



The  
Geological  
Society

# REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2019

The Geological Society of London

Registered Charity Number 210161

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## 1. Report of the trustees

### 1.1 Objectives and activities

This report provides information intended to help the user understand:

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

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

#### 1.1.1 Purpose and aims of the Society

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

***“To investigate the mineral structure of the Earth”.***

This is interpreted to mean:

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

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

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

## 1.1.2 Strategies for achieving stated aims

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

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

#### Our purpose:

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

#### Our values:

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

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

#### Themes:

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

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

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

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

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

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

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

### 1.1.3 The main activities of the Society

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

#### **Charitable activities**

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

#### **Trading activities**

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

#### **Other activities**

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

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

#### **Social investments, grant-making activities and use of volunteers**

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

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

## 1.2 Achievements and performance

### 1.2.1 Overall achievements and performance

The Society has continued to meet its charitable objectives during 2019. Fellowship numbers, though lower than in 2018, are relatively steady and publishing continues to offer relevant and varied content in an ever changing and at time challenging environment. The Society's scientific, professional and public events programme also continues to be popular. In respect of the Society's financial objectives, the reported 2019 surplus largely arises from unrealised changes in value of the Society's investment portfolio. The underlying financial and operational performance has been below our expectations. To address this, initiatives in the organisation of conferences and the hire of Burlington House have commenced with a view to increasing revenue. These initiatives, coupled with ongoing elimination of unnecessary or sub-optimal costs achieved by greater use of competitive procurement processes should result in improved financial performance over the coming year.

The Society's significant achievements against its objectives in 2019 are set out as follows.

### 1.2.2 Science and education

In 2019, the Society's activities in part reflected the year's theme of "Carbon". The Bryan Lovell meeting on Decarbonisation resulted in a two page briefing note, as well as a series of blog posts on the many ways that geoscience skills and knowledge will contribute to meeting targets for net zero emissions. The Lyell meeting and Marine Studies Group's Shackleton conference explored the links between life and the carbon cycle.

Burlington House played host to ten public lectures, with four incorporating the theme of carbon. 2019 also saw our first joint lecture with the Royal Society of Chemistry, with Ros Rickaby speaking about how the trace element chemistry of the oceans and marine metabolisms co-evolved. The public lectures also continued to travel to outside London, this year visiting Plymouth, Cardiff, Birmingham, and Newcastle.

Our policy team responded to a number of consultations, including inquiries into the effects of Brexit on scientific research and the ability of scientists to move across borders. Earth Science Week (13-19 October) saw nearly 40 events across the UK and Ireland, including ten that were part funded by GSL small grants. We again hosted our Geoscience Education Academy for secondary school teachers, and ran a new workshop for primary school teachers, which brought teachers from across the UK together to learn how to teach geoscience topics to young students.

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

### 1.2.3 Professional and academic standards

Total 2019 membership was 11,952 (2018 – 12,382) across all categories, which is slightly down on the previous year. This modest reduction is consistent with trends within membership organizations and reflects the challenge to maintain relevance to those working and studying in geology and associated fields. The Society's Fellow grade membership (as measured at mid-2019) was 11,267 with its Candidate and Junior grade membership at 685. The number of Chartered Geologists stood at 2,782, with 110 elected in 2019.

The Society is currently in the process of reviewing its membership categories and benefits to ensure these are still fit for purpose and meets the needs of its Fellows. Regional and Specialist group activity continues to be strong, with groups running a variety of activities during 2019 including talks, field-trips and competitions to engage Fellows, students and members of the public. Three annual Careers and Industry Day events were also held, in Keyworth, Edinburgh and London, attended by undergraduate and postgraduate students from across the UK and Ireland. A new online mentoring group has been created on LinkedIn which has proved very popular with both Mentors and Mentees. We have also started to develop a series of guidance documents to promote chartership to key industries (entitled 'Pathways to Chartership'), with a view to developing further promotional material using different mediums.

#### 1.2.4 Scholarly publishing

The Society's publishing programme remains a key strand of the Geological Society's activity, generating a significant proportion of the revenues required to fund other Society activities, while simultaneously fulfilling our charitable objectives. The publishing landscape is changing quickly with a rapid push towards a more open and transparent environment, and the Geological Society is proactively engaging with these challenges individually and in collaboration with other societies. The focus on excellent customer service to all of our communities continues and is bolstered by the strong relationships we have with our suppliers and technology partners.

#### 1.2.5 Library and archives

During the year, the Library joined the Library Hub, a database of 195 UK and Irish academic, national & specialist library catalogues, making our books, journals and maps more discoverable for students, researchers, academics and Librarians worldwide. Events successfully organised during the year included carboniferous fossil drawing classes, behind the Society scenes tours and the Burlington House open house festival and a selection of Library exhibitions ran throughout the year.

### 1.3 Financial review

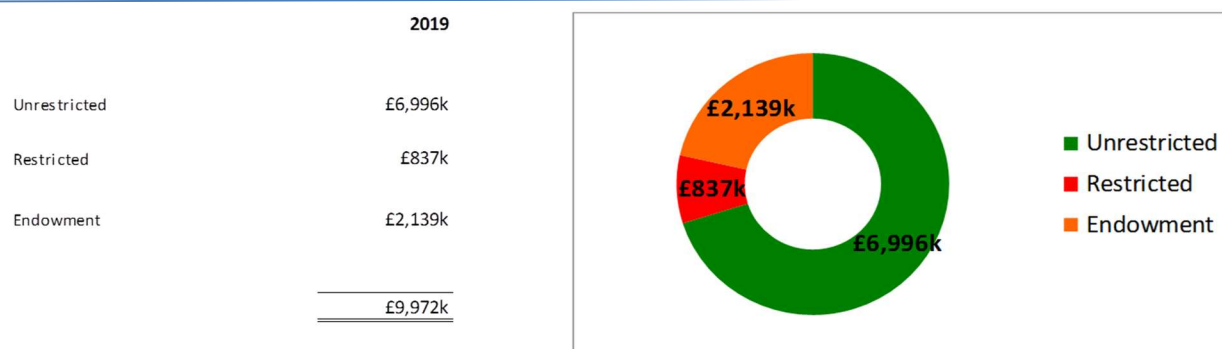
#### 1.3.1 Financial position and performance

##### **Funds**

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

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

Total Society funds and reserves at the end of 2019 were £9,972,106 (2018 - £9,844,164). This is analysed over the three categories defined above as follows:



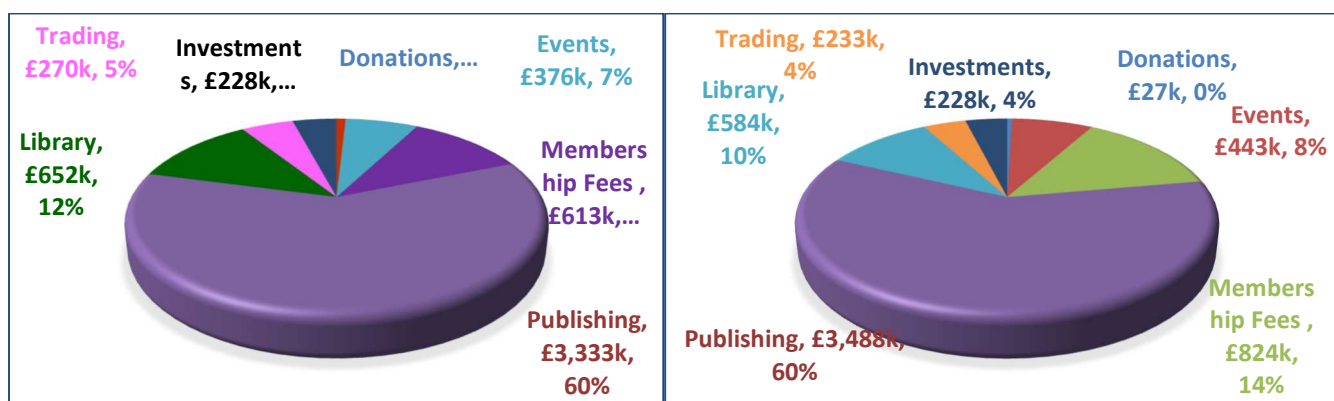
Unrestricted income funds represent the primary operation and activities of the Society and increase or decrease depending upon operating surpluses or deficits made each year. Restricted income funds and endowment funds support specific activities but are primarily dependent upon performance of the Society’s investments for growth or the provision of new legacies. Approximately £6.6m of the Society’s funds are placed in an investment portfolio and are subject to wider market variations. During 2019, the Society experienced a welcome increase in the value of the investment portfolio broadly in line with the broader world markets. Note 19 to the Financial Statements provides further information on investments; notes 26 to 29 set out material funds by category, showing significant movements in those funds during the reporting year and their position at year-end. Note 31 explains the proportion of total funds available as free reserves – see also section 1.3.2.

**Principal sources of funding**

Total consolidated income, excluding gains and losses from investments and foreign exchange, was £5.58m in the year ending 31 December 2019 (2018 - £5.83m). The Society’s principal sources of funding remain closely linked to its charitable activities and these are set out below:

**Income sources 2019**

**Income sources 2018**



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



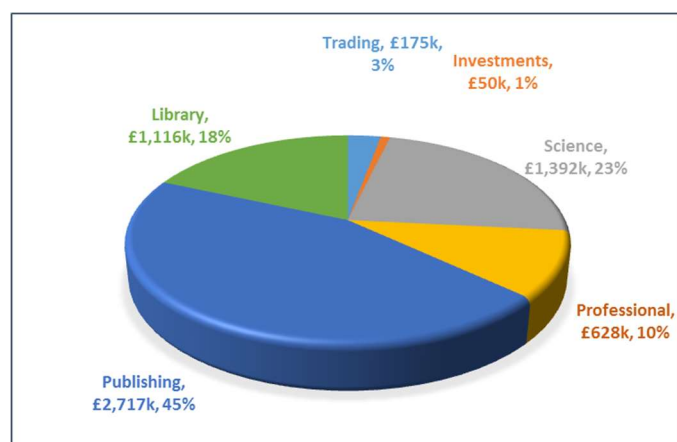
|                                             | 2019   |              |            | 2018   |              |            |
|---------------------------------------------|--------|--------------|------------|--------|--------------|------------|
|                                             | Source | Reallocation | Statements | Source | Reallocation | Statements |
|                                             | £k     | £k           | £k         | £k     | £k           | £k         |
| Donations                                   | 47     | -            | 47         | 27     | -            | 27         |
| Events (Science & Education)                | 351    | 25           | 376        | 419    | 24           | 443        |
| Membership Fees (Professional and Academic) | 2,013  | (1,400)      | 613        | 2,069  | (1,246)      | 823        |
| Publishing                                  | 2,604  | 729          | 3,333      | 2,842  | 646          | 3,488      |
| Library                                     | 19     | 632          | 651        | 23     | 561          | 584        |
| Trading                                     | 256    | 14           | 270        | 218    | 15           | 233        |
| Investments                                 | 228    | -            | 228        | 228    | -            | 228        |
| Other                                       | -      | -            | -          | -      | -            | -          |
|                                             | 5,518  | -            | 5,518      | 5,826  | -            | 5,826      |

The Society had a challenging year during 2019, with overall income levels slightly below 2018. Expenditure and charges of £6.15m (2018 - £6.18m) resulted in a deficit of income over expenditure of £0.57m (2018 - £0.35m). Unrealised gains in the year from movements in the value of investments offset by losses from foreign currency valuation changes resulted in an increase in funds for 2019 of £0.128m (2018 - £0.649m loss). The value of the Society's investment portfolio increased from £5.9m at 31 December 2018 to £6.6m at the end of 2019. The weakening of US Dollar during the year meant the Society made overall losses on its US Dollar holdings of £0.05m (2018 - £0.13m gains) though during the year gains were realised during a modest programme of USD to GBP conversion limiting the overall impact of currency variances.

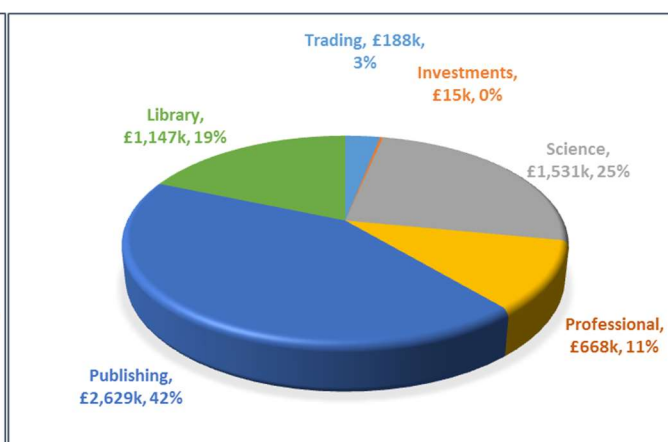
### Expenditure of funds

The Society's total expenditure for the year ending 31 December 2019 was £6.15m (2018: £6.18m). Society expenditure has been in line with its charitable objectives and principal sources of funding. Note 8 to the accounts sets out expenditure for the year in further detail, including analysis of direct and support costs across each charitable activity. The following charts summarize expenditure by activity and type for the current and previous years:

Expenditure by activity 2019

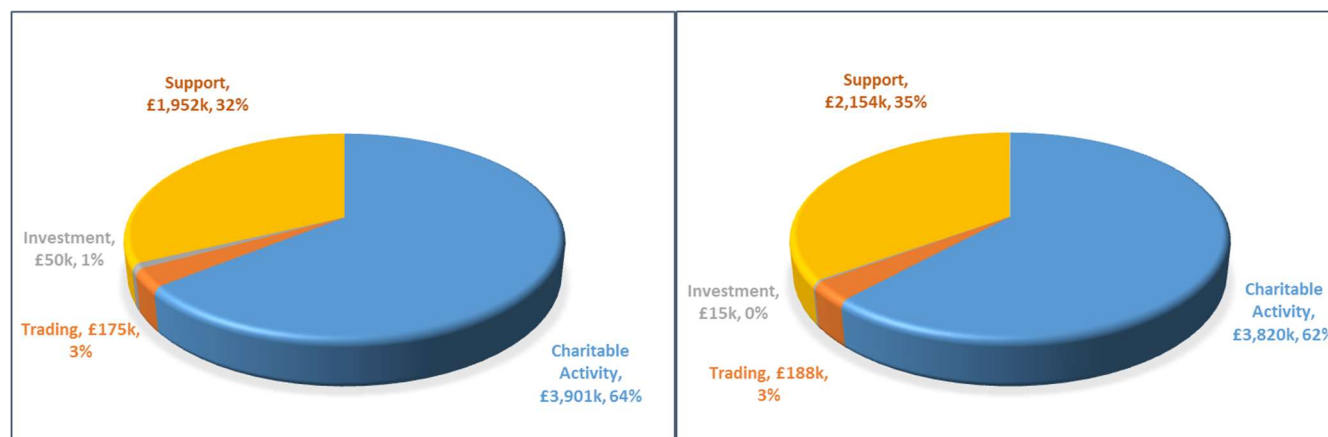


Expenditure by activity 2018



**Expenditure by type 2019**

**Expenditure by type 2018**



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

**Investments**

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

The Society has adopted an ethical investment policy to ensure that investments are consistent with the Society’s values and ethos and do not conflict with the Society’s aims. Individual investments can be excluded if they are perceived to be in conflict with these requirements. The Society’s investment manager is expected to display best practice in the environmental, social and corporate governance stewardship of investments held on the Society’s behalf.

