consolidated Statement of Financial Activities as at 31 December 2016

Note	2016				2015				
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	
<b>Income and endowments from:</b>									
Donations and legacies	2	94,309	-	-	94,309	17,536	20	-	17,556
Charitable activities									
- Science & education	3.a	504,968	-	-	504,968	636,412	-	-	636,412
- Professional & academic standards	3.b	716,528	-	-	716,528	663,987	-	-	663,987
- Scholarly publishing	3.c	3,318,085	-	-	3,318,085	2,953,792	-	-	2,953,792
- Library & archives	3.d	544,414	-	-	544,414	740,070	-	-	740,070
Other trading activities									
- Room hire & catering	4	314,807	-	-	314,807	279,890	-	-	279,890
Investments	5	153,627	103,433	-	257,060	116,862	22,165	67,088	206,115
<b>Total income</b>		<b>5,646,738</b>	<b>103,433</b>	<b>-</b>	<b>5,750,171</b>	<b>5,408,549</b>	<b>22,185</b>	<b>67,088</b>	<b>5,497,822</b>
<b>Expenditure on:</b>									
Raising funds									
- Room hire & catering	6.a	220,176	1,542	-	221,718	212,016	1,542	-	213,558
- Investment management costs	6.b	26,602	18,069	-	44,671	19,564	3,881	11,442	34,887
Charitable activities									
- Science & education	7.a	1,116,085	41,797	-	1,157,882	1,107,836	33,091	-	1,140,927
- Professional & academic standards	7.b	637,560	3,296	-	640,856	579,629	3,296	-	582,925
- Scholarly publishing	7.c	2,311,844	70,047	32,526	2,414,417	2,097,540	3,207	107,926	2,208,673
- Library & archives	7.d	981,989	19,114	-	1,001,103	1,040,770	18,902	-	1,059,672
<b>Total expenditure</b>		<b>5,294,256</b>	<b>153,865</b>	<b>32,526</b>	<b>5,480,647</b>	<b>5,057,355</b>	<b>63,919</b>	<b>119,368</b>	<b>5,240,642</b>
<b>Surplus/(Deficit) of income over expenditure</b>		<b>352,482</b>	<b>(50,432)</b>	<b>(32,526)</b>	<b>269,524</b>	<b>351,194</b>	<b>(41,734)</b>	<b>(52,280)</b>	<b>257,180</b>
Net gains/(losses) on investments	18	254,294	33,247	139,473	427,014	(12,416)	(2,399)	(7,262)	(22,077)
<b>Net income/(expenditure)</b>		<b>606,776</b>	<b>(17,185)</b>	<b>106,947</b>	<b>696,538</b>	<b>338,778</b>	<b>(44,133)</b>	<b>(59,542)</b>	<b>235,103</b>
Other gains in year	19	426,014	-	-	426,014	-	-	-	-
<b>Net movement in funds</b>		<b>1,032,790</b>	<b>(17,185)</b>	<b>106,947</b>	<b>1,122,552</b>	<b>338,778</b>	<b>(44,133)</b>	<b>(59,542)</b>	<b>235,103</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		6,513,149	864,982	1,801,657	9,179,788	6,174,372	909,114	1,861,199	8,944,685
<b>Total funds carried forward</b>		<b>7,545,939</b>	<b>847,797</b>	<b>1,908,604</b>	<b>10,302,340</b>	<b>6,513,150</b>	<b>864,981</b>	<b>1,801,657</b>	<b>9,179,788</b>

The notes on pages 32 - 58 form an integral part of these Financial Statements. All amounts relate to continuing activities.

**5.2 Charity only Statement of Financial Activities as at 31 December 2016**

	Note	2016				2015			
		Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
		Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds
		£	£	£	£	£	£	£	
<b>Income and endowments from:</b>									
Donations and legacies	2	94,309	-	-	94,309	17,536	20	-	17,556
Charitable activities									
- Science & education	3.a	504,968	-	-	504,968	636,412	-	-	636,412
- Professional & academic standards	3.b	716,528	-	-	716,528	663,987	-	-	663,987
- Scholarly publishing	3.c	3,318,085	-	-	3,318,085	2,953,792	-	-	2,953,792
- Library & archives	3.d	544,414	-	-	544,414	740,070	-	-	740,070
Other trading activities									
- Room hire & catering	4	245,051	-	-	245,051	248,707	-	-	248,707
Investments	5	153,627	103,433	-	257,060	116,862	22,165	67,088	206,115
<b>Total income</b>		<b>5,576,982</b>	<b>103,433</b>	<b>-</b>	<b>5,680,415</b>	<b>5,377,366</b>	<b>22,185</b>	<b>67,088</b>	<b>5,466,639</b>
<b>Expenditure on:</b>									
Raising funds									
- Room hire & catering		173,697	1,542	-	175,239	157,555	1,542	-	159,097
- Investment management costs		26,602	18,069	-	44,671	19,564	3,881	11,442	34,887
Charitable activities									
- Science & education	7.a	1,116,085	41,797	-	1,157,882	1,107,836	33,091	-	1,140,927
- Professional & academic standards	7.b	637,560	3,296	-	640,856	579,629	3,296	-	582,925
- Scholarly publishing	7.c	2,311,844	70,047	32,526	2,414,417	2,097,540	3,207	107,926	2,208,673
- Library & archives	7.d	981,989	19,114	-	1,001,103	1,040,770	18,902	-	1,059,672
<b>Total expenditure</b>		<b>5,247,777</b>	<b>153,865</b>	<b>32,526</b>	<b>5,434,168</b>	<b>5,002,894</b>	<b>63,919</b>	<b>119,368</b>	<b>5,186,181</b>
<b>Surplus/(Deficit) of income over expenditure</b>		<b>329,205</b>	<b>(50,432)</b>	<b>(32,526)</b>	<b>246,247</b>	<b>374,472</b>	<b>(41,734)</b>	<b>(52,280)</b>	<b>280,458</b>
Net gains/(losses) on investments	18	254,294	33,247	139,473	427,014	(12,416)	(2,399)	(7,262)	(22,077)
<b>Net income/(expenditure)</b>		<b>583,499</b>	<b>(17,185)</b>	<b>106,947</b>	<b>673,261</b>	<b>362,056</b>	<b>(44,133)</b>	<b>(59,542)</b>	<b>258,381</b>
Other gains in year	19	426,014	-	-	426,014	-	-	-	-
<b>Net movement in funds</b>		<b>1,009,513</b>	<b>(17,185)</b>	<b>106,947</b>	<b>1,099,275</b>	<b>362,056</b>	<b>(44,133)</b>	<b>(59,542)</b>	<b>258,381</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		6,536,428	864,981	1,801,657	9,203,066	6,174,372	909,114	1,861,199	8,944,685
<b>Total funds carried forward</b>		<b>7,545,941</b>	<b>847,796</b>	<b>1,908,604</b>	<b>10,302,341</b>	<b>6,536,428</b>	<b>864,981</b>	<b>1,801,657</b>	<b>9,203,066</b>

The notes on pages 32 – 58 form an integral part of these Financial Statements. All amounts relate to continuing activities.