The Society maintains an investment portfolio of around £6.6m, managed by professional advisors who make regular, quarterly reports to the Treasurer’s Investment Committee. The primary purpose of the portfolio is to provide income through returns and growth in capital to support the current and future charitable activities of the Society. To achieve this, professional advisors are set performance targets against which the Investment Committee (IC) measures performance. Investment income in 2019 was £228.1k (2018: £227.7k). Note 5 to the Financial Statements provides further detail.

The Society’s investment approach was amended during 2019 to place slightly reduced emphasis on maximising dividend income and greater emphasis on portfolio growth. In future years this policy will lead to income generation partially via modest portfolio realisations in addition to via earned dividends.

Investment management charges comprise the advisor’s annual fees plus a share of support staff and other overhead charges to reflect internal management of this activity. These charges are apportioned to individual funds within the investment pool on the basis of the value that each fund has invested within the pool. Year on year total investment management charges were £50k in 2019 and £15k in 2018. The apparent increase in charges between 2018 to 2019 arises from the way charges are identified and accounted rather than any absolute increase. The charging mechanism remains consistent and unvaried with the terms agreed with the investment manager at the outset.

Investment valuations are further explained in note 19.

### ***Trading activities***

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

During 2019 trading activity provided income of £65k (£39k in 2018) against costs of sales of £31k (£18k in 2018). 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 £31,637 (2018: £4,753). The Board entered into a Deed of Covenant during 2019 whereby profits generated by GTL are donated to the Society. The 2019 profits have now been donated in accordance with this Deed.

### ***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***

During the year, the Society entered into a new 10 year lease at Burlington House expiring January 2025 and renewable for 10 year periods until January 2085

## **1.3.2 Reserves**

The Society's reserves policy is to maintain a contingency sufficient to cover 9 months (75%) of core operational expenditure (within a range of 20% above or below this value, i.e. within a 55%-95% range). 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 2019 free reserves are calculated as the total of investments and net current assets classified as unrestricted funds, less any assigned to designated funds. During 2019, the free reserves calculation was amended to include Fellowship income received early. This resulted in a positive increase in free reserves. At 31 December 2019 free reserves stood at £4.0m (restated 2018: £4.0m) against core operational costs of £5.9m (2018: £5.5m). This represents 68.4% of the target (2018: 73.3% restated) and is, therefore, within the range set out above.

Note 31 to the Financial Statements sets out the calculation of these figures and details of the restatement of the 2018 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 reasonably healthy revenues at present from its various income streams, these streams are not many and are not immune to change. For these reasons financial control and decision-making is given a high priority in the Society's affairs.

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

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

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

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

The current Covid-19 pandemic will undoubtedly have an impact on the Society's ability to continue fulfilling its charitable objectives in the immediate future. Our business continuity plans are, at the time of writing, operational and administrative activities continue, albeit from remote locations. Journal, books and Geoscientist publication continues and events and conferences that coincide with the nationwide lockdown have, in the main, been deferred rather than cancelled. Forward financial planning and forecasting is frequently updated and reported to the Finance & Planning Committee and costs, wherever possible have and are being mitigated. Management and Trustees continue to monitor events and take the appropriate action to ensure the impact of the pandemic is minimised.

## 1.4 Plans for future periods

### 1.4.1 Summary of future plans

#### ***Business Plan 2020***

In order to achieve the objectives of the Society's 2017-2027 Strategy (see section 1.1.2), Council approved a 2020 Business Plan in November 2019. This sets priorities for achieving strategic objectives on a three-year rolling basis and is divided into themes that are tied back directly to the Strategy. Operational objectives and deliverables are defined, together with timescales, resources and responsibilities.

Priorities identified in the 2020 Business Plan are as follows.

### ***A home for geoscience***

- Review existing membership categories as well as scope for any new categories of member (ongoing from 2019)
- Strengthening the Society's programme of science conferences.

### ***Serving and supporting geoscientists***

- Develop the Society's Conferences Team and review scope for expanding the range of Society events (ongoing from 2018)
- Continue scoping work for Open Access initiative and, subject to approvals, implement actions to facilitate Society participation
- Undertake a comprehensive review of library service provision

### ***Maintaining standards***

- Continue the updating of the Chartership Development Plan and associated chartership documentation to increase Chartership uptake across practitioner community. Migrate application process to intuitive online platform.

### ***Trusted voice***

- Respond to government consultations and ensure that geoscience is represented in Westminster and the devolved governments.
- Deliver policy briefing notes and strategic meeting outputs on critical issues

### ***Education and outreach***

- Promote geology as Earth sciences as a degree option
- Complete a review of the Society's geology degree accreditation programme
- Develop careers resources and activities and promote their uptake

### ***Strengthening the organization***

- Complete the implementation of IT audit to create a resilient information systems infrastructure and support model
- Drive revenue growth through diversification, increased events/conferences income and philanthropic sources
- Overhaul Health and Safety awareness and strengthen workplace H&S culture
- Develop and implement plans to secure the Society's long-term future at Burlington House

## **1.5 Structure, governance and management**

### **1.5.1 Governing instrument**

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

### 1.5.2 Organizational structure of the Society

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

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

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



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

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

### 1.5.3 Governance and decision making

#### **Governance structure**

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

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



members, to ensure that they are made aware of the Society's activities, objects and governance structures, as well as Charity Commission guidance on public benefit and their responsibilities as trustees.

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

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

### ***Decision making***

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

- (i) ***Council Officers Group*** – the President, Vice-Presidents, Secretaries and Treasurer meet prior to each meeting of Council and are responsible for ensuring the efficient management of the Society. Chaired by the President. The Officers group met 4 times during 2019.
- (ii) ***Finance and Planning Committee*** – responsible for the financial health of the Society through effective control and transparency of the accounting processes, timely financial planning and investment management. Chaired by the Treasurer. The FPC met 5 times during 2019.
- (iii) ***Professional Committee*** – responsible for promoting professional excellence and ethical standards in the Earth sciences for the public good. Chaired by the Secretary, Professional Matters. The PC met 5 times during 2019.
- (iv) ***Science Committee*** – responsible for maintaining and implementing a science strategy for the Society that reflects its charitable aims and objectives, including through the Society's conference programme. Chaired by the Secretary, Science. The SC met 3 times during 2019.
- (v) ***External Relations Committee*** – responsible for setting the Society's approach to policy, education and outreach, communications, media relations, international matters and links with other organizations. Chaired by the Secretary for Foreign and External Affairs. The ERC met 3 times during 2019.
- (vi) ***Publications and Information Committee*** – responsible for the publication and distribution of high-quality, peer-reviewed Earth science literature in accordance with the Society's charitable aims, and maintaining a library of physical and electronic resources for the Earth science and wider community. Chaired by the Secretary, Publications. The PIC met 3 times during 2019.
- (vii) ***Audit Committee*** – responsible for reviewing accounting procedures, internal control and financial risk, as well as for conducting a detailed examination of the Society's draft annual financial statements. Chaired by a Fellow of the Society. The Audit Committee met twice during 2019.
- (viii) ***Awards Committee*** – responsible for consideration of nominations received from the Fellowship for the Society's awards and medals. Chaired by the President. The Awards Committee met twice during 2019.

- (ix) **Elections Committee** – responsible for ensuring the proper conduct of elections to Council, including the nomination and election of officers. Chaired by the President. The EC met twice during 2019.

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

#### **Executive Secretary and Senior Leadership Team**

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

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

#### **Risk management**

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

### **1.5.4 Subsidiary company**

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

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

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

### **1.5.5 Related parties and wider networks**

#### **Interests in other bodies**

The Society has a  $\frac{1}{3}$  interest in Petroleum Geology Conferences Ltd, a joint venture with the Energy Institute and the Petroleum Exploration Society of Great Britain, for the purpose of organizing, promoting and running a series of international petroleum geology events which take place at intervals of four to six years. To date, 8 events have been organised [since 1974](#). Discussions commenced in 2019 and in early 2020 it was agreed by shareholders to close the company via a member's voluntary liquidation.

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



### **Collaborations**

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

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

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

#### **1.5.6 Pay policy for senior staff**

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

### **1.6 Reference and administrative details**

#### **1.6.1 Legal and administrative information**

##### **Charity details**

|                              |                                                             |
|------------------------------|-------------------------------------------------------------|
| Name of charity:             | <b>The Geological Society of London</b>                     |
| Charity registration number: | <b>210161</b>                                               |
| Principal office:            | <b>Burlington House,<br/>Piccadilly,<br/>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,<br/>Piccadilly,<br/>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 -**

**President:** Prof Nicholas Rogers

**Vice Presidents:** Mr John Booth  
Mr Nicholas Reynolds  
Ms Jessica Smith  
Mr John Talbot

**Secretaries:** Prof Katherine Royse  
Dr Sarah Gordon  
Prof Robin Strachan  
Dr Alexander Whittaker

**Treasurer:** Mr Graham Goffey

**Other members of Council -**

Mr Thomas Backhouse, Mr Andrew Bloodworth, Dr Michael Daly, Ms Lesley Dunlop, Dr Joel Gill, Dr Kathryn Goodenough, Prof James Griffiths, Prof Chris King, Mr Andrew Moore, Prof Bryne Ngwenya, Mrs Sarah Scott, Ms Gemma Sherwood and Dr Helen Smyth.

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

Mr Keith Seymour, Dr Colin North, Dr Jason Canning, Dr Naomi Jordan, Dr Robert Larter, and Dr Sheila Peacock

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

**1.6.3 Senior Leadership Team**

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

**Executive Secretary** Dr Richard Hughes

|                                                  |                                                                     |
|--------------------------------------------------|---------------------------------------------------------------------|
| <b>Director of Science &amp; Communications:</b> | Dr Alicia Newton                                                    |
| <b>Director of Publishing:</b>                   | Mr Neal Marriott (replaced by Maggie Simmonds effective 1 Feb 2020) |
| <b>Director of Finance &amp; Operations:</b>     | Mr Alex McPherson                                                   |

#### 1.6.4 Professional advisors and other relevant organizations

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

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

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

### 2.1 President's report

*From the President, Prof Nick Rogers*

As I write this message, the country is in the grips of the Coronavirus pandemic. If anyone was in doubt that humanity faces challenges to our way of life, possibly our very existence, this event is yet another wake-up call to act. While geologists are not necessarily equipped to help in the defence against infection any more than other members of the public, we do have skills, knowledge and expertise of relevance to other challenges that society is currently facing. Hence the theme of this year's annual report: Solutions from geology.

2019 was designated 'The Year of Carbon', which started with the Bryan Lovell meeting on decarbonising the UK. This meeting explored all the ways that geologists will be critical in migrating to a low carbon economy and reducing CO<sub>2</sub> emissions. Geoscience knowledge and skills will be key to expanding our ability to generate and store energy from renewable sources, in carbon capture and sequestration and in the safe and efficient exploration and extraction of critical elements, essential components of batteries, wind turbines, and electric vehicles.

Climate change and our responses to it are not the only issues facing the Earth's growing population. Many of these challenges are summarised in the UN's Sustainable Development Goals (SDGs), and geologists will be key to meeting these challenges as well. The importance of the geosciences to ensuring global wellbeing was evident in our public lectures, with speakers offering insights into the disposal of radioactive waste and reducing risk associated with natural disasters, among other topics.

As we look toward how geologists will shape the future, it is clear that many of the skills that have served geologists for generations— such as 4-D thinking, interpreting irregular datasets, and a conceptual understanding of the subsurface, to name a few – will continue to be at the forefront. However, it is equally clear that there are other tools that geologists will need to embrace, for instance the application of big data analyses and numerical modelling techniques, and it is becoming increasingly important that geologists are able to communicate science, risk, and uncertainty to politicians and the public alike.

To ensure that future geologists are ready to meet the challenges ahead, we instituted a review of the Society's degree accreditation scheme and requirements. The review panel is bringing together leading professional and academic geologists to determine what skills, knowledge and behaviours geology bachelors and masters programmes will need to develop in their students.

In addition to our work with university geology departments, we have been able to increase our support to students and postgraduates through two new offerings. The Zeiss-GSL scholarship offers up to £8,000 for PhD projects involving a range of microscopic techniques. The Hazel Prichard Bursary, offered in memory of Hazel's contributions to economic and environmental geology, provides funding for field campaigns undertaken as part of a B.Sc. or taught masters degree programme.

Sadly, the number of students applying to study geology at university has continued to decline in 2019. To counter this trend, the Society has ramped up its engagement with students and teachers in primary and secondary schools to show off everything that the science of geology has to offer. On a broader stage we have worked to ensure geology is more visible in society and culture. A new play, *She Sells Seashells*, produced by Scandal and Gallows, received some support from the Society, which enabled them to take their production to the Edinburgh Fringe. We also helped

to sponsor the hit play *Dinomania* at the New Diorama Theatre, and we are confident that these initiatives, and more to come, will help inspire future generations of geologists.

To conclude, our science has never been in such a public spotlight. The ethical and political arguments surrounding hydrocarbons, the extractive industries in general and environmental impact are all very central to the professional and academic geoscientist. It behoves us when under such scrutiny to remember our professional standards and to stick to the science we understand. Sometimes we may feel uncomfortable with the answers science offers but it is essential that we remain true to that science and act as responsible ambassadors.