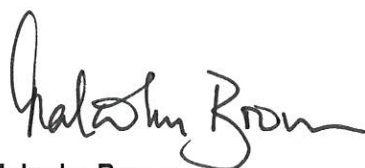


## 6. Balance Sheets

	Note	Re-stated Consolidated Balance Sheet				Re-stated Charity Only Balance Sheet			
		2016		2015		2016		2015	
		£	£	£	£	£	£	£	£
<b>Fixed assets:</b>									
Intangible assets									
- website development	15	24,722		21,290		24,722		21,290	
- business systems	15	183,654		27,695		183,654		27,695	
- publishing systems	15	126,824	335,200	-	48,985	126,824	335,200	-	48,985
Tangible assets									
- leasehold property	16	437,630		491,321		437,630		491,321	
- equipment, fixtures & fittings	16	113,242		98,570		113,242		98,570	
- computer equipment	16	112,099	662,971	112,593	702,484	112,099	662,971	112,593	702,484
Heritage assets									
- library holdings	17		1,084,381		1,003,028		1,084,381		1,003,028
Investments									
- listed and traded investments	18	5,791,227		5,372,024		5,791,227		5,372,024	
- portfolio cash	18	127,165	5,918,392	153,393	5,525,417	127,165	5,918,392	153,393	5,525,417
<b>Total fixed assets:</b>			<b>8,000,944</b>		<b>7,279,914</b>		<b>8,000,944</b>		<b>7,279,914</b>
<b>Current assets</b>									
Stocks	20								
- finished stock		230,956		288,842		230,956		288,842	
- work in progress		104,963		105,607		104,963		105,607	
Debtors	21	425,341		329,077		419,766		347,544	
Investments	22	950,373		1,927,540		950,373		1,927,540	
Cash at bank and in hand		3,392,452		1,870,568		3,381,420		1,864,435	
<b>Total current assets</b>		<b>5,104,085</b>		<b>4,521,634</b>		<b>5,087,478</b>		<b>4,533,968</b>	
<b>Liabilities</b>									
Creditors									
- amounts falling due within one year	23	(2,802,687)		(2,621,760)		(2,786,080)		(2,610,818)	
<b>Net current assets/(liabilities)</b>		<b>2,301,398</b>		<b>1,899,874</b>		<b>2,301,398</b>		<b>1,923,150</b>	
<b>Total net assets or liabilities</b>		<b>10,302,342</b>		<b>9,179,788</b>		<b>10,302,342</b>		<b>9,203,064</b>	
<b>The funds of the charity:</b>	24								
Unrestricted funds	25	7,545,940		6,513,149		7,545,940		6,536,426	
Restricted income funds	26	847,798		864,982		847,798		864,982	
Endowment funds	27	1,908,604		1,801,657		1,908,604		1,801,657	
<b>Total funds</b>		<b>10,302,342</b>		<b>9,179,788</b>		<b>10,302,342</b>		<b>9,203,065</b>	

The notes on pages 32 - 58 form an integral part of these Financial Statements. All amounts relate to continuing activities.

Approved by the trustees on 5th April 2017 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 2016**

	Note	2016		2015	
		£,000	£,000	£,000	£,000
<b>Cash flows from operating activities:</b>					
<i>Net cash provided by operating activities:</i>	31		428,709		932,195
<b>Cash flows from investing activities:</b>					
Dividends and interest from investments:		257,060		206,115	
Loan to associated body:		-		17,000	
Proceeds from sale of property, plant and equipment		-		-	
Purchase of property, plant and equipment		(601,108)		(262,071)	
Proceeds from sale of investments:		1,226,101		3,667,912	
Purchase of investments:		(1,192,064)		(3,644,456)	
<i>Net cash provided by investing activities:</i>			(310,011)		(15,500)
<b>Cash flows from financing activities:</b>					
<i>Net cash provided by financing activities:</i>			-		-
<b>Change in cash and cash equivalents in the reporting period:</b>					
			118,698		916,695
<b>Cash and cash equivalents at the beginning of the reporting period:</b>	32		3,798,103		2,881,407
<b>Change in cash and cash equivalents due to exchange rate movements:</b>			426,014		-
<b>Cash and cash equivalents at the end of the reporting period:</b>	32		<u>4,342,814</u>		<u>3,798,103</u>

The notes on pages 32 – 58 form an integral part of these Financial Statements.



## 8. Notes forming part of the Financial Statements

### 1 Accounting policies

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

#### **(a) Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards, the Charities Act 2011, and the Statement of Recommended Practice, Accounting and Reporting by Charities ('SORP'), effective 1 January 2015 and Financial Reporting Standard ('FRS') 102, which the Society has adopted. 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 2017 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**

The trustees approved the following change to accounting policy for the year ending 31 December 2016:

- (i) *Reserves policy* – after a review of the Society's income, operating expenditure requirements and retained funds, the Reserves Policy was amended so that the target reserve for the year was reduced from 100% of charitable expenditure to 75%, or 9 months, of charitable expenditure.

As a result of the Funds and Reserves review carried out to inform this decision, the Society also reclassified a number of funds. In accordance with the Charities SORP 2015 and FRS 102, prior year accounts are re-stated with these new policies applied. Note 33 sets out the reconciliation of these accounts with those presented in 2015.

#### **(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 30.

#### **(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 15-17 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 8 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 15 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 17 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 18 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 20 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 21 sets out further details.

In addition to its fixed asset investments, the Society separately operates a money market account and a deposit account, which are classified as current asset investments. These are further described in note 22.

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 23 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 24 to 27 analyse the make-up of these funds and include summaries of each separate, material fund. Note 28 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 29 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.

### **(l) Cash flow statement**

A consolidated cash flow statement is provided that is compliant with FRS 102 and the Charity SORP 2015. Notes 31 and 32 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**

A provision was made in 2013 for receipt of a legacy from Mr Stephen John Mills. This was estimated at the time to be £163,516. In August of this year all sums against this original provision had been received, together with an additional £88,845 from the same source.

## **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	Fellowship Fee Income				Corporate Affiliate Fee Income			
	2016		2015		2016		2015	
	%	£	%	£	%	£	%	£
Science & education	1.1%	14,624	0.7%	10,297	6.3%	7,460	2.6%	3,700
Professional & academic	18.1%	249,803	18.9%	267,895	79.9%	94,440	81.6%	114,104
Publishing	43.4%	599,023	33.9%	481,059				
Library & archives	37.5%	517,890	46.5%	659,182	1.5%	1,816	1.9%	2,724
Trading					12.3%	14,519	13.8%	19,322
	100.0%	1,381,340	100.0%	1,418,433	100.0%	118,235	100.0%	139,850

**Analysis of charitable income:**

Analysis of Charitable activity	2016				2015			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£	£	£	£	£
<b>3.a Science &amp; Education</b>								
Flagship meetings & events	144,919	-	-	144,919	239,772	-	-	239,772
Petroleum Group meetings	293,391	-	-	293,391	231,038	-	-	231,038
Other meetings & events	33,660	-	-	33,660	143,530	-	-	143,530
Grants & other direct funding	6,800	-	-	6,800	3,805	-	-	3,805
Friends of the GSL	4,114	-	-	4,114	4,270	-	-	4,270
Fellowship fees	14,624	-	-	14,624	10,297	-	-	10,297
Corporate Affiliate fees	7,460	-	-	7,460	3,700	-	-	3,700
<b>Sub-total:</b>	<b>504,968</b>	<b>-</b>	<b>-</b>	<b>504,968</b>	<b>636,412</b>	<b>-</b>	<b>-</b>	<b>636,412</b>
<b>3.b Professional &amp; academic standards</b>								
Fellowship fees	540,364	-	-	540,364	465,216	-	-	465,216
Corporate Affiliate fees	94,440	-	-	94,440	114,104	-	-	114,104
Accreditation	19,963	-	-	19,963	27,702	-	-	27,702
Specialist & Regional Groups	60,554	-	-	60,554	55,510	-	-	55,510
Other Fellowship Income	1,207	-	-	1,207	1,455	-	-	1,455
<b>Sub-total:</b>	<b>716,528</b>	<b>-</b>	<b>-</b>	<b>716,528</b>	<b>663,987</b>	<b>-</b>	<b>-</b>	<b>663,987</b>
<b>3.c Scholarly publishing</b>								
Book sales & distribution	366,157	-	-	366,157	416,095	-	-	416,095
Lyell Collection	1,363,005	-	-	1,363,005	1,233,209	-	-	1,233,209
GSL journals	659,855	-	-	659,855	467,284	-	-	467,284
Non-GSL Journals	43,166	-	-	43,166	52,743	-	-	52,743
Geology Today	6,192	-	-	6,192	10,688	-	-	10,688
Geofacets	37,591	-	-	37,591	116,483	-	-	116,483
Geoscientist	11,809	-	-	11,809	18,231	-	-	18,231
GSW Ebooks	74,156	-	-	74,156	74,861	-	-	74,861
Royalties & copying income	146,672	-	-	146,672	81,833	-	-	81,833
Other publishing income	10,459	-	-	10,459	1,306	-	-	1,306
Fellowship fees	599,023	-	-	599,023	481,059	-	-	481,059
<b>Sub-total:</b>	<b>3,318,085</b>	<b>-</b>	<b>-</b>	<b>3,318,085</b>	<b>2,953,792</b>	<b>-</b>	<b>-</b>	<b>2,953,792</b>
<b>3.d Library &amp; Archives</b>								
Library Income	24,708	-	-	24,708	78,164	-	-	78,164
Fellowship fees	517,890	-	-	517,890	659,182	-	-	659,182
Corporate Affiliate fees	1,816	-	-	1,816	2,724	-	-	2,724
<b>Sub-total:</b>	<b>544,414</b>	<b>-</b>	<b>-</b>	<b>544,414</b>	<b>740,070</b>	<b>-</b>	<b>-</b>	<b>740,070</b>
<b>Grand total:</b>	<b>5,083,995</b>	<b>-</b>	<b>-</b>	<b>5,083,995</b>	<b>4,994,261</b>	<b>-</b>	<b>-</b>	<b>4,994,261</b>

#### 4 Other trading activities

Consolidated Income Analysis of Other trading activities	2016				2015			
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Room hire: Fellows & associates	111,785	-	-	111,785	107,272	-	-	107,272
Room hire: subsidiary company	47,191	-	-	47,191	33,068	-	-	33,068
Corporate Affiliate fees	14,519	-	-	14,519	19,322	-	-	19,322
Catering: Fellows & associates	100,843	-	-	100,843	73,114	-	-	73,114
Catering: subsidiary company	40,330	-	-	40,330	47,390	-	-	47,390
Other activities	139	-	-	139	(276)	-	-	(276)
<b>Grand total:</b>	<b>314,807</b>	<b>-</b>	<b>-</b>	<b>314,807</b>	<b>279,890</b>	<b>-</b>	<b>-</b>	<b>279,890</b>

Charity-only Income Analysis of Other trading activities	2016				2015			
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Room hire: Fellows & associates	111,785	-	-	111,785	107,272	-	-	107,272
Corporate Affiliate fees	14,519	-	-	14,519	19,322	-	-	19,322
Catering: Fellows & associates	100,843	-	-	100,843	73,114	-	-	73,114
Other activities	139	-	-	139	(276)	-	-	(276)
Management Charge to GTL	17,765	-	-	17,765	49,275	-	-	49,275
<b>Grand total:</b>	<b>245,051</b>	<b>-</b>	<b>-</b>	<b>245,051</b>	<b>248,707</b>	<b>-</b>	<b>-</b>	<b>248,707</b>

#### 5 Investment income

Analysis of Investment income	2016				2015			
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Dividend income received	145,311	18,998	79,699	244,008	93,507	18,068	54,687	166,262
Investment bond interest received	6,973	912	3,824	11,709	21,204	4,097	12,401	37,702
Sub-total income from investments	152,284	19,910	83,523	255,717	114,711	22,165	67,088	203,964
Bank interest on funds held	1,343	-	-	1,343	2,151	-	-	2,151
<b>Grand total:</b>	<b>153,627</b>	<b>19,910</b>	<b>83,523</b>	<b>257,060</b>	<b>116,862</b>	<b>22,165</b>	<b>67,088</b>	<b>206,115</b>



## 6 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 8.

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

### 6.a Room hire and catering

Analysis of	2016				2015			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
Room hire & catering costs	£	£	£	£	£	£	£	£
Direct non-staff costs of room hire	28,426	-	-	28,426	26,863	-	-	26,863
Direct non-staff costs of catering	127,675	-	-	127,675	113,368	-	-	113,368
Tax charges	-	-	-	-	8,961	-	-	8,961
Direct staff costs	16,332	-	-	16,332	15,090	-	-	15,090
Support staff overheads	22,145	-	-	22,145	21,621	-	-	21,621
Facilities overheads	19,963	1,542	-	21,505	21,325	1,542	-	22,867
Governance costs	5,635	-	-	5,635	4,788	-	-	4,788
<b>Grand total:</b>	<b>220,176</b>	<b>1,542</b>	<b>-</b>	<b>221,718</b>	<b>212,016</b>	<b>1,542</b>	<b>-</b>	<b>213,558</b>

Costs relating to the Society's trading subsidiary, Geological Trading Limited, included within the consolidated statements but excluded from the charity-only Statement of Financial Activities are identified as follows:

Analysis of	2016	2015
Trading subsidiary costs	Total Costs	Total Costs
	£	£
Direct non-staff costs of room hire	4,402	4,631
Direct non-staff costs of catering	37,859	40,869
Directly-chargeable staff costs	4,422	-
Support staff overheads	5,995	21,620
Facilities overheads	5,822	22,866
Governance costs	1,526	4,788
<b>Grand total:</b>	<b>60,026</b>	<b>94,774</b>

All subsidiary activity is consolidated under the Unrestricted Funds heading.