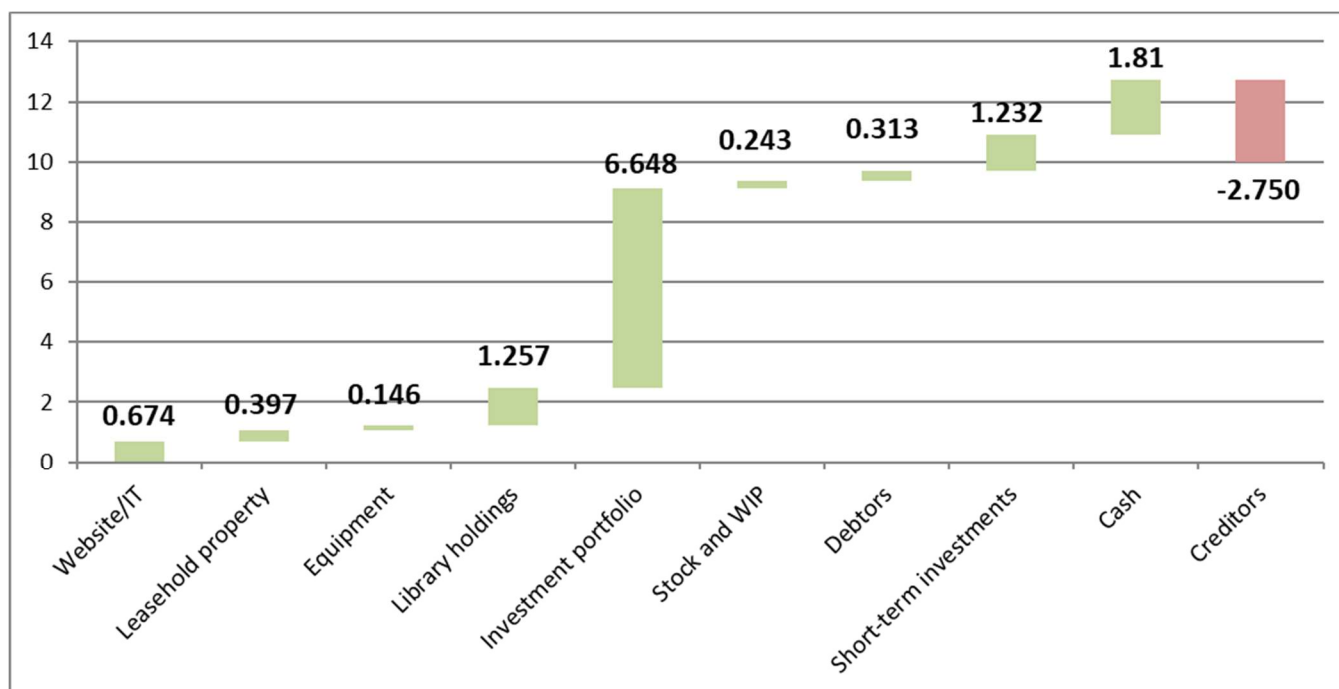
## 2.2 Treasurer's report

*From the Treasurer, Mr Graham Goffey*

### A mixed year...

2019 was a mixed year for the Society from a financial perspective, with recovery in value of the Society's investment portfolio offset by disappointing underperformance or flat-lining in respect of income from the Society's main income sources. On the positive side, the Society's investment portfolio recovered its value and this significant unrealised gain, partially offset by unrealised foreign exchange losses, led to a modest overall increase in funds of £0.13m, partially reversing 2018's £0.65m decrease.

### Overview of Society Balance Sheet



Income was £5.6m (2018 £5.8m) and expenditure and charges of £6.15m were broadly in line with 2018 (£6.18m), with inflationary rises in some areas largely off-setting cost savings in other areas. A 2018 drop in income from conference activities continued in 2019 along with reduced income from room lettings. Steps are being taken to rejuvenate the conference pipeline, broaden the appeal of the Society's flagship meetings and improve our lettings offer. Once fully implemented, these should bear fruit once COVID 19 is behind us. Fellowship numbers also fell in 2019 to 11,952 (2018: 12,382). Whilst not a precipitous fall, Fellowship fees are of course a major source of the Society's income. For some years Council has limited increases in Fellowship fees in line with Consumer Price

Inflation and in 2019 this modest increase was broadly comparable to the income lost through reduced Fellowship numbers. A review of the Fellowship fees structure is underway with a view to a simplification in 2022 accompanied by clearer marketing of the many benefits of Fellowship. Publishing House revenues were also reduced. The Lyell collection continues to hold up well and the future new book pipeline looks healthy. However 2019 book sales income in particular was impacted by a decline in the US hard copy book market, exacerbated by issues with the Society's web sales software. Neal Marriot has now retired from his longstanding leadership of the Publishing House. Neal has been a fantastic servant of the Society for the last 18 years, during which period the Publishing House has been highly successful. Happily Maggie Simmons has been promoted from within the organisation as his replacement.

In respect of Burlington House, our engagement with the landlord, the Department of Housing, Communities and Local Government, continued in 2019. Despite initial encouragement, our hopes for a long term solution to ensure affordable tenure were unfortunately not met. However the Courtyard Societies were finally presented with and entered into renewed leases for the next 10 year period. Rent levels continue to rise extremely rapidly; whilst entitled to continued lease renewals, as currently structured escalating rental levels will soon be unaffordable for almost all of the Courtyard Societies. However we are seeking to explore alternative solutions with our landlord. If no solution can be found, Fellows should expect the Society to have to leave Burlington House within 3-5 years. In such circumstances, we will all need to view such a move in positive terms as an opportunity and not depart our home of almost 150 years with overly heavy hearts.

With the uncertain lease trajectory meaning there is potential for appreciable cost exposure should the Society need to leave Burlington House and re-establish itself in new premises, it is critical that the Society preserves its financial resources, in particular its free reserves. Budgeted expenditure in 2020 is lower than 2019 actual expenditure, whilst budgeted income is slightly higher, predicated mainly on an uptick in publishing income. This budget of course pre-dates the COVID 19 pandemic and, as I write in late March 2020, the impact of the pandemic means that many of the Society's events and room lettings have been cancelled or deferred. Substantial falls in global stock markets have also detrimentally impacted the value of the Society's investment portfolio. Clearly 2020 will be a challenging year for us all and for the Society, both financially and in many other respects. Whilst staff will be working hard to maintain normal services as far as possible, Fellows should expect to see a degree of belt-tightening, some re-evaluation and perhaps re-prioritisation of our activities with a strong drive to rejuvenate income as and when COVID 19 lifts. I am grateful for all of the efforts of our staff and volunteers in these challenging times and greatly appreciate Fellows continued loyalty and commitment to this venerable Society.

### **2.3 Report of the Executive Secretary**

*From Dr Richard Hughes*

Last year I told you of the many changes occurring across the Society and the collective excitement we felt at the prospect of ensuring that GSL stands ready to serve the evolving needs of science, profession and society. In 2019 we began to see the green shoots emerging from these initiatives.

One of our key goals is to diversify the Society's revenue sources to mitigate against financial risks. Philanthropic fundraising and events were identified as priority areas for growth, and to that end the first meeting of the Society's Development Committee took place in late 2019. Chaired by past-president Malcolm Brown, the group will focus on securing income from philanthropic sources to support the Society's activities.

Our former Corporate Affiliates programme has been overhauled and re-launched as our Corporate Patrons Scheme, reflecting more accurately the Society's relationships with its corporate sponsors and the invaluable support they

provide. A range of new benefits was introduced and our first Corporate Patron impact report produced. The Society receives no statutory funding and is reliant on the support of its Fellows, friends and corporate supporters to maintain and grow its activities. I would like to take this opportunity to express my sincere thanks to all our corporate patrons.

In late 2019 I was delighted to appoint a new Head of Events, who is working hard to improve our venue hire services and embed a commercial approach, whilst ensuring the Society continues to deliver high quality conferences and meetings in accordance with the Science Strategy. You may have already noticed a fresh look to venue hire section of the website, and will soon see changes in our events listing and marketing materials.

Of course, our Fellows and friends remain at the heart of the Society. As our profession changes, so too do the needs of our members. A review of our membership categories and benefits has therefore been initiated to ensure they meet the needs of current and potential fellows. I thank all those academics and early career professionals who responded to our surveys to inform this review.

Guidance around Chartership and CPD recording has been improved, and chartership staff continue to introduce students and early career researchers to the process around the UK and internationally. In early 2019 I had the pleasure of visiting our Hong Kong Regional Group and saw first-hand the value of professional accreditation there. I also used this opportunity for a short detour to Kuala Lumpur where I spoke with key local officials about the benefits of chartership and degree accreditation. The Early Career Network has followed its 2018 launch with a number of networking and CPD events around the UK, and I encourage everyone new in their career to take part in these.

Geologists entering employment at this time will undoubtedly see changes in the way they work, and in the types of problems to which they will need to apply their skills. During the Year of Carbon, it was made clear that geoscientists will be at the heart of efforts to meet net zero emissions targets. Geologists will be called upon to address a number of challenges, including the more efficient recovery of oil and gas as part of the energy transition, the effective storage and sequestration of carbon released during energy production, and bringing other forms of energy like geothermal onstream quickly and safely.

The energy transition will also require a step change in the mining of the critical elements required to support batteries, wind turbines, and electric vehicles. The Society has taken the lead on discussions around responsible use of natural resources, and responsible investing in companies that tap into these resources, which was evident at the Responsible Investing in Natural Resources meeting in October. The Geological Society Business Forum, an evolution of the former City of London Geoscience Forum, will ensure that these questions are kept at the forefront of discussions in the legal and investment communities.

At the time of writing in March 2020, the unprecedented Coronavirus pandemic is beginning to impact very significantly upon all our lives. The months ahead are very uncertain but I remain hopeful and optimistic that the Society will continue to provide a community for all geoscience professionals to meet the challenges of our times.

### **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:

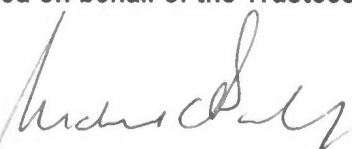
- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities Statement Of Recommended Practice ('SORP') 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

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

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

**Signed on behalf of the Trustees:**



**Dr Michael Daly**

*President*

Date: 24<sup>th</sup> November 2020



**Mr Graham Goffey**

*Treasurer*

Date: 24<sup>th</sup> November 2020



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

### ***Opinion on financial statements***

We have audited the financial statements of The Geological Society of London (the 'charity') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated and charity only Statement of Financial Activities, the Consolidated and charity only Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 December 2019 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### ***Basis for opinion***

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

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Conclusions relating to going concern***

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### ***Other information***

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

***Responsibilities of trustees***

As explained more fully in the Statement of Trustees' responsibilities set out on page 24 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### **Use of Our Report**

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

*RSM UK Audit LLP*

RSM UK LLP  
Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London EC4A 4AB

Date: *17 December 2020*

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

## 5. Statements of Financial Activities

### 5.1 Consolidated Statement of Financial Activities as at 31 December 2019

|                                             | Note | 2019             |                 |                  |                  | 2018             |                 |                  |                  |
|---------------------------------------------|------|------------------|-----------------|------------------|------------------|------------------|-----------------|------------------|------------------|
|                                             |      | 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    | 46,592           | -               | -                | 46,592           | 26,741           | -               | -                | 26,741           |
| Charitable activities                       |      |                  |                 |                  |                  |                  |                 |                  |                  |
| - Science & education                       | 3.a  | 376,335          | -               | -                | 376,335          | 442,856          | -               | -                | 442,856          |
| - Professional & academic standards         | 3.b  | 677,920          | -               | -                | 677,920          | 823,739          | -               | -                | 823,739          |
| - Scholarly publishing                      | 3.c  | 3,332,840        | -               | -                | 3,332,840        | 3,487,876        | -               | -                | 3,487,876        |
| - Library & archives                        | 3.d  | 651,962          | -               | -                | 651,962          | 584,095          | -               | -                | 584,095          |
| Other trading activities                    |      |                  |                 |                  |                  |                  |                 |                  |                  |
| - Room hire & catering                      | 4    | 270,003          | -               | -                | 270,003          | 233,085          | -               | -                | 233,085          |
| Investments                                 | 5    | 211,496          | 16,619          | -                | 228,115          | 210,526          | 17,176          | -                | 227,702          |
| Other Income                                | 6    | -                | -               | -                | -                | -                | -               | -                | -                |
| <b>Total income</b>                         |      | <b>5,567,148</b> | <b>16,619</b>   | <b>-</b>         | <b>5,583,767</b> | <b>5,808,918</b> | <b>17,176</b>   | <b>-</b>         | <b>5,826,094</b> |
| <b>Expenditure on:</b>                      |      |                  |                 |                  |                  |                  |                 |                  |                  |
| Raising funds                               |      |                  |                 |                  |                  |                  |                 |                  |                  |
| - Room hire & catering                      | 7.a  | 189,638          | -               | -                | 189,638          | 188,018          | -               | -                | 188,018          |
| - Investment management costs               | 7.b  | 46,546           | 653             | 2,740            | 49,939           | 15,072           | -               | -                | 15,072           |
| Charitable activities                       |      |                  |                 |                  |                  |                  |                 |                  |                  |
| - Science & education                       | 8.a  | 1,340,849        | 34,327          | 2,350            | 1,377,526        | 1,495,139        | 33,726          | 2,000            | 1,530,865        |
| - Professional & academic standards         | 8.b  | 696,393          | 1,884           | -                | 698,277          | 667,686          | -               | -                | 667,686          |
| - Scholarly publishing                      | 8.c  | 2,678,931        | 27,804          | 10,456           | 2,717,191        | 2,628,880        | -               | -                | 2,628,880        |
| - Library & archives                        | 8.d  | 1,115,895        | 543             | -                | 1,116,438        | 1,146,923        | -               | -                | 1,146,923        |
| <b>Total expenditure</b>                    |      | <b>6,068,252</b> | <b>65,211</b>   | <b>15,546</b>    | <b>6,149,009</b> | <b>6,141,718</b> | <b>33,726</b>   | <b>2,000</b>     | <b>6,177,444</b> |
| <b>(Deficit) of income over expenditure</b> |      | <b>(501,104)</b> | <b>(48,592)</b> | <b>(15,546)</b>  | <b>(565,242)</b> | <b>(332,800)</b> | <b>(16,550)</b> | <b>(2,000)</b>   | <b>(351,350)</b> |
| Net gains / (losses) on investments         | 19   | 451,740          | 55,507          | 232,854          | 740,101          | (254,569)        | (33,283)        | (139,621)        | (427,473)        |
| <b>Net income/(expenditure)</b>             |      | <b>(49,364)</b>  | <b>6,915</b>    | <b>217,308</b>   | <b>174,859</b>   | <b>(587,369)</b> | <b>(49,833)</b> | <b>(141,621)</b> | <b>(778,823)</b> |
| Transfers between Funds                     |      | (7,012)          | 7,012           | -                | -                | -                | -               | -                | -                |
| Other gains / (losses) in year              | 20   | (42,098)         | (754)           | (3,162)          | (46,014)         | 77,194           | 10,093          | 42,338           | 129,625          |
| Tax Payable                                 | 36   | (903)            | -               | -                | (903)            | -                | -               | -                | -                |
| <b>Net movement in funds</b>                |      | <b>(99,377)</b>  | <b>13,173</b>   | <b>214,146</b>   | <b>127,942</b>   | <b>(510,175)</b> | <b>(39,740)</b> | <b>(99,283)</b>  | <b>(649,198)</b> |
| <b>Reconciliation of funds:</b>             |      |                  |                 |                  |                  |                  |                 |                  |                  |
| Total funds brought forward                 |      | 7,095,403        | 823,843         | 1,924,918        | 9,844,164        | 7,605,578        | 863,583         | 2,024,201        | 10,493,362       |
| <b>Total funds carried forward</b>          |      | <b>6,996,026</b> | <b>837,016</b>  | <b>2,139,064</b> | <b>9,972,106</b> | <b>7,095,403</b> | <b>823,843</b>  | <b>1,924,918</b> | <b>9,844,164</b> |

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

**5.2 Charity only Statement of Financial Activities as at 31 December 2019**

|                                                       | Note | 2019             |                 |                  |                  | 2018             |                 |                  |                  |
|-------------------------------------------------------|------|------------------|-----------------|------------------|------------------|------------------|-----------------|------------------|------------------|
|                                                       |      | 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    | 46,592           | -               | -                | 46,592           | 26,741           | -               | -                | 26,741           |
| Charitable activities                                 |      |                  |                 |                  |                  |                  |                 |                  |                  |
| - Science & education                                 | 3.a  | 376,335          | -               | -                | 376,335          | 442,856          | -               | -                | 442,856          |
| - Professional & academic standards                   | 3.b  | 677,920          | -               | -                | 677,920          | 823,739          | -               | -                | 823,739          |
| - Scholarly publishing                                | 3.c  | 3,332,840        | -               | -                | 3,332,840        | 3,487,876        | -               | -                | 3,487,876        |
| - Library & archives                                  | 3.d  | 651,962          | -               | -                | 651,962          | 584,095          | -               | -                | 584,095          |
| Other trading activities                              |      |                  |                 |                  |                  |                  |                 |                  |                  |
| - Room hire & catering                                | 4    | 205,461          | -               | -                | 205,461          | 194,015          | -               | -                | 194,015          |
| Investments                                           | 5    | 211,496          | 16,619          | -                | 228,115          | 210,526          | 17,176          | -                | 227,702          |
| Other Income                                          | 6    | -                | -               | -                | -                | -                | -               | -                | -                |
| <b>Total income</b>                                   |      | <b>5,502,606</b> | <b>16,619</b>   | <b>-</b>         | <b>5,519,225</b> | <b>5,769,848</b> | <b>17,176</b>   | <b>-</b>         | <b>5,787,024</b> |
| <b>Expenditure on:</b>                                |      |                  |                 |                  |                  |                  |                 |                  |                  |
| Raising funds                                         |      |                  |                 |                  |                  |                  |                 |                  |                  |
| - Room hire & catering                                | 7.a  | 157,636          | -               | -                | 157,636          | 153,700          | -               | -                | 153,700          |
| - Investment management costs                         | 7.b  | 46,546           | 653             | 2,740            | 49,939           | 15,072           | -               | -                | 15,072           |
| Charitable activities                                 |      |                  |                 |                  |                  |                  |                 |                  |                  |
| - Science & education                                 | 8.a  | 1,340,849        | 34,327          | 2,350            | 1,377,526        | 1,495,138        | 33,726          | 2,000            | 1,530,864        |
| - Professional & academic standards                   | 8.b  | 696,393          | 1,884           | -                | 698,277          | 667,686          | -               | -                | 667,686          |
| - Scholarly publishing                                | 8.c  | 2,678,931        | 27,804          | 10,456           | 2,717,191        | 2,628,881        | -               | -                | 2,628,881        |
| - Library & archives                                  | 8.d  | 1,115,895        | 543             | -                | 1,116,438        | 1,146,923        | -               | -                | 1,146,923        |
| <b>Total expenditure</b>                              |      | <b>6,036,250</b> | <b>65,211</b>   | <b>15,546</b>    | <b>6,117,007</b> | <b>6,107,400</b> | <b>33,726</b>   | <b>2,000</b>     | <b>6,143,126</b> |
| <b>(Deficit) / Surplus of income over expenditure</b> |      | <b>(533,644)</b> | <b>(48,592)</b> | <b>(15,546)</b>  | <b>(597,782)</b> | <b>(337,552)</b> | <b>(16,550)</b> | <b>(2,000)</b>   | <b>(356,102)</b> |
| Net gains / (losses) on investments                   | 19   | 451,740          | 55,507          | 232,854          | 740,101          | (254,569)        | (33,283)        | (139,621)        | (427,473)        |
| <b>Net income/(expenditure)</b>                       |      | <b>(81,904)</b>  | <b>6,915</b>    | <b>217,308</b>   | <b>142,319</b>   | <b>(592,121)</b> | <b>(49,833)</b> | <b>(141,621)</b> | <b>(783,575)</b> |
| Transfers between Funds                               |      | (7,012)          | 7,012           | -                | -                | -                | -               | -                | -                |
| Other gains / (losses) in year                        | 20   | (42,098)         | (754)           | (3,162)          | (46,014)         | 77,193           | 10,093          | 42,338           | 129,624          |
| Tax Payable                                           | 36   | -                | -               | -                | -                | -                | -               | -                | -                |
| <b>Net movement in funds</b>                          |      | <b>(131,014)</b> | <b>13,173</b>   | <b>214,146</b>   | <b>96,305</b>    | <b>(514,928)</b> | <b>(39,740)</b> | <b>(99,283)</b>  | <b>(653,951)</b> |
| <b>Reconciliation of funds:</b>                       |      |                  |                 |                  |                  |                  |                 |                  |                  |
| Total funds brought forward                           |      | 7,090,650        | 823,843         | 1,924,918        | 9,839,411        | 7,605,578        | 863,583         | 2,024,201        | 10,493,362       |
| <b>Total funds carried forward</b>                    |      | <b>6,959,636</b> | <b>837,016</b>  | <b>2,139,064</b> | <b>9,935,716</b> | <b>7,090,650</b> | <b>823,843</b>  | <b>1,924,918</b> | <b>9,839,411</b> |

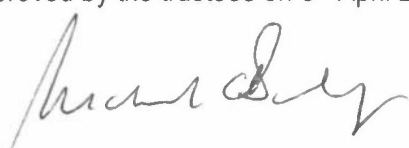
The notes on pages 32-58 form an integral part of these Financial Statements.

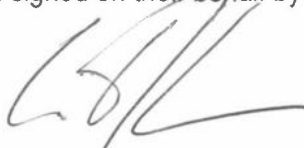
**6. Balance Sheets at 31 December 2019**

|                                        | Note | Consolidated Balance Sheet |                  |                  |                  | Charity Only Balance Sheet |                  |                  |                  |
|----------------------------------------|------|----------------------------|------------------|------------------|------------------|----------------------------|------------------|------------------|------------------|
|                                        |      | 2019                       |                  | 2018             |                  | 2019                       |                  | 2018             |                  |
|                                        |      | £                          | £                | £                | £                | £                          | £                | £                | £                |
| <b>Fixed assets:</b>                   |      |                            |                  |                  |                  |                            |                  |                  |                  |
| Intangible assets                      |      |                            |                  |                  |                  |                            |                  |                  |                  |
| - website development                  | 16   | 7,388                      |                  | 24,401           |                  | 7,388                      |                  | 24,401           |                  |
| - IT systems development               | 16   | 666,695                    | 674,083          | 765,520          | 789,921          | 666,695                    | 674,083          | 765,520          | 789,921          |
| Tangible assets                        |      |                            |                  |                  |                  |                            |                  |                  |                  |
| - leasehold property                   | 17   | 397,338                    |                  | 378,005          |                  | 397,338                    |                  | 378,005          |                  |
| - equipment, fixtures & fittings       | 17   | 77,525                     |                  | 95,315           |                  | 77,525                     |                  | 95,315           |                  |
| - computer equipment                   | 17   | 68,125                     | 542,988          | 91,248           | 564,568          | 68,125                     | 542,988          | 91,248           | 564,568          |
| Heritage assets                        |      |                            |                  |                  |                  |                            |                  |                  |                  |
| - library holdings                     | 18   |                            | 1,257,996        |                  | 1,200,102        |                            | 1,257,996        |                  | 1,200,102        |
| Investments                            |      |                            |                  |                  |                  |                            |                  |                  |                  |
| - listed and traded investments        | 19   | 6,530,135                  |                  | 5,763,243        |                  | 6,530,135                  |                  | 5,763,243        |                  |
| - portfolio cash                       | 19   | 118,572                    | 6,648,707        | 145,363          | 5,908,606        | 118,572                    | 6,648,707        | 145,363          | 5,908,606        |
| <b>Total fixed assets:</b>             |      |                            | <b>9,123,774</b> |                  | <b>8,463,197</b> |                            | <b>9,123,774</b> |                  | <b>8,463,197</b> |
| <b>Current assets</b>                  |      |                            |                  |                  |                  |                            |                  |                  |                  |
| Stocks                                 | 21   |                            |                  |                  |                  |                            |                  |                  |                  |
| - finished stock                       |      | 198,390                    |                  | 212,295          |                  | 198,390                    |                  | 212,295          |                  |
| - work in progress                     |      | 45,047                     |                  | 79,745           |                  | 45,047                     |                  | 79,745           |                  |
| Debtors                                | 22   | 312,524                    |                  | 287,890          |                  | 384,833                    |                  | 367,788          |                  |
| Investments                            | 23   | 1,231,618                  |                  | 318,573          |                  | 1,231,618                  |                  | 318,573          |                  |
| Cash at bank and in hand               |      | 1,810,418                  |                  | 3,563,052        |                  | 1,699,177                  |                  | 3,475,770        |                  |
| <b>Total current assets</b>            |      | <b>3,597,997</b>           |                  | <b>4,461,555</b> |                  | <b>3,559,065</b>           |                  | <b>4,454,171</b> |                  |
| <b>Liabilities</b>                     |      |                            |                  |                  |                  |                            |                  |                  |                  |
| Creditors                              |      |                            |                  |                  |                  |                            |                  |                  |                  |
| - amounts falling due within 1 year    | 24   | (2,749,665)                |                  | (3,080,588)      |                  | (2,747,123)                |                  | (3,077,957)      |                  |
| <b>Net current assets</b>              |      |                            | <b>848,332</b>   |                  | <b>1,380,967</b> |                            | <b>811,942</b>   |                  | <b>1,376,214</b> |
| <b>Total net assets or liabilities</b> |      |                            | <b>9,972,106</b> |                  | <b>9,844,164</b> |                            | <b>9,935,716</b> |                  | <b>9,839,411</b> |
| <b>The funds of the charity:</b>       | 26   |                            |                  |                  |                  |                            |                  |                  |                  |
| Unrestricted funds                     | 27   | 6,996,026                  |                  | 7,095,403        |                  | 6,959,636                  |                  | 7,090,650        |                  |
| Restricted income funds                | 28   | 837,016                    |                  | 823,843          |                  | 837,016                    |                  | 823,843          |                  |
| Endowment funds                        | 29   | 2,139,064                  |                  | 1,924,918        |                  | 2,139,064                  |                  | 1,924,918        |                  |
| <b>Total funds</b>                     |      | <b>9,972,106</b>           |                  | <b>9,844,164</b> |                  | <b>9,935,716</b>           |                  | <b>9,839,411</b> |                  |

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

Approved by the trustees on 8<sup>th</sup> April 2020 and signed on their behalf by:

  
 Dr Michael Daly  
 President

  
 Mr. Graham Goffey  
 Treasurer

**7. Consolidated Cash Flow Statement for the year ended 31 December 2019**

|                                                                            | Note     | 2019        |           | 2018      |           |
|----------------------------------------------------------------------------|----------|-------------|-----------|-----------|-----------|
|                                                                            |          | £           | £         | £         | £         |
| <b>Cash flows from operating activities:</b>                               |          |             |           |           |           |
| <i>Net cash provided by operating activities:</i>                          | 33       |             | (770,441) |           | 125,075   |
| <i>Tax paid</i>                                                            | 36       |             | (903)     |           |           |
| <b>Cash flows from investing activities:</b>                               |          |             |           |           |           |
| Dividends and interest from investments:                                   | 5        | 228,115     |           | 227,702   |           |
| Purchase of property, plant and equipment                                  | 16,17,18 | (250,346)   |           | (413,284) |           |
| Proceeds from sale of investments:                                         | 19       | 4,808,161   |           | 543,608   |           |
| Purchase of investments:                                                   | 19       | (4,808,161) |           | (575,451) |           |
| <i>Net cash provided by investing activities:</i>                          |          |             | (22,231)  |           | (217,425) |
| <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>        |          |             |           |           |           |
|                                                                            |          |             | (793,575) |           | (92,350)  |
| <b>Cash and cash equivalents at the beginning of the reporting period:</b> | 34       |             | 3,881,625 |           | 3,844,350 |
| <b>Change in cash and cash equivalents due to exchange rate movements:</b> | 20       |             | (46,014)  |           | 129,625   |
| <b>Cash and cash equivalents at the end of the reporting period:</b>       | 34       |             | 3,042,036 |           | 3,881,625 |

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 2019 and Financial Reporting Standard ('FRS') 102, which the Society has adopted. The 2005 Charities SORP, which has been withdrawn but is still referred to in the extant Charities (Accounts and Reports) Regulations 2008, is not used in order for the financial statements to show a true and fair view in accordance with United Kingdom Generally Accepted Accountancy Practice effective for accounting periods beginning on or after 1 January 2019.

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 2020 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.

In the light of the Covid 19 pandemic, the Trustees and management have re-assessed and updated the forecast and are confident there are sufficient reserves to continue operating for the foreseeable future. The Society continues to monitor events as they unfold, and the forward projections are updated accordingly.

#### **(b) Changes in accounting policy**

There were no changes to accounting policies in the 2019 financial year.

#### **(c) Consolidated accounts**

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

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

#### **(d) Income**

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

Fellowship fees, Corporate Affiliate fees and subscriptions for publications are usually collected in the months leading up to the membership year (and financial year) to which they relate. Generally, those fees collected from September of each year when the fee renewal process is commenced are attributable to the following year and treated as set



out above. Income relating to conferences, events and room-hire may also be received in advance and so is treated in accordance with the accruals concept.

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

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

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

#### **(e) Expenditure**

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

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

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

Grants payable are charged in the year when an obligation arises in accordance with the requirements of the Charities SORP 2019 and are allocated to appropriate charitable expenditure headings.

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

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

#### **(f) Accounting estimates and judgements**

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

- (i) *Income recognition of legacies* – income may be recognized prior to receipt of all funds from a legacy. Where this is the case an estimate of the likely benefit will be made based upon information available from the donor's estate.
- (ii) *Provisions for bad debt* – the Society provides in full for all debt that is over 12 months old. This is based upon experience and ongoing review of debt recovery. Any debt adjudged unrecoverable is fully written off.

- (iii) *Provisions for lease payments due* – provisions are included in creditors for the sums due but not yet billed relating to previous years' lease payments. These are based upon best estimates from information provided by the landlord's agent.
- (iv) *Reserves* – the Society's reserves policy is set out at section 1.3.2 and is based upon covering expenditure for up to nine months. This was reviewed during 2016 by reference to the reserve levels of other similar organizations and adjusted to a level that the trustees deem to be prudent and appropriate. This review continues to be appropriate.

**(g) Foreign currencies**

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

**(h) Fixed assets**

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

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

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

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

**(i) Current assets**

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

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

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

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

**(j) Current liabilities**

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

### **(k) Funds and reserves**

The Society recognizes the following classifications of funds and reserves:

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

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

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

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

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

A consolidated cash flow statement is provided that is compliant with FRS 102 and the Charity SORP 2019. Notes 33 and 34 detail reconciliation of the financial statements to the cash flow statement and total cash and cash equivalents.