### 6.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.

## 7 Expenditure on charitable activities

### Analysis of charitable expenditure:

Analysis of Charitable activity	2016				2015			
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
<b>7.a Science &amp; education</b>								
Flagship meetings & events	99,010	-	-	99,010	95,625	-	-	95,625
Petroleum Group meetings	146,211	-	-	146,211	146,197	-	-	146,197
Other scientific & educational events	56,570	-	-	56,570	48,820	-	-	48,820
Friends of the GSL	185	-	-	185	143	-	-	143
Science & Education Committee	47,204	34,460	-	81,664	58,782	25,754	-	84,536
Direct staff costs	296,997	-	-	296,997	292,349	-	-	292,349
Support staff overheads	372,039	-	-	372,039	363,227	-	-	363,227
Facilities overheads	88,807	7,337	-	96,144	91,257	7,337	-	98,594
Governance costs	9,062	-	-	9,062	11,436	-	-	11,436
<b>Sub-total:</b>	<b>1,116,085</b>	<b>41,797</b>	<b>-</b>	<b>1,157,882</b>	<b>1,107,836</b>	<b>33,091</b>	<b>-</b>	<b>1,140,927</b>
<b>7.b Professional &amp; academic standards</b>								
Fellowship support	78,732	-	-	78,732	90,774	-	-	90,774
Corporate Affiliates	30,569	-	-	30,569	16,403	-	-	16,403
Accreditation	1,723	-	-	1,723	2,941	-	-	2,941
Professional Committee	5,764	-	-	5,764	6,970	-	-	6,970
Specialist & Regional Groups	83,873	-	-	83,873	69,398	-	-	69,398
Direct staff costs	206,991	-	-	206,991	175,326	-	-	175,326
Support staff overheads	188,234	-	-	188,234	151,345	-	-	151,345
Facilities overheads	6,548	3,296	-	9,844	32,659	3,296	-	35,955
Governance costs	35,126	-	-	35,126	33,813	-	-	33,813
<b>Sub-total:</b>	<b>637,560</b>	<b>3,296</b>	<b>-</b>	<b>640,856</b>	<b>579,629</b>	<b>3,296</b>	<b>-</b>	<b>582,925</b>
<b>7.c Scholarly publishing</b>								
Book sales & distribution	241,139	6,866	-	248,005	214,357	-	16,187	230,544
Lyell Collection	264,305	-	-	264,305	189,360	-	-	189,360
GSL journals	108,772	13,184	32,526	154,482	90,876	-	38,556	129,432
Non-GSL Journals	29,164	-	-	29,164	33,855	-	-	33,855
Geoscientist	173,771	-	-	173,771	171,797	-	-	171,797
GSW E-books	7,086	-	-	7,086	6,848	-	-	6,848
Publishing House running costs	184,923	-	-	184,923	147,776	-	-	147,776
Direct staff costs	641,203	-	-	641,203	635,317	-	-	635,317
Support staff overheads	607,600	46,790	-	654,390	558,681	-	53,183	611,864
Facilities overheads	2,856	3,207	-	6,063	3,240	3,207	-	6,447
Governance costs	51,025	-	-	51,025	45,433	-	-	45,433
<b>Sub-total:</b>	<b>2,311,844</b>	<b>70,047</b>	<b>32,526</b>	<b>2,414,417</b>	<b>2,097,540</b>	<b>3,207</b>	<b>107,926</b>	<b>2,208,673</b>
<b>7.d Library &amp; Archives</b>								
Library running costs	131,745	2,941	-	134,686	188,018	2,829	-	190,847
Direct staff costs	300,554	-	-	300,554	253,791	-	-	253,791
Support staff overheads	310,033	-	-	310,033	367,551	-	-	367,551
Facilities overheads	239,193	16,173	-	255,366	229,974	16,073	-	246,047
Governance costs	464	-	-	464	1,436	-	-	1,436
<b>Sub-total:</b>	<b>981,989</b>	<b>19,114</b>	<b>-</b>	<b>1,001,103</b>	<b>1,040,770</b>	<b>18,902</b>	<b>-</b>	<b>1,059,672</b>
<b>Grand total:</b>	<b>5,047,478</b>	<b>134,254</b>	<b>32,526</b>	<b>5,214,258</b>	<b>4,825,775</b>	<b>58,496</b>	<b>107,926</b>	<b>4,992,197</b>



## 8 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	2016 Total Costs £	2015 Total Costs £
Burlington House running & maintenance costs	453,584	482,036
Facilities manager staff cost	44,315	40,115
<b>Grand total:</b>	<b>497,899</b>	<b>522,151</b>

### (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	2016 Total Costs £	2015 Total Costs £
Executive	525,288	542,290
Finance	288,847	306,748
HR Support	29,444	-
IT Support	250,129	231,343
Web Support	208,741	196,519
Computer Depreciation	38,334	37,567
Marketing	129,252	122,914
Share of Facilities overhead recharged	79,023	80,389
<b>Grand total:</b>	<b>1,549,058</b>	<b>1,517,770</b>

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	2016 Total Costs £	2015 Total Costs £
Audit fees	31,925	30,000
Annual report	7,063	6,474
Council elections	4,720	-
Trustees' expenses	32,814	32,731
Share of Facilities overhead recharged	29,614	31,489
<b>Grand total:</b>	<b>106,136</b>	<b>100,694</b>

**(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**

	2016				2015			
	Facilities £	Support Staff £	Governance £	Total Costs £	Facilities £	Support Staff £	Governance £	Total Costs £
<b>Charitable activities</b>								
Science & education	96,144	372,039	9,062	477,245	98,594	363,227	11,436	473,257
Professional & academic standards	9,844	188,234	35,126	233,204	35,956	151,345	33,813	221,114
Scholarly publishing	6,062	654,390	51,025	711,477	6,446	611,865	45,433	663,744
Library & archives	255,366	310,033	464	565,863	246,047	367,551	1,436	615,034
<b>Other activities</b>								
Trading	21,505	22,145	5,635	49,285	22,866	21,621	4,788	49,275
Investments	342	2,215	4,824	7,381	364	2,162	3,787	6,313
	389,263	1,549,056	106,136	2,044,455	410,273	1,517,771	100,693	2,028,737

The allocation to trading includes charges that are levied on the trading subsidiary (see note 6.a) as well as charges on the Society's charitable room-hire activities.



## 9 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	2016 Totals	2015 Totals
	£	£
Total value of expenses paid	32,814	32,731
Total number of trustees paid	21	22

## 10 Transactions with related parties

The Society charged its trading company, Geological Trading Limited, a management fee in the year of £17,765 (2015: £49,274). The Board of Geological trading Limited approved a resolution before the end of the year to donate any profit, after off-set of prior-year losses, to the Society. The value of this donation for 2016 was £4,218. The company made no profit in 2015 so there was no donation to the Society.

## 11 Staff costs and employee benefits

Total staff costs for the Society are set out below:

Analysis of Staff costs	2016 Total Costs	2015 Total Costs
	£	£
Wages and salaries	1,903,599	1,861,784
Social security costs	202,050	198,587
Pension contributions	157,470	127,836
<b>Sub-total:</b>	<b>2,263,119</b>	<b>2,188,207</b>
Temps & agency staff	222,732	114,386
Staff insurance	27,064	20,677
Recruitment costs	6,684	24,129
<b>Sub-total:</b>	<b>256,480</b>	<b>159,192</b>
<b>Grand total:</b>	<b>2,519,599</b>	<b>2,347,399</b>

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

One termination-related payment was made in the reporting period to a total value of £56,081, being a contractual payment of three months' salary in lieu of notice and a compromise payment following legal advice. The sum was fully funded at the reporting date and has been included in wages and salaries costs shown above.