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

## **2 Donations and legacies**

During the year the Society received a number of donations totalling £46.6k (2018: £26.7k). These include a generous donation from the Illing estate, a significant anonymous donation and a number of smaller equally generous donations. These have been recorded as donations in the Statement of Financial Activities and as additions to the unrestricted income fund in the Balance Sheet. The Directors of Geological Trading Ltd agreed to donate the company's profit for the year of £31,637. This will be included in the 2020 financial statements.

## **3 Income from charitable activities**

Income from the Society's charitable activities is analysed over the following areas of activity. Core Fellowship fees are collected annually from members of the Society and allocated across activities to reflect the benefit received in return. Similarly, those elements of the Corporate Patron 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 Patron income:**

| Activity                | Core Fellowship Fee Income |                  |               |                  | Corporate Patron Fee Income |                |               |                |
|-------------------------|----------------------------|------------------|---------------|------------------|-----------------------------|----------------|---------------|----------------|
|                         | 2019                       |                  | 2018          |                  | 2019                        |                | 2018          |                |
|                         | %                          | £                | %             | £                | %                           | £              | %             | £              |
| Science & education     | 1.1%                       | 17,803           | 1.1%          | 15,778           | 6.3%                        | 6,993          | 6.3%          | 7,802          |
| Professional & academic | 18.1%                      | 304,108          | 18.1%         | 269,512          | 79.9%                       | 88,689         | 79.9%         | 98,953         |
| Publishing              | 43.4%                      | 729,247          | 43.4%         | 646,286          |                             |                |               |                |
| Library & archives      | 37.4%                      | 630,477          | 37.4%         | 558,752          | 1.5%                        | 1,665          | 1.5%          | 1,859          |
| Trading                 |                            |                  |               |                  | 12.3%                       | 13,653         | 12.3%         | 15,233         |
|                         | <b>100.0%</b>              | <b>1,681,635</b> | <b>100.0%</b> | <b>1,490,328</b> | <b>100.0%</b>               | <b>111,000</b> | <b>100.0%</b> | <b>123,847</b> |

**Analysis of charitable income:**

| Analysis of Charitable activity                  | 2019               |                  |                 |                  | 2018               |                  |                 |                  |
|--------------------------------------------------|--------------------|------------------|-----------------|------------------|--------------------|------------------|-----------------|------------------|
|                                                  | 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                       | 88,257             | -                | -               | 88,257           | 134,815            | -                | -               | 134,815          |
| Petroleum Group meetings                         | 256,965            | -                | -               | 256,965          | 280,249            | -                | -               | 280,249          |
| Other meetings & events                          | 24                 | -                | -               | 24               | -                  | -                | -               | -                |
| Grants & other direct funding                    |                    |                  |                 |                  |                    |                  |                 |                  |
| Friends of the GSL                               | 292                | -                | -               | 292              | 3,173              | -                | -               | 3,173            |
| Other Income                                     | 6,001              | -                | -               | 6,001            | 1,039              | -                | -               | 1,039            |
| Membership fees redistributed                    | 24,796             | -                | -               | 24,796           | 23,580             | -                | -               | 23,580           |
| <b>Sub-total:</b>                                | <b>376,335</b>     | <b>-</b>         | <b>-</b>        | <b>376,335</b>   | <b>442,856</b>     | <b>-</b>         | <b>-</b>        | <b>442,856</b>   |
| <b>3.b Professional &amp; academic standards</b> |                    |                  |                 |                  |                    |                  |                 |                  |
| Fellowship & Chartership fees                    | 441,442            | -                | -               | 441,442          | 576,772            | -                | -               | 576,772          |
| Corporate Patrons fees                           | 111,000            | -                | -               | 111,000          | 98,953             | -                | -               | 98,953           |
| Accreditation                                    | 17,791             | -                | -               | 17,791           | 21,500             | -                | -               | 21,500           |
| Specialist & Regional Groups                     | 107,125            | -                | -               | 107,125          | 126,514            | -                | -               | 126,514          |
| Other Fellowship Income                          | 562                | -                | -               | 562              | -                  | -                | -               | -                |
| <b>Sub-total:</b>                                | <b>677,920</b>     | <b>-</b>         | <b>-</b>        | <b>677,920</b>   | <b>823,739</b>     | <b>-</b>         | <b>-</b>        | <b>823,739</b>   |
| <b>3.c Scholarly publishing</b>                  |                    |                  |                 |                  |                    |                  |                 |                  |
| Book sales & distribution                        | 237,849            | -                | -               | 237,849          | 448,949            | -                | -               | 448,949          |
| Lyell Collection                                 | 1,552,755          | -                | -               | 1,552,755        | 1,522,993          | -                | -               | 1,522,993        |
| GSL journals                                     | 474,431            | -                | -               | 474,431          | 543,643            | -                | -               | 543,643          |
| Non-GSL Journals                                 | 38,387             | -                | -               | 38,387           | 34,659             | -                | -               | 34,659           |
| Geology Today                                    | 12,886             | -                | -               | 12,886           | 12,937             | -                | -               | 12,937           |
| Geofacets                                        | 38,464             | -                | -               | 38,464           | 38,390             | -                | -               | 38,390           |
| Geoscientist                                     | 11,096             | -                | -               | 11,096           | 7,164              | -                | -               | 7,164            |
| GSW Ebooks                                       | 78,472             | -                | -               | 78,472           | 73,285             | -                | -               | 73,285           |
| Royalties & copying income                       | 158,974            | -                | -               | 158,974          | 159,570            | -                | -               | 159,570          |
| Other Publishing Income                          | 279                | -                | -               | 279              | -                  | -                | -               | -                |
| Membership fees redistributed                    | 729,247            | -                | -               | 729,247          | 646,286            | -                | -               | 646,286          |
| <b>Sub-total:</b>                                | <b>3,332,840</b>   | <b>-</b>         | <b>-</b>        | <b>3,332,840</b> | <b>3,487,876</b>   | <b>-</b>         | <b>-</b>        | <b>3,487,876</b> |
| <b>3.d Library &amp; Archives</b>                |                    |                  |                 |                  |                    |                  |                 |                  |
| Library Income                                   | 19,820             | -                | -               | 19,820           | 23,486             | -                | -               | 23,486           |
| Membership fees redistributed                    | 632,142            | -                | -               | 632,142          | 560,609            | -                | -               | 560,609          |
| <b>Sub-total:</b>                                | <b>651,962</b>     | <b>-</b>         | <b>-</b>        | <b>651,962</b>   | <b>584,095</b>     | <b>-</b>         | <b>-</b>        | <b>584,095</b>   |
| <b>Grand total:</b>                              | <b>5,039,057</b>   | <b>-</b>         | <b>-</b>        | <b>5,039,057</b> | <b>5,338,566</b>   | <b>-</b>         | <b>-</b>        | <b>5,338,566</b> |

#### 4 Other trading activities

| Consolidated Income<br>Analysis of<br>Other trading activities | 2019                       |                          |                         |                     | 2018                       |                          |                         |                     |
|----------------------------------------------------------------|----------------------------|--------------------------|-------------------------|---------------------|----------------------------|--------------------------|-------------------------|---------------------|
|                                                                | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | Total<br>Funds<br>£ | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | Total<br>Funds<br>£ |
| Room hire: Fellows & associates                                | 74,219                     |                          |                         | 74,219              | 70,053                     | -                        | -                       | 70,053              |
| Room hire: subsidiary company                                  | 38,298                     |                          |                         | 38,298              | 20,873                     | -                        | -                       | 20,873              |
| Catering: Fellows & associates                                 | 101,951                    |                          |                         | 101,951             | 86,728                     | -                        | -                       | 86,728              |
| Catering: subsidiary company                                   | 26,244                     |                          |                         | 26,244              | 18,198                     | -                        | -                       | 18,198              |
| Other activities                                               | 15,638                     |                          |                         | 15,638              | 22,000                     | -                        | -                       | 22,000              |
| Membership fees redistributed                                  | 13,653                     |                          |                         | 13,653              | 15,233                     | -                        | -                       | 15,233              |
| <b>Grand total:</b>                                            | <b>270,003</b>             | <b>-</b>                 | <b>-</b>                | <b>270,003</b>      | <b>233,085</b>             | <b>-</b>                 | <b>-</b>                | <b>233,085</b>      |

| Charity-only Income<br>Analysis of<br>Other trading activities | 2019                       |                          |                         |                     | 2018                       |                          |                         |                     |
|----------------------------------------------------------------|----------------------------|--------------------------|-------------------------|---------------------|----------------------------|--------------------------|-------------------------|---------------------|
|                                                                | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | Total<br>Funds<br>£ | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | Total<br>Funds<br>£ |
| Room hire: Fellows & associates                                | 85,219                     | -                        |                         | 85,219              | 70,054                     | -                        | -                       | 70,054              |
| Catering: Fellows & associates                                 | 101,951                    | -                        |                         | 101,951             | 86,728                     | -                        | -                       | 86,728              |
| Other activities                                               | 4,638                      |                          |                         | 4,638               | 22,000                     | -                        | -                       | 22,000              |
| Membership fees redistributed                                  | 13,653                     |                          |                         | 13,653              | 15,233                     | -                        | -                       | 15,233              |
| Management Charge to GTL                                       | -                          |                          |                         | -                   | -                          | -                        | -                       | -                   |
| <b>Grand total:</b>                                            | <b>205,461</b>             | <b>-</b>                 | <b>-</b>                | <b>205,461</b>      | <b>194,015</b>             | <b>-</b>                 | <b>-</b>                | <b>194,015</b>      |

#### 5 Investment income

| Analysis of<br>Investment income | 2019                       |                          |                         |                     | 2018                       |                          |                         |                     |
|----------------------------------|----------------------------|--------------------------|-------------------------|---------------------|----------------------------|--------------------------|-------------------------|---------------------|
|                                  | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | Total<br>Funds<br>£ | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | Total<br>Funds<br>£ |
| Investment income received       | 204,063                    | 16,619                   | -                       | 220,682             | 203,428                    | 17,176                   | -                       | 220,604             |
| Bank interest on funds held      | 7,433                      | -                        | -                       | 7,433               | 7,098                      | -                        | -                       | 7,098               |
| <b>Grand total:</b>              | <b>211,496</b>             | <b>16,619</b>            | <b>-</b>                | <b>228,115</b>      | <b>210,526</b>             | <b>17,176</b>            | <b>-</b>                | <b>227,702</b>      |

#### 6 Other income

No other income was recorded in 2019 (2018:£0).

## 7 Expenditure on raising funds

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

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

### 7.a Room hire and catering

| Analysis of Consolidated Room hire & catering costs | 2019               |                  |                 |                | 2018               |                  |                 |                |
|-----------------------------------------------------|--------------------|------------------|-----------------|----------------|--------------------|------------------|-----------------|----------------|
|                                                     | Unrestricted Funds | Restricted Funds | Endowment Funds | Total Funds    | Unrestricted Funds | Restricted Funds | Endowment Funds | Total Funds    |
|                                                     | £                  | £                | £               | £              | £                  | £                | £               | £              |
| Room hire costs                                     | 36,306             | -                | -               | 36,306         | 16,248             | -                | -               | 16,248         |
| Catering costs                                      | 110,021            | -                | -               | 110,021        | 109,403            | -                | -               | 109,403        |
| Direct staff costs                                  | -                  | -                | -               | -              | -                  | -                | -               | -              |
| Overheads recharged                                 | 43,311             | -                | -               | 43,311         | 62,367             | -                | -               | 62,367         |
| <b>Grand total:</b>                                 | <b>189,638</b>     | <b>-</b>         | <b>-</b>        | <b>189,638</b> | <b>188,018</b>     | <b>-</b>         | <b>-</b>        | <b>188,018</b> |

| Analysis of Charity Only Room hire & catering costs | 2019               |                  |                 |                | 2018               |                  |                 |                |
|-----------------------------------------------------|--------------------|------------------|-----------------|----------------|--------------------|------------------|-----------------|----------------|
|                                                     | Unrestricted Funds | Restricted Funds | Endowment Funds | Total Funds    | Unrestricted Funds | Restricted Funds | Endowment Funds | Total Funds    |
|                                                     | £                  | £                | £               | £              | £                  | £                | £               | £              |
| Room hire costs                                     | 18,145             | -                | -               | 18,145         | 12,647             | -                | -               | 12,647         |
| Catering costs                                      | 96,180             | -                | -               | 96,180         | 94,403             | -                | -               | 94,403         |
| Direct staff costs                                  | -                  | -                | -               | -              | -                  | -                | -               | -              |
| Overheads recharged                                 | 43,311             | -                | -               | 43,311         | 46,650             | -                | -               | 46,650         |
| <b>Grand total:</b>                                 | <b>157,636</b>     | <b>-</b>         | <b>-</b>        | <b>157,636</b> | <b>153,700</b>     | <b>-</b>         | <b>-</b>        | <b>153,700</b> |

### 7.b Investment management

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

The increase in management costs from £15k in 2018 to £50k in 2019 arose as a result of improved identification. Note that the basis of charge, therefore the proportion of charge against fund value, did not change.

**8 Expenditure on charitable activities**

**Analysis of charitable expenditure:**

| Analysis of Charitable activity                  | 2019                    |                       |                      |                  | 2018                    |                       |                      |                  |
|--------------------------------------------------|-------------------------|-----------------------|----------------------|------------------|-------------------------|-----------------------|----------------------|------------------|
|                                                  | Unrestricted Funds<br>£ | Restricted Funds<br>£ | Endowment Funds<br>£ | Total Funds<br>£ | Unrestricted Funds<br>£ | Restricted Funds<br>£ | Endowment Funds<br>£ | Total Funds<br>£ |
| <b>8.a Science &amp; education</b>               |                         |                       |                      |                  |                         |                       |                      |                  |
| Flagship meetings & events                       | 59,643                  | -                     | -                    | <b>59,643</b>    | 111,960                 | -                     | -                    | 111,960          |
| Petroleum Group meetings                         | 187,848                 | -                     | -                    | <b>187,848</b>   | 177,551                 | -                     | -                    | 177,551          |
| Other scientific & educational events            | 27,723                  | -                     | -                    | <b>27,723</b>    | 42,101                  | -                     | -                    | 42,101           |
| Science & Education Committee                    | 28,019                  | 34,327                | 2,350                | <b>64,696</b>    | 62,376                  | 33,726                | 2,000                | 98,102           |
| Direct staff costs                               | 531,462                 | -                     | -                    | <b>531,462</b>   | 497,928                 | -                     | -                    | 497,928          |
| Overheads recharged                              | 506,154                 | -                     | -                    | <b>506,154</b>   | 603,222                 | -                     | -                    | 603,222          |
| <b>Sub-total:</b>                                | <b>1,340,849</b>        | <b>34,327</b>         | <b>2,350</b>         | <b>1,377,526</b> | <b>1,495,138</b>        | <b>33,726</b>         | <b>2,000</b>         | <b>1,530,864</b> |
| <b>8.b Professional &amp; academic standards</b> |                         |                       |                      |                  |                         |                       |                      |                  |
| Fellowship support                               | 77,151                  | 1,884                 | -                    | <b>79,035</b>    | 48,232                  | -                     | -                    | 48,232           |
| Corporate Patrons                                | -                       | -                     | -                    | <b>-</b>         | 3,037                   | -                     | -                    | 3,037            |
| Accreditation                                    | 1,762                   | -                     | -                    | <b>1,762</b>     | 2,151                   | -                     | -                    | 2,151            |
| Professional Committee                           | 8,375                   | -                     | -                    | <b>8,375</b>     | 34,511                  | -                     | -                    | 34,511           |
| Specialist & Regional Groups                     | 146,590                 | -                     | -                    | <b>146,590</b>   | 131,237                 | -                     | -                    | 131,237          |
| Direct staff costs                               | 252,668                 | -                     | -                    | <b>252,668</b>   | 233,548                 | -                     | -                    | 233,548          |
| Overheads recharged                              | 209,847                 | -                     | -                    | <b>209,847</b>   | 214,970                 | -                     | -                    | 214,970          |
| <b>Sub-total:</b>                                | <b>696,393</b>          | <b>1,884</b>          | <b>-</b>             | <b>698,277</b>   | <b>667,686</b>          | <b>-</b>              | <b>-</b>             | <b>667,686</b>   |
| <b>8.c Scholarly publishing</b>                  |                         |                       |                      |                  |                         |                       |                      |                  |
| Book sales & distribution                        | 243,256                 | 27,804                | 10,456               | <b>281,516</b>   | 363,411                 | -                     | -                    | 363,411          |
| Lyell Collection                                 | 180,143                 | -                     | -                    | <b>180,143</b>   | 149,391                 | -                     | -                    | 149,391          |
| GSL journals                                     | 213,871                 | -                     | -                    | <b>213,871</b>   | 166,863                 | -                     | -                    | 166,863          |
| Non-GSL Journals                                 | 20,993                  | -                     | -                    | <b>20,993</b>    | 19,553                  | -                     | -                    | 19,553           |
| Geoscientist                                     | 167,105                 | -                     | -                    | <b>167,105</b>   | 178,685                 | -                     | -                    | 178,685          |
| GSW E-books                                      | 1,744                   | -                     | -                    | <b>1,744</b>     | 2,965                   | -                     | -                    | 2,965            |
| Publishing House running costs                   | 357,529                 | -                     | -                    | <b>357,529</b>   | 284,974                 | -                     | -                    | 284,974          |
| Direct staff costs                               | 880,927                 | -                     | -                    | <b>880,927</b>   | 822,051                 | -                     | -                    | 822,051          |
| Overheads recharged                              | 613,363                 | -                     | -                    | <b>613,363</b>   | 640,988                 | -                     | -                    | 640,988          |
| <b>Sub-total:</b>                                | <b>2,678,931</b>        | <b>27,804</b>         | <b>10,456</b>        | <b>2,717,191</b> | <b>2,628,881</b>        | <b>-</b>              | <b>-</b>             | <b>2,628,881</b> |
| <b>8.d Library &amp; Archives</b>                |                         |                       |                      |                  |                         |                       |                      |                  |
| Library running costs                            | 153,302                 | 543                   | -                    | <b>153,845</b>   | 137,582                 | -                     | -                    | 137,582          |
| Direct staff costs                               | 339,765                 | -                     | -                    | <b>339,765</b>   | 314,216                 | -                     | -                    | 314,216          |
| Overheads recharged                              | 622,828                 | -                     | -                    | <b>622,828</b>   | 695,125                 | -                     | -                    | 695,125          |
| <b>Sub-total:</b>                                | <b>1,115,895</b>        | <b>543</b>            | <b>-</b>             | <b>1,116,438</b> | <b>1,146,923</b>        | <b>-</b>              | <b>-</b>             | <b>1,146,923</b> |
| <b>Grand total:</b>                              | <b>5,832,068</b>        | <b>64,558</b>         | <b>12,806</b>        | <b>5,909,432</b> | <b>5,938,628</b>        | <b>33,726</b>         | <b>2,000</b>         | <b>5,974,354</b> |

## 9 Support, facilities and governance costs

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

### (i) Facilities overheads

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

| Analysis of<br>Facilities overheads          | 2019<br>Total<br>Costs<br>£ | 2018<br>Total<br>Costs<br>£ |
|----------------------------------------------|-----------------------------|-----------------------------|
| Burlington House running & maintenance costs | 631,552                     | 783,336                     |
| Facilities manager staff cost                | 45,460                      | 47,228                      |
| <b>Grand total:</b>                          | <b>677,012</b>              | <b>830,564</b>              |

Note: £128,955 of the above total in 2019 (2018: £158,203) is allocated to support staff and governance costs before being re-allocated as part of those costs.

### (ii) Support staff overheads

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

| Analysis of<br>Support overheads | 2019<br>Total<br>Costs<br>£ | 2018<br>Total<br>Costs<br>£ |
|----------------------------------|-----------------------------|-----------------------------|
| Executive                        | 380,987                     | 449,247                     |
| Finance                          | 301,575                     | 297,844                     |
| HR Support                       | 122,403                     | 117,756                     |
| IT Support                       | 438,937                     | 462,859                     |
| Marketing                        | 12,335                      | 92,699                      |
| Business Development             | 80,725                      | 21,915                      |
| <b>Grand total:</b>              | <b>1,336,962</b>            | <b>1,442,320</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<br>Governance overheads    | 2019<br>Total<br>Costs<br>£ | 2018<br>Total<br>Costs<br>£ |
|----------------------------------------|-----------------------------|-----------------------------|
| Audit fees                             | 50,987                      | 25,603                      |
| Annual report                          | 6,580                       | 6,829                       |
| Council elections                      | 5,469                       | 5,126                       |
| Trustees' expenses                     | 13,509                      | 20,829                      |
| Share of Facilities overhead recharged | 41,293                      | 50,658                      |
| <b>Grand total:</b>                    | <b>117,838</b>              | <b>109,045</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               | 2019            |                  |                |                     | 2018            |                  |                |                     |
|-----------------------------------|-----------------|------------------|----------------|---------------------|-----------------|------------------|----------------|---------------------|
|                                   | Facilities<br>£ | Support          |                | Total<br>Costs<br>£ | Facilities<br>£ | Support          |                | Total<br>Costs<br>£ |
|                                   |                 | Staff            | Governance     |                     |                 | Staff            | Governance     |                     |
| <b>Charitable activities</b>      |                 |                  |                |                     |                 |                  |                |                     |
| Science & education               | 141,154         | 354,072          | 10,928         | 506,154             | 173,169         | 419,940          | 10,113         | 603,222             |
| Professional & academic standards | 26,014          | 169,996          | 13,837         | 209,847             | 31,914          | 170,251          | 12,805         | 214,970             |
| Scholarly publishing              | 8,491           | 533,442          | 71,430         | 613,363             | 10,417          | 564,470          | 66,101         | 640,988             |
| Library & archives                | 339,330         | 271,675          | 11,823         | 622,828             | 416,293         | 267,891          | 10,941         | 695,125             |
| <b>Other activities</b>           |                 |                  |                |                     |                 |                  |                |                     |
| Trading                           | 32,686          | 6,267            | 4,358          | 43,311              | 40,100          | 18,234           | 4,033          | 62,367              |
| Investments                       | 382             | 1,510            | 5,462          | 7,354               | 468             | 1,534            | 5,054          | 7,056               |
|                                   | <b>548,057</b>  | <b>1,336,962</b> | <b>117,838</b> | <b>2,002,857</b>    | <b>672,361</b>  | <b>1,442,320</b> | <b>109,047</b> | <b>2,223,728</b>    |

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

**10 Trustees' remuneration and expenses**

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

| Analysis of Trustees' expenses | 2019<br>Totals<br>£ | 2018<br>Totals<br>£ |
|--------------------------------|---------------------|---------------------|
| Total value of expenses paid   | 13,509              | 20,829              |
| Total number of trustees paid  | 24                  | 23                  |

**11 Transactions with related parties**

The Society recharged costs to its trading company, Geological Trading Limited, in the year of £14,145 (2018: £15,716).

**12 Staff costs and employee benefits**

Total staff costs for the Society are set out below:

| Analysis of Staff costs | 2019<br>Total<br>Costs<br>£ | 2018<br>Total<br>Costs<br>£ |
|-------------------------|-----------------------------|-----------------------------|
| Wages and salaries      | 2,147,736                   | 2,041,618                   |
| Social security costs   | 215,495                     | 199,996                     |
| Pension contributions   | 186,767                     | 175,762                     |
| <b>Sub-total:</b>       | <b>2,549,998</b>            | <b>2,417,376</b>            |
| Temps & agency staff    | 219,026                     | 263,310                     |
| Staff insurance         | 18,101                      | 25,980                      |
| Recruitment costs       | 11,306                      | 37,014                      |
| <b>Sub-total:</b>       | <b>248,433</b>              | <b>326,304</b>              |
| <b>Grand total:</b>     | <b>2,798,431</b>            | <b>2,743,680</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.

**13 Staff numbers**

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

| Analysis of<br>Staff numbers (average FTE equivalent headcount) | 2019<br>Totals | 2018<br>Totals |
|-----------------------------------------------------------------|----------------|----------------|
| <b>Charitable activities</b>                                    |                |                |
| Science & education                                             | 10.8           | 11.6           |
| Professional & academic standards                               | 4.7            | 5.8            |
| Scholarly publishing                                            | 16.9           | 18.2           |
| Library & archives                                              | 6.5            | 6.5            |
| <b>Other activities</b>                                         |                |                |
| Trading                                                         | 0.5            | 0.5            |
| Investments                                                     | 0.1            | 0.1            |
| <b>Support</b>                                                  |                |                |
| Support staff                                                   | 9.1            | 9.1            |
| <b>Grand total:</b>                                             | <b>48.6</b>    | <b>51.8</b>    |

The average monthly headcount was 55 staff (2018:58)

**14 Remuneration of higher paid staff**

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

|                     | 2019<br>Number | 2018<br>Number |
|---------------------|----------------|----------------|
| £130,000 - £139,999 | 1              | 1              |
| £90,000 - £99,999   | 1              | 1              |
| £80,000 - £89,999   | 1              | -              |
| £60,000 - £69,999   | 1              | -              |
|                     | <b>4</b>       | <b>2</b>       |

**15 Remuneration of key management personnel**

The total employee benefits of the 4 key management personnel during the year, which comprised salary and pension benefits, were £421,837 (2018: £314,945) and Employers National Insurance of £48,315 (2018: £36,521). For clarification, 2 senior employees commenced employment during second half of 2018 resulting in a materially lower cost in comparison with 2019.

**16 Intangible assets: website and systems development**

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

| Analysis of Intangible assets             | Website             |                     | IT Systems          |                     | Total Intangible Assets |                     |
|-------------------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|---------------------|
|                                           | 2019<br>Totals<br>£ | 2018<br>Totals<br>£ | 2019<br>Totals<br>£ | 2018<br>Totals<br>£ | 2019<br>Totals<br>£     | 2018<br>Totals<br>£ |
| <b>Cost or valuation brought forward:</b> | <b>211,405</b>      | 211,405             | <b>894,412</b>      | 710,787             | <b>1,105,817</b>        | 922,192             |
| - Acquisitions in year:                   | -                   | -                   | -                   | 183,625             | -                       | 183,625             |
| - Disposals in year:                      | -                   | -                   | -                   | -                   | -                       | -                   |
| - Revaluations in year:                   | -                   | -                   | -                   | -                   | -                       | -                   |
| - Transfers in year:                      | -                   | -                   | -                   | -                   | -                       | -                   |
| <b>Cost or valuation carried forward:</b> | <b>211,405</b>      | 211,405             | <b>894,412</b>      | 894,412             | <b>1,105,817</b>        | 1,105,817           |
| <b>Cumulative amortization b/fwd:</b>     | <b>(187,004)</b>    | (164,632)           | <b>(128,892)</b>    | (43,713)            | <b>(315,896)</b>        | (208,345)           |
| - Adjustments on disposal:                | -                   | -                   | -                   | -                   | -                       | -                   |
| - Amortization charged:                   | <b>(17,013)</b>     | (22,372)            | <b>(98,825)</b>     | (85,179)            | <b>(115,838)</b>        | (107,551)           |
| - Impairment provisions                   | -                   | -                   | -                   | -                   | -                       | -                   |
| - Transfers:                              | -                   | -                   | -                   | -                   | -                       | -                   |
| <b>Cumulative amortization c/fwd:</b>     | <b>(204,017)</b>    | (187,004)           | <b>(227,717)</b>    | (128,892)           | <b>(431,734)</b>        | (315,896)           |
| <b>Net book value brought forward:</b>    | <b>24,401</b>       | 46,773              | <b>765,520</b>      | 667,074             | <b>789,921</b>          | 713,847             |
| Total movements in year:                  | <b>(17,013)</b>     | (22,372)            | <b>(98,825)</b>     | 98,446              | <b>(115,838)</b>        | 76,074              |
| <b>Net book value carried forward:</b>    | <b>7,388</b>        | 24,401              | <b>666,695</b>      | 765,520             | <b>674,083</b>          | 789,921             |

**17 Tangible assets**

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

|                                   |               |
|-----------------------------------|---------------|
| Leasehold property:               | 10% per annum |
| Equipment, fixtures and fittings: | 15% per annum |

Computer equipment: 25% per annum

| Analysis of Tangible assets               | Property           |                  | Equipment        |                  | Computers          |                  | Total Tangible Assets |                  |
|-------------------------------------------|--------------------|------------------|------------------|------------------|--------------------|------------------|-----------------------|------------------|
|                                           | 2019 Totals<br>£   | 2018 Totals<br>£ | 2019 Totals<br>£ | 2018 Totals<br>£ | 2019 Totals<br>£   | 2018 Totals<br>£ | 2019 Totals<br>£      | 2018 Totals<br>£ |
| <b>Cost or valuation brought forward:</b> | <b>1,497,600</b>   | 1,496,969        | <b>840,280</b>   | 810,781          | <b>1,932,379</b>   | 1,897,497        | <b>4,270,259</b>      | 4,205,247        |
| - Acquisitions in year:                   | <b>53,451</b>      | 631              | <b>12,735</b>    | 29,499           | <b>12,466</b>      | 34,882           | <b>78,652</b>         | 65,012           |
| - Disposals in year:                      | -                  | -                | -                | -                | -                  | -                | -                     | -                |
| - Revaluations in year:                   | -                  | -                | -                | -                | -                  | -                | -                     | -                |
| - Transfers in year:                      | -                  | -                | -                | -                | -                  | -                | -                     | -                |
| <b>Cost or valuation carried forward:</b> | <b>1,551,051</b>   | 1,497,600        | <b>853,015</b>   | 840,280          | <b>1,944,845</b>   | 1,932,379        | <b>4,348,911</b>      | 4,270,259        |
| <b>Cumulative depreciation b/fwd:</b>     | <b>(1,119,595)</b> | (1,085,531)      | <b>(744,965)</b> | (714,663)        | <b>(1,841,131)</b> | (1,795,396)      | <b>(3,705,691)</b>    | (3,595,590)      |
| - Adjustments on disposal:                | -                  | -                | -                | -                | -                  | -                | -                     | -                |
| - Depreciation charged:                   | <b>(34,118)</b>    | (34,064)         | <b>(30,525)</b>  | (30,302)         | <b>(35,589)</b>    | (45,735)         | <b>(100,232)</b>      | (110,101)        |
| - Impairment provisions                   | -                  | -                | -                | -                | -                  | -                | -                     | -                |
| - Transfers:                              | -                  | -                | -                | -                | -                  | -                | -                     | -                |
| <b>Cumulative depreciation c/fwd:</b>     | <b>(1,153,713)</b> | (1,119,595)      | <b>(775,490)</b> | (744,965)        | <b>(1,876,720)</b> | (1,841,131)      | <b>(3,805,923)</b>    | (3,705,691)      |
| <b>Net book value brought forward:</b>    | <b>378,005</b>     | 411,439          | <b>95,315</b>    | 96,118           | <b>91,248</b>      | 102,101          | <b>564,568</b>        | 609,658          |
| Total movements in year:                  | <b>19,333</b>      | (33,434)         | <b>(17,790)</b>  | (803)            | <b>(23,123)</b>    | (10,853)         | <b>(21,580)</b>       | (45,090)         |
| <b>Net book value carried forward:</b>    | <b>397,338</b>     | 378,005          | <b>77,525</b>    | 95,315           | <b>68,125</b>      | 91,248           | <b>542,988</b>        | 564,568          |

## 18 Heritage assets

The Society classifies the following assets as Heritage Assets within the terms defined by the Charities SORP 2019:

- (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.