## 12 Staff numbers

Total staff numbers (headcount) associated with each activity during the reporting period was as follows:

Analysis of Staff numbers (headcount)	2016 Totals	2015 Totals
<b>Charitable activities</b>		
Science & education	9	10
Professional & academic standards	5	5
Scholarly publishing	17	17
Library & archives	7	8
<b>Other activities</b>		
Trading	0	0
Investments	0	0
<b>Support</b>		
Support staff	16	15
<b>Grand total:</b>	<b>54</b>	<b>55</b>

## 13 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:

	2016 Number	2015 Number
£120,000 - £129,000	1	1
£110,000 - £119,999	1	1
£100,000 - £109,999	-	-
£90,000 - £99,999	1	-
£80,000 - £89,999	-	1
£70,000 - £79,999	-	-
£60,000 - £69,999	-	-
	<b>3</b>	<b>3</b>

These figures are further analysed in note 14.



**14 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	2016			2015		
	Contractual Salary payments £	Employer pension contribution £	2016 Total £	Contractual Salary payments £	Employer pension contribution £	2015 Total £
Executive Secretary (Retired in 2015)				121,098	9,854	130,953
Executive Secretary (Departed in 2016)	124,576	10,285	<b>134,861</b>	27,500	2,750	30,250
Director of Publishing	115,191	9,728	<b>124,918</b>	117,152	9,492	126,644
Director of Finance & Operations	93,240	8,583	<b>101,824</b>	89,150	8,415	97,565
Director of Policy & Communications	56,720	5,240	<b>61,959</b>	51,370	5,137	56,507
<b>Grand total:</b>	<b>389,727</b>	<b>33,836</b>	<b>423,563</b>	<b>406,270</b>	<b>35,648</b>	<b>441,918</b>

Edmund Nickless retired from the post of Executive Secretary at the end of September 2015 and was succeeded by Sarah Fray. Sarah Fray departed from her position with effect from 1 September 2016 and the costs include the termination-related payment disclosed under note 11.

**15 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. The systems development project commenced in August 2015 and will go live during 2017. Capital costs will be accrued until the system goes into live usage, at which point depreciation will also become chargeable.

Analysis of Intangible assets	Website		Business Systems		Publishing Systems		Total Intangible Assets	
	2016 Totals £	2015 Totals £	2016 Totals £	2015 Totals £	2016 Totals £	2015 Totals £	2016 Totals £	2015 Totals £
<b>Cost or valuation brought forward:</b>	<b>150,585</b>	126,602	<b>27,694</b>	-	-	-	<b>178,279</b>	126,602
- Acquisitions in year:	17,665	23,983	<b>155,959</b>	27,695	<b>135,462</b>	-	<b>309,086</b>	51,678
- Disposals in year:	-	-	-	-	-	-	-	-
- Revaluations in year:	-	-	-	-	-	-	-	-
- Transfers in year:	-	-	-	-	-	-	-	-
<b>Cost or valuation carried forward:</b>	<b>168,250</b>	150,585	<b>183,653</b>	27,695	<b>135,462</b>	-	<b>487,365</b>	178,280
<b>Cumulative depreciation b/fwd:</b>	<b>(129,295)</b>	(97,563)	-	-	-	-	<b>(129,295)</b>	(97,563)
- Adjustments on disposal:	-	-	-	-	-	-	-	-
- Depreciation charged:	<b>(14,233)</b>	(31,732)	-	-	<b>(8,638)</b>	-	<b>(22,871)</b>	(31,732)
- Impairment provisions	-	-	-	-	-	-	-	-
- Transfers:	-	-	-	-	-	-	-	-
<b>Cumulative depreciation c/fwd:</b>	<b>(143,528)</b>	(129,295)	-	-	<b>(8,638)</b>	-	<b>(152,166)</b>	(129,295)
<b>Net book value brought forward:</b>	<b>21,290</b>	29,039	<b>27,694</b>	-	-	-	<b>48,984</b>	29,039
Total movements in year:	<b>3,432</b>	(7,749)	<b>155,960</b>	27,695	<b>126,824</b>	-	<b>286,216</b>	19,946
<b>Net book value carried forward:</b>	<b>24,722</b>	21,290	<b>183,654</b>	27,695	<b>126,824</b>	-	<b>335,200</b>	48,985

## 16 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	
	2016 Totals £	2015 Totals £	2016 Totals £	2015 Totals £	2016 Totals £	2015 Totals £	2016 Totals £	2015 Totals £
<b>Cost or valuation brought forward:</b>	1,452,073	1,448,088	756,832	732,993	1,813,551	1,763,372	4,022,456	3,944,453
- Acquisitions in year:	32,775	3,985	42,408	23,839	46,702	50,179	121,885	78,003
- Disposals in year:	-	-	-	-	-	-	-	-
- Revaluations in year:	-	-	-	-	-	-	-	-
- Transfers in year:	-	-	-	-	-	-	-	-
<b>Cost or valuation carried forward:</b>	<b>1,484,848</b>	<b>1,452,073</b>	<b>799,240</b>	<b>756,832</b>	<b>1,860,253</b>	<b>1,813,551</b>	<b>4,144,341</b>	<b>4,022,456</b>
<b>Cumulative depreciation b/fwd:</b>	<b>(960,753)</b>	<b>(860,929)</b>	<b>(658,262)</b>	<b>(632,447)</b>	<b>(1,700,958)</b>	<b>(1,649,419)</b>	<b>(3,319,973)</b>	<b>(3,142,795)</b>
- Adjustments on disposal:	-	-	-	-	-	-	-	-
- Depreciation charged:	(86,466)	(99,824)	(27,737)	(25,815)	(49,432)	(51,539)	(163,635)	(177,178)
- Impairment provisions	-	-	-	-	-	-	-	-
- Transfers:	-	-	-	-	2,236	-	2,236	-
<b>Cumulative depreciation c/fwd:</b>	<b>(1,047,219)</b>	<b>(960,753)</b>	<b>(685,999)</b>	<b>(658,262)</b>	<b>(1,748,154)</b>	<b>(1,700,958)</b>	<b>(3,481,372)</b>	<b>(3,319,973)</b>
<b>Net book value brought forward:</b>	<b>491,321</b>	<b>587,160</b>	<b>98,570</b>	<b>100,546</b>	<b>112,593</b>	<b>113,953</b>	<b>702,484</b>	<b>801,659</b>
Total movements in year:	(53,691)	(95,839)	14,672	(1,976)	(494)	(1,360)	(39,513)	(99,175)
<b>Net book value carried forward:</b>	<b>437,630</b>	<b>491,321</b>	<b>113,242</b>	<b>98,570</b>	<b>112,099</b>	<b>112,593</b>	<b>662,971</b>	<b>702,484</b>

## 17 Heritage assets

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

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

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

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

The Society only disposes of heritage assets in the event that there is a duplicate surplus to requirements or if an asset has reached the end of its useful life and does not warrant preservation. Library holdings, portraits and busts



acquired prior to 2001 are not shown in the balance sheet as their cost value is unknown and alternative forms of valuation would not reliably reflect the economic value at a reasonable cost.

Analysis of Heritage assets	Heritage Assets	
	2016 Totals £	2015 Totals £
<b>Cost or valuation brought forward:</b>	<b>1,623,544</b>	<b>1,491,154</b>
- Acquisitions in year:	170,137	132,390
- Disposals in year:	-	-
- Revaluations in year:	-	-
- Transfers in year:	-	-
<b>Cost or valuation carried forward:</b>	<b>1,793,681</b>	<b>1,623,544</b>
<b>Cumulative depreciation brought forward:</b>	<b>(620,517)</b>	<b>(539,608)</b>
- Adjustments on disposal:	-	-
- Depreciation charged:	(88,783)	(80,909)
- Impairment provisions	-	-
- Transfers:	-	-
<b>Cumulative depreciation carried forward:</b>	<b>(709,300)</b>	<b>(620,517)</b>
<b>Net book value brought forward:</b>	<b>1,003,027</b>	<b>951,546</b>
Total movements in year:	81,354	51,482
<b>Net book value carried forward:</b>	<b>1,084,381</b>	<b>1,003,028</b>

Analysis of Net Book Value by class of assets	2016 Totals £	2015 Totals £
(i) General holdings	16,000	20,000
(ii) Books	39,424	38,332
(iii) Bindings	57,837	56,638
(iv) Maps	34,201	31,003
(v) Periodicals	936,919	857,055
<b>Grand total:</b>	<b>1,084,381</b>	<b>1,003,028</b>

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	2016 £	2015 £	2014 £	2013 £	2012 £
<b>Cost of acquisition:</b>					
(i) General holdings	-	-	-	-	-
(ii) Books	4,766	5,961	1,269	2,840	2,247
(iii) Bindings	6,148	6,235	6,824	5,930	4,964
(iv) Maps	6,072	5,267	1,447	1,417	1,308
(v) Periodicals	153,151	114,928	93,916	109,994	96,964
	<b>170,137</b>	<b>132,390</b>	<b>103,456</b>	<b>120,181</b>	<b>105,483</b>

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.

## 18 Fixed asset investments

Fixed asset investments include equities and bonds held by the Society to generate income, associated portfolio cash and a loan made in 2013 to Petroleum Geology Conferences Limited, an associated company in which the Society holds a 1/3 interest. The loan was for the purpose of providing working capital for the 8th Petroleum Geology Conference in September 2015 and became repayable in full when the conference took place, together with any surplus or deficit arising from the event, which was shared jointly in the same proportion as ownership interest.

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 note 5 to the Financial Statements.

Summary of Fixed asset investment totals	2016 Total £	2015 Total £
Listed and traded investments	5,791,227	5,372,024
Portfolio cash	127,165	153,393
Loan	-	-
<b>Grand total:</b>	<b>5,918,392</b>	<b>5,525,417</b>

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

Analysis of Fixed asset investments	Listed & Traded		Portfolio Cash		Loan	
	2016 Totals £	2015 Totals £	2016 Totals £	2015 Totals £	2016 Totals £	2015 Totals £
<b>Market valuation brought forward:</b>	5,372,024	5,490,382	153,393	82,571	-	15,000
- Purchases in year at cost:	1,192,064	3,644,456	(1,192,064)	(3,644,456)	-	-
- Sales in year at cost:	(1,171,562)	(3,581,077)	1,171,562	3,581,077	-	(15,000)
- Gains or losses on disposal:	-	-	15,414	153,844	-	-
- Changes in market value of assets:	398,701	(181,737)	12,897	1,902	-	-
- Other charges and adjustments:	-	-	(34,037)	(21,545)	-	-
<b>Market valuation carried forward:</b>	<b>5,791,227</b>	<b>5,372,024</b>	<b>127,165</b>	<b>153,393</b>	<b>-</b>	<b>-</b>

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 2016:



Analysis of Significant investments held	Market value at 31 Dec 2016 £
<b>Bonds: -</b>	
GOLDMAN SACHS GLOBAL HIGH YIELD PORTFOLIO	256,017
NEUBERGER BERMAN HIGH YIELD BND CL I2 GBP	287,083
UBAM SICAV GBL H/Y SOLUTION IHD GBP	271,249
	<b>814,349</b>
<b>Equities: -</b>	
ASTRAZENECA PLC COM STK USD0.25 (GBP)	185,576
BRIT AMER TOBACCO ORD 25P	168,777
GLAXOSMITHKLINE ORD 25P	152,935
HSBC HOLDINGS PLC USD0.50 (GBP)	155,731
RELX PLC ORD 14.44P	156,956
ROYAL DUTCH SHELL EUR0.07 SHS B (GBP)	266,897
VANGUARD FUNDS PLC FTSE 100 UCITS ETF GBP INC	287,206
	<b>1,374,078</b>
<b>Property and other funds: -</b>	
CHARITIES PROPERTY INCOME UNITS (GBP)	818,000
ALPES 2008 LP II. VALUATION	228,672
	<b>1,046,672</b>

## 19 Other gains in year

The Society maintains US Dollar bank accounts which are accounted for in these statements at equivalent Sterling value. These foreign currency holdings benefitted significantly from the devaluation of Sterling against the Dollar in the year.

	2016 £	2015 £
Total value of US Dollar cash at bank included in balance sheet:	<b>3,054,034</b>	1,805,937
Foreign currency exchange rate gains in year:	<b>426,014</b>	-

## 20 Stocks

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

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

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

Analysis of Stock	2016 Total £	2015 Total £
Geological Society finished stock:	201,329	271,196
Geological Society Work In Progress:	104,963	105,607
Third-party sale stock:	29,627	17,646
<b>Total:</b>	<b>335,919</b>	<b>394,449</b>
Total finished stock:	230,956	288,842
Total work in progress:	104,963	105,607
<b>Total:</b>	<b>335,919</b>	<b>394,449</b>

## 21 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 for material changes year on year, the charge or credit is taken to the Statement of Financial Activities.

Analysis of Debtors	Group		Charity	
	2016 Total £	2015 Total £	2016 Total £	2015 Total £
<b>Amounts falling due within one year</b>				
Trade debtors:	203,334	222,346	151,381	214,124
Group and associated undertakings:	-	-	46,378	26,690
Prepayments and accrued income:	79,701	79,845	79,701	79,845
Other debtors:	142,306	26,885	142,306	26,885
<b>Grand total:</b>	<b>425,341</b>	<b>329,077</b>	<b>419,766</b>	<b>347,544</b>

## 22 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 18), 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	2016 Total £	2015 Total £
Money market account:	686,094	1,663,261
Deposit accounts:	264,279	264,279
<b>Grand total:</b>	<b>950,373</b>	<b>1,927,540</b>



## 23 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	
	2016 Total £	2015 Total £	2016 Total £	2015 Total £
<b>Amounts falling due within one year</b>				
Trade creditors:	(219,084)	(249,476)	(209,232)	(246,686)
Group and associated undertakings:	-	-	-	-
Accruals and deferred income:	(2,449,840)	(2,245,381)	(2,449,840)	(2,245,381)
Taxation and social security:	(73,319)	(84,358)	(66,564)	(76,206)
Other creditors:	(60,444)	(42,545)	(60,444)	(42,545)
<b>Grand total:</b>	<b>(2,802,687)</b>	<b>(2,621,760)</b>	<b>(2,786,080)</b>	<b>(2,610,818)</b>

## 24 Funds summary

The Society's funds are set out in notes 25 to 27 and summarized by type in the following tables:

Summary of Funds	Unrestricted		Restricted		Endowment		Total Funds	
	2016 Total £	2015 Total £	2016 Total £	2015 Total £	2016 Total £	2015 Total £	2016 Total £	2015 Total £
<b>Balance brought forward:</b>	6,513,149	6,174,372	864,982	909,114	1,801,657	1,861,199	9,179,788	8,944,685
Income in year:	5,646,738	5,408,549	103,433	22,186	-	67,088	5,750,171	5,497,823
Expenditure in year:	(5,294,255)	(5,057,356)	(153,864)	(63,919)	(32,526)	(119,368)	(5,480,645)	(5,240,643)
Transfers in year:	-	-	-	-	-	-	-	-
Gains and losses:	680,308	(12,416)	33,247	(2,399)	139,473	(7,262)	853,028	(22,077)
<b>Balance carried forward:</b>	<b>7,545,940</b>	<b>6,513,149</b>	<b>847,798</b>	<b>864,982</b>	<b>1,908,604</b>	<b>1,801,657</b>	<b>10,302,342</b>	<b>9,179,788</b>

Note: the charity-only unrestricted funds for 2015 are £6,536,427, as they exclude a loss of £23,277 made by the subsidiary company in that year.