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| Analysis of<br>Heritage assets                  | Heritage Assets     |                     |
|-------------------------------------------------|---------------------|---------------------|
|                                                 | 2019<br>Totals<br>£ | 2018<br>Totals<br>£ |
| <b>Cost or valuation brought forward:</b>       | <b>2,104,301</b>    | 1,939,654           |
| - Acquisitions in year:                         | 171,694             | 164,647             |
| - Disposals in year:                            | -                   | -                   |
| - Revaluations in year:                         | -                   | -                   |
| - Transfers in year:                            | -                   | -                   |
| <b>Cost or valuation carried forward:</b>       | <b>2,275,995</b>    | 2,104,301           |
| <b>Cumulative depreciation brought forward:</b> | <b>(904,199)</b>    | (798,984)           |
| - Adjustments on disposal:                      | -                   | -                   |
| - Depreciation charged:                         | (113,800)           | (105,215)           |
| - Impairment provisions                         | -                   | -                   |
| - Transfers:                                    | -                   | -                   |
| <b>Cumulative depreciation carried forward:</b> | <b>(1,017,999)</b>  | (904,199)           |
| <b>Net book value brought forward:</b>          | <b>1,200,102</b>    | 1,140,670           |
| Total movements in year:                        | 57,894              | 59,432              |
| <b>Net book value carried forward:</b>          | <b>1,257,996</b>    | 1,200,102           |

| Analysis of<br>Net Book Value by class of assets | 2019<br>Totals<br>£ | 2018<br>Totals<br>£ |
|--------------------------------------------------|---------------------|---------------------|
| (i) General holdings                             | 4,000               | 8,000               |
| (ii) Books                                       | 35,258              | 38,726              |
| (iii) Bindings                                   | 61,238              | 60,574              |
| (iv) Maps                                        | 29,213              | 30,984              |
| (v) Periodicals                                  | 1,128,287           | 1,061,818           |
| <b>Grand total:</b>                              | <b>1,257,996</b>    | 1,200,102           |

The Charities SORP 2019 requires that the Society provide a 5-year summary of Heritage Asset transactions. This is set out below:

| Five-year summary of<br>Heritage asset transactions | 2015<br>£      | 2016<br>£      | 2017<br>£      | 2018<br>£      | 2019<br>£      |
|-----------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Cost of acquisition:</b>                         |                |                |                |                |                |
| (i) General holdings                                | -              | -              | -              | -              | -              |
| (ii) Books                                          | 5,961          | 4,766          | 3,119          | 3,934          | 615            |
| (iii) Bindings                                      | 6,235          | 6,148          | 6,585          | 6,713          | 6,609          |
| (iv) Maps                                           | 5,267          | 6,072          | 699            | 2,002          | 1,320          |
| (v) Periodicals                                     | 114,928        | 153,151        | 135,570        | 151,998        | 163,150        |
|                                                     | <b>132,391</b> | <b>170,137</b> | <b>145,973</b> | <b>164,647</b> | <b>171,694</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.

**19 Fixed asset investments**

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

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

|                                          | 2019             | 2018             |
|------------------------------------------|------------------|------------------|
| Summary of Fixed asset investment totals | Total<br>£       | Total<br>£       |
| Listed and traded investments            | 6,530,135        | 5,763,243        |
| Portfolio cash                           | 118,572          | 145,363          |
| <b>Grand total:</b>                      | <b>6,648,707</b> | <b>5,908,606</b> |

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

| Analysis of Fixed asset investments      | Listed & Traded     |                     | Portfolio Cash      |                     |
|------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                          | 2019<br>Totals<br>£ | 2018<br>Totals<br>£ | 2019<br>Totals<br>£ | 2018<br>Totals<br>£ |
| <b>Market valuation brought forward:</b> | 5,763,243           | 6,122,117           | 145,363             | 182,119             |
| - Purchases in year at cost:             | 5,207,003           | 575,451             | (5,207,003)         | (575,451)           |
| - Sales in year at cost:                 | (4,808,161)         | (419,392)           | 4,808,161           | 419,392             |
| - Gains or losses on disposal:           | -                   | -                   | -                   | 26,583              |
| - Changes in market value of assets:     | 426,407             | (514,933)           | 313,694             | 5,828               |
| - Other charges and adjustments:         | (58,357)            | -                   | 58,357              | 86,892              |
| <b>Market valuation carried forward:</b> | <b>6,530,135</b>    | <b>5,763,243</b>    | <b>118,572</b>      | <b>145,363</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 2019:

| Analysis of Significant investments held            | Market value<br>at 31 Dec 2019<br>£ |
|-----------------------------------------------------|-------------------------------------|
| <b>Bonds:-</b>                                      |                                     |
| SARASIN RESPONSIBLE CORPORATE BOND - I INC          | 289,650                             |
|                                                     | <b>289,650</b>                      |
| <b>Property &amp; Other funds:-</b>                 |                                     |
| MAYFAIR CAPITAL PROPERTY INCOME TRUST CHARITIES GBP | 177,011                             |
| THE CHARITIES PROPERTY FUND                         | 427,674                             |
| ALPES 2008                                          | 169,369                             |
|                                                     | <b>774,054</b>                      |

## 20 Other gains/(losses) in year

The Society maintains US Dollar bank accounts which are accounted for in these statements at equivalent Sterling value. A strengthening of the Pound against the US Dollar resulted in unrealised losses during the year that were somewhat mitigated by the sale of some dollars during the year as exchange rate conditions allowed.

|                                                                  | 2019<br>£       | 2018<br>£      |
|------------------------------------------------------------------|-----------------|----------------|
| Total value of US Dollar cash at bank included in balance sheet: | 1,287,913       | 830,624        |
| Foreign currency exchange rate gains/(losses) in year:           | <u>(46,014)</u> | <u>129,625</u> |

## 21 Stocks

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

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

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

| Analysis of Stock                    | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
|--------------------------------------|--------------------|--------------------|
| Geological Society finished stock:   | 191,019            | 210,928            |
| Geological Society Work In Progress: | 45,047             | 79,745             |
| Third-party sale stock:              | 7,371              | 1,367              |
| <b>Total:</b>                        | <b>243,437</b>     | <b>292,040</b>     |
| Total finished stock:                | 198,390            | 212,295            |
| Total work in progress:              | 45,047             | 79,745             |
| <b>Total:</b>                        | <b>243,437</b>     | <b>292,040</b>     |

## 22 Debtors

Debtors include amounts owed to the Society for the provision of goods and services and amounts paid in advance by the Society for goods and services it will receive. Debt is measured at its anticipated recoverable amount, in accordance with the Charities SORP 2019. Debt over 12 months old is provided for in full and written off when adjudged unrecoverable. Where this provision is adjusted year on year, the charge or credit is taken to the Statement of Financial Activities.



| Analysis of Debtors                        | Group              |                    | Charity            |                    |
|--------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                            | 2019<br>Total<br>£ | 2018<br>Total<br>£ | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
| <b>Amounts falling due within one year</b> |                    |                    |                    |                    |
| Trade debtors:                             | 123,090            | 59,879             | 96,559             | 58,313             |
| Group and associated undertakings:         | -                  | -                  | 98,840             | 81,464             |
| Prepayments and accrued income:            | 154,536            | 187,316            | 154,536            | 187,316            |
| Other debtors:                             | 34,898             | 40,695             | 34,898             | 40,695             |
| <b>Grand total:</b>                        | <b>312,524</b>     | <b>287,890</b>     | <b>384,833</b>     | <b>367,788</b>     |

## 23 Current asset investments

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

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

| Analysis of Current asset investments | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
|---------------------------------------|--------------------|--------------------|
| Money market account:                 | 1,231,618          | 318,573            |
| <b>Grand total:</b>                   | <b>1,231,618</b>   | <b>318,573</b>     |

**24 Creditors**

Creditors includes those amounts that the Society owes in payment for goods and services received, as well as advance payments received by the Society for goods or services that it is yet to provide. In both cases the settlement date falls within one year and value is measured at anticipated settlement amount, in accordance with the Charities SORP 2019. There are no amounts falling due to creditors after one year.

| Analysis of Creditors                      | Group              |                    | Charity            |                    |
|--------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                            | 2019<br>Total<br>£ | 2018<br>Total<br>£ | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
| <b>Amounts falling due within one year</b> |                    |                    |                    |                    |
| Trade creditors:                           | (207,974)          | (101,963)          | (205,776)          | (98,773)           |
| Group and associated undertakings:         | -                  | -                  | (559)              | (559)              |
| Accruals:                                  | (184,841)          | (862,916)          | (184,841)          | (862,916)          |
| Deferred income:                           | (2,250,350)        | (2,017,808)        | (2,250,350)        | (2,017,808)        |
| Taxation and social security:              | (57,557)           | (64,921)           | (56,654)           | (64,921)           |
| Other creditors:                           | (48,943)           | (32,980)           | (48,943)           | (32,980)           |
| <b>Grand total:</b>                        | <b>(2,749,665)</b> | <b>(3,080,588)</b> | <b>(2,747,123)</b> | <b>(3,077,957)</b> |

| Movement in Deferred income               | Group              | Charity            |
|-------------------------------------------|--------------------|--------------------|
|                                           | 2019<br>Total<br>£ | 2019<br>Total<br>£ |
| Balance B/F                               | (2,017,808)        | (2,017,808)        |
| Amount Released to Income during the year | 2,129,977          | 2,129,977          |
| Amount deferred in the year               | (2,362,519)        | (2,362,519)        |
| Balance C/F                               | (2,250,350)        | (2,250,350)        |

**25 Financial instruments**

| Analysis of<br>Financial Instruments                       | Group              |                    | Charity            |                    |
|------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                            | 2019<br>Total<br>£ | 2018<br>Total<br>£ | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
| <b>Carrying amount of financial assets</b>                 |                    |                    |                    |                    |
| <b>Equity instruments measured at cost less impairment</b> | <b>6,530,135</b>   | 5,763,243          | <b>6,530,135</b>   | 5,763,243          |
| <b>Debt instruments measured at amortized cost</b>         | <b>157,988</b>     | 100,574            | <b>230,297</b>     | 180,472            |
| <i>being: -</i>                                            |                    |                    |                    |                    |
| Trade debtors                                              | 123,090            | 59,879             | 96,559             | 58,313             |
| Group undertakings                                         | -                  | -                  | 98,840             | 81,464             |
| Prepayments and accrued income                             | 154,536            | 187,316            | 154,536            | 187,316            |
| Less prepayments and accrued income                        | (154,536)          | (187,316)          | (154,536)          | (187,316)          |
| Other debtors                                              | 34,898             | 40,695             | 34,898             | 40,695             |
| <b>Total carrying amount of financial assets</b>           | <b>6,688,123</b>   | 5,863,817          | <b>6,760,432</b>   | 5,943,715          |
| <b>Carrying amount of financial liabilities</b>            |                    |                    |                    |                    |
| <b>Liability instruments measured at amortized cost</b>    | <b>314,474</b>     | 199,864            | <b>311,932</b>     | 197,233            |
| <i>being: -</i>                                            |                    |                    |                    |                    |
| Trade creditors                                            | 207,974            | 101,963            | 205,776            | 98,773             |
| Group undertakings                                         | -                  | -                  | 559                | 559                |
| Accruals and deferred income                               | 2,435,191          | 862,916            | 184,841            | 862,916            |
| Less accruals and deferred income                          | (2,435,191)        | (862,916)          | (184,841)          | (862,916)          |
| Taxation and social security                               | 57,557             | 64,921             | 56,654             | 64,921             |
| Other creditors                                            | 48,943             | 32,980             | 48,943             | 32,980             |

**26 Funds summary**

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

| Summary of<br>Funds              | Unrestricted       |                    | Restricted         |                    | Endowment          |                    | Total Funds        |                    |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                  | 2019<br>Total<br>£ | 2018<br>Total<br>£ | 2019<br>Total<br>£ | 2018<br>Total<br>£ | 2019<br>Total<br>£ | 2018<br>Total<br>£ | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
| <b>Balance brought forward:*</b> | <b>7,095,403</b>   | 7,605,578          | <b>823,843</b>     | 863,583            | <b>1,924,918</b>   | 2,024,201          | <b>9,844,164</b>   | 10,493,362         |
| Income in year:                  | <b>5,567,148</b>   | 5,808,918          | <b>16,619</b>      | 17,176             | -                  | -                  | <b>5,583,767</b>   | 5,826,094          |
| Expenditure in year:             | <b>(6,068,252)</b> | (6,141,718)        | <b>(65,211)</b>    | (33,726)           | <b>(15,546)</b>    | (2,000)            | <b>(6,149,009)</b> | (6,177,444)        |
| Transfers in year:               | <b>(7,012)</b>     | -                  | <b>7,012</b>       | -                  | -                  | -                  | -                  | -                  |
| Corporation Tax                  | <b>(903)</b>       | -                  | -                  | -                  | -                  | -                  | <b>(903)</b>       | -                  |
| Gains and losses:                | <b>409,642</b>     | (177,375)          | <b>54,753</b>      | (23,190)           | <b>229,692</b>     | (97,283)           | <b>694,087</b>     | (297,848)          |
| <b>Balance carried forward:</b>  | <b>6,996,026</b>   | 7,095,403          | <b>837,016</b>     | 823,843            | <b>2,139,064</b>   | 1,924,918          | <b>9,972,106</b>   | 9,844,164          |

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|                                |
|--------------------------------|
| <b>27 Unrestricted funds -</b> |
|--------------------------------|

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.