A full review of the Society's funds balances, provenance and prior year treatment was undertaken in 2016, resulting in re-classification of a number of funds and re-statement of opening balances. Note 33 sets out the detail and reconciliation to prior year statements of account.

## 25 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 Fitzgeralds Coke, both of whom were killed in action in 1944.

#### **e. General Bequests**

£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 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.

#### **h. Bicentenary Projects Fund**

As a part of its bicentenary activities in 2007, the Society raised sponsorship funding to facilitate a number of improvement projects, including creation of the Lyell Centre within the library at Burlington House. The value of this fund is gradually being drawn down against the depreciation of this asset and should reach zero in 2017.

#### **i. Lyell Centre Fund**

With the creation of the Lyell Centre it was anticipated that development of electronic resources, digitization and access would drive an ongoing requirement for further funding. A contingency fund was created, therefore, to cover



such costs and ensure ongoing development should there be a shortfall in other revenue funding. Since 2012, however, it has not proved necessary to draw down against this fund. As a result of the 2016 Review of Funds, therefore, Council agreed to dissolve this fund and return its balance to the General Fund.

#### j. Educational Outreach Fund

In its bicentenary year the Society set aside funds to support educational outreach activities. As Educational Outreach is now seen as a core activity and part of the general operational expenditure of the Society, however, Council has decided to dissolve this separate designated fund and return its balance to the General Fund.

Analysis of	Balance				Gains &	Balance
Unrestricted income funds	B/fwd	Income	Expenditure	Transfers	Losses	C/fwd
	£	£	£	£	£	£
<b>General funds -</b>						
a. General Fund	286,801	5,345,056	(5,190,005)	(216,137)	426,014	651,729
b. Curry Funds	2,958,345	82,288	(14,375)	-	137,410	3,163,668
c. Mills Fund	163,516	93,471	(808)	-	7,725	263,904
d. Coke Fund	1,366,746	63,361	(11,068)	-	105,805	1,524,844
e. General Bequests	46,067	-	-	-	-	46,067
<b>Sub-total:</b>	<b>4,821,475</b>	<b>5,584,176</b>	<b>(5,216,256)</b>	<b>(216,137)</b>	<b>676,954</b>	<b>5,650,212</b>
<b>Designated funds -</b>						
f. Constituted groups	135,381	62,562	(58,811)	-	3,354	142,486
g. Buildings Fund	1,359,995	-	-	390,000	-	1,749,995
h. Bicentenary Projects	22,435	-	(19,188)	-	-	3,247
i. Lyell Centre	46,191	-	-	(46,191)	-	-
j. Educational Outreach	127,672	-	-	(127,672)	-	-
<b>Sub-total:</b>	<b>1,691,674</b>	<b>62,562</b>	<b>(77,999)</b>	<b>216,137</b>	<b>3,354</b>	<b>1,895,728</b>
<b>Grand Total:</b>	<b>6,513,149</b>	<b>5,646,738</b>	<b>(5,294,255)</b>	<b>-</b>	<b>680,308</b>	<b>7,545,940</b>

### 26 Restricted income funds

The Society holds the following restricted income funds:

#### a. Bicentenary Fund

The Bicentenary Fund was raised as part of the Society's bicentennial activities in 2007 and is applicable to activities relating to the Bicentenary Appeal. This funded the refurbishment of the Society's Council Room and the fund is drawn down against the annual depreciation charges made against this capital outlay. It is anticipated that the fund will reach a zero balance in 2017.

#### b. Fossil Fish Fund

A fund created specifically to sponsor the costs of cleaning, conserving and digitizing 2,000 drawings of fossil fish from the Society's archive. Unless further donations are received, it is anticipated that this fund will reach a zero balance within the next 1 - 2 years.

#### c. 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.

**d. 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.

**e. Pooled Bequests**

A collection of smaller restricted funds primarily for the purpose of financing medals and awards.

**f. Distinguished Geologists' Memorial fund**

A fund established originally by the Institution of Geologists in memory of Sir Peter Kent, Dan Ion and Robert Cummings, to provide travel bursaries and professional training to enable development of early-career geologists.

**g. Mike Coward Memorial Fund**

A fund to support field work in structural and tectonic geology.

**h. Fermor Fund (Revenue)**

Non-capital income and expenditure relating to the Fermor Endowment Fund.

**i. Robert Scott Fund (Revenue)**

Non-capital income and expenditure relating to the Robert Scott Endowment Fund.

Analysis of Restricted income funds	Balance B/fwd £	Income £	Expenditure £	Transfers £	Gains & Losses £	Balance C/fwd £
a. Bicentenary Fund	55,718	-	(31,555)	-	-	24,163
b. Fossil Fish Fund	2,941	-	(2,941)	-	-	0
c. Welch Fund	194,254	9,006	(1,573)	-	15,038	216,725
d. Henry Woods Fund	196,646	7,280	(1,272)	-	12,157	214,811
e. Pooled Bequests	291,150	-	(26,009)	-	-	265,141
f. Memorial Fund	78,174	3,624	(2,814)	-	6,052	85,036
g. Coward Fund	46,098	-	(5,270)	-	-	40,828
h. Fermor Fund (Revenue)	-	80,988	(80,988)	-	-	-
i. Robert Scott Fund (Revenue)	-	2,535	(1,442)	-	-	1,093
<b>Grand Total:</b>	<b>864,982</b>	<b>103,433</b>	<b>(153,864)</b>	<b>-</b>	<b>33,247</b>	<b>847,798</b>

**27 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	1,746,966	-	(32,526)	-	135,239	1,849,679
b. Robert Scott	54,691	-	-	-	4,234	58,925
<b>Grand Total:</b>	<b>1,801,657</b>	<b>-</b>	<b>(32,526)</b>	<b>-</b>	<b>139,473</b>	<b>1,908,604</b>

**28 Summary of net assets by funds category**

Summary of Net assets by funds category		2016 Total £	2015 Total £
<b>Unrestricted funds</b>	Fixed assets	1,895,292	1,535,682
	Investments	3,512,556	3,102,226
	Net current assets	2,138,092	1,875,242
	<b>Sub-total:</b>	<b>7,545,940</b>	<b>6,513,150</b>
<b>Restricted funds</b>	Fixed assets	187,260	218,815
	Investments	459,233	599,440
	Net current assets	201,304	46,727
	<b>Sub-total:</b>	<b>847,797</b>	<b>864,982</b>
<b>Endowment funds</b>	Fixed assets	-	-
	Investments	1,926,540	1,814,321
	Net current assets	(17,936)	(12,664)
	<b>Sub-total:</b>	<b>1,908,604</b>	<b>1,801,657</b>
<b>Grand Total:</b>	<b>10,302,341</b>	<b>9,179,789</b>	

**29 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	2016 Total £	2015 Total £
Investments held in unrestricted funds	3,512,556	3,102,226
Net current assets held in unrestricted funds	2,138,092	1,875,242
	<b>5,650,648</b>	<b>4,977,468</b>
Less investments and assets held in designated funds	(1,895,728)	(1,691,674)
<b>Free Reserves:</b>	<b>3,754,920</b>	<b>3,285,794</b>

In 2016 Council set a new 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. The expression of free reserves against this target is calculated as follows:

	2016 Total £	2015 Total £
<b>Calculation of Free reserves achieved against target</b>		
Free reserves as calculated above:	3,754,920	3,285,794
Total core operational expenditure for year:	5,214,258	4,992,197
75% of core operational expenditure for year (Reserves Target):	<b>3,910,694</b>	<b>3,744,148</b>
<b>Free Reserves expressed as a percentage of Core Operational Expenditure:</b>	<b>96.0%</b>	<b>87.8%</b>

### 30 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:

	2016 Total £	2015 Total £
<b>Geological Trading Limited Summary balance sheet</b>		
<b>Assets</b>		
- debtors:	51,955	17,185
- cash at bank and in hand:	11,033	6,133
<b>Liabilities</b>		
- creditors falling due within one year:	(62,986)	(46,593)
<b>Total net assets or liabilities:</b>	<b>2</b>	<b>(23,275)</b>
<b>Funds</b>		
- retained profit / (losses):	-	(23,277)
- share capital:	2	2
<b>Total funds:</b>	<b>2</b>	<b>(23,275)</b>

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

	2016 Total £	2015 Total £
<b>Geological Trading Limited Summary statement of income, expenditure and retained earnings</b>		
<b>Turnover:</b>	<b>87,521</b>	<b>80,458</b>
Cost of sales:	(42,261)	(45,500)
Administrative expenses:	(17,765)	(49,274)
<b>Operating profit / (loss) before taxation</b>	<b>27,495</b>	<b>(14,316)</b>
Tax liability	-	(8,961)
Charitable donation to parent	(4,218)	-
<b>Retained profit / (loss) for financial year</b>	<b>23,277</b>	<b>(23,277)</b>
Funds brought forward	(23,277)	-
<b>Funds carried forward</b>	<b>-</b>	<b>(23,277)</b>



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

Reconciliation of Net income / (expenditure) to net cash flow from operating activities	2016 Total £	2015 Total £
Net income / (expenditure) for the reporting period as per Statement of Financial Activities:	696,538	235,103
<b>Adjusted for -</b>		
Depreciation charges:	273,052	289,819
(Gains) / losses on investments:	(427,014)	22,077
Dividends and interest from investments:	(257,060)	(206,115)
Loss / (profit) on the sale of fixed assets:	-	-
(increase) / decrease in stocks:	58,530	(25,106)
(increase) / decrease in debtors:	(92,429)	120,433
increase / (decrease) in creditors:	177,092	495,985
<b>Net cash provided by operating activities:</b>	<b>428,708</b>	<b>932,196</b>

**32 Analysis of cash and cash equivalents**

Analysis of Cash and cash equivalents	2016 Total £	2015 Total £
Cash in hand:	3,392,452	1,870,568
Notice deposits (less than 3 months):	950,373	1,927,540
Overdraft facilities:	-	-
<b>Total cash and cash equivalents:</b>	<b>4,342,825</b>	<b>3,798,108</b>

**33 Reconciliation of accounting policy changes with prior year statements of account**

This note explains how the adoption of the new accounting policies set out in Note 1 have re-stated the figures shown for 2015 and how those figures in this year's financial statements may be reconciled with those provided in the statement published last year.

**(a) Reclassification of funds**

Following the 2016 Review of Funds the Society has re-classified 5 funds based upon a clearer understanding of the terms under which each was given and the guidance provided by the Charities SORP 2015. The funds in question are:

Identification of Re-classified funds	Balance at 31-Dec-15 £	2015 Class	2016 Class
Welch Fund:	194,254	Designated	Restricted
Mills Fund:	163,516	Designated	General
Coke Fund:	1,366,746	Restricted	General
General Bequests (Farrar, Sorby & Hudleston):	46,067	Restricted	General
	<b>1,770,583</b>		

The Review also identified a number of small errors where grant payments had been made out of the Coward, Welch and General Funds in prior years but wrongly attributed to Pooled Bequests. The total of this prior year adjustment to brought-forward balances is as follows:

	Adj.	Adj.
	£	£
Welch Fund:		(4,983)
General Fund:		(500)
Coward Fund:	(6,696)	
Pooled Bequests:	12,179	
	<u>          </u>	<u>5,483</u>
		<u>          </u>

The reconciliation of previously-reported balances with these changes is set out below:

Reconciliation of Re-stated funds balances as at 31 Dec 2015	31-Dec-15 Original Balance £	Re-class Movement £	Prior Year Adj.s £	31-Dec-15 Re-stated Balance £
General funds:	3,245,647	1,576,329	(500)	4,821,476
Designated funds:	2,054,426	(357,770)	(4,983)	1,691,673
<b>Sub-total Unrestricted funds:</b>	<b>5,300,073</b>	<b>1,218,559</b>	<b>(5,483)</b>	<b>6,513,149</b>
Restricted funds:	2,078,059	(1,218,559)	5,483	864,983
Endowment funds:	1,801,657	-		1,801,657
<b>Total funds:</b>	<b>9,179,789</b>	<b>-</b>	<b>-</b>	<b>9,179,789</b>

### (b) Re-statement of Investment Income and Expenditure

The prior year re-classification of funds also affects the Statement of Financial Activities, specifically the allocation of investment income and expenditure and the apportionment of gains/losses between funds classes. The reconciliation of re-stated totals with previously published financial statements is as follows.

Only two funds in the Investment Pool were re-classified, with the following associated income, expenditure and gains/losses:

Investment fund	Income £	Costs £	Gain/(Loss) £
Coke Fund:	44,816	7,643	4,851
General Bequests (Farrar; Sorby & Hudleston):	1,511	258	163
	<u>46,326</u>	<u>7,901</u>	<u>5,014</u>

Both of the above were moved from the Restricted to the Unrestricted classification and this has the following effect upon the figures stated in the Statement of Financial Activities for 2015:



		31-Dec-15 Original Totals £	Re-class Movement £	31-Dec-15 Re-stated Totals £
<b>Reconciliation of</b>				
<b>Re-stated investment income, expenditure, gains/losses as at 31 Dec 2015</b>				
Investment income:	Unrestricted:	70,537	46,326	116,863
	Restricted:	68,491	(46,326)	22,165
	Endowment:	67,088	-	67,088
	<b>Total:</b>	206,116	-	206,116
Investment management costs:	Unrestricted:	11,663	7,901	19,564
	Restricted:	11,782	(7,901)	3,881
	Endowment:	11,442	-	11,442
	<b>Total:</b>	34,887	-	34,887
Net gains / (losses) on investments:	Unrestricted:	(7,402)	(5,014)	(12,416)
	Restricted:	(7,412)	5,014	(2,398)
	Endowment:	(7,262)	-	(7,262)
	<b>Total:</b>	(22,076)	-	(22,076)