£7,012 was transferred from this fund to cover the overdrawn balances on 2 restricted funds.

**d. Coke Fund**

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

**Designated funds: -**

**e. Constituted Specialist and Regional Groups**

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

**f. Burlington House Buildings Fund**

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

**g. Other Designated Funds**

| Consolidated Analysis of Unrestricted income funds | Balance B/fwd    | Income           | Expenditure        | Transfers      | Gains          | Balance C/fwd    |
|----------------------------------------------------|------------------|------------------|--------------------|----------------|----------------|------------------|
|                                                    | £                | £                | £                  | £              | £              | £                |
| <b>General funds -</b>                             |                  |                  |                    |                |                |                  |
| a. General Fund                                    | 49,714           | 5,448,408        | (5,460,748)        | -              | -              | 37,374           |
| b. Curry Funds                                     | 3,362,963        | -                | (427,508)          | -              | 137,983        | 3,073,438        |
| c. Mills Fund                                      | 275,108          | -                | -                  | (7,012)        | 12,722         | 280,818          |
| d. Coke Fund                                       | 1,678,299        | -                | (50,000)           | -              | 174,246        | 1,802,545        |
| e. Other General Funds                             | 46,067           | -                | -                  | -              | 2,256          | 48,323           |
| <b>Sub-total:</b>                                  | <b>5,412,151</b> | <b>5,448,408</b> | <b>(5,938,256)</b> | <b>(7,012)</b> | <b>327,207</b> | <b>5,242,498</b> |
| <b>Designated funds -</b>                          |                  |                  |                    |                |                |                  |
| f. Constituted groups                              | 141,547          | 118,740          | (130,899)          | -              | 6,932          | 136,320          |
| g. Buildings Fund                                  | 1,541,705        | -                | -                  | -              | 75,503         | 1,617,208        |
| <b>Sub-total:</b>                                  | <b>1,683,252</b> | <b>118,740</b>   | <b>(130,899)</b>   | <b>-</b>       | <b>82,435</b>  | <b>1,753,528</b> |
| <b>Grand Total:</b>                                | <b>7,095,403</b> | <b>5,567,148</b> | <b>(6,069,155)</b> | <b>(7,012)</b> | <b>409,642</b> | <b>6,996,026</b> |

| Charity Only Analysis of Unrestricted income funds | Balance B/fwd    | Income           | Expenditure        | Transfers      | Gains          | Balance C/fwd    |
|----------------------------------------------------|------------------|------------------|--------------------|----------------|----------------|------------------|
|                                                    | £                | £                | £                  | £              | £              | £                |
| <b>General funds -</b>                             |                  |                  |                    |                |                |                  |
| a. General Fund                                    | 44,961           | 5,383,866        | (5,427,843)        | -              | -              | 984              |
| b. Curry Funds                                     | 3,362,963        | -                | (427,508)          | -              | 137,983        | 3,073,438        |
| c. Mills Fund                                      | 275,108          | -                | -                  | (7,012)        | 12,722         | 280,818          |
| d. Coke Fund                                       | 1,678,299        | -                | (50,000)           | -              | 174,246        | 1,802,545        |
| e. Other General Funds                             | 46,067           | -                | -                  | -              | 2,256          | 48,323           |
| <b>Sub-total:</b>                                  | <b>5,407,398</b> | <b>5,383,866</b> | <b>(5,905,351)</b> | <b>(7,012)</b> | <b>327,207</b> | <b>5,206,108</b> |
| <b>Designated funds -</b>                          |                  |                  |                    |                |                |                  |
| f. Constituted groups                              | 141,547          | 118,740          | (130,899)          | -              | 6,932          | 136,320          |
| g. Buildings Fund                                  | 1,541,705        | -                | -                  | -              | 75,503         | 1,617,208        |
| <b>Sub-total:</b>                                  | <b>1,683,252</b> | <b>118,740</b>   | <b>(130,899)</b>   | <b>-</b>       | <b>82,435</b>  | <b>1,753,528</b> |
| <b>Grand Total:</b>                                | <b>7,090,650</b> | <b>5,502,606</b> | <b>(6,036,250)</b> | <b>(7,012)</b> | <b>409,642</b> | <b>6,959,636</b> |

**28 Restricted income funds**

The Society holds the following restricted income funds:

**a. Henry Woods Fund**

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

**b. Alan and Charlotte Welch Fund**

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

**c. Other Restricted Income Funds**

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

| Analysis of Restricted income funds | Balance B/fwd<br>£ | Income<br>£   | Expenditure<br>£ | Transfers<br>£ | Gains<br>£    | Balance C/fwd<br>£ |
|-------------------------------------|--------------------|---------------|------------------|----------------|---------------|--------------------|
| a. Henry Woods Fund                 | 187,193            | 6,077         | (5,239)          | -              | 20,020        | 208,051            |
| b. Alan & Charlotte Welch Fund      | 231,560            | 7,517         | (2,455)          | -              | 24,766        | 261,388            |
| c. Other Restricted Income Funds    | 405,090            | 3,025         | (57,517)         | 7,012          | 9,967         | 367,577            |
| <b>Grand Total:</b>                 | <b>823,843</b>     | <b>16,619</b> | <b>(65,211)</b>  | <b>7,012</b>   | <b>54,753</b> | <b>837,016</b>     |

£7,012 was transferred from unrestricted funds to cover the overdrawn balances on 2 restricted funds.

**29 Endowment funds**

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

**a. Fermor fund**

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

**b. Robert Scott**

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

| Analysis of Endowment funds | Balance B/fwd<br>£ | Income<br>£ | Expenditure<br>£ | Transfers<br>£ | Gains<br>£     | Balance C/fwd<br>£ |
|-----------------------------|--------------------|-------------|------------------|----------------|----------------|--------------------|
| a. Fermor                   | 1,867,485          | -           | (13,113)         | -              | 222,720        | 2,077,092          |
| b. Robert Scott             | 57,433             | -           | (2,433)          | -              | 6,972          | 61,972             |
| <b>Grand Total:</b>         | <b>1,924,918</b>   | <b>-</b>    | <b>(15,546)</b>  | <b>-</b>       | <b>229,692</b> | <b>2,139,064</b>   |

### 30 Summary of net assets by funds category

| Summary of Net assets by funds category |                    | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
|-----------------------------------------|--------------------|--------------------|--------------------|
| <b>Unrestricted funds</b>               | Fixed assets       | 2,335,630          | 2,398,885          |
|                                         | Investments        | 3,959,419          | 3,518,693          |
|                                         | Net current assets | 664,587            | 1,177,825          |
|                                         | <b>Sub-total:</b>  | <b>6,959,636</b>   | <b>7,095,403</b>   |
| <b>Restricted funds</b>                 | Fixed assets       | 139,437            | 155,706            |
|                                         | Investments        | 517,656            | 460,044            |
|                                         | Net current assets | 179,923            | 208,093            |
|                                         | <b>Sub-total:</b>  | <b>837,016</b>     | <b>823,843</b>     |
| <b>Endowment funds</b>                  | Fixed assets       | -                  | -                  |
|                                         | Investments        | 2,171,632          | 1,929,869          |
|                                         | Net current assets | (32,568)           | (4,951)            |
|                                         | <b>Sub-total:</b>  | <b>2,139,064</b>   | <b>1,924,918</b>   |
| <b>Grand Total:</b>                     |                    | <b>9,935,716</b>   | <b>9,844,164</b>   |

### 31 Reserves

Free reserves are calculated according to the Charities SORP 2019 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                         | 2019<br>Total<br>£ | 2018<br>Total (restated)<br>£ |
|------------------------------------------------------|--------------------|-------------------------------|
| Investments held in unrestricted funds               | 3,959,419          | 3,518,693                     |
| Net current assets held in unrestricted funds*       | 1,798,087          | 2,178,274                     |
|                                                      | <b>5,757,506</b>   | <b>5,696,967</b>              |
| Less investments and assets held in designated funds | (1,753,528)        | (1,683,252)                   |
| *adjusted for deferred income                        |                    |                               |
| <b>Free Reserves:</b>                                | <b>4,003,978</b>   | <b>4,013,715</b>              |

In 2016 Council set a free reserves target equivalent to 75% of annual core operational expenditure (i.e. 9 months), within a range of tolerance of +/- 20% of target. In practical terms, this sets the free reserves target at no lower than 60% of core operational expenditure, which is defined as the sum expended on charitable activities during the year, as reported on the Statement of Financial Activities.

During 2019, a limited review of the funds and the attribution process was conducted which resulted in improved identification of transactions qualifying for fund consumption. These improvements have been applied to 2019 expenditure. Further work will be conducted on prior year to identify any further material adjustments that may be deployed. In a further modification, Fellowship income, received in 2019 but relating to the 2020 membership year, has been included in the free reserve calculation. In setting out the figures in the above table, the method has been applied to a restated 2018 calculation.

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|                                                                                 | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
|---------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Calculation of Free reserves achieved against target</b>                     |                    |                    |
| Free reserves as calculated above:                                              | 4,003,978          | 4,013,715          |
| Total core operational expenditure for year:                                    | 5,909,432          | 5,472,205          |
| 75% of core operational expenditure for year (Reserves Target):                 | <b>4,432,074</b>   | 4,104,154          |
| <b>Free Reserves expressed as a percentage of Core Operational Expenditure:</b> | <b>67.8%</b>       | 73.3%              |

### 32 Geological Trading Limited

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

|                                                             | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
|-------------------------------------------------------------|--------------------|--------------------|
| <b>Geological Trading Limited<br/>Summary balance sheet</b> |                    |                    |
| <b>Assets</b>                                               |                    |                    |
| - debtors:                                                  | 27,090             | 2,127              |
| - cash at bank and in hand:                                 | 111,245            | 87,283             |
| <b>Liabilities</b>                                          |                    |                    |
| - creditors falling due within one year:                    | (101,942)          | (89,408)           |
| <b>Total net assets or liabilities:</b>                     | <b>36,393</b>      | 2                  |
| <b>Funds</b>                                                |                    |                    |
| - retained profit / (losses):                               | 36,391             | -                  |
| - share capital:                                            | 2                  | 2                  |
| <b>Total funds:</b>                                         | <b>36,393</b>      | 2                  |

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

|                                                                                                      | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
|------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Geological Trading Limited<br/>Summary statement of income, expenditure and retained earnings</b> |                    |                    |
| <b>Turnover:</b>                                                                                     | 64,542             | 39,070             |
| Cost of sales:                                                                                       | (31,134)           | (18,153)           |
| Administrative expenses:                                                                             | (868)              | (16,164)           |
| <b>Operating profit before taxation</b>                                                              | <b>32,540</b>      | 4,753              |
| Tax liability                                                                                        | (903)              | -                  |
| Charitable donation to parent                                                                        | (31,637)           | (4,753)            |
| <b>Retained profit for financial year</b>                                                            | -                  | -                  |
| Funds brought forward                                                                                | -                  | -                  |
| <b>Funds carried forward</b>                                                                         | -                  | -                  |



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

|                                                                                                    | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
|----------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Reconciliation of<br/>Net income / (expenditure) to net cash flow from operating activities</b> |                    |                    |
| Net income / (expenditure) for the reporting period as per Statement of Financial Activities:      | 174,859            | (778,823)          |
| <b>Adjusted for -</b>                                                                              |                    |                    |
| Depreciation charges:                                                                              | 329,870            | 322,867            |
| (Gains) / losses on investments:                                                                   | (740,101)          | 427,473            |
| Dividends and interest from investments:                                                           | (228,115)          | (227,702)          |
| (increase) / decrease in stocks:                                                                   | 48,603             | 96,127             |
| (increase) / decrease in debtors:                                                                  | (24,634)           | 230,132            |
| increase / (decrease) in creditors:                                                                | (330,923)          | 55,001             |
| <b>Net cash provided by operating activities:</b>                                                  | <b>(770,441)</b>   | <b>125,075</b>     |

### 34 Analysis of cash and cash equivalents

|                                                  | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
|--------------------------------------------------|--------------------|--------------------|
| <b>Analysis of<br/>Cash and cash equivalents</b> |                    |                    |
| Cash in hand:                                    | 1,810,418          | 3,563,052          |
| Notice deposits (less than 3 months):            | 1,231,618          | 318,573            |
| <b>Total cash and cash equivalents:</b>          | <b>3,042,036</b>   | <b>3,881,625</b>   |

|                                        | Balance<br>B/fwd<br>£ | Cashflows<br>£   | Other non-cash<br>changes<br>£ | Balance<br>C/fwd<br>£ |
|----------------------------------------|-----------------------|------------------|--------------------------------|-----------------------|
| <b>Analysis of changes in net debt</b> |                       |                  |                                |                       |
| <b>Cash and cash equivalents</b>       |                       |                  |                                |                       |
| Cash                                   | 3,881,625             | (839,589)        | -                              | 3,042,036             |
| Cash equivalents                       | -                     | -                | -                              | -                     |
|                                        | 3,881,625             | (839,589)        | -                              | 3,042,036             |
| Borrowings                             | -                     | -                | -                              | -                     |
| <b>Total</b>                           | <b>3,881,625</b>      | <b>(839,589)</b> | <b>-</b>                       | <b>3,042,036</b>      |

### 35 Operating Lease Commitments

|                                                             | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
|-------------------------------------------------------------|--------------------|--------------------|
| <b>Operating Lease Commitments</b>                          |                    |                    |
| Payments due:                                               |                    |                    |
| Not later than one year                                     | 11,711             | 11,711             |
| Later than one year and not later than five years           | 30,188             | 39,824             |
| Later than five years                                       | -                  | 2,074              |
| <b>Total operating lease commitments:</b>                   | <b>41,899</b>      | <b>53,609</b>      |
| Operating lease charges for 2019 were £11,710 (2018:£7,899) |                    |                    |

### 36 Taxation

| Taxation                                                    | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
|-------------------------------------------------------------|--------------------|--------------------|
| The tax charge on the profit for the period was as follows: |                    |                    |
| UK Corporation Tax at 19%                                   | 903                | -                  |
| <b>Tax on Profit</b>                                        | <b>903</b>         | <b>-</b>           |
| This is tax on GTL profit arising from 2018                 |                    |                    |

### 37 Post Balance Sheet Events

The COVID-19 outbreak that has occurred since the financial year end is expected to have a significant effect on the financial position of the Society during 2020. The Trustees anticipate material impacts to many of its income streams. For example, there will be substantially reduced income from its trading subsidiary Geological Trading Limited, where the largest income generating activity, Venue Hire, will be impacted throughout 2020 and likely into 2021 when the building is closed or public gatherings are not permitted or constrained under lockdown rules. Investment income will also be reduced as public companies are expected to cut or stop dividend payments to retain funds in their own businesses to deal with the economic impacts. A reduction in operating costs arising out of lower activity, the utilisation of the Coronavirus Job Retention Scheme (the “furlough scheme”) and benefitting from the change in investment strategy whereby investments were more focused on less volatile growth equities rather than more volatile income generating investments will likely contribute to mitigating the impact of the pandemic.